

Thailand Property

Sluggish 2Q23E presales and profit

- 2Q23 total presales were THB74b (+6.5% q-q, -3% y-y). Soft presales momentum for low-rise, but positive signs from a condo presales recovery.
- Profit might not recover q-q as previously expected for 2Q23. We project developers' performances to drop q-q and y-y due to late-quarter launches and softer presales.
- Short-term pick is SIRI and mid-term picks are AP, ASW, and ORI.

Higher 2Q23 new launches for both low-rise and condo

In 2Q23, 12 property developers accelerated new launches, introducing 61 projects totalling THB89b (+108% q-q, +10% y-y), comprising 64% low-rise and 36% condos. NOBLE and QH had no new project launches this quarter. Most were launched from late May to June. Low-rise projects rose to 43 projects worth THB57b (+183% q-q, +1% y-y), especially in the mid to high segments. Meanwhile, nine developers launched more condos, with 18 projects worth THB32b (+40% q-q, +24% y-y) – the highest in four quarters – especially in the affordable segment with average prices of THB80k/sqm (starting from THB2m/unit).

Soft low-rise presales, but condos on path to recovery

2Q23 presales of 12 developers were THB74b (+6.5% q-q, -3% y-y), split 55:45 between low-rise and condos. Apart from the effect of long holidays, the market faced an upward trend in interest rates and political uncertainty in 2Q23. Low-rise presales momentum was lower at THB42b (+8% q-q, -12% y-y). However, there were signs of a recovery in condo demand, with condo presales rising by 5% q-q and 12% y-y to THB32b. In 2Q23, SC's and ORI's presales hit record highs for quarterly presales, and SIRI showed strong presales growth, driven by the success of new launches. In conclusion, 1H23 presales were THB144b (-2% y-y), equalling 42% of the aggregate full-year target of THB340b (+16% y-y).

2Q23 profit might be softer than previously expected

Although they introduced more new projects, developers' 2Q23 profits might not recover q-q as previously expected. We anticipate 2Q23 earnings to drop q-q and y-y due to lower-than-expected transfers, as most new projects were introduced late in the quarter and there were soft presales. Moreover, the economic and political uncertainty affected consumer confidence and purchasing decisions. We also expect an increase in their SG&A expenses following a number of new projects and financing costs from the interest rate hikes.

Neutral view on property sector; prefer stocks that deliver a strong growth outlook

We have a NEUTRAL rating on the property sector. The 2H23 outlook should improve h-h from numerous new launches. Developers are encouraging low-rise sales to replace declining condo backlogs. However, there are many challenges, like the delay in government formation, slow economic recovery, and a limited increase in housing demand from the high base in 2022. Short-term, we expect SIRI to post a stellar 2Q23 profit – well above the property sector overall – up q-q and y-y, as well as a dividend yield of 4-5% for 1H23. Looking ahead, we think AP, ASW, and ORI are attractive players in 2H23, led by their profit growth outlooks h-h and y-y with the transfer of several new condos scheduled.



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Soft low-rise presales, but condos on path to recovery

In 2Q23, the property market became sluggish, in line with the data from Real Estate Information Center (REIC), which reported that the 2Q23 Housing Developer's Sentiment Index (HDSI) decreased to 47.5 from 49.8 in 2Q22. This was caused by various factors including long holidays, the upward trend in interest rates, and political uncertainty, as well as the impact of the expiration of the easing of the LTV limits at end-2022.

By segment, we think the demand for the mid to high segments will be the main driver in the market. Meanwhile, the high-priced product segment's presales began to slow as consumers exercised caution on spending amid the uncertain situation. For the low-end market, presales remained weak following lower purchasing power with high household debt, and as a result, the low-end rejection and cancellation rate was around 40-50%.

The aggregate 2Q23 presales of 12 developers was reported at THB74b (+6.5% q-q, -3% y-y). Of the total, 55% was from low-rise and 45% was condo presales. This means low-rise presales of THB42b (+8% q-q, -12% y-y). The demand for housing was soft, compared to the high base in 2022 when customers accelerated buying during the Covid outbreak for increased usable areas.

Meanwhile, condo presales rose by 5% q-q and 12% y-y to THB32b in 2Q23 following more new launches. Also, the return to post-Covid normality prompted consumers to look for residences in central districts. New condo projects in 2Q23 had a good average take-up rate of 32%, improving from 23% in 1Q23. Apart from the demand recovery, the projects' strengths are their potential locations such as near universities, public transportation and tourist destinations, with reasonable prices. Moreover, the gradual recovery in overseas demand from investment and tourism helped to lift presales. For example, ORI introduced a new condo project named The Origin Centre Phuket (worth THB1.3b), which was well-received with sales standing at 80%. Apart from local buyers, the proportion of foreign buyers was around 20% of project presales.

Of all, the presales of SC, ORI and SIRI were among the highest, led by the success of their new launches. SC's and ORI's presales reached record highs, and SIRI's presales grew strongly q-q and y-y. Meanwhile, 12 developers delivered 1H23 presales of THB144b (-2% y-y). It was enough to secure 42% of their full-year aggregate target of THB340b (+16% y-y).

Exhibit 1: Total presales in 2Q23

Presales	2Q22	1Q23	2Q23	----- Change -----		1H22	1H23	Change	% to 2023 target
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(%)
AP	12,572	11,016	12,631	14.7	0.5	25,531	23,647	(7.4)	40.8
ASW	4,699	3,495	3,674	5.1	(21.8)	7,982	7,169	(10.2)	47.8
BRI	2,619	2,545	2,840	11.6	8.5	4,996	5,385	7.8	41.4
LH	7,413	4,800	3,950	(17.7)	(46.7)	15,409	8,750	(43.2)	25.0
LPN	2,593	2,786	2,621	(5.9)	1.1	4,757	5,407	13.7	41.6
NOBLE	5,082	4,402	3,900	(11.4)	(23.3)	11,495	8,302	(27.8)	55.3
ORI	9,623	12,004	12,461	3.8	29.5	17,778	24,465	37.6	54.4
PSH	6,342	4,466	4,650	4.1	(26.7)	11,686	9,116	(22.0)	38.0
QH	2,084	2,048	1,850	(9.7)	(11.2)	4,119	3,898	(5.4)	43.3
SC	6,736	4,918	7,300	48.4	8.4	12,021	12,218	1.6	40.7
SIRI	7,324	8,148	10,022	23.0	36.8	13,297	18,170	36.6	38.7
SPALI	9,364	9,029	8,256	(8.6)	(11.8)	18,216	17,285	(5.1)	48.0
Total	76,451	69,657	74,155	6.5	(3.0)	147,287	143,812	(2.4)	42.3

Sources: Company data; FSSIA's compilation

Exhibit 2: 2Q23 presales broken down by product

	Low-rise presales			Condo presales		
	(THB m)	(q-q %)	(y-y %)	(THB m)	(q-q %)	(y-y %)
AP	8,622	14.7	0.5	4,009	41.0	43.3
ASW	37	(62.1)	(64.3)	3,637	7.0	(20.9)
BRI	2,840	11.6	8.5			
LH	3,600	(19.7)	(46.0)	350	11.1	(53.4)
LPN	456	(11.8)	(35.1)	2,165	(4.6)	14.6
NOBLE	1,170	232.2	550.0	2,730	(32.6)	(44.3)
ORI	2,840	11.6	8.5	9,621	1.7	37.4
PSH	3,770	8.5	(28.8)	880	(11.3)	(15.9)
QH	1,570	(78.7)	(9.7)	280	(3.1)	(18.8)
SC	5,475	68.2	6.9	1,825	9.8	12.9
SIRI	6,110	34.1	2.8	3,912	8.9	183.9
SPALI	5,449	(15.0)	(10.7)	2,807	7.2	(13.9)
Total	41,939	7.6	(12.4)	32,216	5.1	11.9

Sources: Company data; FSSIA's compilation

Exhibit 3: New launches in 2Q23

New launches	2Q22	1Q23	2Q23	Change		1H22	1H23	Change	% to 2023 target
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(%)
AP	12,140	4,180	16,880	303.8	39.0	21,380	21,060	(1.5)	27.4
ASW	4,300	5,410	6,450	19.2	50.0	8,150	11,860	45.5	52.7
BRI	2,250	1,200	3,800	216.7	68.9	3,000	5,000	66.7	22.2
LH	5,990	1,365	6,130	349.1	2.3	10,790	7,495	(30.5)	21.4
LPN	3,550	3,390	2,800	(17.4)	(21.1)	3,550	6,190	74.4	44.2
NOBLE	8,100	3,800	0	(100.0)	(100.0)	23,100	3,800	(83.5)	16.3
ORI	7,240	11,660	9,735	(16.5)	34.5	18,740	21,395	14.2	39.9
PSH	3,627	1,743	3,090	77.3	(14.8)	4,737	4,833	2.0	20.6
QH	1,317	2,259	0	(100.0)	(100.0)	3,995	2,259	(43.5)	21.3
SC	13,785	930	16,250	1,647.3	17.9	15,300	17,180	12.3	40.6
SIRI	8,893	2,440	16,060	558.2	80.6	18,808	18,500	(1.6)	24.7
SPALI	9,700	4,550	7,910	73.8	(18.5)	20,710	12,460	(39.8)	30.4
Total	80,892	42,927	89,105	107.6	10.2	152,260	132,032	(13.3)	30.0

Sources: Company data; FSSIA's compilation

Exhibit 4: New low-rise projects in 2Q23

New low-rise projects	2Q22	1Q23	2Q23	Change	
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)
AP	10,740	4,180	13,380	220.1	24.6
ASW	0	0	0	n/a	n/a
BRI	2,250	1,200	3,800	216.7	68.9
LH	5,990	1,365	6,130	349.1	2.3
LPN	0	3,390	0	n/a	n/a
NOBLE	1,900	1,600	0	n/a	n/a
ORI	2,250	1,200	3,800	216.7	68.9
PSH	3,627	207	1,650	697.1	(54.5)
QH	2,678	2,259	0	n/a	n/a
SC	9,785	930	10,250	1,002	4.8
SIRI	8,513	40	14,860	37,050	74.6
SPALI	8,700	3,820	3,310	(13.4)	(62.0)
Total	56,433	20,191	57,180	183.2	1.3

Sources: Company data; FSSIA's compilation

Exhibit 5: New condo projects in 2Q23

New condo projects	2Q22	1Q23	2Q23	Change	
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)
AP	1,400	0	3,500	n/a	150.0
ASW	4,300	5,410	6,450	19.2	50.0
BRI	0	0	0	n/a	n/a
LH	0	0	0	n/a	n/a
LPN	3,550	0	2,800	n/a	(21.1)
NOBLE	6,200	2,200	0	n/a	n/a
ORI	4,990	10,460	5,935	(43.3)	18.9
PSH	0	1,536	1,440	(6.3)	n/a
QH	0	0	0	n/a	n/a
SC	4,000	0	6,000	n/a	50.0
SIRI	380	2,400	1,200	(50.0)	215.8
SPALI	1,000	730	4,600	530.1	360.0
Total	25,820	22,736	31,925	40.4	23.6

Sources: Company data; FSSIA's compilation

Exhibit 6: New condos in 1Q23

Developer	Project	Project value	% take-up rate
		(THB m)	(%)
ASW	Kave Embyo Rangsit	780	70
	Kave Town Island	3,530	30
	Atmoz Season Ladkrabang	1,100	20
ORI	Origin Place Ramkhamhaeng 153	2,100	10
	Origin Place Phaholyothin 59 station	490	35
	Origin Place Phetkasem	1,200	20
	Origin Play Sri Lasalle Station	3,900	10
	The Origin Bangna Bangpakong	1,300	10
	Knightsbridge Space Rayong	1,300	10
PSH	Chapter One All Ramintra	1,536	50
SIRI	dcondo Reef	1,470	34
	dcondo Sand	970	7
SPALI	City Home Sanambinnam-Rattanaibeth	730	30
Total		20,406	23

Sources: Company data; FSSIA's compilation

Exhibit 7: New condos in 2Q23

Developer	Project	Project value	% take-up rate
		(THB m)	(%)
AP	Life Phahon-Ladprao	3,500	40
ASW	Atmoz Palacio Ladprao Wanghin	1,750	25
	Kave Coco Bangsaen	2,000	30
	Modiz Vault Kaset Sripatum	2,200	40
	Kave Pop Salaya	500	30
LPN	Park 168 Nopparat Ramindra	2,800	7
ORI	The Origin Bangkai	1,580	45
	So Origin Siriraj	1,310	90
	The Origin Campus Khon Kaen	790	60
	The Origin Pattaya	945	50
	The Origin Centre Phuket	1,310	80
PSH	The Privacy Parc Taopoon	1,440	3
SC	COBE Ratchada-Rama 9	6,000	16
SIRI	dcondo Hype Rangsit	1,000	80
SPALI	Supalai Parc Ekkamai-Pattanakarn	4,600	16
Total		31,725	32

Sources: Company data; FSSIA's compilation

Exhibit 8: Life Phahon-Ladprao from AP



Source: AP

Exhibit 9: Modiz Vault Kaset Sripatum from ASW



Source: ASW

Exhibit 10: So Origin Siriraj from ORI



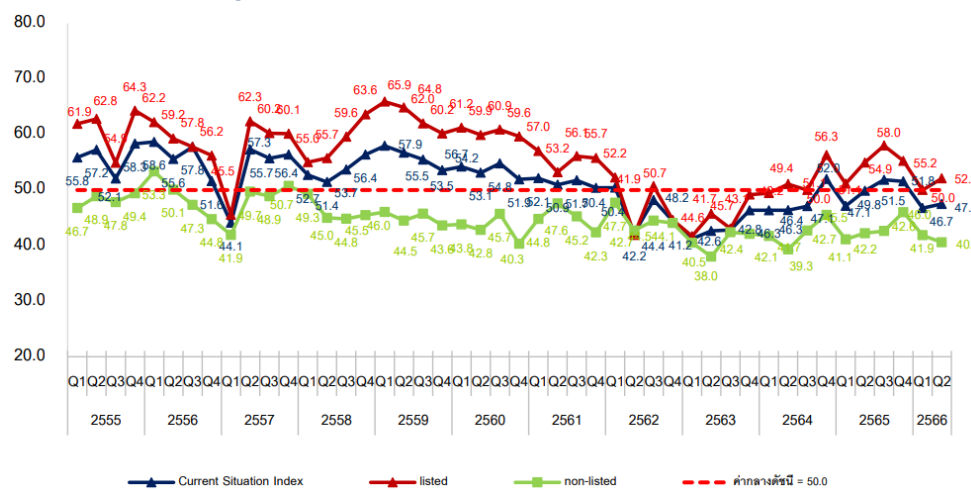
Source: ORI

Exhibit 11: dcondo Hype Rangsit from SIRI



Source: SIRI

Exhibit 12: Housing Developer's Sentiment Index (HDSI) in current situation



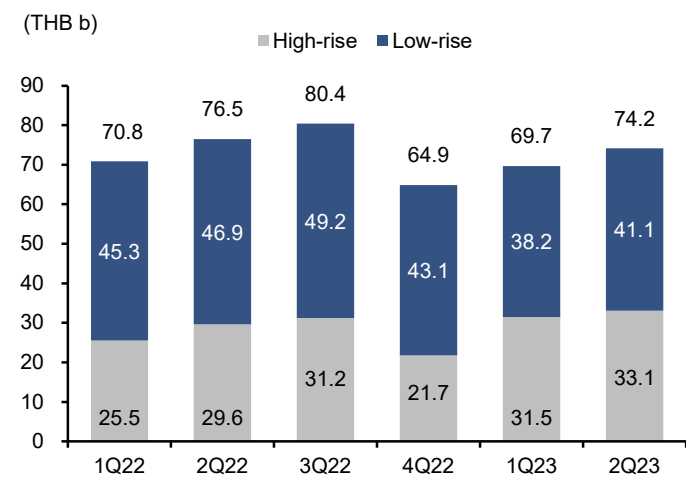
Source: REIC

Exhibit 13: New launch plans for 2H23

New launches in 2H23E	2H22	1H23	2H23E	Change		% to 2023 target
	(THB m)	(THB m)	(THB m)	(h-h %)	(y-y %)	(%)
AP	42,220	21,060	55,940	165.6	32.5	72.6
ASW	2,550	11,860	11,020	(7.1)	332.2	47.3
BRI	9,000	5,000	17,500	250.0	94.4	77.8
LH	21,670	7,495	27,465	266.4	26.7	78.6
LPN	7,150	6,190	7,810	26.2	9.2	55.8
NOBLE	8,450	3,800	19,500	413.2	130.8	83.7
ORI	22,260	21,395	32,210	50.5	44.7	60.1
PSH	10,192	4,833	16,160	234.4	58.6	79.4
QH	3,603	2,259	8,632	282.1	139.6	78.7
SC	28,900	17,180	25,140	46.3	(13.0)	59.4
SIRI	24,254	18,500	56,500	205.4	133.0	75.3
SPALI	16,690	12,460	28,540	129.1	71.0	69.6
Total	196,939	132,032	306,417	132.1	55.6	70.0

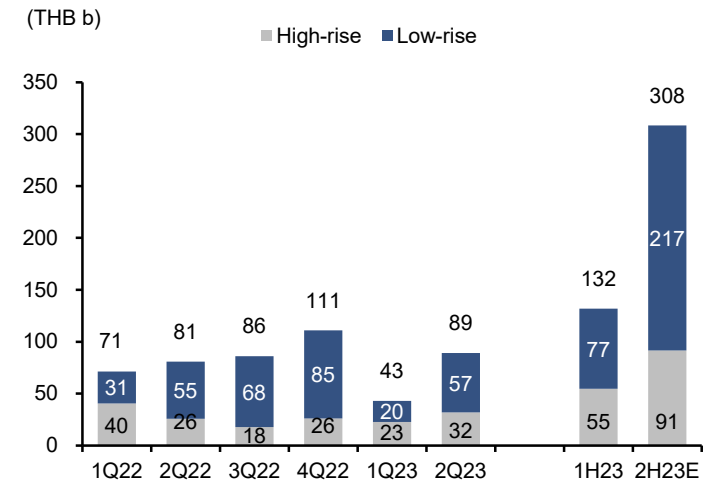
Sources: Company data; FSSIA's compilation

Exhibit 14: Quarterly presales



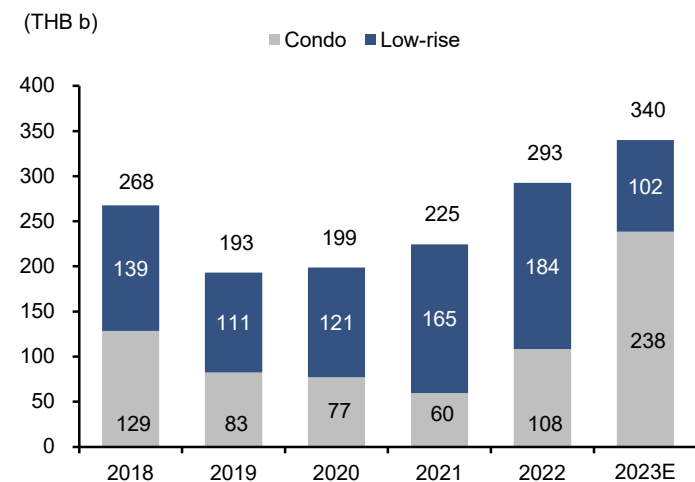
Sources: Company data; FSSIA's compilation

Exhibit 15: Quarterly new launches



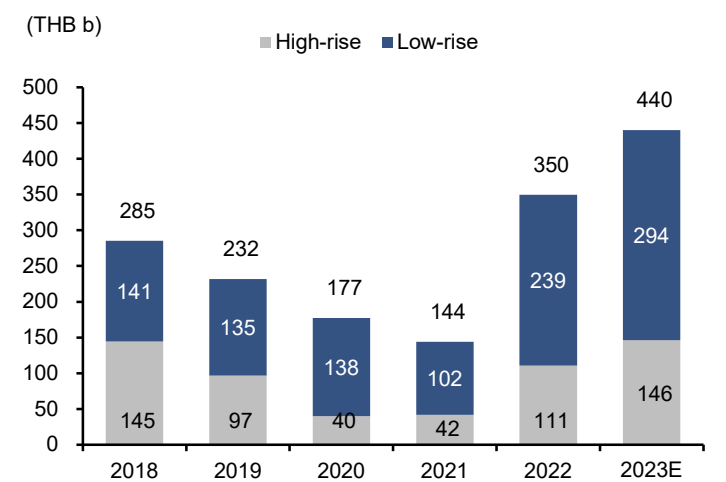
Sources: Company data; FSSIA's compilation

Exhibit 16: Yearly presales



Note: ASW and BRI were listed in 2021
 Sources: Company data; FSSIA's compilation

Exhibit 17: Yearly new launches



Note: ASW and BRI were listed in 2021
 Sources: Company data; FSSIA's compilation

Exhibit 18: 2Q23E performances

2Q23E performances	----- Net profit -----		----- Core profit -----	
	(q-q %)	(y-y %)	(q-q %)	(y-y %)
AP	-	-	-	-
ASW	-	-	-	-
BRI	0	-	0	+
LH	-	-	-	-
LPN	-	-	-	-
NOBLE	-	+	-	+
ORI	+	-	+	+
PSH	+	+	-	0
QH	-	0	0	+
SC	-	-	-	-
SIRI	+	+	+	+
SPALI	+	-	+	-
Total	-	-	-	-

Source: FSSIA estimates

Exhibit 19: 2H23E performances

2H23E performances	----- Net profit -----		----- Core profit -----	
	(q-q %)	(y-y %)	(q-q %)	(y-y %)
AP	+	+	+	+
ASW	+	+	+	+
BRI	+	+	+	+
LH	+	+	+	0
LPN	0	0	0	0
NOBLE	+	-	+	-
ORI	+	+	+	+
PSH	-	-	0	-
QH	0	0	0	0
SC	+	-	+	-
SIRI	0	0	+	0
SPALI	+	-	+	-
Total	+	0	+	0

Source: FSSIA estimates

Exhibit 20: Peer comparisons as of 13 July 2023

Company	BBG	Rec	Market Cap (USD m)	3Y EPS CAGR (%)	----- PE -----		----- DivYld -----		----- ROE -----		----- PBV -----	
					23E (x)	24E (x)	23E (%)	24E (%)	23E (x)	24E (x)	23E (x)	24E (x)
Thailand												
Assetwise	ASW TB	BUY	202	18	6.8	6.5	6.6	6.9	17.6	17.5	1.1	1.1
Noble Development	NOBLE TB	HOLD	166	44	13.1	7.3	7.3	7.6	7.1	12.1	0.9	0.9
SC Asset Corp	SC TB	BUY	538	2	6.9	6.7	5.7	5.9	11.7	11.3	0.8	0.7
Supalai	SPALI TB	BUY	1,147	(5)	5.5	5.4	7.2	7.2	14.7	13.9	0.8	0.7
Sansiri	SIRI TB	BUY	888	(0)	7.1	7.0	7.3	7.5	10.1	9.7	0.7	0.7
AP Thailand	AP TB	BUY	1,019	4	5.6	5.5	6.2	6.3	16.2	15.0	0.9	0.8
Britania	BRI TB	BUY	218	20	5.1	4.7	8.3	9.0	28.1	26.2	1.3	1.1
Origin Property	ORI TB	BUY	734	13	7.6	6.8	7.3	7.4	17.5	18.0	1.3	1.2
Land & Houses	LH TB	n/a	2,921	8	11.9	10.9	7.3	7.9	16.2	17.2	1.9	1.8
LPN Development	LPN TB	n/a	173	30	10.4	9.3	5.4	6.0	4.8	5.5	0.5	0.5
Pruksa Holding	PSH TB	n/a	817	6	10.2	10.2	7.4	7.1	6.3	6.1	0.6	0.6
Quality Houses	QH TB	n/a	688	15	9.7	9.1	6.4	7.1	8.7	9.0	0.8	0.8
Average			9,511	7	8.3	7.4	6.9	7.2	13.3	13.5	1.0	0.9

Sources: Bloomberg; FSSIA estimates

Public disclosures related to sustainable development evaluation of Thai listed companies

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**" by the Thai Institute of Directors Association (Thai IOD); 2) "**AGM Checklist**" by the Thai Investors Association (TIA), a "**CAC certified member**" of the Thai Private Sector Collective Action Against Corruption (CAC); and 3) **Sustainability Investment List (THSI)** by the Stock Exchange of Thailand. The ratings are updated on an annual basis. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such ratings.

CG Score by the Thai Institute of Directors Association (Thai IOD) ¹

The CG Score indicates corporate governance (CG) strength in the sustainable development of Thai listed companies. Annually, the Thai IOD, with support from the Stock Exchange of Thailand (SET), surveys and assesses the CG practices of companies and publishes the results on the Thai IOD website in a bid to promote and enhance the CG of Thai listed companies in order to promote compliance with international standards for better investment decisions. The results are from the perspective of a third party, not an evaluation of operations, as of the date appearing in the report, and may be changed after that date.

The five underlying categories and weighting used for the CG scoring in 2022 include the rights of shareholders and equitable treatment of shareholders (weight 25% combined), the role of stakeholders (25%), disclosure and transparency (15%), and board responsibilities (35%).

The CGR report rates CG in six categories: 5 for Excellent (score range 90-100), 4 for Very Good (score range 80-89), 3 for Good (Score range 70-79), 2 for Fair (score range 60-69), 1 for Pass (score range 60-69), and not rated (score below 50).

AGM Checklist by the Thai Investors Association (TIA) ²

The "**AGM Checklist**" quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and the extent to which information is sufficiently disclosed and the level of its transparency. All the considered factors form important elements of two out of five the CG components. Annually, the TIA, with support from the SEC, leads the project to evaluate the quality of Annual General Meetings of Shareholders (AGMs) and to rate quality of the meetings.

The Checklist contains the minimum requirements under law that companies must comply with, or best practices according to international CG guidance. Representatives of the TIA will attend the meetings and perform the evaluation. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating of how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.

The results are classified into four categories: 5 for Excellent (score 100), 4 for Very Good (score 90-99), 3 for Fair (score 80-89), and not rated (score below 79).

CAC certified member by the Thai Private Sector Collective Action Against Corruption (CAC) ³

A CAC certified member is a listed company whose Checklist satisfies the CAC Certification's criteria and is approved by the CAC Council. The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. Note that the CAC does not certify the behaviour of the employees nor whether the companies have engaged in bribery, and Certification is good for three years.

Companies deciding to become a CAC certified member start with by submitting a Declaration of Intent signed by the Chairman of the Board to kick off the 18-month deadline for companies to submit the CAC Checklist for Certification. The 18-month provision is for risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.

The checklist document will be reviewed by the CAC Certification Committee for adequate information and evidence. It is worth noting that the committee consists of nine professionals in business law, corporate governance, internal audit, financial audit and experienced representatives from certified members.

A passed Checklist will move on to the CAC Council for granting certification approvals. The CAC Council consists of twelve prominent individuals who are highly respected in professionalism and ethical achievements. Among them are former ministers, a former central bank governor, the former head of the Thai Listed Companies Association, Chairman of Anti-Corruption Organizations (Thailand), Chairman of Thai Institute of Directors, and reputable academic scholars.

Sustainability Investment (THSI) ⁴ by the Stock Exchange of Thailand (SET)

Thailand Sustainability Investment (THSI) quantifies responsibility in Environmental, and Social issues, by managing business with transparency in Governance. The THSI serves as another choice for investors who desire to adopt a responsible investment approach, according to the SET.

Annually, the SET will announce the voluntary participation of the company candidates which pass the preemptive criteria, and whose two key crucial conditions are met, i.e. no irregular trading of the board members and executives and a free float of >150 by the number of shareholders, and combined holding must >15% of paid-up capital. Some key disqualifying criteria include a CG score of below 70%; independent directors and free float violation; executives' wrongdoing related to CG, social and environmental impacts, equity in negative territory, and earnings in the red for more than three years in the last five years. To become eligible for THSI, the candidate must pass three indicators in data declaration: Economic (CG, risk management, customer relation management, supply chain management, and innovation); Environmental (environmental management, eco-efficiency, and climate risk); Social (human rights, talent attraction, operational health & safety, community development, and stakeholder engagement); and the incorporation of ESG in business operations.

To be approved for THSI inclusion, verified data must be scored at a 50% minimum for each indicator, unless the company is a part of the Dow Jones Sustainability Indices ⁵ (DJSI) during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality.

Note that, from the THSI list, the SET further developed a sustainability SETTHSI Index in June 2018 from selected THSI companies whose 1) market capitalisation > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.

Sources: SEC; Thai IOD; Thai CAC; SET; FSSIA's compilation

Disclaimer:

¹ Thai Institute of Directors Association (Thai IOD) was established in December 1999 and is a membership organisation that strives to promote professionalism in directorship. The Thai IOD offers directors certification and professional development courses, provides a variety of seminars, forums and networking events, and conducts research on board governance issues and practices. Membership comprises board members from companies ranging from large publicly listed companies to small private firms.

² Thai Investors Association (TIA) was established in 1983 with a mission to promote investment knowledge and to protect the investment rights of Thai investors. In 2002, the association was appointed by the Securities and Exchange Commission (SEC) to represent individual shareholders. To obtain information for evaluation, the association recruits volunteer investors to join AGMs and score the meetings. Weightings for each meeting are at a 45:45:10 ratio. They have been applied since 2017 and subject to change.

³ Thai Private Sector Collective Action against Corruption (CAC) was founded in 2010 and is 100% privately funded. It is an initiative by the Thai private sector to take part in tackling corruption problems via collective action. The CAC promotes the implementation of effective anti-corruption policies in order to create a transparent business ecosystem by developing a unique certification program for large/medium/small companies to apply for and to control corruption risk systematically and efficiently. The CAC's operations are sponsored by the US-based Center for Private Enterprise (CIPE) and the UK Prosperity Fund.

⁴ Sustainability Investment List (THSI), created by the Stock Exchange of Thailand in 2015, comprises the listed companies that conduct sustainable business operations.

⁵ Dow Jones Sustainability Indices – Wikipedia – Launched in 1999, DJSI evaluates the sustainability performance of companies based on corporate economic, environmental, and social performance.

GENERAL DISCLAIMER

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Thanyatorn Songwutti FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
Assetwise	ASW TB	THB 8.15	BUY	Downside risks to our P/E-based TP include 1) weaker than expected consumer purchasing power; 2) cancellation of presales; 3) customer loan rejections; 4) delays in construction; 5) intense competition; and 6) rising construction costs.
Noble Development	NOBLE TB	THB 4.18	HOLD	Downside risks to our P/E-based TP include 1) weaker-than-expected purchasing power; 2) cancellation of presales; 3) bank loan rejections; 4) delays in construction work and transfers; and 5) fierce competition. Upside risks would be 1) a stronger-than-expected presales; and 2) a sooner-than-expected overseas buyer recovery; and 3) selling other projects to investors so that it might book extra gains from sales.
SC Asset Corporation	SC TB	THB 4.36	BUY	Downside risks to our P/E-based TP include 1) weaker-than-expected take-up rates of new launches; 2) weak purchasing power; 3) cancellation of presales; 4) bank loan rejections; and 5) construction delays.
Supalai	SPALI TB	THB 20.30	BUY	Downside risks to our P/E derived TP are cost overruns; delays or poor receptions for new launches; presale cancellations; inability of homebuyers to obtain mortgage financing; and weak take-up rates and reduced pricing power from rising competition.
Sansiri	SIRI TB	THB 1.87	BUY	Downside risks to our P/E-based TP include 1) weaker-than-expected take-up rates of new launches; 2) rising competition; 3) construction delays and increasing raw material prices; 4) the impact of the expiration of loan-to-value (LTV) limit easing; and 5) a high level of IBD/E.
AP (Thailand)	AP TB	THB 11.20	BUY	Downside risks to our P/E-based TP include 1) rising competition in the low-rise market, such that it could hurt take-up rates; 2) weaker-than-expected take-up rates of new launches; 3) construction delays from labour shortages; 4) increasing raw material prices; and 5) the impact of the expiration of the loan-to-value (LTV) limit easing.
Britania	BRI TB	THB 8.85	BUY	Downside risks to our P/E-based TP include 1) weaker-than-expected take-up rates of new launches; 2) a slower-than-expected economic recovery and weak purchasing power; 3) intense competition; 4) construction delays and labour shortages; 5) an increase in raw material costs; and 6) challenging new launches in the upcountry market.
Origin Property	ORI TB	THB 10.20	BUY	Downside risks to our SoTP-based TP include 1) a slower-than-expected economic recovery; 2) weaker-than-expected presales; 3) a high cancellation rate of presales and rejections from banks; 4) delays in construction and/or a labour shortage; 5) intense competition and an increase in raw material costs; and 6) lower-than-expected performance for its subsidiaries.

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 13-Jul-2023 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.