

## Asiasoft Corporation - AS

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

**BUY**

(Unchanged)

**Closing Price**

**Bt6.10**

12-month target price

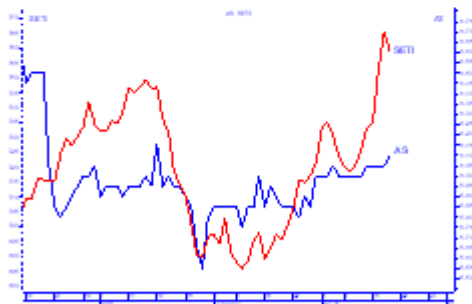
**Bt9.50 (+55.7%)**

### Price

Last Price	6.10
52wk High (09/09/2009)	7.30
52wk Low (28/01/2010)	5.55
Shares Outstanding (mil)	307.85
Market Cap (Btm)	1,877.91
Avg. Daily Turnover (mil)	0.84
Free float (%)	17.21
PE (X)	8.59
PB (X)	1.46

### Price performance %

	1M	3M	6M
Absolute	4.3%	0.8%	3.4%
Relative	-4.8%	-5.2%	-3.0%



### Major Shareholders (31/08/09)

	%
1 Mr.Pramote Sutjitporn	43.10
2 Asia Investment Partners Ltd.,	9.89
3 Mr. Tan Tgow Lim	9.74

### CG Report - 2009

NA

### New game launches, business expansion and overseas investments

- Online game firm AS posted a 3.59% drop in 2009 net profit from a year earlier to Bt178.49m hit by overseas losses and one-off charges.
- This year, AS plans to (i) launch eight, four and two new games in Thailand, Singapore and Malaysia respectively, (ii) foray into new business in computer security software services to market 'Kingsoft Interest Security 9+' and (iii) provide more other services.
- Overseas expansion plan becomes clearer. AS would venture into Vietnam and expand its presence in the Philippines in 1H10 and Indonesia in 2H10.
- We revise upwards our 2010 profit outlook for AS to Bt211.80m from a previous view of Bt177.95m to reflect lower expenses and improving performance at its overseas subsidiaries. We also raise our price target for AS to Bt9.50/share. The new target is based on a P/E multiple of 14x. We reiterate a 'BUY' opinion on AS.

### 2009 profit drop hit by overseas losses and one-off charges

The following is a recap of the operating performance at both Thai and overseas operations in 2009.

1. Thai operation: In 2009, revenue from domestic operation grew by 9% from a year earlier to Bt1,029.53m as the launch of seven new games took its gaming portfolio to 19 titles. AS and its 99.99%-owned subsidiary Fun Box captured a 50% share of the gaming market in Thailand. There were 27 game operators in Thailand with a total of 87 game titles available. Up to 94% of revenues at AS and Fun Box came from existing game titles and 6% from new games. Net profit surged as much as 182.05% YoY to Bt218.81m.
2. Overseas operations: In 2009, revenue from overseas operations slipped 4.59% from a year ago to Bt466.32m. The launch of a new game in Singapore took the number of game titles available in this market to five games. There were two new game launches in Malaysia after the office was opened last year. AS gained about 62% share of the gaming market in Singapore and Malaysia. There were six game operators in both markets with a total of 12 game titles available. Overseas operations turned in a loss of Bt40.32m, reversing a year-ago profit of Bt34.58m hit by investment in Malaysia and one-off expenses.

AS reported a 3.59% fall in 2009 profit from a year ago to Bt178.49m weighed by a weak overseas performance and one-off charges including lower investment provisions of Bt60m and a SGD864,000 or Bt20.39m charge in Singapore.

Conso' Ending	Profits (Btm)	EPS (Bt)	DPS (Bt)	BV (Bt)	ROE (%)	P/E (x)	Yield (%)	P/BV (x)
12/07 A	254	1.13	0.78	1.77	70.15	5.40	10.49	3.45
12/08 A	185	0.69	0.63	4.20	22.32	8.84	10.33	1.45
12/09 A	178	0.60	0.58	4.03	14.27	10.17	9.51	1.51
12/10 E	212	0.71	0.64	4.17	16.79	8.59	10.49	1.46
12/11 E	233	0.78	0.70	4.32	17.85	7.82	11.48	1.41

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## Asiasoft Corporation - AS

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### **New game launches, foray into security software business and other services**

This year, AS, the leader in online entertainment services in Southeast Asia plans to launch eight, four, and two new games in Thailand, Singapore and Malaysia respectively. In addition to online games, AS has partnered with Kingsoft Corporation, China's third largest security software firm to foray into computer security program services. AS would market online anti-virus software 'Kingsoft Internet Security 9+' by leveraging its online gamer-playing base of 16 million customers. The Thai version of Kingsoft Internet Security will be on offer at fixed fee of Bt89 per year. AS also plans to offer new services in cooperation with other game developers including payment gateway services, game launch and marketing services, hosting and management services, as well as game operation services. AS has partnered with Korea's Gravity to start providing game hosting service for Requiem in Thailand, Vietnam, Malaysia and Singapore on Mar 18.

### **Clearer overseas expansion plan**

AS has an investment outlay of between Bt150m and Bt180m for 2010. Of the total, AS would spend about Bt80m-Bt100m on new game purchases and Bt70m-Bt80m on investment in Vietnam. Currently, AS is studying shareholding structure in its Vietnam venture, which is expected to take about two months. The Internet usage in Vietnam is likely to grow at a brisk rate. The number of Internet users in Vietnam is currently around 20 million out of the total population of 88 million with more than 20,000 Internet cafes, doubling the number of Internet cafes in Thailand at around 10,000. The online game market in Vietnam is estimated to be worth Bt2,700m in 2010, similar to Thailand's at Bt2,720m. AS also plans to expand into the Philippines and Indonesia in 1H10 and 2H10 respectively. Note that AS has already secured partners in these markets. AS would enter these markets as game distributors before making further investments after it gets an operating license.

### **Earnings upgrade for 2010**

In addition to business expansion, new services and investment outlay, management sees nascent signs of a turnaround at overseas operations. AS also plans to launch more new games. As most of its popular games in 2009 were launched in 2H09 including the famous fantasy MMORPG Reppelz in Jun, Atlantica in Sep and Grand Chase in Oct, these games would continue to bode well for AS this year. We forecast AS to deliver revenue of Bt1,661.13m this year. We also raise our 2010 net profit outlook for AS to Bt211.80m from a previous view of Bt177.95m to reflect the absence of one-off charges, expense reduction efforts in Singapore and Malaysia though a cut in workforce from 200 to 140 and controls over marketing expenses. Our price target of Bt9.50/share is based on a P/E multiple of 14x. We reiterate a 'BUY' opinion on AS.

## **Bangkok Branches**

### **Head Office**

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and 15<sup>th</sup> Fl., Vorawat Bldg.,  
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**Fax :** 0 2635 1615

### **Srinakarindr Branch**

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**Tel :** 0 2722 8344-53  
**Fax :** 0 2722 8343

### **Viphavadi Branch**

15<sup>th</sup> Fl., Lao Peng Nguan Tower 1,  
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**Fax :** 0 2618 8344 , 0 2618 8381

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### **Hua Lumphong Branch**

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**Fax :** 0 2237 9386-7

### **Rangsit Branch**

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### **Pinklao Branch**

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## **Provincial Branches**

### **Khon Kaen Branch**

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### **Phisanulok Branch**

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**Fax :** 0 5524 5082

### **Had Yai Branch**

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**Fax :** 0 7422 0908

### **Chumporn Investor Center**

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**Fax :** 0 7757 0441

### **Chonburi Branch**

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## Overseas Offices

### Singapore Office:

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Fax : (65) 65353834

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### Hong Kong Office:

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#### Phillip Commodities (HK) Ltd

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#### Intersuisse Ltd

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#### PT Phillip Securities Indonesia






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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	

The disclosure of the survey result of the Thai Institute of Directors Association (IOD) regarding corporate governance is made pursuant to 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 disclosed to the public and able to be accessed by a general public investor. The results, 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 result may be changed after that data. Phillip Securities (Thailand) of securities company does not confirm nor certify the accuracy of such survey result.