



輝立証券集團

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# Airports of Thailand

## 3QFY16 net profit above forecast on insurance compensation for flood damages at Don Muang Airport

THAILAND | SET | TRANS | COMPANY RESULTS

BLOOMBERG AOT.TB | REUTERS AOT.BK

### 3QFY16 net profit up 24.3% y-y, beating forecast on insurance compensation for flood damages at Don Muang Airport

AOT delivered an earnings beat in 3QFY16 on insurance compensation for flood damages at Don Muang Airport in FY11. Net profit for the quarter swelled 24.3% y-y to Bt5,065mn, which surpassed our forecast of Bt4,413mn. Stripping out this ex-item, quarterly profit came in 3.9% above our estimate. In this period, sales/service revenue inched up 15.8% y-y to Bt12,572mn, which was 2.1% better than our forecast as (1) aeronautical revenue leapt 11.4% y-y on the back of (i) an 11.1% y-y rise in passenger volume to 28.75mn and (ii) an 8.8% y-y increase in aircraft movements to 191,827 takeoffs and landings, which drove passenger service charges (PSC), landing and parking charges (LPC) and aircraft service charges (ASC) up 11.2%, 12.5% and 9.9% y-y respectively, and (2) non-aeronautical revenue soared 22.1% y-y, bolstered by (i) a 6.4% y-y growth in office and state property rental income, (ii) a 47.3% surge in service revenue, boosted by additional service charge for advanced passenger background screening service after the installation of advance passenger processing system (APPS) since Dec 1, 2015, and (iii) a 15.4% y-y jump in concession revenue along with growing passenger volume and due to a 1% rise in revenue share rate. Total operating expenses shot up 20.6% y-y, fueled by (i) a 55.7% y-y surge in outsourcing expenses for APPS, (ii) a 21.8% y-y increase in repair and maintenance expenses, (iii) a 16.8% y-y rise in state property rents, and (iv) an 8.8% y-y jump in personnel expenses. Other income skyrocketed thanks largely to a Bt465mn insurance compensation for flood damages at Don Muang Airport. The results in this period also included a FX loss of Bt196mn, which sharply widened from Bt14mn in the same year-ago period due to the strength of the Japanese yen against the Thai baht.

### 4QFY16 profit set to fall in absence of exceptional income though passenger traffic still on the rise amid higher rental income from Don Muang Airport

The Tourism and Sports Ministry reported that the number of international tourist arrivals to Thailand rose by 10.9% y-y to 2.95mn in Jul 2016. The strong figures also prompted the ministry to revise its full-year forecast for international tourist numbers to 33mn-34mn from 32mn. Rising tourist arrivals should bode well for AOT's top-line and bottom-line. In Jul 2016, AOT reported its aircraft and passenger traffic through its six airports rose 9.4% and 13.9% y-y to 66,392 takeoffs and landings and 10.562mn respectively. The reopening of Terminal 2 at Don Muang Airport, which boosts commercial space by another 27,109 sqm to 33,253 sqm should also give rental income a lift. Despite a continued strong operating outlook, we expect AOT to see its net profit drop in 4QFY16 due to the absence of a Bt2,830mn reversal of accrued property tax at Don Muang Airport recorded in FY15.

### FY16 profit upgrade to reflect insurance compensation for flood damages at Don Muang Airport, profit growth momentum also set to continue into FY17

We nudge our FY16 net profit outlook for AOT higher to Bt19,892mn from a previous view of Bt18,556mn. The profit upgrade reflects the above insurance compensation for flood damages at Don Muang Airport and the upward revision of our full-year sales/service revenue forecast to Bt51,522mn. We also raise our FY17 net profit forecast for AOT to Bt22,121mn to factor in full-year rental income contribution from additional commercial space at Don Muang Airport's Terminal 2 and the planned opening of a new terminal for international passengers at Phuket Airport in Jan 2017, which would double the airport's commercial space to 10,289 sqm from 5,060 sqm. Strong tourism growth would remain key to growth for AOT in FY17. The new forecast is based on assumptions that full-year sales/service revenue will come in at Bt58,748mn in FY17. We also expect AOT to dole out a dividend of Bt7.70/share in FY16.

### Upgrade to 'ACCUMULATE' with FY17 target price of Bt430/share

Following the above profit upgrades, we tweak up our FY17 target price for AOT to Bt430/share from Bt426/share. We also raise our rating on AOT shares to 'ACCUMULATE' from 'NEUTRAL' due to more upside from current trading levels.

23 August 2016

Accumulate (Upgraded from Neutral)

Closing Price(Bt) 402.00  
Target Price(Bt) 430.00 (+8.88%)

#### COMPANY DATA

O/S Shares (mn) :	1,429
Market Cap. (Btmn) :	574,285
Market Cap. (USDmn) :	16,561
52-WK Hi/Lo (Bt) :	430/252
3M Average Daily T/O (mn) :	3.21
Par Value (Bt) :	10.00

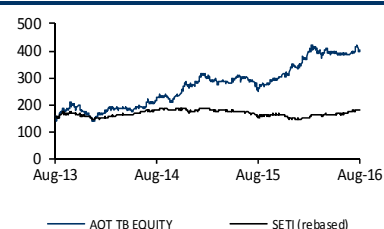
#### MAJOR SHAREHOLDERS (%) 17 December 2015

1. MOF	70.0
2. Thai NVDR Co., Ltd.	5.1
3. State Street Bank Europe Ltd.	2.0

#### PRICE PERFORMANCE (%)

	1MTH	3MTH	1YR
ABS	2%	2%	61%
REL TO SET INDEX	0%	-9%	36%

#### PRICE VS SET INDEX



Source: Bloomberg, PSR

#### KEY FINANCIALS

FYE Sep	FY14	FY15	FY16E	FY17E
Sales(Btmn)	37,585	43,969	51,522	58,748
Net Profit(Btmn)	12,220	18,729	19,892	22,121
EPS (Bt)	8.55	13.11	13.92	15.48
P/E (X)	47.0	30.7	28.9	26.0
BVPS (Bt)	68.07	76.17	83.60	93.72
P/B (X)	5.9	5.3	4.8	4.3
DPS (Bt)	3.40	6.54	6.50	7.70
Dividend Yield (%)	0.8	1.6	1.6	1.9
ROE (%)	12.93	18.18	17.43	17.46

Source: Company, PSR Est.

\*\*Multiples and yields are based on latest closing price

#### VALUATION METHOD

DCF (WACC: 9.06%, Terminal g: 4%)

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## Airports of Thailand COMPANY RESULTS

**Income Statement**

Btmn	3Q16	2Q16	3Q15	q-q+/-	y-y+/-	9M16	9M15	y-y+/-
Sales and services	12,572	13,800	10,856	-8.9%	15.8%	38,186	33,024	15.6%
Costs of sales	5,227	5,415	4,495	-3.5%	16.3%	15,264	13,286	14.9%
<b>Gross profit</b>	<b>7,345</b>	<b>8,385</b>	<b>6,361</b>	-12.4%	15.5%	<b>22,923</b>	<b>19,738</b>	16.1%
Selling expenses	0	0	0	n.m.	n.m.	0	0	n.m.
Administrative expenses	1,384	1,354	1,272	2.2%	8.8%	4,039	3,760	7.4%
<b>Operating profit</b>	<b>5,961</b>	<b>7,031</b>	<b>5,089</b>	-15.2%	17.1%	<b>18,884</b>	<b>15,978</b>	18.2%
Other income	360	327	414	10.0%	-13.1%	1,028	1,154	-10.9%
Gain/loss from affiliates	0	0	0	n.m.	n.m.	0	0	n.m.
Other expense	0	43	2	-99.3%	-82.9%	72	91	-21.4%
<b>EBIT</b>	<b>6,321</b>	<b>7,315</b>	<b>5,501</b>	-13.6%	14.9%	<b>19,840</b>	<b>17,040</b>	16.4%
Interest expense	338	349	395	-3.0%	-14.3%	1,048	1,217	-13.9%
<b>EBT</b>	<b>5,982</b>	<b>6,967</b>	<b>5,107</b>	-14.1%	17.1%	<b>18,792</b>	<b>15,824</b>	18.8%
Taxation	1,186	1,353	1,019	-12.3%	16.5%	3,768	3,247	16.1%
<b>EAT</b>	<b>4,796</b>	<b>5,614</b>	<b>4,088</b>	-14.6%	17.3%	<b>15,024</b>	<b>12,577</b>	19.5%
Minority	0	14	-1	-99.6%	104.6%	24	12	106.4%
<b>Net profit before extra</b>	<b>4,796</b>	<b>5,600</b>	<b>4,090</b>	-14.3%	17.3%	<b>15,000</b>	<b>12,566</b>	19.4%
Extraordinary items	268	-33	-14	912.7%	n.m.	258	313	-17.7%
<b>Net profit</b>	<b>5,065</b>	<b>5,567</b>	<b>4,075</b>	-9.0%	24.3%	<b>15,257</b>	<b>12,879</b>	18.5%
EPS (Bt)	3.55	3.90	2.85	-9.0%	24.6%	10.68	9.02	18.4%

**Key Financial Ratio**

%	3Q16	2Q16	3Q15	q-q+/-	y-y+/-	9M16	9M15	y-y+/-
Cost of sales/sales	41.6%	39.2%	41.4%	5.9%	0.4%	40.0%	40.2%	-0.6%
Gross margin	58.4%	60.8%	58.6%	-3.8%	-0.3%	60.0%	59.8%	0.4%
Operating profit margin	47.4%	50.9%	46.9%	-6.9%	1.2%	49.5%	48.4%	2.2%
Net profit margin	40.3%	40.3%	37.5%	-0.1%	7.3%	40.0%	39.0%	2.5%

**Balance Sheet**

Btmn	3Q16	2Q16	3Q15	q-q+/-	y-y+/-	9M16	9M15	y-y+/-
Assets	166,517	160,994	154,604	3.4%	7.7%	166,517	154,604	7.7%
Liabilities	49,311	48,922	51,630	0.8%	-4.5%	49,311	51,630	-4.5%
Paid-up (mn shrs) - Par Bt10	1,429	1,429	1,429	0.0%	0.0%	1,429	1,429	0.0%
Equities	117,206	112,072	102,974	4.6%	13.8%	117,206	102,974	13.8%
BVPS (Bt)	82.04	78.45	72.08	4.6%	13.8%	82.04	72.08	13.8%
Debt/equity (x)	0.42	0.44	0.50	-4.5%	-16.0%	0.42	0.50	-16.0%

\*\*\* มาจาก Master Template 2016 / Q-Q-E \*\*\*

## Corporate Governance -2015



ADVANC	BAFS	BCP	BIGC	BTS	CK	CPN	DRT	DTAC	DTC
EASTW	EGCO	GRAMMY	HANA	HMPRO	INTUCH	IRPC	IVL	KBANK	KCE
KKP	KTB	LHBANK	LPN	MCOT	MINT	MONO	NKI	PHOL	PPS
PS	PSL	PTT	PTTEP	PTTGC	QTC	RATCH	ROBINS	SAMART	SAMTEL
SAT	SC	SCB	SCC	SE-ED	SIM	SNC	SPALI	THCOM	TISCO
TKT	TMB	TOP	VGI	WACOAL					



AAV	ACAP	AGE	AHC	AKP	AMATA	ANAN	AOT	APCS	ARIP
ASIMAR	ASK	ASP	BANPU	BAY	BBL	BDMS	BECL	BKI	BLA
BMCL	BOL	BROOK	BWG	CENDEL	CFRESH	CHO	CIMBT	CM	CNT
COL	CPF	CPI	CSL	DCC	DELTA	DEMCO	ECF	EE	ERW
GBX	GC	GFPT	GLOBAL	GUNKUL	HEMRAJ	HOTPOT	HYDRO	ICC	ICHI
INET	IRC	KSL	KTC	LANNA	LH	LOXLEY	LRH	MACO	MBK
MC	MEGA	MFEC	NBC	NCH	NINE	NSI	NTV	OCC	OGC
OISHI	OTO	PAP	PDI	PE	PG	PJW	PM	PPP	PR
PRANDA	PREB	PT	PTG	Q-CON	QH	RS	S & J	SABINA	SAMCO
SCG	SEAFCO	SFP	SIAM	SINGER	SIS	SITHAI	SMK	SMPC	SMT
SNP	SPI	SSF	SSI	SSSC	SST	STA	STEC	SVI	SWC
SYMC	SYNTEC	TASCO	TBSP	TCAP	TF	TGCI	THAI	THANA	THANI
THIP	THRE	THREL	TICON	TIP	TIPCO	TK	TKS	TMI	TMILL
TMT	TNDT	TNITY	TNL	TOG	TPC	TPCORP	TRC	TRU	TRUE
TSC	TSTE	TSTH	TTA	TTCL	TTW	TU	TVD	TVO	TWFP
TWS	UAC	UT	UV	VNT	WAVE	WINNER	YUASA	ZMICO	



2S	AEC	AEONTS	AF	AH	AIRA	AIT	AJ	AKR	AMANAH
AMARIN	AP	APCO	AQUA	AS	ASIA	AUCT	AYUD	BA	BEAUTY
BEC	BFIT	BH	BIG	BJC	BJCHI	BKD	BTNC	CBG	CGD
CHG	CHOW	CI	CITY	CKP	CNS	CPALL	CPL	CSC	CSP
CSS	CTW	DNA	EARTH	EASON	ECL	EFORL	ESSO	FE	FIRE
FOCUS	FORTH	FPI	FSMART	FSS	FVC	GCAP	GENCO	GL	GLAND
GLOW	GOLD	GYT	HTC	HTECH	IEC	IFEC	IFS	IHL	IRCP
ITD	JSP	JTS	JUBILE	KASET	KBS	KCAR	KGI	KKC	KTIS
KWC	KYE	L&E	LALIN	LHK	LIT	LIVE	LST	M	MAJOR
MAKRO	MATCH	MATI	MBKET	M-CHAI	MFC	MILL	MJD	MK	MODERN
MOONG	MPG	MSC	MTI	MTLS	NC	NOK	NUSA	NWR	NYT
OCEAN	PACE	PATO	PB	PCA	PCSGH	PDG	PF	PICO	PL
PLANB	PLAT	PPM	PRG	PRIN	PSTC	PTL	PYLON	QLT	RCI
RCL	RICHY	RML	RPC	S	SALEE	SAPPE	SAWAD	SCCC	SCN
SCP	SEAOL	SIRI	SKR	SMG	SOLAR	SORKON	SPA	SPC	SPCG
SPPT	SPVI	SRICHA	SSC	STANLY	STPI	SUC	SUSCO	SUTHA	SYNEX
TAE	TAKUNI	TCC	TCCC	TCJ	TEAM	TFD	TFI	TIC	TIW
TLUXE	TMC	TMD	TOPP	TPCH	TPIPL	TRT	TSE	TSR	UMI
UP	UPF	UPOIC	UREKA	UWC	VIBHA	VIH	VPO	WHA	WIN
XO									

### Results Presentation

#### Score Range

- < 50%
- 50-59%
- 60-69%
- 70-79%
- 80-89%
- 90-100%

#### Number of Logo

No logo given



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 disclosure 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.

## Anti-corruption indicators

### Level 5 (Extended)

BCP	CPN	GYT	PE	PM	PPP	PT	PTT	PTTGC	SAT	scc
THANI	TOP									

### Level 4 (Certified)

DCC	DTC	DRT	EASTW	ECL	EGCO	ERW	FSS	GCAP	HANA	HTC
INTUCH	IRPC	IVL	KBANK	KCE	KGI	KKP	KTB	LANNA	LHBANK	MTI
NKI	PSL	PTG	PTTEP	SABINA	SCB	SNC	SNP	SSF	SSSC	TCAP
THCOM	TISCO	TMB	TMD	TNITY	TOG					

### Level 3 (Established)

#### Level 3A: Declaration to join CAC, etc

ABC	ACAP	ADVANC	AGE	AH	AMANAHA	ANAN	AP	APCS	APURE	AS
ASIA	ASIAN	ASIMAR	BIGC	BROOK	BTS	BWG	CEN	CENTEL	CFRESH	CHARAN
CHO	CHOTI	CM	CNT	COL	CPF	CPI	CPL	DELTA	DEMCO	DIMET
DNA	DTAC	EA	ECF	EE	EVER	FPI	GBX	GC	GFPT	GLOW
HMPRO	HOTPOT	ICC	ICHI	IFEC	INOX	INSURE	IRC	JAS	JTS	JUBILE
KC	KTC	KYE	LHK	LPN	LRH	MAKRO	MC	MCOT	MFC	MFEK
MINT	MJD	MONO	MOONG	NBC	MSC	NDR	NINE	NMG	NSI	NTV
OGC	PACE	PCSGH	PDI	PG	PHOL	PLAT	PPS	PR	PRANDA	PREB
PS	QLT	RATCH	RML	ROBINS	ROJNA	RWI	SAMCO	SCCC	SCG	SEAOIL
SE-ED	SENA	SINGER	SITHAI	SMK	SMPC	SPALI	SPC	SPCG	SPI	SRICHA
SSI	STANLY	SUPER	SVI	SYMC	SYNEX	SYNTEC	TASCO	TCMC	TFI	THAI
THRE	THREL	TICON	TKT	TLUXE	TMILL	TMT	TNL	TPCORP	TSTE	TSTH
TTCL	TU	TVI	UOBKH	UREKA	VGI	VNT	WACOAL	WHA	ZMICO	

#### Level 3B: Organization's statement but no declaration to join CAC, etc

AAV	AHC	AIT	AKR	ARROW	ASK	BA	BDMS	BEC	BJCHI	BUI
CGH	CHG	CHOW	CIG	CITY	CK	CKP	COLOR	CWT	EARTH	EASON
EPG	F&D	FANCY	FIRE	FMT	FORTH	GENCO	GL	GOLD	GPSC	GRAMMY
HYDRO	IRCP	IT	JCT	KCM	KWC	LH	LIT	LOXLEY	MACO	MANRIN
MATI	MODERN	MSC	NOBLE	NOK	NPK	NUSA	OISHI	OTO	PAF	PAP
PATO	PF	PJW	PLANB	PLE	POLAR	PRG	PTL	Q-CON	QTC	RCI
S11	SALEE	SAM	SAMART	SAMTEL	SAPPE	SC	SCP	SFP	SIM	SLP
SMT	SPA	SPORT	SSC	SST	STEC	STPI	SUC	SUTHA	SVI	T
TBSP	TAE	TCC	TFD	TGCI	TGPRO	THANA	THIP	TIW	TK	TMW
TNDT	TOPP	TPC	TPCH	TPIPL	TSR	TT	TYCN	UAC	UBIS	UEC
UMI	UP	UPF	UT	UV	VPO	WAVE	WINNER	YUASA		

### Level 2 (Declared)

2S	ABICO	AF	AKP	AMARIN	AMATA	AOT	APCO	AYUD	BEAUTY	BFIT
BH	BKD	BLAND	BTNC	CCP	CI	CSR	CSS	EFORL	EPCO	FE
FNS	FVC	GEL	GLOBAL	HEMRAJ	IEC	IFS	INET	JUTHA	KASET	KCAR
KKC	KSL	L&E	LALIN	LTX	M	MALEE	MBK	MBKET	MEGA	MK
MPG	MTLS	NCH	NCL	NPP	OCC	OCEAN	PB	PCA	PRINC	QH
ROCK	RPC	S & J	SGP	SIAM	SIS	SKR	SMG	SMIT	SORKON	SUSCO
TAKUNI	TEAM	TF	TIC	TIP	TIPCO	TMC	TMI	TPP	TRT	TRU
TRUE	TSC	TSI	TTW	TVD	TVO	UKEM	UNIQ	UWC	VNG	WIIK
WIN	XO									

### Level 1 (Committed)

ACD	AEONTS	AFC	AIRA	AJ	ALUCON	AMC	AQUA	ARIP	AUCT	BAT-3K
BIG	BJC	BOL	BRR	BSBM	CBG	CCET	CCN	CGD	CMR	CPH
CSC	CSP	CTW	DCON	DRACO	DSGT	DTCI	E	EMC	ESSO	FOCUS
FSMART	GIFT	GLAND	GRAND	GUNKUL	HFT	HTECH	ILINK	ITD	JSP	IHL
KDH	KTIS	KTP	LEE	LST	MAJOR	MAX	M-CHAI	MDX	MIDA	MATCH
ML	MPIC	NC	NEP	NNCL	OHTL	PICO	PK	PL	PPM	NWR
PRAKIT	PRECHA	PRIN	PSTC	RAM	RICH	RS	SANKO	SAUCE	SAWAD	PYLON
SAWANG	SCN	SEAFCO	SHANG	SIRI	SMART	SMM	SOLAR	SPACK	SPG	SF
SPPT	SPVI	STAR	SVH	SVOA	SWC	TAPAC	TC	TCCC	TCT	STA
TCOAT	TKS	TNH	TNPC	TPA	TPAC	TPOLY	TRC	TRUBB	TSE	TTA
TTI	TTL	TTTM	TWP	TWZ	U	UMS	UPA	UPOIC	UVAN	UTP
VARO	VI	VIBHA	VIH	VTE	WG					

#### Data not available/No policy

A	ACC	AJD	AQ	BCH	BGT	BROCK	BSM	BTC	CHUO	CRANE
CPR	EIC	FER	JMART	JMT	KAMART	KBS	KIAT	LDC	MCS	METCO
MBAX	NEW	NEWS	NYT	PAE	PDG	PERM	PMTA	RCL	RICHY	ROH
POST	S	SIMAT	TCB	TR	TSF	TVT				

## Anti-corruption indicators

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### Level 5 : Extended

Anti-corruption policies extend to business partners, dealers, and distributors.

### Level 4 : Certified

Anti-corruption policies can be engaged by audit committee and auditors approved by the SEC.

Anti-corruption policies are certified by CAC and independent assurance providers.

### Level 3 : Established

Anti-corruption corruption policies cover anti-bribery, and communications and educating all employees anti-corruption policies.

Level 3A      Public out statement to join CAC, etc.

Level 3B      Declare statement and organization's anti-corruption policies but no intention to join CAC, etc.

### Level 2 : Declared

Declare statement to participate CAC against corruption.

### Level 1 : Committed

Organization and Board of Directors' statements against corruption and not getting involve in any malpractices.

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### Assessment

Anti-corruption progress indicator for listed companies is a part of SEC's commitment to create sustainability in anti-corruption and to become a role model to any

related business. The progress indicators comprise of five levels: 1) Committed, 2) Declared, 3) Established, 4) Certified, and 5) Extended. These indicators will

encourage listed firms to formulate anti-corruption policies to opt out of corruption, and investors can determine their investment based on anti-corruption indicator

or avoid investment in listed firms that could get involve in corruption.

## Industry Group

Name	Sector Name	Sector Index
Agro & Food Industry[AGRO]	Agribusiness	AGRI
	Food & Beverage	FOOD
Consumer Products[CONSUMP]	Fashion	FASHION
	Home & Office Products	HOME
	Personal Products & Pharmaceuticals	PERSON
Financials [FINCIAL]	Banking	BANK
	Finance & Securities	FIN
	Insurance	INSUR
Industrials [INDUS]	Automotive	AUTO
	Industrial Materials & Machinery	IMM
	Packaging	PKG
	Paper & Printing Materials	PAPER
	Petrochemicals & Chemicals	PETRO
	Steel	STEEL
Property & Construction[PROPCON]	Construction Materials	CONMAT
	Construction Services	CONS
	Property Development	PROP
	Property Fund & REITs	PF&REIT
Resources [RESOURC]	Energy & Utilities	ENERG
	Mining	MINE
Services [SERVICE]	Commerce	COMM
	Media & Publishing	MEDIA
	Health Care Services	HEALTH
	Tourism & Leisure	TOURISM
	Professional Services	PROF
	Transportation & Logistics	TRANS
Technology [TECH]	Electronic Components	ETRON
	Information & Communication Technology	ICT

## PSR Rating System

Capital Gain	Recommendation
> 15%	BUY
> 5% - 15%	ACCUMULATE / TRADING BUY
> 0% - 5%	NEUTRAL
0 <=	SELL

### Remarks

We do not base our recommendations entirely on the above quantitative return bands. We consider qualitative factors like (but not limited to) a stock's risk reward profile, market sentiment, recent rate of share price appreciation, presence or absence of stock price catalysts, and speculative undertones surrounding the stock, before making our final recommendation



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## PHILLIP RESEARCH STOCK SELECTION SYSTEMS

Total Return	Recommendation	Rating	Remarks
> +20%	Buy	1	>20% upside from the current price
+5% to +20%	Accumulate	2	+5% to +20% upside from the current price
-5% to +5%	Neutral	3	Trade within +/- 5% from the current price
-5% to -20%	Reduce	4	-5% to -20% downside from the current price
< -20%	Sell	5	-20% downside from the current price

We do not base our recommendations entirely on the above quantitative return bands. We consider qualitative factors like (but not limited to) a stock's risk reward profile, market sentiment, recent rate of share price appreciation, presence or absence of stock price catalysts, and speculative undertones surrounding the stock, before making our final recommendation

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