

Asiasoft Corporation - AS

Market Stock Exchange of Thailand
Sector Media and Publishing
Reuters AS.BK
Bloomberg AS TB

BUY

(Unchanged)

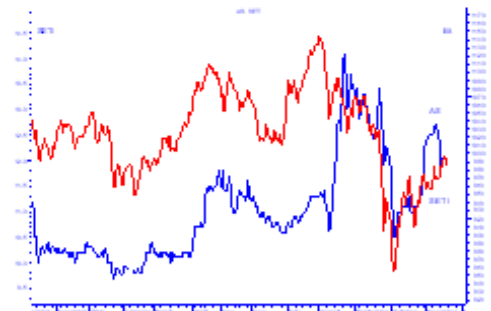
Closing Price
Bt11.90
2012 target price
Bt15.50 (+30.3%)

Price

Last Price 11.90
52wk High (23/08/2011) 14.10
52wk Low (24/01/2011) 9.70
Shares Outstanding (mil) 315.91
Market Cap (Btm) 3,759.33
Avg. Daily Turnover (Btm) 3.73
Free float (%) 18.45
PE (X) 13.22
PB (X) 2.89

Price performance %

	1M	3M	6M
Absolute	8.2%	-7.0%	8.2%
Relative	4.9%	2.6%	16.7%



Major Shareholders (31/08/11)

Shareholder	%
1 Mr. Pramote Sutjitporn	41.51
2 Mr. Tan Tgow Lim	9.50
3 Asia Investment Partners Ltd.,	9.50

CG Report - 2010



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3Q11 net profit up 17.10% YoY

- Online game maker AS achieved 3Q11 net profit growth of 17.10% YoY to Bt68.56m due partly to tax rebate from its subsidiary in Singapore. Total revenue for the quarter rose 9.56% YoY.
- AS would continue its aggressive plan to launch six new games in 4Q11 and new game in Indonesia. One acquisition deal is also likely to be concluded in Nov 2011. In addition AS has secured a license to distribute bestselling games published by Blizzard Entertainment and it also aims to boost revenues from new services.
- We slash our 2011-12 net profit forecasts for AS to Bt282.33m and Bt377.22m respectively. We also cut our 2012 price target for AS to Bt15.50/share. Despite earnings and price target downgrades, we maintain a 'BUY' rating on AS shares as the new target still offers more than 15% upside from current trading levels.

3Q11 net profit up 17.10% YoY

Online game maker AS made a 3Q11 net profit of Bt68.56m, up 17.10% YoY helped by a recovery of its overseas subsidiaries and tax rebate from its subsidiary in Singapore. In this period, revenue rose 9.56% YoY to Bt939.54m. Revenue from overseas operations jumped 45.72% YoY but revenue from domestic operations dropped 4.69%. For the quarter, AS released two new game titles in Thailand and Malaysia in late 3Q11. Costs and SG&A expenses rose 16.68% and 11.73% YoY respectively due to expenses for new game launches. License fees rose along with an increased number of game titles, the increased staff levels and higher depreciation charges for servers and networks. Other income skyrocketed 91.58% on the back of internet ad revenue. Tax expenses declined 62.68% YoY thanks to a Bt9.05m tax rebate from its subsidiary in Singapore.

Flooding impact seen insignificant in 4Q11 but impact offset by revenues from new games

The flooding has both a positive and negative impact on AS. Game shops which are clients of AS and located in flooded areas account for 30% of its total members. Some game shops have also been damaged by floods and some individual clients suffer from flooding. However, the longer school break as a result of floods has also led to growing demand from school/university student clients. The new games released in late 3Q11 also generated better revenues. The revenue decline was therefore insignificant in Oct to early Nov as the impact had been offset by revenues from new games. In 4Q11, AS also plans to launch four new games in Thailand, one game in Singapore and one game in Indonesia. The new game launches would provide another boost to the top-line revenue.

Conso' Ending	Profits (Btm)	EPS (Bt)	DPS (Bt)	BV (Bt)	ROE (%)	P/E (x)	Yield (%)	P/BV (x)
12/08 A	185	0.69	0.63	4.20	22.32	17.25	5.29	2.83
12/09 A	178	0.60	0.58	4.03	14.27	19.83	4.87	2.95
12/10 A	264	0.84	0.84	4.06	21.63	14.17	7.08	2.93
12/11 E	282	0.90	0.90	4.12	21.99	13.22	7.56	2.89
12/12 E	377	1.20	1.20	4.30	28.51	9.92	10.08	2.77

Asiasoft Corporation - AS

New game to be released in Indonesia in Dec, one acquisition deal likely to be concluded in Nov

The release of a new game in Indonesia has been postponed from Nov to mid-Dec due to the delay of game developer. In Vietnam, AS is still awaiting legal and regulatory clearance from the Vietnamese government. Market survey is currently being conducted in the Philippines. Its subsidiary in Singapore would act as an operator in Vietnam and the Philippines. The investment in both countries is likely to be concluded in 2012. In addition, one acquisition deal is also likely to be concluded in Nov 2011. The acquisition target is overseas online game business. The deal comes after it recently bought a 30% stake in Cybergames Corporation, which provides games through communications and network system services via internet and web advertising services. Cybergames would be a platform for overseas expansion to provide games through LAN system.

License to distribute new games, more services to be added

Lately AS has signed a deal with Blizzard Entertainment, the world's largest game publisher to distribute Blizzard games in Thailand, Malaysia and Singapore. The distribution deal includes the bestselling games from Blizzard Entertainment: Diablo action role-playing game series and Warcraft and StarCraft real-time strategy game series. In addition, AS also aims to boost revenues from new services. It has teamed up with One-2-Call to allow gamers to use One-2-Call cash card to make payments with other game operators including AS. This is similar to the Facebook deal, which offers the @cash payment service for gamers to buy credits in Facebook games. Moreover, AS has broadened its customer segments through Radio Online via Playpark, a move that has resulted in a steady rise in unique IP. AS also launches a regional platform for casual games after the recent launch of FPS platform has boosted the number of gamers.

Earnings downgrades for 2011-12

Even though the number of new game launches will increase in 4Q11, weak 9M11 revenue could make it difficult for AS to meet full-year target. For this reason, we slash our 2011 revenue outlook for AS to Bt1,654.91m from a previous view of Bt1,765.76m. Rising cost of sales in 3Q11 also gives us an excuse to revise upwards our full-year cost projection for AS. The revisions prompt us to cut our 2011 net profit forecast for AS to Bt282.33m from a previous estimate of Bt327.10m. Looking ahead into 2012, we also trim our 2012 revenue projection for AS to Bt2,018.41m from a previous estimate of Bt2,145.17m. The revenue downgrade also leads us to cut our 2012 net profit outlook for AS to Bt377.22m from a previous view of Bt406.09m. The new acquisition deal is not yet built into the forecast. We also cut our P/E target for AS to 13x from 14x to reflect economic concerns after the floods recede. The cut prompts us to slash our 2012 price target for AS to Bt15.50/share. Despite earnings and price target downgrades, we maintain a 'BUY' rating on AS shares as the new target still offers more than 15% upside from current trading levels.

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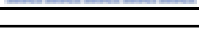
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Results Presentation

Score Range	Number of Logo
Less than 50	No logo given
50 - 59	
60 - 69	
70 - 79	
80 - 89	
90 - 100	

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