

HANA Microelectronics HANA

HANA Microelectronics
Public Company Limited

Bloomberg HANA.TB
Reuters HANA.BK

innovest^x
A Subsidiary of SCBX Group

Expect improvement in 2H24

HANA's 4Q23 net profit was Bt125mn, far below INVX and consensus due to the unexpected one-time write-off of inventory in its silicon carbide business as well as weak IC business demand. Management expects some recovery in 1Q24 as baht depreciation will help overall gross margin and expects improvement in all businesses in 2H24. We cut our 2024F by 29% and 2025 by 26% to reflect the weaker IC business. In our view, the 32% YTD plunge in share price already prices in the negatives. Outperform with a new TP of Bt42.0 (from Bt66.0).

4Q23 net profit down QoQ on lower revenue. HANA posted a 4Q23 net profit of Bt125mn, far below INVX and consensus estimates of ~Bt600mn on an unexpected Bt262mn one-time inventory write-down for the silicon carbide (PMS) business in 4Q23 and a weaker IC business. 4Q23 core earnings sank 49.3% YoY and 56.2% QoQ on a 5.1% QoQ fall in revenue from the IC business, pressured by very weak consumer electronic-related demand in the presence of high interest rates and a weak China economy, and from PBCA due to weak access control demand. These shrank gross margin to 5.7% in 4Q23 from 15.7% in 3Q23. If we strip out the one-off expenses, gross margin was 9.9% in 4Q23, still low, due to the weak top line.

2024 outlook. Management expects a better gross margin in 1Q24 without the one-time write-down expense plus depreciation of the baht against the US\$. The IC business is still hurt by weak demand. Although inventory levels are relatively low, customers are waiting for a clearer picture for the global market, hurt by high interest rates. Demand is expected to recover in 2Q24, especially in the mobile sector, when new products are typically released, with clear recovery in 2H24. Its strategy involves reducing staff headcount and manage costs more efficiently. It is confident that the EMS business will be supported by automotive/industrial and medical (hearing aid) demand, which has been aided by new regulations. The PMS business is expected to improve by the addition of add High Energy Implanted (HEI) machines to help reduce defect rates. The plan is to ramp up HEI machines from one in 4Q23 to five in 1Q25 (+1 machine per quarter). EBITDA breakeven for PMS is estimated at revenue of US\$50-55mn, expected in 2024 (INVX forecasts US\$50mn in 2024).

Revising 2024. We have cut our 2024F by 29% and 2025F by 26% to reflect the weak IC business. We now expect revenue growth of 5.5% in 2024. Our new gross margin assumption is 13.2%, down from 14.5%. Even after these revisions, our 2024 forecast posits earnings growth of 11.4% YoY.

Action & recommendation. We lower our TP to Bt42.0 (from Bt66.0) based on its PE mean of 19X. We believe the 32% YTD fall in share price has already factored in most of the negatives. The share is trading at -0.5 SD of its PE mean. We recommend Outperform for the better 2H24 earnings outlook.

Key risks are changes in purchasing power, and exchange rate volatility. Key ESG risk are labor management and suppliers (S).

Forecasts and valuation

Year to 31 Dec	Unit	2022	2023	2024F	2025F	2026F
Revenue	(Btmn)	27,167	26,152	27,599	30,711	32,208
EBITDA	(Btmn)	4,040	3,438	3,789	4,007	2,271
Core profit	(Btmn)	2,384	1,757	1,958	2,136	2,226
Reported profit	(Btmn)	2,102	1,499	1,958	2,136	2,226
Core EPS	(Bt)	2.4	1.7	2.2	2.4	2.5
DPS	(Bt)	2.00	1.27	1.66	1.81	1.89
P/E, core	(x)	15.5	21.7	16.6	15.2	14.6
EPS growth, core	(%)	36.0	(28.7)	30.6	9.1	4.2
P/BV, core	(x)	2.8	1.9	2.4	2.3	2.3
ROE	(%)	9.0	5.7	6.8	7.4	7.7
Dividend yield	(%)	3.9	2.5	3.3	3.5	3.7
FCF yield	(x)	(18.2)	89.8	(17.4)	(18.5)	(7.7)
EV/EBIT	(x)	18.2	22.6	20.7	19.4	18.8
EBIT growth, core	(%)	38.3	(28.3)	31.5	9.1	4.2
EV/CE	(x)	1.8	1.4	1.4	1.4	1.4
ROCE	(%)	8.8	5.1	6.9	7.3	7.5
EV/EBITDA	(x)	10.7	11.5	10.7	10.3	18.4
EBITDA growth	(%)	13.3	(12.9)	19.2	4.2	4.3

Source: InnovestX Research

Tactical: OUTPERFORM

(3-month)

Stock data

Last close (Mar 5) (Bt)	36.75
Target price (Bt)	42.00
Mkt cap (Btmn)	32.54
Mkt cap (US\$m)	909

Beta	M
Mkt cap (%) SET	0.19
Sector % SET	5.62
Shares issued (mn)	885
Par value (Bt)	1.00
12-m high / low (Bt)	66.3 / 35.3
Avg. daily 6m (US\$m)	19.44
Foreign limit / actual (%)	100 / 46.52
Free float (%)	68.4
Dividend policy (%)	30 - 100

Share performance

(%)	1M	3M	12M
Absolute	(27.6)	(19.2)	(32.6)
Relative to SET	(25.6)	(17.4)	(20.3)

Source: SET, InnovestX Research

2023 Sustainability / 2022 ESG Score

SET ESG Ratings	AA
-----------------	----

ESG Bloomberg Rank in the sector

ESG Score Rank	4/8
Environmental Score Rank	4/8
Social Score Rank	4/8
Governance Score Rank	4/8

ESG comment

HANA is committed to reducing its environmental impact and to reduce the various impacts of its operations. The company's key ESG focus areas are labor management and suppliers.

Source: Bloomberg Finance L.P.

Analyst

Chaiwat Arsirawichai

Fundamental Investment

Analyst on Securities

(66-2) 949-1021

Chaiwat.arsirawichai@scb.co.th

Our view on ESG

HANA is committed to reducing its environmental impact and combating climate change and assesses the potential of its significant machinery and equipment to identify energy conservation measures as well as social responsibility to reduce the various impacts of its operations. The company's key ESG focus areas are labor management and suppliers. The company requires a large workforce, and some of the required skills are highly specialized.

Disclosure Score

Bloomberg ESG Score	33.99 (2022)
Rank in Sector	4/8

CG Rating	DJSI	SETESG	SET ESG Ratings	
HANA	5	No	Yes	AA

Source: Thai Institute of Directors (IOD), SET

Environmental Issue (E)

- HANA is committed to reducing its environmental impact and combating climate change. It uses the United Nations Sustainable Development Goals (SDGs) as a framework for its environmental development.
- Energy efficiency measures: HANA assesses the potential of its significant machinery and equipment to identify energy conservation measures. It has invested in various projects to improve efficiency or replace machinery and equipment to save energy. It also has energy conservation projects to reduce electricity consumption or the use of non-renewable energy.
- We believe that HANA's environmental management is relatively behind from peers. This is because the company has limited publish of the key environment data. This is consistent with the company's ESG environmental score, which is lagging the industry average.

Social Issue (S)

- HANA conducts business with social responsibility to reduce the various impacts of its operations. It adheres to the principles of transparent, verifiable, and ethical operation, and respects human rights. It focuses on the needs and expectations of stakeholders throughout the value chain, such as respecting human rights.
- HANA is committed to conducting business ethically and responsibly towards society and all stakeholders in accordance with corporate governance and ethics. In terms of human rights protection, the company strictly complies with laws and international principles.
- We believe that labor issues are a significant factor for HANA. The company requires a large workforce, and some of the required skills are highly specialized. Therefore, we place a higher weight on social factors than on other ESG factors. While the ESG social score still below industry average.

Governance Issue (G)

- HANA conducts business with good governance, transparency, and responsibility. It considers the long-term growth of the company and continuously creates appropriate returns for shareholders. It also promotes creativity and drives innovation in both production processes, work processes, and services to increase efficiency and deliver products and services to customers with quality standards. This leads to the creation of benefits or positive impacts on the organization towards sustainable development.
- The Board of Directors has established a Sustainability Committee composed mostly of independent directors. The Committee is tasked with setting the sustainability policy, framework, goals, strategies, and overseeing the implementation and monitoring of progress.
- HANA also has a policy of opening up opportunities for stakeholders to participate in communication and engagement on issues that different stakeholder groups have or may be affected by the company's operations. It uses stakeholder feedback to assess key issues and find ways to benefit all parties involved.
- We believe that governance is an area where HANA needs to improve. The company's ESG governance score is lower than the industry average.

ESG Disclosure Score

	2021	2022
ESG Disclosure Score	36.02	33.99
Environment	22.92	19.96
GHG Scope 1 ('000 metric tonnes)	0.5	0.5
GHG Scope 2 Location-Based (%)	23.3	23.3
Waste Reduction Policy	Yes	Yes
Social	24.79	21.64
Women in Management (%)	39.0	—
Women in Middle and or Other Management (%)	57	—
Women in Workforce (%)	72	69
Governance	60.26	60.26
Board Size (persons)	6	8
Number of Non Executive Directors on Board (persons)	3	4
Number of Board Meetings for the Year	7	6
Board Meeting Attendance (%)	100	100

Source: Bloomberg Finance L.P.

Disclaimer

Bloomberg ESG Disclosure Scores rate companies on their level of disclosure of ESG data. Bloomberg offers four disclosure scores, for overall ESG, as well as Environmental, Social, and Governance. To review the fully transparent methodology, calculate disclosure scores for any company, and compare a company's scores vs its peers, see ESG Disclosure Score Model in Bloomberg.

Financial statement

Profit and Loss Statement

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total revenue	(Btmn)	20,384	19,283	23,780	27,167	26,152	27,599	30,711	32,208
Cost of goods sold	(Btmn)	(18,070)	(16,734)	(20,493)	(23,506)	(23,172)	(23,956)	(26,657)	(27,957)
Gross profit	(Btmn)	2,314	2,548	3,287	3,661	2,980	3,643	4,054	4,251
SG&A	(Btmn)	(1,254)	(1,211)	(1,697)	(2,014)	(1,672)	(2,042)	(2,273)	(2,383)
Other income	(Btmn)	866	671	471	552	536	544	553	562
Interest expense	(Btmn)	(13)	(9)	(7)	(13)	(52)	(62)	(62)	(62)
Pre-tax profit	(Btmn)	1,913	1,968	1,598	2,209	1,584	2,083	2,272	2,368
Corporate tax	(Btmn)	(108)	(60)	(53)	(107)	(85)	(125)	(136)	(142)
Equity a/c profits	(Btmn)	0	0	0	0	0	0	0	0
Minority interests	(Btmn)	0	0	0	0	0	0	0	0
Core profit	(Btmn)	1,490	1,778	2,229	2,384	1,757	1,958	2,136	2,226
Extra-ordinary items	(Btmn)	0	(31)	(455)	24	55	0	0	0
Net Profit	(Btmn)	1,805	1,908	1,545	2,102	1,499	1,958	2,136	2,226
EBITDA	(Btmn)	2,198	2,512	2,892	3,276	2,854	3,404	3,547	3,700
Core EPS	(Btmn)	1.68	2.01	2.52	2.69	1.98	2.21	2.41	2.51
Net EPS	(Bt)	2.04	2.15	1.75	2.37	1.69	2.21	2.41	2.51
DPS	(Bt)	1.65	1.30	1.75	2.00	1.27	1.66	1.81	1.89

Balance Sheet (Btmn)

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total current assets	(Btmn)	17,015	17,720	17,570	18,243	23,159	23,495	24,310	25,031
Total fixed assets	(Btmn)	7,412	7,460	10,283	11,460	12,147	12,696	12,928	13,108
Total assets	(Btmn)	24,426	25,180	27,853	29,703	35,306	36,191	37,238	38,138
Total loans	(Btmn)	802	311	342	619	1,443	334	334	334
Total current liabilities	(Btmn)	3,182	2,806	4,029	5,027	5,034	4,273	4,591	4,851
Total long-term liabilities	(Btmn)	699	760	766	814	1,125	3,447	3,575	3,625
Total liabilities	(Btmn)	3,881	3,567	4,795	5,841	6,159	7,720	8,166	8,476
Paid-up capital	(Btmn)	805	805	805	805	805	805	805	805
Total equity	(Btmn)	20,546	21,614	23,058	23,862	29,147	28,307	28,908	29,498
BVPS	(Bt)	25.53	26.85	28.65	29.65	36.21	35.17	35.92	36.65

Cash Flow Statement (Btmn)

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Core Profit	(Btmn)	1,913	1,968	1,598	2,209	1,846	2,083	2,272	2,368
Depreciation and amortization	(Btmn)	1,138	1,175	1,301	1,630	1,702	1,803	1,766	1,832
Operating cash flow	(Btmn)	2,976	(675)	2,093	1,342	3,250	1,866	2,461	3,204
Investing cash flow	(Btmn)	(610)	(1,170)	(4,114)	(1,169)	(3,413)	(2,330)	(1,870)	(1,961)
Financing cash flow	(Btmn)	(1,865)	(1,322)	(75)	(1,102)	5,073	(424)	(1,535)	(1,636)
Net cash flow	(Btmn)	501	(3,167)	(2,096)	(929)	4,580	(888)	(944)	(393)

Key Financial Ratios

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Gross margin	(%)	11.4	13.2	13.8	13.5	11.4	13.2	13.2	13.2
Operating margin	(%)	5.2	6.9	6.7	6.1	5.0	5.8	5.8	5.8
EBITDA margin	(%)	10.8	13.0	12.2	12.1	10.9	12.3	11.5	11.5
EBIT margin	(%)	9.4	10.4	8.7	8.1	7.0	7.8	7.6	7.5
Net profit margin	(%)	8.9	9.9	6.5	7.7	5.7	7.1	7.0	6.9
ROE	(%)	8.8	8.8	6.7	8.8	5.1	6.9	7.4	7.5
ROA	(%)	7.4	7.6	5.6	7.1	4.4	5.6	5.9	6.0
Net D/E	(x)	(0.4)	(0.2)	(0.1)	(0.1)	(0.2)	(0.1)	(0.0)	(0.0)
Interest coverage	(x)	80.1	147.5	212.3	131.6	25.2	25.6	28.5	29.9
Debt service coverage	(x)	2.4	6.5	6.0	3.5	1.3	6.4	7.0	7.3
Payout Ratio	(%)	73.6	54.8	91.1	76.6	75.0	75.0	75.0	75.0

Main Assumptions

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total sales	(Btmn)	20,384	19,283	23,780	27,167	26,152	27,599	30,711	32,208
Sales from PCBA business	(Btmn)	11,967	11,306	13,425	15,028	15,953	15,147	14,844	14,906
Sale from IC business	(Btmn)	7,580	7,294	9,344	10,231	8,107	8,164	8,001	7,938
Sales from Micro display business	(Btmn)	838	687	962	1,343	1,569	1,864	1,999	2,132
Sales from PMS business	(Btmn)	0	4	50	299	523	1,750	3,500	4,200
Total GPM	(%)	11.4	13.2	13.8	13.5	11.4	13.2	13.2	13.2
FX	(THB/US\$)	31.1	31.3	32.0	35.4	35.0	35.0	35.0	35.0

Financial statement

Profit and Loss Statement

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Total revenue	(Btmn)	6,107	6,390	7,545	7,125	6,466	6,910	6,555	6,221
Cost of goods sold	(Btmn)	(5,445)	(5,512)	(6,378)	(6,171)	(5,913)	(5,871)	(5,523)	(5,864)
Gross profit	(Btmn)	663	878	1,167	954	553	1,039	1,031	357
SG&A	(Btmn)	(381)	(401)	(408)	(505)	(382)	(392)	(449)	(408)
Other income	(Btmn)	133	143	133	142	137	144	131	124
Interest expense	(Btmn)	(1)	(3)	(3)	(6)	(2)	(8)	(17)	(25)
Pre-tax profit	(Btmn)	380	260	463	1,107	17	930	755	144
Corporate tax	(Btmn)	(15)	(15)	(46)	(31)	(12)	(33)	(21)	(19)
Equity a/c profits	(Btmn)	0	0	0	0	0	0	0	0
Minority interests	(Btmn)	0	0	0	0	0	0	0	0
Core profit	(Btmn)	396	581	817	586	277	758	678	297
Extra-ordinary items	(Btmn)	(62)	(31)	(42)	160	0	(218)	185	88
Net Profit	(Btmn)	365	245	417	1,075	4	897	734	125
EBITDA	(Btmn)	640	531	798	1,308	564	1,073	1,003	370
Core EPS	(Btmn)	0.49	0.72	1.02	0.73	0.34	0.94	0.84	0.37
Net EPS	(Bt)	0.45	0.30	0.52	1.34	0.01	1.11	0.91	0.16

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Total current assets	(Btmn)	17,889	18,166	18,914	18,243	17,613	19,176	20,360	23,159
Total fixed assets	(Btmn)	10,636	10,867	11,262	11,460	11,294	11,839	12,269	12,147
Total assets	(Btmn)	28,525	29,033	30,176	29,703	28,906	31,015	32,629	35,306
Total loans	(Btmn)	0	300	0	0	0	849	1,626	1,280
Total current liabilities	(Btmn)	4,571	5,257	5,545	5,027	4,099	5,681	6,100	5,034
Total long-term liabilities	(Btmn)	760	830	833	814	822	878	1,058	1,125
Total liabilities	(Btmn)	5,330	6,087	6,378	5,841	4,920	6,560	7,158	6,159
Paid-up capital	(Btmn)	805	805	805	805	805	805	805	805
Total equity	(Btmn)	23,194	22,947	23,798	23,862	23,986	24,456	25,471	29,147
BVPS	(Bt)	29	29	30	30	30	30	32	36

Cash Flow Statement (Btmn)

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Core Profit	(Btmn)	380	260	463	1,107	278	668	755	145
Depreciation and amortization	(Btmn)	359	382	419	469	421	426	429	426
Operating cash flow	(Btmn)	311	173	(330)	1,188	117	1,271	788	1,075
Investing cash flow	(Btmn)	(86)	(197)	(815)	(71)	(507)	(1,036)	(913)	(957)
Financing cash flow	(Btmn)	(2)	(507)	(303)	(406)	(2)	444	768	3,862
Net cash flow	(Btmn)	224	(532)	(1,448)	710	(391)	679	643	3,650

Key Financial Ratios

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Gross margin	(%)	10.8	13.7	15.5	13.4	8.6	15.0	15.7	5.7
Operating margin	(%)	4.6	7.5	10.1	6.3	2.7	9.4	8.9	(0.8)
EBITDA margin	(%)	10.5	8.3	10.6	18.4	8.7	15.5	15.3	5.9
EBIT margin	(%)	6.8	9.7	11.8	8.3	4.8	11.4	10.9	1.2
Net profit margin	(%)	6.0	3.8	5.5	15.1	0.1	13.0	11.2	2.0
ROE	(%)	1.6	1.1	1.8	4.5	0.0	3.7	2.9	0.4
ROA	(%)	1.3	0.8	1.4	3.6	0.0	2.9	2.2	0.4
Net D/E	(x)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)
Interest coverage	(x)	262.3	98.6	185.2	189.3	10.4	116.7	44.5	6.9
Debt service coverage	(x)	272.8	218.1	325.2	99.7	156.5	42.5	10.0	12.0

Main Assumptions

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Total sales	(Btmn)	3,770	3,783	7,545	7,125	6,466	32,216	6,555	6,221
Sales from PCBA business	(Btmn)	3,507	3,471	4,219	3,932	3,912	4,164	4,010	3,867
Sale from IC business	(Btmn)	2,337	2,606	2,957	2,454	2,209	2,405	2,156	1,860
Sales from Micro display business	(Btmn)	263	312	370	740	345	341	389	494
Sales from PMS business	(Btmn)	41	31	109	118	146	129	92	156
Total GPM	(%)	10.8	13.7	15.5	13.4	8.6	15.0	15.7	5.7
FX	(Bt/US\$)	33.1	34.4	36.4	36.4	34.1	34.5	35.5	35.5

Figure 1: Earnings Review

P & L (Btmn)	4Q22	1Q23	2Q23	3Q23	4Q23	% Chg YoY	% Chg QoQ
Total revenue	7,125	6,466	6,910	6,555	6,221	-12.7	-5.1
Cost of goods sold	(6,171)	(5,913)	(5,871)	(5,523)	(5,864)	-5.0	6.2
Gross profit	954	553	1,039	1,031	357	-62.6	-65.4
SG&A	(505)	(382)	(392)	(449)	(408)	-19.2	-9.2
Other income/expense	119	120	123	116	80	-32.9	-31.4
Interest expense	(6)	(2)	(8)	(17)	(25)	319.5	42.1
Pre-tax profit	561	289	762	681	4	-99.3	-99.4
Corporate tax	(31)	(12)	(33)	(21)	(19)	-38.8	-9.0
Equity a/c profits	0	0	0	0	0	n.a.	n.a.
Core profit	586	277	758	678	297	-49.3	-56.2
Extra-ordinary items	489	(272)	139	56	(172)	-135.1	-406.1
Net Profit	1,075	4	897	734	125	-88.4	-83.0
EBITDA	1,308	564	1,073	1,003	370	-71.7	-63.1
Core EPS (Bt)	0.73	0.34	0.94	0.84	0.37	-49.3	-56.2
Financial Ratio (%)							
Gross margin	13.4	8.6	15.0	15.7	5.7		
SG&A/Revenue	7.1	5.9	5.7	6.9	6.6		
EBITDA margin	18.4	8.7	15.5	15.3	5.9		
Net profit margin	15.1	0.1	13.0	11.2	2.0		

Source: InnovestX Research

Figure 2: Valuation summary (price as of Mar 5, 2024)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
					23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F
DELTA	Neutral	65.50	79.5	22.1	46.0	42.9	37.4	22	7	15	13.8	11.5	9.7	30	26	23	0.6	0.7	0.8	36.3	35.5	31.2
HANA	Outperform	36.75	42.0	17.9	21.7	16.6	15.2	(29)	31	9	2.1	2.6	2.5	6	7	7	2.7	3.6	3.9	11.5	10.7	10.3
KCE	Outperform	37.25	52.0	43.5	28.1	19.4	18.1	(31)	45	7	3.5	3.3	3.2	13	16	16	3.3	3.9	4.1	15.6	12.6	12.7
Average					31.9	26.3	23.6	(13)	28	10	6.5	5.8	5.1	16	16	15	2.2	2.7	2.9	21.1	19.6	18.1

Source: InnovestX Research

Disclaimer

The information in this report has been obtained from sources believed to be reliable. However, its accuracy or completeness is not guaranteed. Any opinions expressed herein reflect our judgment at this date and are subject to change without notice. This report is for information only. It is not to be construed as an offer, or solicitation of an offer to sell or buy any securities. We accept no liability for any loss arising from the use of this document. We or our associates may have an interest in the companies mentioned therein.

InnovestX Securities Company Limited ("INVX") is wholly owned by SCB X Public Company Limited ("SCBX") and The Siam Commercial Bank Public Company Limited ("SCB") is majority-owned by SCBX. Any information related to SCB is for sector comparison purpose.

This document is prepared by InnovestX Securities Company Limited ("INVX") which is wholly owned by SCB X Public Company Limited ("SCBX"). The Siam Commercial Bank Public Company Limited, which is majority-owned by SCBX, acts as financial advisor of the LH Hotel Leasehold Real Estate Investment Trust. Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the "Information") is provided as general information purposes only and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. INVX and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and INVX cannot guarantee the accuracy, completeness and/or correctness of the Information.

INVX reserves the right to modify the Information from time to time without notice and in its sole discretion. This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of INVX.

Futures and Options trading carry a high level of risk with the potential for substantial losses, and are not suitable for all persons. Before deciding to trade Futures and Options, you should carefully consider your financial position, investment objectives, level of experience, and risk appetite if Futures and Options trading are appropriate. The possibility exists that you could sustain a loss of some or all of your initial investment. You should be aware of all the risks associated with Futures and Options trading, and you are advised to rely on your own judgment while making investment decision and/or should seek advice from professional investment advisor if you have any doubts.

This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of INVX.

© Copyright 2022 InnovestX Securities Co., Ltd. All right reserved.

CG Rating 2023 Companies with CG Rating

Companies with Excellent CG Scoring

7UP, AAV, ABM, ACE, ACG, ADB, ADD, ADVANC, AEONTS, AF, AGE, AH, AHC, AIRA, AIT, AJ, AKP, AKR, ALLA, ALT, AMA, AMARIN, AMATA, AMATAV, ANAN, AOT, AP, APCO, APCS, ARIP, ARROW, ASEFA, ASK, ASP, ASW, ATP30, AUCTION, AWC, AYUD, B, BA, BAFS, BAM, BANPU, BAY, BBGI, BBIK, BBL, BC, BCH, BCP, BCPG, BDMS, BEC, BEM, BEYOND, BGC, BGRIM, BH, BIZ, BJC, BJCHI, BKI, BLA, BOL, BPP, BRI, BROOK, BRR, BTS, BTW, BWG, BYD, CBG, CENTEL, CFRESH, CHASE, CHEWA, CHG, CHOW, CIMBT, CIVIL, CK, CKP, CM, CNT, COLOR, COM7, COTTO, CPALL, CPAXT, CPF, CPI, CPL, CPN, CPW, CRC, CRD, CSC, CSS, CV, DCC, DDD, DELTA, DEMCO, DMT, DOHOME, DRT, DUSIT, EA, EASTW, ECF, ECL, EE, EGCO, EPG, ERW, ETC, ETE, FE, FLOYD, FN, FPI, FPT, FSX, FVC, GBX, GC, GCAP, GENCO, GFPT, GGC, GLAND, GLOBAL, GPSC, GRAMMY, GULF, GUNKUL, HANA, HARN, HENG, HMPRO, HPT, HTC, ICC, ICHI, ICN, III, ILINK, ILM, IMH, IND, INET, INTUCH, IP, IRC, IRPC, ITC, ITEL, IVL, JAS, JTS, KBANK, KCC, KCE, KEX, KKP, KSL, KTB, KTC, KTMS, KUMWEL, KUN, LALIN, LANNA, LH, LHF, LIT, LOXLEY, LPN, LRH, LST, M, MAJOR, MALEE, MATCH, MBK, MC, M-CHAI, MCOT, MEGA, MFC, MFEC, MILL, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NC, NCH, NCL, NDR, NER, NKI, NOBLE, NRF, NTV, NVD, NWR, NYT, OCC, OISHI¹, ONEE, OR, ORI, OSP, OTO, PAP, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PJW, PLANB, PLAT, PLUS, PM, POLY, PORT, PPP, PPS, PR9, PRG, PRINC, PRM, PRTR, PSH, PSL, PT, PTC, PTT, PITTEP, PTGTC, Q-CON, QH, QTC, RATCH, RBF, RPH, RS, RT, S, S&J, SA, SABINA, SAK, SAMART, SAMTEL, SAPPE, SAT, SBNEXT, SC, SCB, SCC, SCCC, SCG, SCGP, SCM, SDC, SEAFCO, SEAOL, SECURE, SELIC, SENA, SENX, SFP², SFT, SGC, SGF, SGP, SHR, SICT, SIRI, SIS, SITHAI, SJWD, SKR, SM, SMPC, SMT, SNC, SNNP, SNP, SO, SPALI, SPC, SPCG, SPI, SPRC, SR, SSC, SSF, SSSC, STA, STC, STEC, STGT, STI, SUC, SUN, SUSCO, SUTHA, SVI, SVT, SYMC, SYNEX, SYNTEC, TACC, TAE, TCAP, TCMC, TEAMG, TEGH, TFG, TFMAMA, TGE, TGH, THANA, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPH, TISCO, TK, TKN, TKS, TKT, TLI, TM, TMC, TMD, TMT, TNDT, TNITY, TNL, TNR, TOA, TOG, TOP, TPBI, TPCS, TPIPL, TPIPP, TPS, TQM, TQR, TRT, TRUE, TRV, TSC, TSTE, TSTH, TTA, TTB, TTCL, TTW, TURTLE, TVDH, TVH, TVO, TVT, TWPC, UAC, UBE, UBIS, UKEM, UP, UPF, UPOIC, UV, VCOM, VGI, VIBHA, VIH, VL, WACOAL, WGE, WHA, WHAUP, WICE, WINMED, WINNER, XPG, YUASA, ZEN

Companies with Very Good CG Scoring

2S, A5, AAI, AIE, ALUCON, AMR, APURE, ARIN, AS, ASIA, ASIAN, ASIMAR, ASN, AURA, BR, BSBM, BTG, CEN, CGH, CH, CHIC, CI, CIG, CMC, COMAN, CSP, DOD, DPAINT, DV8, EFORL, EKH, ESSO, ESTAR, EVER, FORTH, FSMART, FTI, GEL, GPI, HEALTH, HUMAN, IFS, INSET, IT, J, JCKH, JDF, JKN, JMART, JUBILE, K, KCAR, KGI, KIAT, KISS, KK, KTIS, KWC, KWM, LDC, LEO, LHK, MACO, METCO, MICRO, MK, MVP, NCAP, NOVA, NTSC, PACO, PIN, PQS, PREB, PRI, PRIME, PROEN, PROS, PROUD, PSTC, PTECH, PYLON, RCL, SALEE, SANKO, SCI, SCN, SE, SE-ED, SFLEX, SINGER, SKN, SONIC, SORKON, SPVI, SSP, SST, STANLY, STP, SUPER, SVOA, SWC, TCC, TEKA, TFM, TMILL, TNP, TPLAS, TPOLY, TRC, TRU, TRUBB, TSE, VRANDA, WAVE, WFX, WIJK, WIN, WP, XO

Companies with Good CG Scoring

24CS, AMANAH, AMARC, AMC, APP, ASAP, BCT, BE8, BIG, BIOTEC, BLESS, BSM, BVG, CAZ, CCET, CHARAN, CHAYO, CHOTI, CITY, CMAN, CMR, CRANE, CWT, DHOUSE, DTCENT, EASON, FNS, FTE, GIFT, GJS, GTB, GTV, GYT, HL, HTECH, HYDRO, IIG, INGRS, INSURE, IRCP, ITD, ITNS, JCK, JMT, JR, JSP, KBS, KGEN, KJL, L&E, LEE, MASTER, MBAX, MEB, MENA, META, MGT, MITSIB, MJD, MOSHI, MUD, NATION, NNCL, NPK, NSL, NV, OGC, PAF, PCC, PEACE, PICO, PK, PL, PLANET, PLE, PMTA, PPM, PRAKIT, PRAPAT, PRECHA, PRIN, PSG, RABBIT, READY, RJH, RSP, RWI, S11, SAAM, SAF, SAMCO, SAWAD, SCAP, SCP, SIAM, SKE, SKY, SMART, SMD, SMIT, SOLAR, SPA, STECH, STPI, SVR, TC, TCCC³, TEAM, TFI, TIGER, TITLE, TKC, TMI, TNH, TPA, TPAC, TRITN, UBA, UMI, UMS, UTP, VARO, VPO, W, WARRIX, WORK, WPH, YONG, ZIGA

Corporate Governance Report

The material contained in this publication is for general information only and is not intended as advice on any of the matters discussed herein. Readers and others should perform their own independent analysis as to the accuracy or completeness or legality of such information. The Thai Institute of Directors, its officers, the authors and editor make no representation or warranty as to the accuracy, completeness or legality of any of the information contained herein. By accepting this document, each recipient agrees that the Thai Institute of Directors Association, its officers, the authors and editor shall not have any liability for any information contained in, or for any omission from, this publication.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. InnovestX Securities Company Limited does not conform nor certify the accuracy of such survey result.

To recognize well performers, the list of companies attaining "Good", "Very Good" and "Excellent" levels of recognition (Not including listed companies qualified in the "no announcement of the results" clause from 1 January 2022 to 31 October 2023) is publicized.

¹OISHI was voluntarily delisted from the Stock Exchange of Thailand, effectively on September 6, 2023

²SFP was voluntarily delisted from the Stock Exchange of Thailand, effectively on July 19, 2023

³TCCC was voluntarily delisted from the Stock Exchange of Thailand effectively on August 25, 2023

Anti-corruption Progress Indicator

Certified (ได้สมรส)

2S, 7UP, AAI, ADVANC, AF, AH, AI, AIE, AIRA, AJ, AKP, AMA, AMANAH, AMATA, AMATAV, AP, APCS, AS, ASIAN, ASK, ASP, AWC, AYUD, B, BAFS, BAM, BANPU, BAY, BBGI, BBL, BCH, BCP, BCPG, BE8, BEC, BEYOND, BGC, BGRIM, BKI, BLA, BPP, BROOK, BRR, BSBM, BTS, BWG, CEN, CENTEL, CFRESH, CGH, CHEWA, CHOTI, CHOW, CIG, CIMBT, CM, CMC, COM7, CPALL, CPAXT, CPF, CPI, CPL, CPN, CPW, CRC, CSC, DCC, DELTA, DEMCO, DIMET, DOHOME, DRT, DUSIT, EA, EASTW, ECF, EGCO, EP, EPG, ERW, ESTAR, ETC, ETE, FNS, FPI, FPT, FSMART, FTE, GBX, GC, GCAP, GEL, GFPT, GGC, GJS, GPI, GPSC, GSTEEL, GULF, GUNKUL, HANA, HARN, HENG, HMPRO, HTC, ICC, ICHI, IFS, III, ILINK, ILM, INET, INOX, INSURE, INTUCH, IRPC, ITEL, IVL, JAS, JKN, JR, JTS, KASET, KBANK, KBS, KCAR, KCC, KCE, KGEN, KGI, KKP, KSL, KTB, KTC, L&E, LANNA, LHF, LHK, LPN, LRH, M, MAJOR, MALEE, MATCH, MBAX, MBK, MC, MCOT, META, MFC, MFEC, MILL, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NATION, NCAP, NEP, NKI, NOBLE, NRF, NWR, OCC, OGC, OR, ORI, PAP, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PK, PL, PLANB, PLANET, PLAT, PM, PPP, PPPM, PPS, PR9, PREB, PRG, PRINC, PRM, PROS, PSH, PSL, PSTC, PT, PTECH, PTG, PTT, PITTEP, PTGTC, PYLON, Q-CON, QH, QLT, QTC, RABBIT, RATCH, RML, RS, RWI, S&J, SAAM, SABINA, SAK, SAPPE, SAT, SC, SCC, SCCC, SCG, SCGP, SCM, SCN, SEAOL, SE-ED, SELIC, SENA, SGC, SGP, SIRI, SITHAI, SKR, SMIT, SMK, SMPC, SNC, SNP, SORKON, SPACK, SPALI, SPC, SPI, SPRC, SRICHA, SSF, SSP, SSSC, SST, STA, STGT, STOWER, SUSCO, SVI, SYMC, SYNTEC, TAE, TAKUNI, TASCOS, TCAP, TCMC, TFG, TFI, TFMAMA, TGE, TGH, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPCO, TISCO, TKS, TKT, TMD, TMILL, TMT, TNITY, TNL, TNP, TNR, TOG, TOP, TOPP, TPA, TPCS, TRT, TRU, TSC, TSI, TSTE, TSTH, TTA, TTB, TTCL, TU, TVDH, TVO, TWPC, UBE, UBIS, UEC, UKEM, UOBKH, UV, VCOM, VGI, VIH, WACOAL, WHA, WHAUP, WICE, WIJK, XO, YUASA, ZEN, ZIGA

Declared (ได้ประกาศเจตนา)

ACE, ADB, ALT, AMC, ASW, BLAND, BTG, BYD, CAZ, CBG, CV, DEXON, DMT, EKH, FSX, GLOBAL, GREEN, ICN, IHL, ITC, J, JMART, JMT, LEO, LH, MENA, MITSIB, MODERN, NER, NEX, OSP, OTO, PLUS, POLY, PQS, PRIME, PROEN, PRTR, RBF, RT, SA, SANKO, SCB, SENX, SFLEX, SIS, SKE, SM, SVOA, TBN, TEGH, TIPH, TKN, TPAC, TPLAS, TQM, TRUE, W, WPH, XPG

N/A

24CS, 3K-BAT, A, A5, AAV, ABM, ACAP, ACC, ACG, ADD, ADVICE, AEONTS, AFC, AGE, AHC, AIT, AJA, AKR, AKS, ALL, ALLA, ALPHAX, ALUCON, AMARC, AMARIN, AMR, ANAN, ANI, AOT, APCO, APX, APP, APURE, AQUA, ARIN, ARIP, ARROW, ASAP, ASEFA, ASIA, ASIMAR, ASN, ATP30, AU, AUCTION, AURA, B52, BA, BBIK, BC, BCT, BDMS, BEAUTY, BEM, BGT, BH, BIG, BIOTEC, BIS, BIZ, BJC, BJCHI, BKD, BLC, BLESS, BLISS, BM, BOL, BR, BRI, BROCK, BSM, BSRC, BTNC, BTW, BUI, BVG, CCET, CCP, CEYE, CGD, CH, CHARAN, CHASE, CHAYO, CHG, CHIC, CHO, CI, CITY, CIVIL, CK, CKP, CMAN, CMO, CMR, CNT, COCOCO, COLOR, COMAN, CPANEL, CPH, CPR, CPT, CRANE, CRD, CREDIT, CSP, CSR, CSS, CTW, CWT, D, DCON, DDD, DHOUSE, DITTO, DOD, DPAINT, DTCENT, DTICI, DV8, EASON, ECL, EE, EFORL, EMC, ETL, EURO, EVER, F&D, FANCY, FE, FLOYD, FMT, FN, FORTH, FTI, FVC, GABLE, GENCO, GFC, GIFT, GH, GLAND, GLOCON, GLORY, GRAMMY, GRAND, GSC, GTB, GTV, GYT, HEALTH, HFT, HL, HPT, HTECH, HUMAN, HYDRO, I2, IFEC, IIG, IMH, IND, INGRS, INSET, IP, IRC, IRCP, IT, ITD, ITNS, ITTHI, JAK, JCK, JCKH, JCT, JDF, JPARK, JSP, JUBILE, K, KAMART, KC, KCG, KCM, KDH, KEX, KIAT, KISS, KJL, KK, KKC, KLINIQA, KOOL, KTIS, KTMS, KUMWEL, KUN, KWC, KWI, KWM, KYE, LALIN, LDC, LEE, LIT, LOXLEY, LPH, LST, MANRIN, MASTER, MATI, MCA, M-CHAI, MCS, MDX, MEB, MEGA, METCO, MGC, MGI, MGT, MICRO, MIDA, MJD, MK, ML, MORE, MOSHI, MTW, MUD, MVP, NAM, NAT, NC, NCH, NCL, NDR, NETBAY, NEW, NEWS, NFC, NL, NNCL, NOK, NOVA, NPK, NSL, NTSC, NTV, NUSA, NV, NVD, NYT, OHTL, ONEE, ORN, PACE, PACO, PAF, PANEL, PCC, PEACE, PERM, PF, PHG, PICO, PIN, PJW, PLE, PLT, PMTA, POLAR, POMPUI, PORT, POST, PPM, PRAKIT, PRAPAT, PRECHA, PRI, PRIN, PRO, PROUD, PSG, PSP, PTC, PTL, RAM, RCL, READY, RICHY, RJH, ROCK, ROCTEC, ROH, ROJNA, RP, RPC, RPH, RSP, S, S11, SABUY, SAF, SAFARI, SAFE, SALEE, SAM, SAMART, SAMCO, SAMTEL, SAUCE, SAV, SAWAD, SAWANG, SBNEXT, SCAP, SCGD, SCI, SCL, SCP, SDC, SE, SEAFCO, SECURE, SFT, SGF, SHANG, SHR, SIAM, SICT, SIMAT, SINGER, SINO, SISB, SJWD, SK, SKN, SKY, SLM, SLP, SMART, SMD, SMT, SNNP, SO, SOLAR, SONIC, SPA, SPCG, SPG, SPVI, SQ, SR, SRS, SSC, SSS, STANLY, STARK, STC, STEC, STECH, STHAI, STI, STP, STPI, SUC, SUN, SUPER, SUTHA, SVR, SVT, SWC, SYNEX, TACC, TAN, TAPAC, TC, TCC, TCJ, TCOAT, TEAM, TEAMG, TEKA, TFM, TGPRO, TH, THAI, THANA, THE, THG, THMUI, TIGER, TITLE, TK, TKC, TLI, TM, TMC, TMI, TMW, TNDT, TNH, TNPC, TOA, TPBI, TPCH, TPIPL, TPIPP, TPL, TPOLY, TPP, TPS, TQR, TR, TRC, TRITN, TRP, TRUBB, TRV, TSE, TTI, TTT, TTW, TURTLE, TVH, TVT, TWP, TWZ, TYCN, UAC, UBA, UMI, UMS, UNIQU, UP, UPF, UPOIC, UREKA, UTP, UVAN, VARO, VIBHA, VL, VNG, VPO, VRANDA, WARRIX, WAVE, WFX, WGE, WIN, WINDOW, WINMED, WINNER, WORK, WORLD, WP, YGG, YONG, ZAA

Explanations

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of November 1, 2023) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.