

24 DECEMBER 2021

Thailand Automotive

Minimal impact from future downside risks

- Thailand's car production in Nov-21 amounted to 165k units (+7% m-m);
- We believe the EV promotion policy, which is widely expected to be announced in early 2022, should have no impact on auto companies' net profits;
- Maintain OVERWEIGHT. Omicron variant could result in a 10-15% downside to auto companies' net profits. SAT is our top pick.

November 2021 – the highest car production month of the year

Nov-21 saw Thailand's highest car production volume in the past 12 months. The Federation of Thai Industries announced that the car production volume in Nov-21 amounted to 165k units (+7% m-m), thanks to the strong recovery of car exports at 98k units (+21% m-m) and domestic car sales at 72k units (+11% m-m). The overall economic recovery in Thailand, as well as the rest of the world, pushed the demand for new cars which resulted in the industry posting a strong rebound. With the expectation that car production should stay at a high level in Dec-21, we believe the total car production volume in 2021 may beat our expectation of 1.65m-1.67m units (+17% y-y).

Omicron variant could be a future downside risk

The Omicron variant could be a new downside risk to the auto sector. When the number of Covid cases rise in Thailand as well as the rest of the world, car sales tend to drop significantly. Therefore, we believe that if Omicron becomes widespread in Thailand, it would have about a 5% downside risk to our 2022 car production estimate of 1.76m units, which implies about a 10-15% downside to our earnings estimates for auto companies.

Tiny impact from EV promotion

According to the Electric Vehicle Association of Thailand (EVAT), the number of battery EVs (BEVs) remains low, with registered BEVs from 2018 to Oct-21 totalling 5,843 EV cars. Hybrid EVs (HEVs) and plug-in hybrid EVs (PHEVs) amounted to 213,021 cars. Compared to the total number of registered cars in Thailand at almost 17m units, it is only a tiny contribution. Moreover, the number of EVs sold in Nov-21 was only 171 units vs total domestic car sales in Nov-21 at 72k, showing that the EV market in Thailand is very small. Hence, according to the news from the [Bangkok Post](#), the EV promotions offered by the government, which are widely expected to be announced early next year, should have no significant impact on the total car production and auto companies' earnings, in our view.

Maintain OVERWEIGHT

We maintain our OVERWEIGHT rating on the auto sector, as we project Thailand's car production to post a strong recovery in 1Q22 onward, expecting it to reach 1.76m units (+6% y-y) in 2022. Somboon Advance Technology (SAT TB, BUY, TP THB29) remains our top pick as we think its earnings in 2021 could reach an all-time high, and it should also provide a decent dividend yield of over 7% p.a.



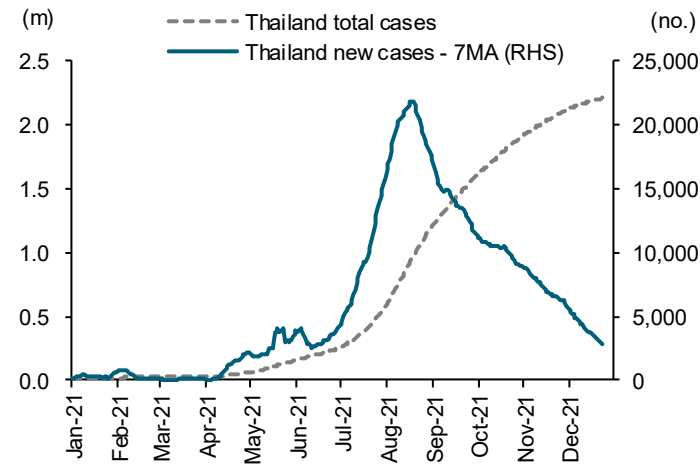
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Omicron variant could be a future downside risk

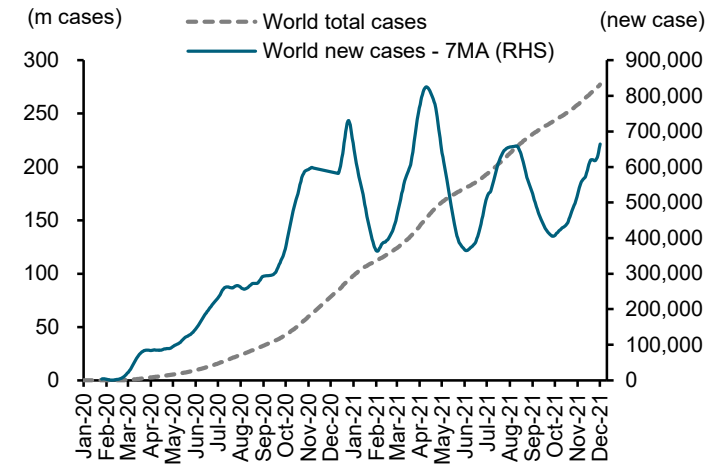
The Omicron variant could be a new downside risk to the auto sector as the rising Covid cases around the world could pressure consumer confidence and purchasing power once again. Therefore, if Omicron becomes widespread in Thailand and the rest of the world, we expect that domestic car sales and exports in 2022 could drop from our current expectations to 830k (-4.6%) and 920k units (-2.1%), respectively, resulting in our total car production estimate falling from 1.76m units to 1.7m units (-3.3%).

Exhibit 1: Thailand Covid cases



Sources: Worldometers.info; FSSIA's compilation

Exhibit 2: World Covid cases



Sources: Worldometers.info; FSSIA's compilation

Exhibit 3: Potential Omicron downsides to our car production estimates

	2020 (Units)	2021E (Units)	2022E (Units)	Omicron impact (Units)	Downside (%)
Domestic sales	792,146	800,000	870,000	830,000	(4.60)
Exports	735,842	900,000	940,000	920,000	(2.13)
Total car sales	1,527,988	1,700,000	1,810,000	1,750,000	(3.31)
Car production	1,426,970	1,649,000	1,755,700	1,697,500	(3.31)

Sources: Thai Automotive Industry Association; FSSIA estimates

Although we think the Omicron variant could present a downside risk to Thailand's total car production by 3.3% in 2022, our car production estimate for 2022 under the Omicron impact scenario remains higher than for this year at 1.65m units. As a result, although there is a risk that the Omicron variant could affect the country's car production volume, we believe that it would remain in the recovery stage from 2021 by +2.9% y-y in 2022.

Minimal impact for SAT

We would expect a 4% downside to SAT's 2022E revenue from the Omicron impact, in line with the total car production volume. We would expect the company's revenue to slightly decrease to THB8.5b (+6% y-y). The y-y growth should still be driven by new orders amounting to THB200m per year alongside the continuous tractor volume growth. In the event of Omicron becoming widespread, we maintain our GPM forecast at 20% as we already have a conservative view on SAT's GPM that would be similar to our 2021E GPM. The Omicron variant that could impact SAT's GPM would likely be offset by the new orders.

Therefore, we would expect only a 4% downside risk to SAT's earnings from the Omicron variant, resulting in a 2022E net profit of THB1,071m from our current assumption of THB1,117m. As a result, we would expect a 4% downside to our TP on SAT from the Omicron variant to THB27.75 vs our current TP of THB29.

Manageable impact for AH

We expect a higher downside risk for AAPICO Hitech (AH TB, BUY, TP THB29), given that the company has a factory in Portugal that should suffer a higher impact from the Omicron variant that has already spread in Europe. Car production as well as the demand for new cars in Europe should slow down, which would hurt the Portugal factory. Moreover, if Omicron becomes more widespread in Thailand and Malaysia, the demand for new cars should also fall, meaning that about 38% of AH's revenue would be at risk (20% and 18% of revenue from its Portugal factory and car dealership business, respectively).

We anticipate that the Omicron variant could impact AH's revenue in three businesses, including:

- 1) Since we estimate a possible 4.6% downside to domestic car sales next year due to the Omicron impact, we would expect that AH's revenue from its car dealership business could drop by 6% to 5.7b in 2022. If there is a lockdown in Thailand or Malaysia, the company could face a higher downside risk to its car dealership business, possibly by about 10%.
- 2) For Portugal's performance, we would expect about a 7% downside to our current revenue forecast of THB3.9b to THB3.6 (+16% y-y).
- 3) For its auto parts manufacturing in Thailand and China, we would expect a similar impact as we estimate for SAT at a 4% downside.

As a result, we would expect a 5% revenue downside to THB21.2b for AH in 2022 from the Omicron impact, slightly higher than the downside we estimate for SAT at 4%. In addition, we estimate that Omicron could impact AH's GPM in 2022 by 25bps, slightly better than the estimated decrease in GPM for SAT as its car dealership business has a low GPM. A 6% decrease in AH's car dealership revenue should improve the company's GPM. Finally, we would expect a 6% downside to AH's earnings from the Omicron impact to THB1,078m vs our current assumption of THB1,143m, resulting in a downside to our TP of 6% to THB27.3 from THB29.

Exhibit 4: Key assumption changes for 2022 based on Omicron impact scenario

	No Omicron impact		Omicron impact		----- Change -----	
	SAT (THB m)	AH (THB m)	SAT (THB m)	AH (THB m)	SAT (%)	AH (%)
Revenue	8,842	22,293	8,488	21,188	(4.0)	(5.0)
Gross profit	1,768	2,675	1,698	2,521	(4.0)	(5.8)
Net profit	1,117	1,143	1,072	1,078	(4.0)	(5.7)
TP (THB)	29	29	27.83	27.35	(4.0)	(5.7)
Margin	(%)	(%)	(%)	(%)	(ppt)	(ppt)
GPM	20.0	12.0	20.0	11.9	0.0	(0.1)
NPM	12.6	5.1	12.6	5.1	0.0	0.0

Source: FSSIA estimates

In conclusion, since we estimate a minimal impact from Omicron, the potential TP downsides to our auto company TPs would only be 4-6% from our current TPs. Therefore, we believe the growth from the recovery in the car production volume, new orders, and the expectation of an improvement in the semi-conductor shortage would overcome the impact of the Omicron downside.

Tiny impact from EV promotion

The [Bangkok Post](#) has reported that the Thai government is considering promotions for the EV market in Thailand. The government plans to introduce an excise tax cut and import duty reduction for EVs next year to bring down EV prices. Price subsidy measures could also be launched next year to support consumers wanting to buy EVs. All these measures are expected to run for five years. The government's target to promote EV usage is in line with its aim of promoting the country's competitiveness, because EV use and pollution reduction are global trends. If these measures are applied early next year, we expect about a THB200k-300k price subsidy promotion, making EVs more attractive, as most EVs at the moment are priced over THB1m.

As stated in FSSIA's report, "[Thailand Utilities – Electric Vehicle - EV growth to brighten in 2022-23,](#)" dated 13 Dec-21, we believe that after the announcement of the government's incentive plan for EVs, potentially within 1Q22, the number of new EVs will jump markedly to over 10,000 in 2022, up over the current 3,859 units, reflecting only 6,000 units to be sold next year. Therefore, when we compare our domestic car sales estimate for 2022 at 870k units, the EVs sold in 2022 could amount to only 0.7% of total car sales in Thailand.

No impact on EV production for at least two more years

The National Electric Vehicle Policy Committee (NEVPC) is targeting only 30,000 EVs to be produced next year, accounting for 2% of the country's total car production volume that we estimate at 1.76m units. Therefore, we believe, for the next two years, EVs should not have a significant impact on the auto production industry, which should continue to produce 98% internal combustion engine (ICE) vehicles. EVs could play a bigger role from 2024-25 onward as the NEVPC targets about 225,000 EVs to be produced in 2025, contributing about 10% of the total car production volume per year.

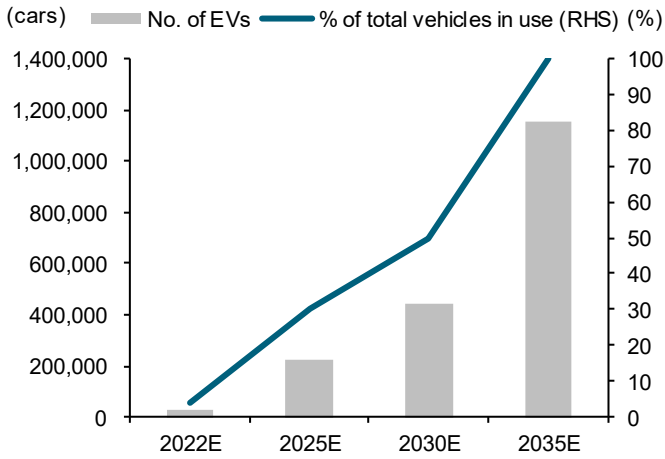
Exhibit 5: Zero emission vehicle targets for Thailand's EV industry

	2022E	2025E	2030E	2035E	Unit
Usage					
No. of EVs	30,000	225,000	440,000	1,154,000	EV
% of total vehicles in use	4	30	50	100	%
Production					
No. of EVs	30,000	225,000	725,000	1,350,000	EV
Accumulated	50,000	400,000	2,935,000	8,265,000	EV
% of total vehicle production	2	10	30	50	%

Source: NEVPC

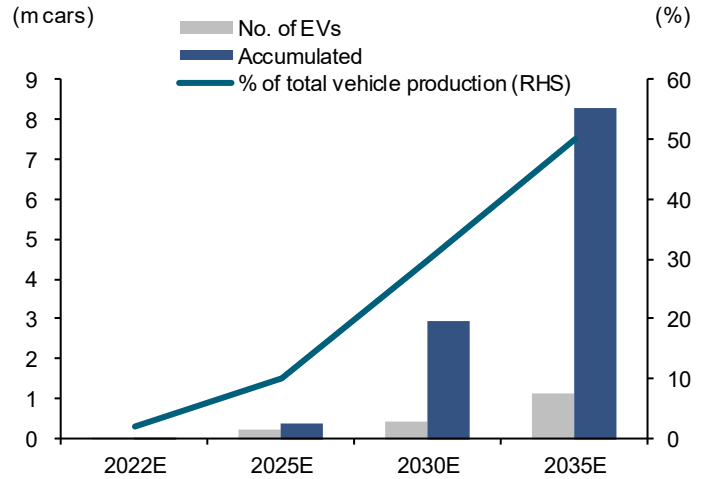
Most of the revenue for the auto companies under coverage, SAT and AH, comes from pick-up trucks, whereas EVs are mainly a substitute product for passenger cars. Therefore, we believe the impact from the EV promotions next year and the production volume that could rise continuously in the future would only have a minimal impact on the auto companies under our coverage. Note that 62% and 26% of SAT's revenue comes from pick-up trucks and tractors, respectively, while AH's revenue from pick-up trucks accounts for about 51% of its total revenue.

Exhibit 6: EV usage target



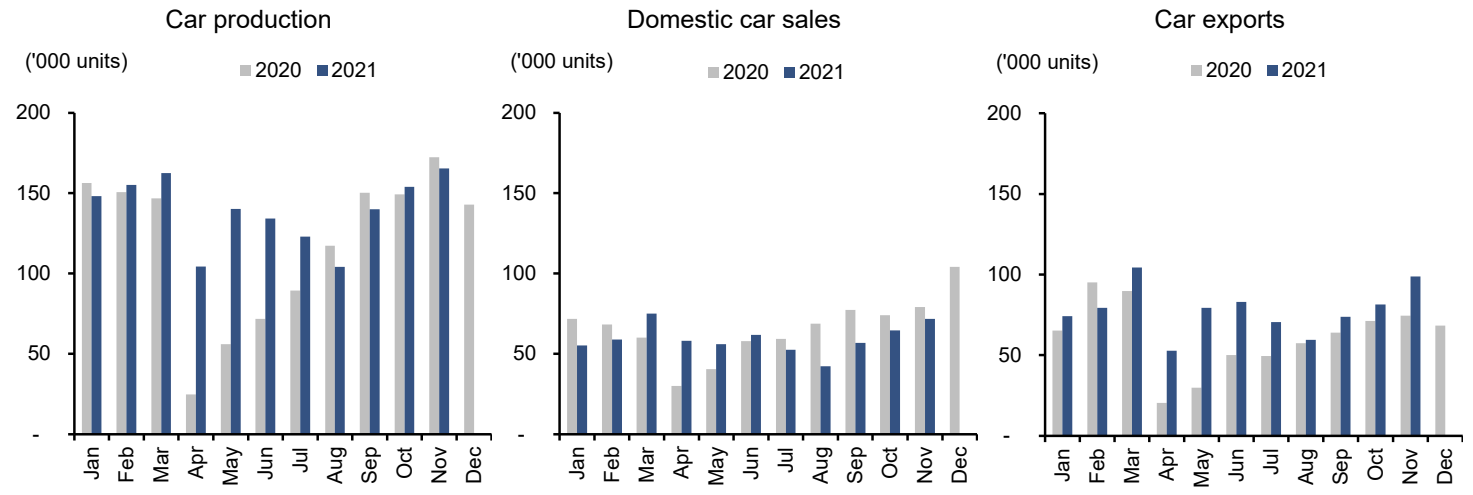
Source: NEVPC

Exhibit 7: EV production target



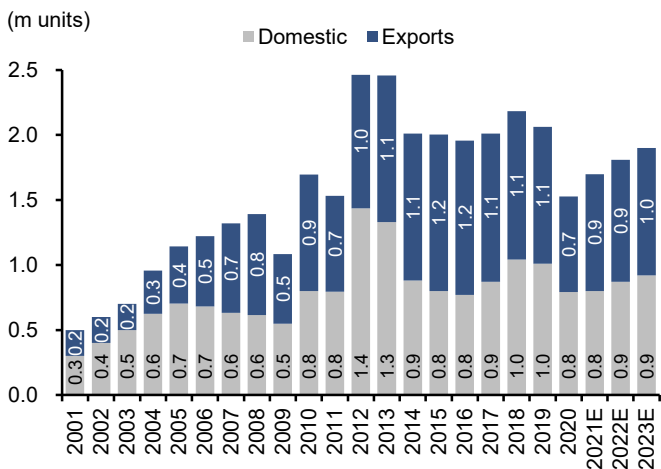
Source: NEVPC

Exhibit 8: Thailand's car industry



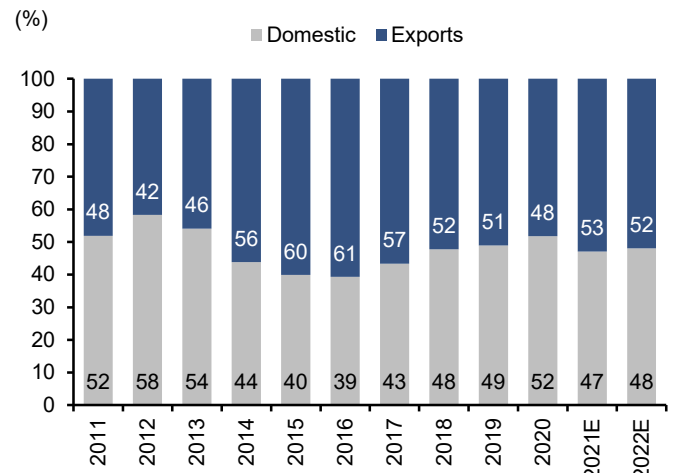
Sources: Thai Automotive Industry Association; FSSIA's compilation

Exhibit 9: Thailand's car sales (domestic and export)



Sources: Thai Automotive Industry Association; FSSIA estimates

Exhibit 10: Thailand's domestic sales vs exports



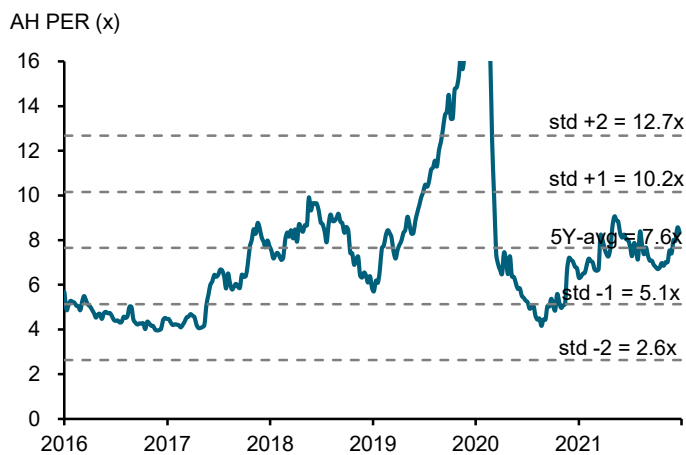
Sources: Thai Automotive Industry Association; FSSIA estimates

Exhibit 11: Peers comparison as of 23 Dec 2021

Company	BBG	Rec	Market Cap (USD m)	3Y EPS CAGR (%)	PE		DivYld		ROE		PBV	
					21E (x)	22E (x)	21E (%)	22E (%)	21E (x)	22E (x)	21E (x)	22E (x)
Aapico Hitech	AH TB	BUY	291	98	10.7	8.5	3.3	4.1	11.7	13.5	1.2	1.1
Somboon Advance Technology	SAT TB	BUY	274	47	9.5	8.2	7.4	8.6	13.0	14.0	1.2	1.1
Coverage			565	67	10.1	8.4	5.3	6.4	12.4	13.8	1.2	1.1
Pcs Machine Group Holding	PCSGH TB	n/a	224	47	12.9	10.7	5.1	6.5	12.0	14.0	1.5	1.4
Thai Stanley Electric	STANLY TB	n/a	391	(8)	13.8	8.8	2.7	4.0	5.3	8.2	0.7	0.7
Local peers			615	(8)	13.4	9.7	3.9	5.2	8.6	11.1	1.1	1.1
Gabriel India	GABR IN	n/a	257	nm	35.4	23.6	0.7	1.1	8.1	10.9	n/a	2.5
Mahindra Cie Automotive	MACA IN	n/a	1,146	86	78.3	14.6	0.8	1.1	2.0	11.6	n/a	n/a
Shanghai Daimay Automotive-A	603730 CH	n/a	2,729	36	26.4	21.2	1.21	1.50	15.4	17.0	3.9	3.5
Bethel Automotive Safety S-A	603596 CH	n/a	4,848	27	55.7	42.6	0.2	0.3	17.0	18.7	9.6	8.0
Great Wall Motor Co Ltd-A	601633 CH	n/a	62,279	49	64.4	40.4	0.7	1.1	12.2	17.4	7.7	6.8
Geely Automobile Holdings	175 HK	n/a	28,140	38	25.4	17.5	1.2	1.8	10.1	13.4	2.6	2.3
Regional peers			99,399	42	47.6	26.6	0.8	1.1	10.8	14.8	6.0	4.6
Average			100,579	50	33.3	19.6	2.3	3.0	10.7	13.9	3.6	3.0

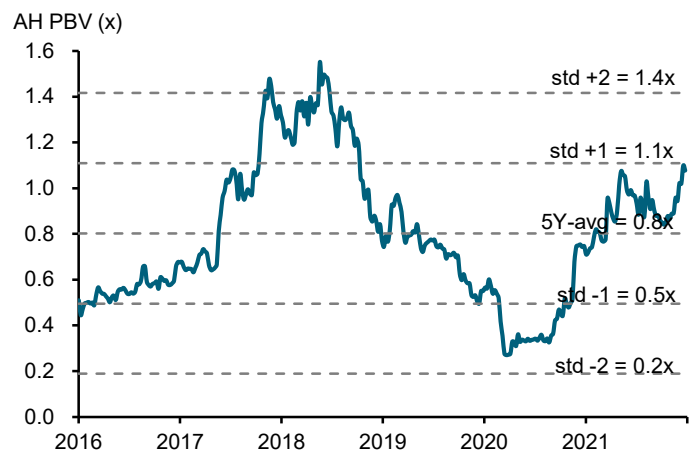
Sources: Bloomberg; FSSIA estimates

Exhibit 12: AH – rolling one-year forward P/E band



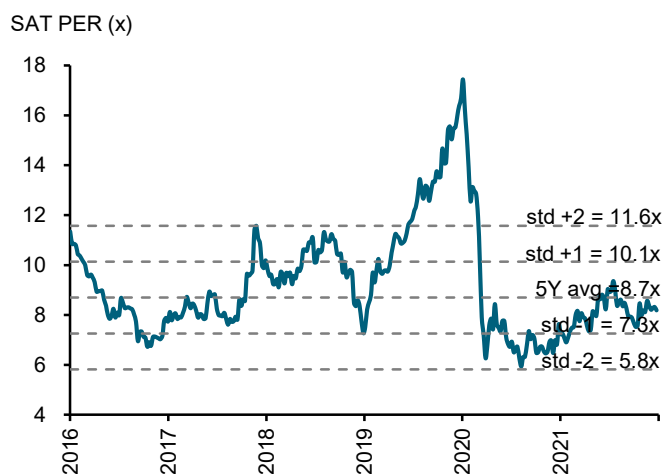
Sources: Bloomberg; FSSIA estimates

Exhibit 13: AH – rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 14: SAT – rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 15: SAT – rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

Disclaimer:

The disclosure of the survey results 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 evaluation 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 results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAH	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TTB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute 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 Thaipat Institute that is 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, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Naruedom Mujjalinkool FSS International Investment Advisory Securities Co., Ltd

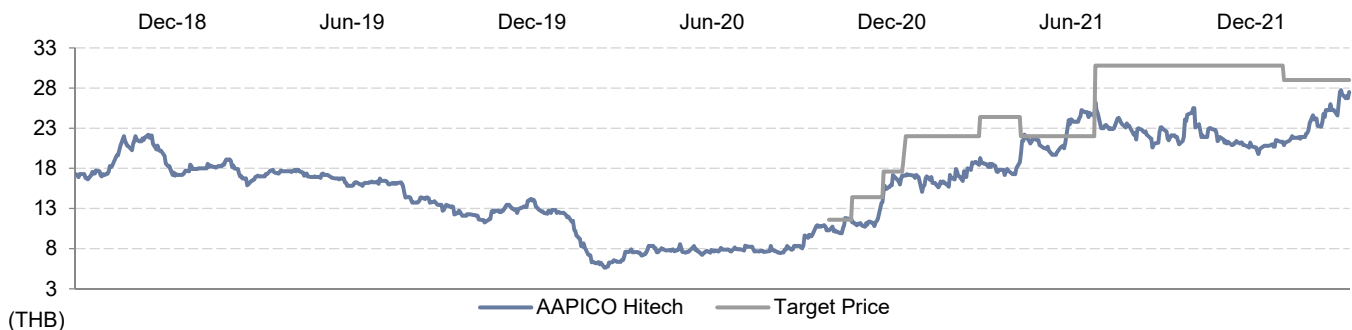
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

AAPICO Hitech (AH TB)



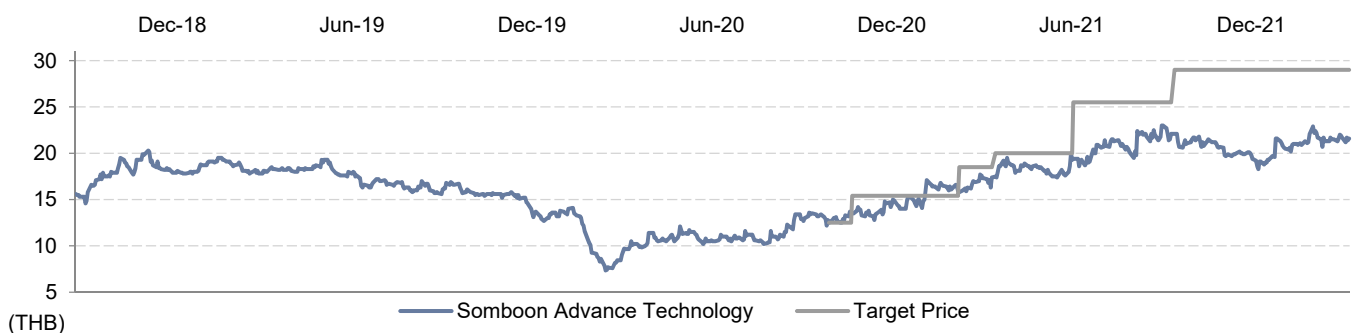
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
01-Oct-2020	HOLD	11.60	04-Dec-2020	BUY	22.00	18-May-2021	BUY	30.80
21-Oct-2020	BUY	14.40	08-Feb-2021	BUY	24.40	30-Aug-2021	BUY	30.80
17-Nov-2020	BUY	17.60	15-Mar-2021	BUY	22.00	27-Oct-2021	BUY	29.00

Naruedom Mujjalinkool started covering this stock from 01-Oct-2020

Price and TP are in local currency

Source: FSSIA estimates

Somboon Advance Technology (SAT TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
01-Oct-2020	HOLD	12.50	21-Jan-2021	BUY	18.50	29-Apr-2021	BUY	25.50
21-Oct-2020	BUY	15.40	19-Feb-2021	BUY	20.00	23-Jul-2021	BUY	29.00

Naruedom Mujjalinkool started covering this stock from 01-Oct-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
AAPICO Hitech	AH TB	THB 27.50	BUY	Key downside risks to our P/E-derived TP include lower-than-expected car production volumes and lower car sales in both Thailand and Malaysia. Additional downside risks include a faster-than-expected EV adoption rate in Thailand, and exchange rate risk.
Somboon Advance Technology	SAT TB	THB 21.60	BUY	The key downside risks to our P/E-based TP are the domestic car manufacturing industry recovering more slowly than expected, a slower-than-expected adoption rate for electric vehicles in Thailand, and worse global demand for pickup trucks.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 23-Dec-2021 unless otherwise stated.

RECOMMENDATION STRUCTURE**Stock ratings**

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.