

Hana Microelectronics PCL

(HANA.BK/HANA TB)*



SET ESG Rating of AA

Neutral - Maintained

Price as of 9 Jan 2024	51.50
12M target price (Bt/shr)	47.00
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	(8.7)

Key messages

เราคาดว่ากำไรของ HANA จะฟื้นตัวตามแนวโน้มอุตสาหกรรม อย่างไรก็ตาม ผลจาก dilution ที่เกิดจากการขายหุ้นเพิ่มทุนแบบ PP ในปี 2566 จะทำให้ EPS จากธุรกิจหลักในปี 2567 ลดลง 3% YoY เรายังคงคำแนะนำ “ถือ” HANA โดยประเมินราคาเป้าหมายสิ้นปี 2567 ที่ 47.00 บาท อิงจาก PER ที่ 17.0x (+0.25 S.D)

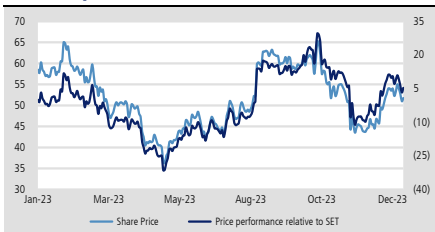
Trading data

Mkt cap (Btmn/US\$m)	45,818/1,145		
Outstanding shares (mn)	885		
Foreign ownership (mn)	432		
3M avg. daily trading (mn)	16		
52-week trading range (Bt)	36.3 – 65.3		
Performance (%)	3M	6M	12M
Absolute	-14.5	20.3	-10.8
Relative	-13.6	26.2	6.2

Quarterly EPS

EPS	Q1	Q2	Q3	Q4
2021	0.37	0.92	0.70	-0.07
2022	0.45	0.30	0.52	1.34
2023	0.33	0.79	0.91	

Share price chart



Source: SET

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ประมาณการ 4Q66: กำไรจากธุรกิจหลักจะเพิ่มขึ้น YoY แต่ลดลง QoQ

Event

เราคาดว่ากำไรจากธุรกิจหลักของ HANA ใน 4Q66 จะอยู่ที่ 658 ล้านบาท (+19% YoY, -3% QoQ) ทำให้กำไรจากธุรกิจหลักในปี 2566 อยู่ที่ 2.4 พันล้านบาท (-1% YoY) ซึ่งจะเป็นไปตามประมาณการกำไรเต็มปีของเรา

Impact

มีสัญญาณว่ายอดขายจะดีขึ้น

เราคาดว่ายอดขายของ HANA ใน 4Q66 จะอยู่ที่ 6.6 พันล้านบาท (-7% YoY, +1% QoQ) แต่หากไม่รวมผลกระทบจากอัตราแลกเปลี่ยน ยอดขายใน 4Q66 จะอยู่ที่ 186 ล้านดอลลาร์ฯ (-6% YoY, ทรงตัว QoQ) ทำให้ยอดขายในปี 2566 อยู่ที่ 763 ล้านดอลลาร์ฯ (-2% YoY) ซึ่งจะเป็นไปตามประมาณการยอดขายเต็มปีของเรา ถึงแม้เราจะคาดว่ายอดขายของ HANA จะลดลง YoY แต่ก็ลดลงน้อยกว่าไตรมาสก่อนหน้า (-10% YoY ใน 3Q66) เพราะมีสัญญาณว่ายอดขายจะดีขึ้นหลังจากที่ยอดขาย semiconductor โลกเพิ่มขึ้น คิดย้อนกลับเป็นเดือนที่แปลเป็น 4.66 หมื่นล้านบาทฯ ในเดือนตุลาคม 2566 และมีการเริ่มสายการผลิตใหม่ของ PMS ในช่วงกลางเดือนธันวาคม

อัตรากำไรขั้นต้นก็ดีขึ้นเช่นกัน

เราคาดว่าอัตรากำไรขั้นต้นใน 4Q66 จะอยู่ที่ 15.8% (+2.4ppts YoY, +0.1ppts QoQ) ทำให้อัตรากำไรขั้นต้นในปี 2566 อยู่ที่ 13.8% (+0.3ppts YoY) ซึ่งจะเป็นไปตามประมาณการเต็มปีของเรา ทั้งนี้ อัตรากำไรขั้นต้นที่ดีขึ้น YoY จะเป็นเพราะฐานที่ต่ำเพราะมีการรับรู้ส่วนแบ่งผลขาดทุนจาก PMS ส่วนอัตรากำไรขั้นต้นที่ดีขึ้นเล็กน้อย QoQ จะเป็นเพราะเงินบาทอ่อนค่าลง เราคาดว่าสัดส่วน SG&A ค่อยยอดขายจะอยู่ที่ 7.2% (เพิ่มขึ้นจาก 7.1% ใน 4Q65 และ 6.9% ใน 3Q66)

คาดว่าจะเห็นการฟื้นตัวในปี 2567

เรายังคงคาดว่าผลประกอบการของ HANA จะฟื้นตัวขึ้นในปี 2567 เนื่องจาก i) คาดว่ายอดขายจัดตั้ง smartphone ทั่วโลกจะเพิ่มขึ้น 4% YoY ในปี 2567 (40% ของรายได้รวมของ HANA) และ ii) คาดว่ายอดขายจัดตั้ง PC ทั่วโลกจะเพิ่มขึ้น 6% YoY ในปี 2567 เนื่องจากคาดว่าจะมีอุปสงค์การซื้อเครื่องใหม่แทนเครื่องเก่ากลับเข้ามา และ จะมีอุปสงค์สำหรับกรอ์เพอเรเตอร์เพื่อให้อุปกรณ์ AI ได้ (10% ของรายได้รวมของ HANA) ดังนั้น เราจึงคาดว่ายอดขายของ HANA น่าจะเพิ่มขึ้นได้บ้างในปี 2567 (เราใช้สมมติฐานว่ายอดขายในปี 2567 จะโต 5% YoY) โดยคาดว่ากำไรจะเพิ่มขึ้น 4% YoY อย่างไรก็ตาม ผลของ dilution จากการเพิ่มทุนแบบ PP จะทำให้ EPS จากธุรกิจหลักในปี 2567 ลดลงประมาณ 3% YoY

Valuation & action

เรายังคงคำแนะนำ “ถือ” HANA โดยประเมินราคาเป้าหมายสิ้นปี 2567 ที่ 47.00 บาท อิงจาก PER ที่ 17.0x (+0.25 S.D)

Risks

ภัยธรรมชาติ, มีการปิดโรงงานนอกแผน, ลูกค้านำไปส่งสินค้าจาก supplier รายอื่น, ขาดแคลนวัตถุดิบ, เงินบาทแข็งค่าขึ้น

Key financials and valuations

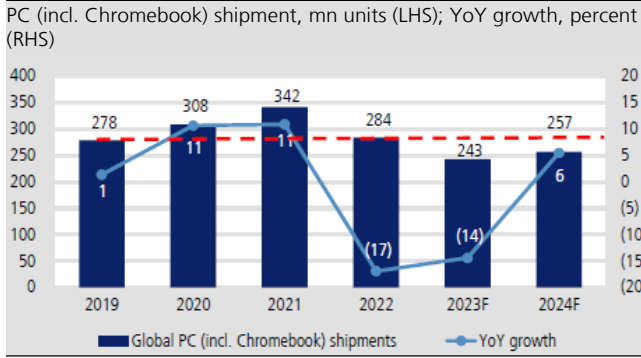
Year end Dec 31	Dec - 20A	Dec - 21A	Dec - 22A	Dec - 23F	Dec - 24F
Revenue (Btmn)	19,283	23,780	27,167	26,504	26,881
Gross Profit (Btmn)	2,548	3,287	3,661	3,644	3,746
Net Profit (Btmn)	1,908	1,545	2,078	2,289	2,461
Normalized Profit (Btmn)	1,796	2,272	2,396	2,372	2,461
EPS (Bt)	2.37	1.92	2.58	2.78	2.78
Normalized EPS (Bt)	2.23	2.82	2.98	2.88	2.78
DPS (Bt)	1.40	2.00	1.00	1.00	2.00
EPS Growth (%)	5.7	(19.0)	34.5	7.5	0.2
Normalized EPS Growth	17.9	26.6	5.4	(3.3)	(3.4)
P/E (X)	17.8	32.1	17.3	17.9	18.5
P/B (X)	1.5	3.2	1.7	1.5	1.5
EV/EBITDA (X)	11.5	13.2	10.5	6.0	5.6
Net Debt to Equity (%)	(25.0)	(14.3)	(10.0)	(40.4)	(41.0)
Dividend Yield (%)	3.5	2.2	1.9	1.9	3.9
Return on Average Equity (%)	9.1	6.9	8.9	8.5	8.1

Source: Company data, KGI Securities Research

*The Company may be issuer of Derivative Warrants on these securities.

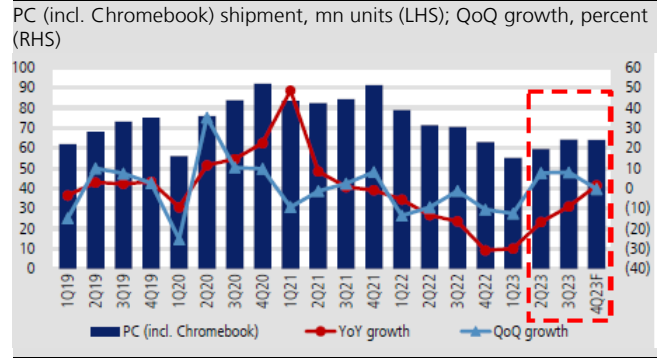
http://research.kgi.com; Bloomberg: KGIT <GO> Please see back page for disclaimer

Figure 1: PC shipments to grow 6% YoY in 2024F



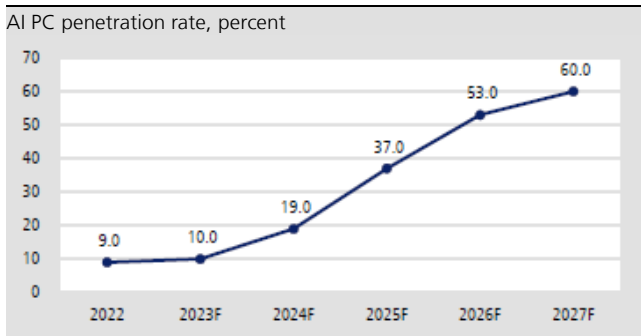
Source: Gartner, KGI Securities Research (Taiwan)

Figure 2: PC shipment YoY decline has narrowed since 202Q3



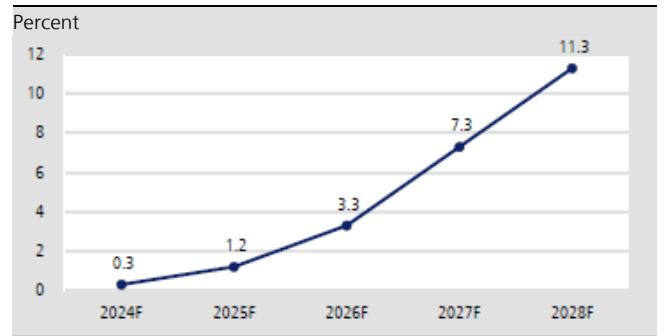
Source: Gartner, KGI Securities Research (Taiwan)

Figure 3: Canlys forecasts AI PC penetration of 60% by 2027



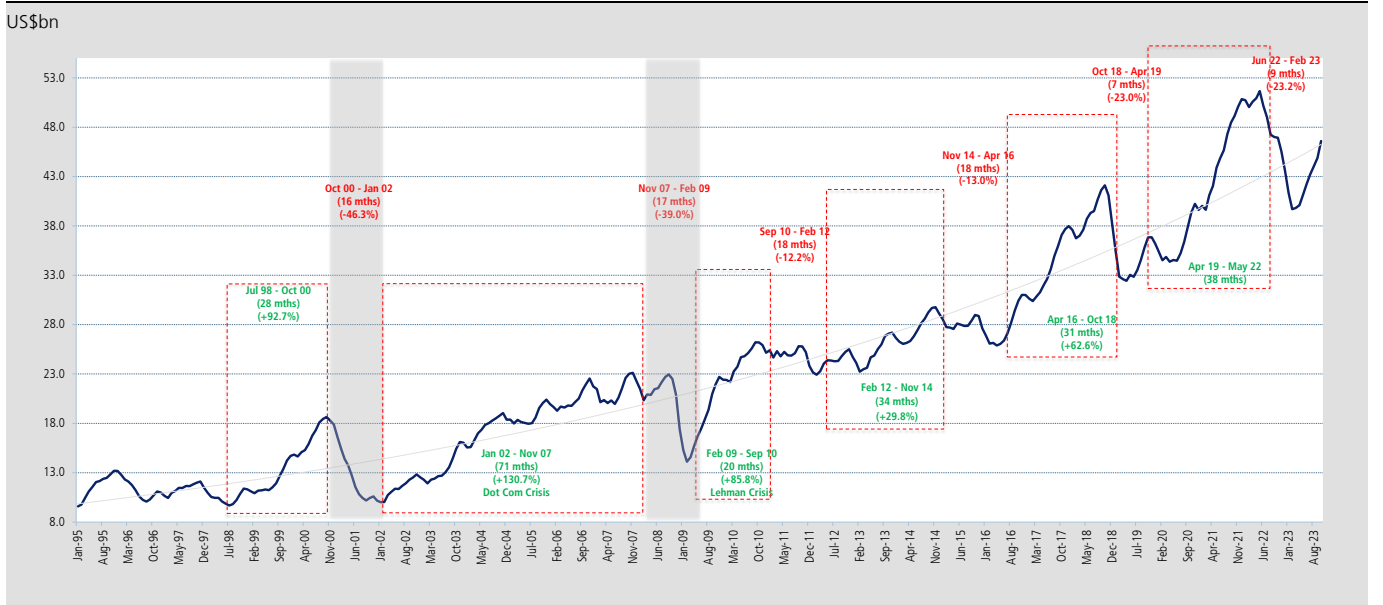
Source: Canlys, KGI Securities Research (Taiwan)

Figure 4: Omdia forecasts AI NB penetration at 7.3% by 2027 and over 10% by 2028

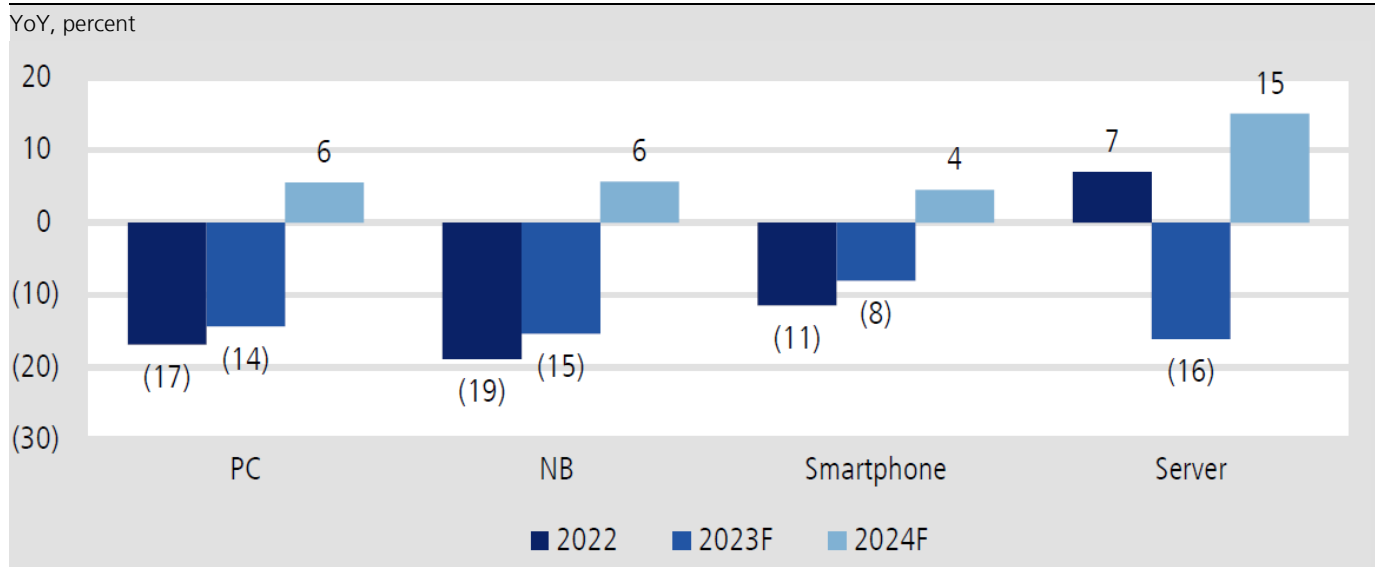


Source: Omdia, KGI Securities Research (Taiwan)

Figure 5: Global semiconductor sales



Source: KGI Securities Research

Figure 6: IT hardware devices – NB, PC, smartphone and server shipments to grow in 2024F


Source: Gartner, KGI Securities Research (Taiwan)

Figure 7: 4Q23 earnings preview

Btmn	4Q23F	4Q22	YoY (%)	3Q23	QoQ (%)	2023F	2022	YoY (%)
Revenue	6,627	7,125	(7.0)	6,555	1.1	26,558	27,167	(2.2)
Gross Profit	1,047	954	9.8	1,031	1.6	3,671	3,661	0.3
SG&A	477	505	(5.5)	449	6.2	1,700	1,695	0.3
Operating Profit	688	567	21.2	698	(1.5)	2,446	2,422	1.0
Operating EBITDA	1,098	976	12.5	1,109	(1.0)	4,082	3,950	3.3
Non-Op Inc./(Exp)	0	522	(100.0)	60	(100.0)	(83)	(296)	(72.0)
Net profit	658	1,075	(38.9)	734	(10.4)	2,293	2,102	9.1
Normalized profit	658	553	18.9	674	(2.5)	2,376	2,398	(0.9)
EPS (Bt)	0.74	1.34	(44.4)	0.91	(18.5)	2.78	2.61	6.3
Normalized EPS (Bt)	0.74	0.69	8.1	0.84	(11.3)	2.88	2.98	(3.4)
Percent	4Q23F	4Q22	YoY (ppts)	3Q23	QoQ (ppts)	2023F	2022	YoY (ppts)
Gross margin	15.8	13.4	2.4	15.7	0.1	13.8	13.5	0.3
EBIT margin	10.4	8.0	2.4	10.7	(0.3)	9.2	8.9	0.3
SG&A/sales	7.2	7.1	0.1	6.9	0.3	6.4	6.2	0.2
Assumption	4Q23F	4Q22	YoY (%)	3Q23	QoQ (%)	2023F	2022	YoY (%)
Sales (US\$m)	186	197	(5.5)	186	0.1	763	775	(1.5)
Exchange rate (Bt/US\$)	35.6	36.6	(2.7)	35.2	1.0			

Source: KGI Securities Research

Figure 8: Key assumptions

Assumption	Unit	2016	2017	2018	2019	2020	2021	2022	2023F	2024F
Sales	US\$m	581	635	689	656	616	743	775	762	802
Sales growth	Percent	(3.0)	9.3	8.5	(4.8)	(6.1)	20.6	4.3	(1.7)	5.4
GPM	Percent	14.0	14.9	14.4	11.6	13.2	13.8	13.5	13.8	13.9
Exchange rate	Bt/US\$	35.3	33.9	32.3	31.1	31.3	32.0	35.1	34.8	33.5

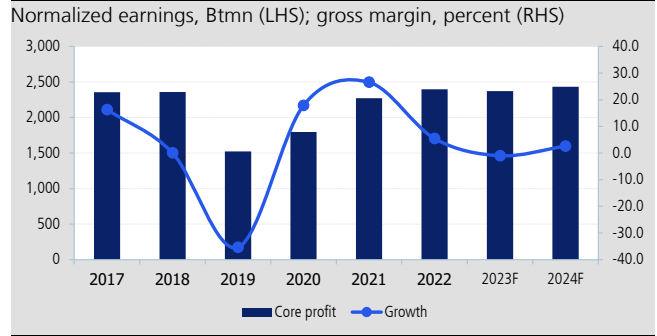
Source: KGI Securities Research

Figure 9: Company profile

Hana Group is one of Southeast Asia's leading independent electronics manufacturing service (EMS) producers. The company's headquarters are in Bangkok and there are six manufacturing facilities located in Lamphun and Ayutthaya provinces in Thailand, Jiaying, China, Ohio, US, Koh Kong, Cambodia.

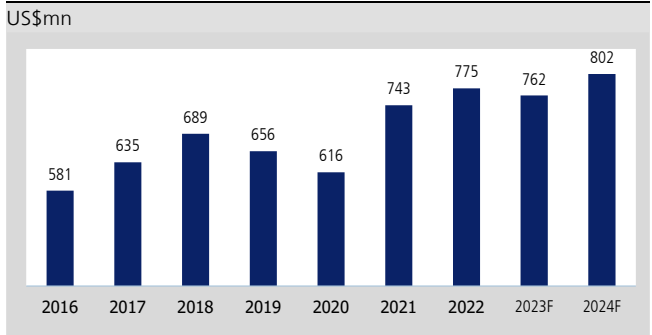
Source: Company data

Figure 10: Core profit



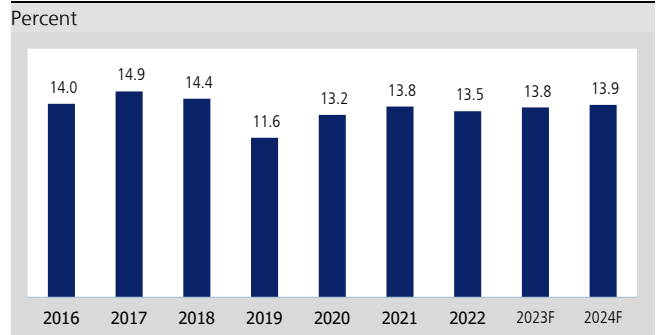
Source: Company data, KGI Securities Research

Figure 11: Sales assumption



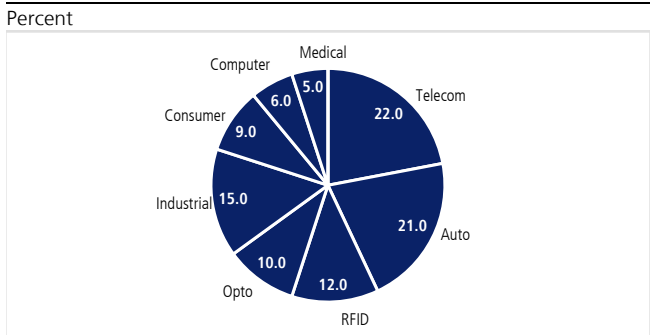
Source: Company data, KGI Securities Research

Figure 12: Gross margin



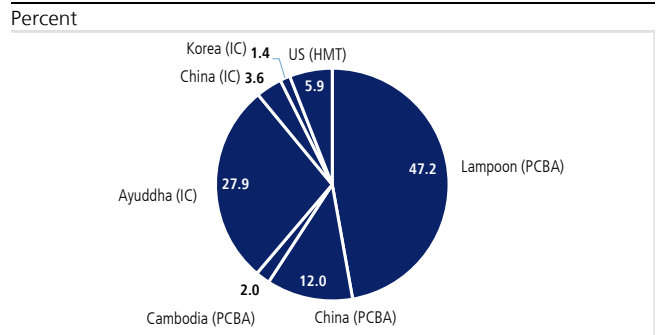
Source: Company data, KGI Securities Research

Figure 13: Sales breakdown



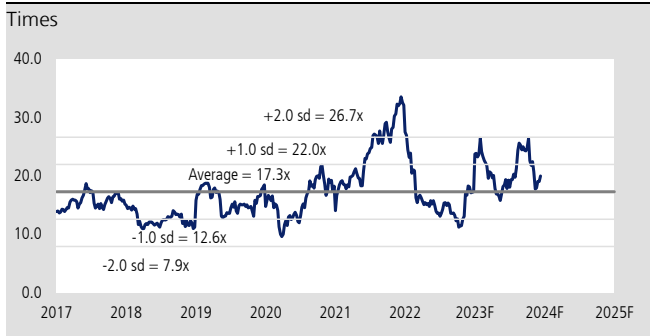
Source: Company data, KGI Securities Research

Figure 14: Gross margin quarterly



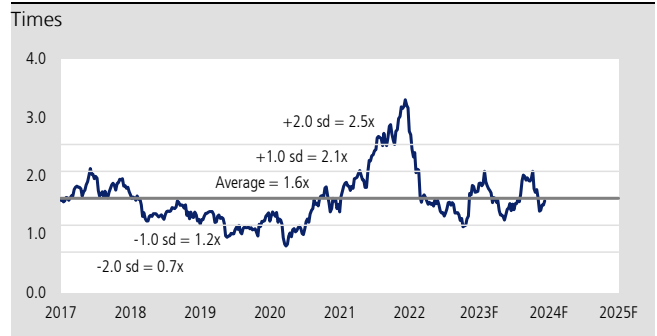
Source: Company data, KGI Securities Research

Figure 15: Company's PER



Source: KGI Securities Research

Figure 16: Company's PBV



Source: KGI Securities Research

Quarterly Income Statement

	Mar-21A	Jun-21A	Sep-21A	Dec-21A	Mar-22A	Jun-22A	Sep-22A	Dec-22A	Mar-23A	Jun-23A	Sep-23A
Income Statement (Bt mn)											
Revenue	5,214	6,065	6,241	6,260	6,107	6,390	7,545	7,125	6,466	6,910	6,555
Cost of Goods Sold	(4,593)	(5,048)	(5,265)	(5,587)	(5,445)	(5,512)	(6,378)	(6,171)	(5,913)	(5,871)	(5,523)
Gross Profit	621	1,016	976	673	663	878	1,167	954	553	1,039	1,031
Operating Expense	(312)	(373)	(376)	(362)	(381)	(401)	(408)	(505)	(382)	(392)	(449)
Other incomes	77	117	95	66	108	120	109	119	120	123	116
Operating Profit	386	760	696	377	390	597	868	567	291	770	698
Depreciation of fixed asset	(314)	(299)	(327)	(345)	(346)	(368)	(405)	(409)	(405)	(410)	(410)
Operating EBITDA	700	1,059	1,023	722	736	965	1,273	976	696	1,179	1,109
Non-Operating Income	99	(2)	(82)	(173)	54	(302)	(359)	414	5	125	74
Interest Income	29	29	29	28	25	23	24	23	17	21	15
Other Non-op Income	69	(32)	(111)	(201)	29	(326)	(384)	391	(12)	104	60
Non-Operating Expense	179	(0)	25	244	61	29	40	(137)	14	210	(17)
Interest Expense	(1)	(2)	(2)	(3)	(1)	(3)	(3)	(6)	(2)	(8)	(17)
Other Non-op Expense	181	1	27	246	63	32	43	(131)	16	218	0
Equity Income/(Loss)	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	303	754	586	(45)	380	260	463	1,107	278	668	755
Current Taxation	(2)	(18)	(22)	(11)	(15)	(15)	(46)	(31)	(12)	(33)	(21)
Minorities	0	0	0	0	0	0	0	0	0	0	0
Extraordinary items											
Net Profit	301	737	564	(56)	365	245	417	1,075	266	635	734
Normalized Profit	413	770	701	391	399	603	843	553	295	750	674
EPS (Bt)	0.37	0.92	0.70	(0.07)	0.45	0.30	0.52	1.34	0.33	0.79	0.91
Normalized EPS (Bt)	0.51	0.96	0.87	0.49	0.50	0.75	1.05	0.69	0.37	0.93	0.84
Margins											
Gross profit margin	11.9	16.8	15.6	10.8	10.8	13.7	15.5	13.4	8.6	15.0	15.7
Operating EBIT margin	7.4	12.5	11.1	6.0	6.4	9.3	11.5	8.0	4.5	11.1	10.7
Operating EBITDA margin	13.4	17.5	16.4	11.5	12.1	15.1	16.9	13.7	10.8	17.1	16.9
Net profit margin	5.8	12.1	9.0	(0.9)	6.0	3.8	5.5	15.1	4.1	9.2	11.2
Growth (YoY)											
Revenue growth	13.1	32.1	29.7	18.9	17.1	5.4	20.9	13.8	5.9	8.1	(13.1)
Operating EBIT growth	(16.1)	60.4	89.9	(11.2)	1.0	(21.4)	24.8	50.6	(25.3)	28.9	(19.6)
Operating EBITDA growth	(5.5)	39.8	57.1	(2.2)	5.1	(8.8)	24.5	35.1	(5.5)	22.2	(12.9)
Net profit growth	48.1	8.1	76.6	(107.9)	21.2	(66.8)	(26.1)	(2,005.7)	(27.0)	159.4	76.1
Normalized profit growth	(14.9)	62.1	92.4	(17.1)	(3.3)	(21.7)	20.3	41.5	(26.1)	24.3	(20.1)

Source: Company data, KGI Securities Research

Balance Sheet

As of 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F
Total Assets	25,180	27,853	29,703	36,775	36,671
Current Assets	17,720	17,570	18,243	24,794	24,260
Cash & ST Investment	5,400	3,304	2,375	13,374	12,707
Inventories	4,496	6,857	9,457	5,637	5,705
Account Receivable	3,461	4,553	4,981	4,357	4,419
Others	4,363	2,856	1,431	1,426	1,429
Non-current Assets	7,460	10,283	11,460	11,981	12,412
LT Investment	72	72	72	72	72
Net fixed Assets	6,938	9,663	10,853	11,394	11,839
Others	450	548	534	515	500
Total Liabilities	3,567	4,795	5,841	6,921	5,685
Current Liabilities	2,806	4,029	5,027	5,853	4,606
Account Payable	2,355	3,506	4,161	3,758	3,803
ST Borrowing	0	0	0	1,300	0
Others	451	523	866	796	803
Long-term Liabilities	760	766	814	1,067	1,079
Long-term Debts	0	0	0	0	0
Others	760	766	814	1,067	1,079
Shareholders' Equity	21,614	23,058	23,862	29,854	30,986
Common Stock	805	805	805	885	885
Capital Surplus	1,723	1,723	1,723	6,231	6,231
Retained Earnings	19,240	19,344	20,234	21,638	22,771
Preferred Stock	0	0	0	0	0

Source: KGI Securities Research

Key Ratios

Year to 31 Dec	2020	2021	2022	2023F	2024F
Growth (%YoY)					
Sales	(5.4)	23.3	14.2	(2.4)	1.4
OP	18.1	28.6	9.2	0.1	2.4
EBITDA	1.1	(7.9)	28.9	31.3	4.8
NP	5.7	(19.0)	34.5	10.1	7.5
Normalized Profit	17.9	26.6	5.4	(1.0)	3.7
EPS	5.7	(19.0)	34.5	8.2	(0.6)
Normalized EPS	17.9	26.6	5.4	(2.6)	(4.1)
Profitability (%)					
Gross Margin	13.2	13.8	13.5	13.8	13.9
Operating Margin	8.9	9.3	8.9	9.2	9.2
EBITDA Margin	16.3	12.2	13.7	18.5	19.1
Net Margin	9.9	6.5	7.7	8.6	9.2
ROAA	7.7	5.8	7.2	6.9	6.7
ROAE	9.1	6.9	8.9	8.5	8.1
Stability					
Gross Debt/Equity (%)	16.5	20.8	24.5	23.2	18.3
Net Debt/Equity (%)	(25.0)	(14.3)	(10.0)	(40.4)	(41.0)
Interest Coverage (x)	218.1	214.3	175.7	49.6	215.1
Interest & ST Debt Coverage (x)	218.1	214.3	175.7	1.8	215.1
Cash Flow Interest Coverage (x)	(113.9)	277.9	222.4	177.3	413.2
Cash Flow/Interest & ST Debt (x)	(113.9)	277.9	222.4	6.5	413.2
Current Ratio (x)	6.3	4.4	3.6	4.2	5.3
Quick Ratio (x)	4.7	2.7	1.7	3.3	4.0
Net Debt (Bt mn)	(5,400)	(3,304)	(2,375)	(12,074)	(12,707)
Per Share Data (Bt)					
EPS	2.4	1.9	2.6	2.8	2.8
Normalized EPS	2.2	2.8	3.0	2.9	2.8
CFPS	(1.3)	2.6	3.5	9.8	5.6
BVPS	26.9	28.6	29.6	33.7	35.0
SPS	24.0	29.5	33.8	29.9	30.4
EBITDA/Share	3.9	3.6	4.6	5.5	5.8
DPS	1.4	2.0	1.0	1.0	2.0

Source: KGI Securities Research

Profit & Loss

Year to Dec 31 (Btmn)	2020	2021	2022	2023F	2024F
Revenue	19,283	23,780	27,167	26,504	26,881
Cost of Goods Sold	(16,734)	(20,493)	(23,506)	(22,860)	(23,135)
Gross Profit	2,548	3,287	3,661	3,644	3,746
Operating Expenses	(1,211)	(1,423)	(1,695)	(1,723)	(1,774)
Other Incomes	249	241	362	412	418
Operating Profit	1,725	2,219	2,422	2,425	2,482
Depreciation of fixed assets	(1,162)	(1,285)	(1,528)	(2,459)	(2,555)
Operating EBITDA	3,139	2,891	3,726	4,893	5,130
Non-Operating Income	277	(158)	(224)	243	93
Interest Income	140	114	94	91	93
Other Non-op Income	138	(272)	(318)	152	0
Non-Operating Expense	16	448	(13)	185	(12)
Interest Expense	(9)	(7)	(13)	(49)	(12)
Other Non-op Expense	26	455	0	234	0
Equity Income/(Loss)	0	0	0	0	0
Pre-tax Profit	1,968	1,598	2,186	2,385	2,563
Current Taxation	(60)	(53)	(107)	(95)	(103)
Minorities	0	0	0	0	0
Extraordinaries items	10	2	2	185	0
Net Profit	1,908	1,545	2,078	2,289	2,461
Normalized Profit	1,796	2,272	2,396	2,372	2,461
EPS (Bt)	2.37	1.92	2.58	2.80	2.78
Normalized EPS (Bt)	2.23	2.82	2.98	2.90	2.78

Source: KGI Securities Research

Cash Flow

Year to 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F
Operating Cash Flow	(1,032)	2,082	2,782	8,707	4,946
Net Profit	1,908	1,545	2,078	2,289	2,461
Depreciation & Amortization	1,162	1,285	1,528	2,459	2,555
Change in Working Capital	(4,102)	(749)	(825)	3,958	(70)
Others					
Investment Cash Flow	2,319	(4,069)	(2,700)	(2,983)	(2,984)
Net CAPEX	(1,199)	(4,010)	(2,719)	(3,000)	(3,000)
Change in LT Investment	3,719	0	0	0	0
Change in Other Assets	(201)	(60)	19	17	16
Free Cash Flow	1,286	(1,987)	81	5,723	1,962
Financing Cash Flow	(1,321)	(109)	(1,011)	5,276	(2,628)
Change in Share Capital	0	0	0	80	0
Net Change in Debt	(481)	(8)	263	1,573	(1,300)
Change in Other LT Liab.	(840)	(101)	(1,274)	3,622	(1,328)
Net Cash Flow	(35)	(2,096)	(929)	10,999	(666)

Source: KGI Securities Research

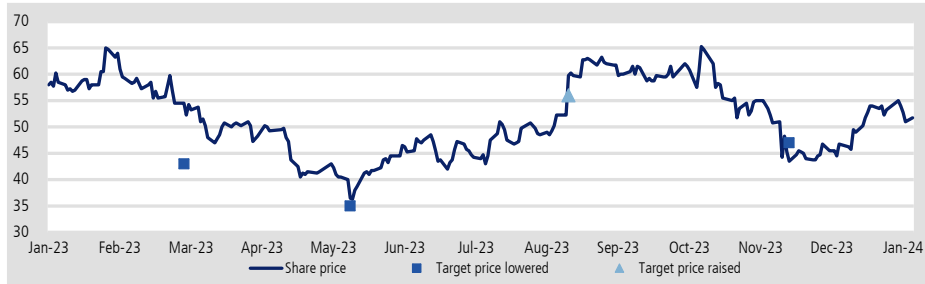
Rates of Return on Invested Capital

Year	1 - $\frac{\text{COGS}}{\text{Revenue}}$	+ $\frac{\text{Depreciation}}{\text{Revenue}}$	+ $\frac{\text{Operating Exp.}}{\text{Revenue}}$	=	Operating Margin
2020	86.8%	6.0%	8.3%		-1.1%
2021	86.2%	5.4%	7.5%		0.9%
2022	86.5%	5.6%	7.9%		-0.1%
2023F	86.2%	9.3%	8.4%		-3.9%
2024F	86.1%	9.5%	8.5%		-4.1%

Year	1/ $\frac{\text{Working Capital}}{\text{Revenue}}$	+ $\frac{\text{Net PPE}}{\text{Revenue}}$	+ $\frac{\text{Other Assets}}{\text{Revenue}}$	=	Capital Turnover
2020	(0.2)	0.4	0.9		0.9
2021	(0.0)	0.4	0.8		0.9
2022	(0.0)	0.4	0.7		0.9
2023F	(0.0)	0.4	0.7		0.9
2024F	0.1	0.4	1.0		0.7

Year	Operating Margin	x	Capital Turnover	x	Cash Tax Rate	=	After-tax Return on Inv. Capital
2020	-1.1%		0.9		3.1%		0.0%
2021	0.9%		0.9		3.3%		0.0%
2022	-0.1%		0.9		4.9%		0.0%
2023F	-3.9%		0.9		4.9%		-0.2%
2024F	-4.1%		0.7		4.0%		-0.1%

Source: KGI Securities Research

Hana Microelectronics PCL - Recommendation & target price history


Date	Rating	Target	Price
17-Nov-23	Neutral	47.00	43.50
16-Aug-23	Neutral	56.00	59.75
16-May-23	Underperform	35.00	36.50
7-Mar-23	Underperform	43.00	54.50

Source: KGI Securities Research

Company's ESG details

Environment

- The Company joined the government sector in signing a Memorandum of Understanding Ceremony for reducing or banning foam food. The Company has further enhanced the project "HANA NO PLASTIC PROGRAM" along with awareness raising and communication campaign including training provided to all employees to reduce plastic consumption such as plastic cups, plastic bags and switch to use reusable cups/bags/bottles to promote a healthy and safe environment.
- The Company and Lamphun Provincial Office of Labor Protection and Welfare along with the Industrial Estate Authority of Thailand Lamphun Province joined the activity to build natural dam according to the Royal Initiative Project.

Social

- Scholarship program with the aim to enhance educational opportunities for the children of low-income employees, internship program for students to promote practical learning and knowledge to enhance the skills necessary for future careers by ensuring application and training provided equally to all women and men.
- Hana recognizes the importance of education and career exploration for college and undergraduate students. Our internship program gives students the opportunity to apply knowledge from their fields of study and gain real work experience in preparation for future work.

Governance

- HANA has been ranked 5 stars or "Excellent" in Corporate Governance Rating (CGR) honored by the Thai Institute of Directors Association (IOD).
- HANA has been granted 2021 ASEAN CG scorecard assessment, initiated by the ASEAN Capitals Market Forum (ACMF) with the support of the regulators in ASEAN.
- HANA has been selected as member of Thailand Sustainability Investment (THIS) for the year 2022, in recognizing our continuous and outstanding achievements in corporate sustainability thereby benefitting the environment and society.
- HANA has been ranked among the top 100 publicly listed companies that are most outstanding in terms of Environment, Social and Governance performance or ESG 100, assessed by Thaipat Institute.

Climate Management (Being the subset of Environment)

- Continuously improvement the efficiently use of internal resources within the organization, implement renewable energy project to drive a low-carbon society as part of climate change mitigation.
- Solar panels were installed on the roofs of three factories of Hana in Lamphun and Ayutthaya provinces in 2020.

Source: Company data, KGI Securities Research

SET ESG Ratings

Stock	Company name	SET ESG Ratings	Stock	Company name	SET ESG Ratings
ADVANC	ADVANCED INFO SERVICE	AAA	KTC	KRUNGTHAI CARD	AAA
AMATA	AMATA CORPORATION	AAA	LH	LAND AND HOUSES	A
AOT	AIRPORTS OF THAILAND	A	MAJOR	MAJOR CINEPLEX GROUP	AA
AP	AP (THAILAND)	AA	MEGA	MEGA LIFESCIENCES	A
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	AA	MINT	MINOR INTERNATIONAL	AA
BAM	BANGKOK COMMERCIAL ASSET MANAGEMEN	AA	MTC	MUANGTHAI CAPITAL	A
BANPU	BANPU	AAA	OR	PTT OIL AND RETAIL BUSINESS	AAA
BBGI	BBGI	AA	ORI	ORIGIN PROPERTY	AA
BBL	BANGKOK BANK	AA	OSP	OSOTSPA	AA
BCH	BANGKOK CHAIN HOSPITAL	AA	PLANB	PLAN B MEDIA	AA
BCP	BANGCHAK CORPORATION	AAA	PSH	PRUKSA HOLDING	BBB
BCPG	BCPG	AA	PTT	PTT	AAA
BDMS	BANGKOK DUSIT MEDICAL SERVICES	AA	PTTEP	PTT EXPLORATION AND PRODUCTION	AAA
BEM	BANGKOK EXPRESSWAY AND METRO	AA	PTTGC	PTT GLOBAL CHEMICAL	AAA
BGRIM	B.GRIMM POWER	AAA	RATCH	RATCH GROUP	AA
BPP	BANPU POWER	AAA	RBF	R&B FOOD SUPPLY	BBB
BTS	BTS GROUP HOLDINGS	AA	SAK	SAKSIAM LEASING	A
CBG	CARABAO GROUP	A	SAPPE	SAPPE	BBB
CENTEL	CENTRAL PLAZA HOTEL	A	SAT	SOMBOON ADVANCE TECHNOLOGY	AA
CK	CH. KARNCHANG	A	SAWAD	SRISAWAD CORPORATION	BBB
CKP	CK POWER	AAA	SCB	SCB X	AA
COM7	COM7	A	SCC	THE SIAM CEMENT	AAA
CPALL	CP ALL	AAA	SCCC	SIAM CITY CEMENT	AA
CPAXT	CP AXTRA	AAA	SCGP	SCG PACKAGING	AAA
CPF	CHAROEN POKPHAND FOODS	AAA	SHR	S HOTELS AND RESORTS	A
CPN	CENTRAL PATTANA	AA	SICT	SILICON CRAFT TECHNOLOGY	A
EGCO	ELECTRICITY GENERATING	AA	SMPC	SAHAMITR PRESSURE CONTAINER	AA
ERW	THE ERWAN GROUP	A	SNC	SNC FORMER	A
GFPT	GFPT	BBB	SPALI	SUPALAI	AA
GLOBAL	SIAM GLOBAL HOUSE	AA	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION	A
GPSC	GLOBAL POWER SYNERGY	AA	STGT	SRI TRANG GLOVES (THAILAND)	AAA
GULF	GULF ENERGY DEVELOPMENT	AA	TCAP	THANACHART CAPITAL	A
HANA	HANA MICROELECTRONICS	AA	TFG	THAIFOODS GROUP	A
HENG	HENG LEASING AND CAPITAL	A	THCOM	THAICOM	AAA
HMPRO	HOME PRODUCT CENTER	AA	TISCO	TISCO FINANCIAL GROUP	AAA
INTUCH	INTOUCH HOLDINGS	AA	TOP	THAI OIL	AAA
IRPC	IRPC	AA	TTB	TMBTHANACHART BANK	AA
IVL	INDORAMA VENTURES	AA	UBE	UBON BIO ETHANOL	A
KBANK	KASIKORNBANK	AAA	VGI	VGI	AA
KEX	KERRY EXPRESS (THAILAND)	BBB	WHA	WHA CORPORATION	AAA
KKP	KIATNAKIN PHATRA BANK	BBB	WHAUP	WHA UTILITIES AND POWER	AAA
KTB	KRUNG THAI BANK	AAA	ZEN	ZEN CORPORATION GROUP	AA

Source: www.setsustainability.com

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	GLOBAL	SIAM GLOBAL HOUSE	RATCH	RATCH GROUP
ADVANC	ADVANCED INFO SERVICE	GPSC	GLOBAL POWER SYNERGY	RBF	R&B FOOD SUPPLY
AMA	AMA MARINE	GULF	GULF ENERGY DEVELOPMENT	SAT	SOMBOON ADVANCE TECHNOLOGY
AMATA	AMATA CORPORATION	HANA	HANA MICROELECTRONICS	SCB	SCB X
ANAN	ANANDA DEVELOPMENT	HENG	HENG LEASING AND CAPITAL	SCC	THE SIAM CEMENT
AOT	AIRPORTS OF THAILAND	HMPRO	HOME PRODUCT CENTER	SCCC	SIAM CITY CEMENT
AP	AP (THAILAND)	INTUCH	INTOUCH HOLDINGS	SCGP	SCG PACKAGING
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	IRPC	IRPC	SEAFCO	SEAFCO
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	IVL	INDORAMA VENTURES	SHR	S HOTELS AND RESORTS
BANPU	BANPU	KBANK	KASIKORNBANK	SICT	SILICON CRAFT TECHNOLOGY
BBL	BANGKOK BANK	KCE	KCE ELECTRONICS	SMPC	SAHAMITR PRESSURE CONTAINER
BCP	BANGCHAK CORPORATION	KEX	KERRY EXPRESS (THAILAND)	SNC	SNC FORMER
BCPG	BCPG	KKP	KIATNAKIN PHATRA BANK	SPALI	SUPALAI
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KTB	KRUNG THAI BANK	SPRC	STAR PETROLEUM REFINING
BEM	BANGKOK EXPRESSWAY AND METRO	KTC	KRUNGTHAI CARD	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
BGRIM	B.GRIMM POWER	LPN	L.P.N. DEVELOPMENT	STGT	SRI TRANG GLOVES (THAILAND)
BPP	BANPU POWER	MAJOR	MAJOR CINEPLEX GROUP	SUN	SUNSWEEP
BTS	BTS GROUP HOLDINGS	MBK	MBK	SVI	SVI
CENTEL	CENTRAL PLAZA HOTEL	MINT	MINOR INTERNATIONAL	TACC	T.A.C. CONSUMER
CK	CH. KARNCHANG	MTC	MUANGTHAI CAPITAL	TCAP	THANACHART CAPITAL
CKP	CK POWER	OR	PTT OIL AND RETAIL BUSINESS	THCOM	THAICOM
COM7	COM7	ORI	ORIGIN PROPERTY	TISCO	TISCO FINANCIAL GROUP
CPALL	CP ALL	OSP	OSOTSPA	TKN	TAOKAENOI FOOD & MARKETING
CPAXT	CP AXTRA	PLANB	PLAN B MEDIA	TOP	THAI OIL
CPF	CHAROEN POKPHAND FOODS	PSH	PRUKSA HOLDING	TTB	TMBTHANACHART BANK
CPN	CENTRAL PATTANA	PTG	PTG ENERGY	TU	THAI UNION GROUP
DELTA	DELTA ELECTRONICS (THAILAND)	PTT	PTT	VGI	VGI
DOHOM	DOHOME	PTTEP	PTT EXPLORATION AND PRODUCTION	WHA	WHA CORPORATION
EGCO	ELECTRICITY GENERATING	PTTGC	PTT GLOBAL CHEMICAL	WHAUP	WHA UTILITIES AND POWER
GFPT	GFPT	PYLON	PYLON	ZEN	ZEN CORPORATION GROUP
GGC	GLOBAL GREEN CHEMICALS	QH	QUALITY HOUSES		



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AEONTS	AEON THANA SINSAP (THAILAND)	JMT	JMT NETWORK SERVICES	SFT	SHRINKFLEX (THAILAND)
BCH	BANGKOK CHAIN HOSPITAL	LH	LAND AND HOUSES	SINGER	SINGER THAILAND
BEC	BEC WORLD	M	MK RESTAURANT GROUP	SMD	SAINTMED
BH	BUMRUNGRAD HOSPITAL	MEGA	MEGA LIFESCIENCES	SNNP	SRINANAPORN MARKETING
CBG	CARABAO GROUP	NETBAY	NETBAY	SPA	SIAM WELLNESS GROUP
CHG	CHULARAT HOSPITAL	PJW	PANJAWATTANA PLASTIC	TFG	THAIFOODS GROUP
ERW	THE ERAWAN GROUP	SAK	SAKSIAM LEASING	TIDLOR	NGERN TID LOR
ESSO	ESSO (THAILAND)	SAPPE	SAPPE	TNP	THANAPIRIYA
HUMAN	HUMANICA	SAWAD	SRISAWAD CORPORATION	UBE	UBON BIO ETHANOL
IIG	I&I GROUP	SFLEX	STARFLEX	XO	EXOTIC FOOD



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AU	AFTER YOU	LPH	LADPRAO GENERAL HOSPITAL	TPCH	TPC POWER HOLDING
EKH	EKACHAI MEDICAL CARE	MENA	MENA TRANSPORT		
JMART	JAYMART GROUP HOLDINGS	SISB	SISB		

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
BBGI	BBGI	NTSC	Nutrition SC	TGE	THACHANG GREEN ENERGY
BTG	BETAGRO	PLT	Pilatus Marine		
ITC	i-Tail Corporation	PQS	Premier Quality Starch		

Source: www.thai-iod.com

Disclaimer: The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. 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 or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

Anti-corruption Progress Indicator

Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORN BANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNGTHAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRI SAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFCO	SEAFCO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BCPG	BCPG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: www.cgthailand.org

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KGI's Ratings

Rating	Definition
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances. Excess return = 12M target price/current price-
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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