

## Asiasoft Corporation - AS

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

**BUY**

**(Unchanged)**

**Closing Price**

**Bt10.90**

12-month target price

**Bt14.00 (+28.4%)**

### Price

Last Price	10.90
52wk High (26/10/2010)	11.20
52wk Low (28/01/2010)	5.55
Shares Outstanding (mil)	313.64
Market Cap (Btm)	3,418.64
Avg. Daily Turnover (mil)	3.32
Free float (%)	18.05
PE (X)	11.85
PB (X)	2.67

### Price performance %

	1M	3M	6M
Absolute	7.9%	19.8%	75.8%
Relative	-1.1%	-0.2%	39.2%



### Major Shareholders (31/08/10)

	%
1 Mr.Pramote Sutjitporn	41.81
2 Asia Investment Partners Ltd.,	9.75
3 Mr. Tan Tgow Lim	9.41

### CG Report - 2009

NA

### 96.81% YoY profit growth expected in 3Q10

- We forecast online game maker AS to achieve 3Q10 revenue growth of 14.18% YoY boosted by the release of three and two new games in domestic and overseas markets respectively for the year to date. Two new games have been well received by game players. Offline game revenue is however expected to fall in 3Q10.
- Costs are projected to rise on marketing expenses but SG&A expenses are predicted to be down on subsidiary restructuring. Overall, we expect AS to post 3Q10 profit growth of as much as 96.81% YoY to Bt78.37m.
- We keep our 2010 profit outlook for AS at Bt279.91m for the meantime. The 9M10 profit forecast accounts for 76.84% of our full-year target. We also leave our 2011 profit view for AS unchanged at Bt313.87m. We maintain a 'BUY' rating on AS with a price target of Bt14/share, based on a P/E multiple of 14x.

### 96.81% YoY profit growth expected in 3Q10

Management said in a media interview that the 'Rohan' and 'Dragon Oath' released in 3Q10 following a successful launch of the 'Twelve Sky 2' in 1Q10 contributed up to 12% of domestic online game revenue as both game titles became a big hit. On this basis, we expect revenue from domestic operation to rise by 15.45% in 3Q10 from a year ago. Revenue from overseas operations is projected to be up 11.31% YoY following the release of two new games; 'Ray City' and 'Monster Forest' in 2Q10 though revenues from both game titles have fallen short of expectations. For the quarter, online game revenue is expected to grow 14.18% YoY but offline game revenue is forecast to tumble 95.87% YoY after a plunge of 96.26% in 2Q10. Total revenue for the quarter is predicted to be up 8.73% YoY to Bt387.74m. Costs are also expected to follow revenues higher on market expenses for new game launches but SG&A expenses are anticipated to fall on subsidiary restructuring and lower staff levels. Overall, we forecast AS to post a 3Q10 net profit of Bt78.37m, up as much as 96.81% YoY and 6.09% QoQ.

### 2010-11 earnings outlooks unchanged

In 4Q10, AS plans to launch a new game each in Thailand and overseas market. Typically 4Q is the best quarter of the year for AS. We keep our 2010 net profit outlook for AS at Bt279.91m. The 9M10 profit forecast of Bt215.09m accounts for 76.84% of our full-year target. We also leave our 2011 net profit forecast for AS unchanged at Bt313.87m. The forecast excludes new investments in Vietnam and Indonesia, which are expected to be concluded in 1H10. Note that AS has already secured strategic partners for its investments in Vietnam and Indonesia. We maintain a 'BUY' rating on AS with a price target of Bt14/share based on a P/E multiple of 14x.

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	9.65	7.98	6.16
12/08 A	185	0.69	0.63	4.20	22.32	15.80	5.78	2.60
12/09 A	178	0.60	0.58	4.03	14.27	18.17	5.32	2.70
12/10 E	280	0.92	0.87	4.08	20.09	11.85	7.98	2.67
12/11 E	314	1.00	0.95	4.18	21.49	10.90	8.72	2.61

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


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### **Action & Recommendation**

TRADING BUY	: Share price may exceed 10% on the upside over the next 3 months, however longer-term outlook remains uncertain
BUY	: >15% upside from the current price
HOLD	: -10% to 15% from the current price
SELL	: >10% downside from the current price
TRADING SELL	: Share price may exceed 10% on the downside over the next 3 months, however longer-term outlook remains uncertain
Unchanged	: Ratings maintained
Upgrade	: A positive change in ratings
Downgrade	: A negative change in ratings

### **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.

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