



輝立証券集團

**Phillip Securities Group**

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# COL

Bright FY16 outlook on strong core businesses and high growth potential for online unit

THAILAND | SET | COMM | COMPANY UPDATE

BLOOMBERG COL.TB | REUTERS COL.BK

10 June 2016

## Core business still strong, new business to drive earnings growth

Its core business OfficeMate is expected to continue to grow further on the back of higher branch count and new channels of online and mobile application. Similarly, B2S has carried on its branch count increase, and renovated and modernized its existing branches to suit buyers' lifestyles. Central Online is getting more interesting after COL has formulated concrete strategies. In addition to retail market expansion, an acquisition of Zalora Thailand should help COL to strengthen its online system at a faster pace. With this in the picture, we believe COL online section will grow at a rapid pace in 2016.

## Forecasting 17.87% growth in FY16 net profit on higher branch count and growing online business

We forecast a 17.87% growth in FY16 net profit to Bt464.07mn on the back of core and new businesses. With bullish guidance that COL aims to add eight OfficeMate branches and six B2S as well as striking growth forecast for its online section, we expect revenue from sales and services to grow 9.13% to Bt10,951.28mn.

## B2S extends market presence into Vietnam

B2S has a plan to open its first overseas store in Vietnam in 4QFY16 after Central Group, the Mother Co, acquired BIGC Vietnam early 2016. The move is expected to drive B2S operating performance significantly.

## 'ACCUMULATE' rating with FY16 target price of Bt38

In view of strong potential growth in both OfficeMate and B2S, and bright outlook of online business that is expected to push revenue growth at a rapid pace from 2016 onward, we raise our FY16 target price to Bt38 and reiterate an 'ACCUMULATE' rating on COL.

## Accumulate (Maintain)

Closing Price(Bt) 34.00  
Target Price(Bt) 38.00 (+13.47%)

### COMPANY DATA

O/S Shares (mn):	320
Market Cap. (Btmn):	10,880
Market Cap. (USDmn):	309
52-WK Hi/Lo (Bt):	53.75/32.5
3M Average Daily T/O (mn):	0.12
Par Value (Bt):	1.00

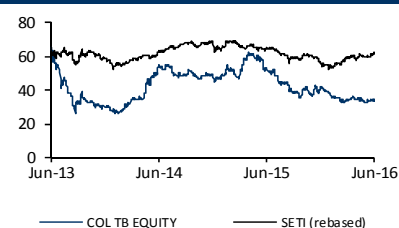
### MAJOR SHAREHOLDERS (%) 19 April 2016

1. Hold Col Company Limited	35.3
2. Mr. Worawut Aunjai	9.2
3. Mrs. Natira Boonsri	4.3

### PRICE PERFORMANCE (%)

	1MTH	3MTH	1YR
ABS	4%	-1%	-35%
REL TO SET INDEX	1%	-4%	-32%

### PRICE VS SET INDEX



Source: Bloomberg, PSR

### KEY FINANCIALS

FYE Dec	FY14	FY15	FY16E	FY17E
Sales(Btmn)	9,388	10,254	11,173	12,743
Net Profit(Btmn)	439	394	464	585
EPS (Bt)	1.37	1.23	1.45	1.83
P/E (X)	24.8	27.6	23.4	18.6
BVPS (Bt)	15.16	15.85	16.75	18.00
P/B (X)	2.2	2.1	2.0	1.9
DPS (Bt)	0.55	0.55	0.58	0.73
Dividend Yield (%)	1.6	1.6	1.7	2.2
ROE (%)	9.06	7.94	8.90	10.52
Debt/Equity (X)	1.02	1.10	1.06	1.14

Source: Company, PSR Est.

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

### VALUATION METHOD

DCF (WACC: 7.9%; g: 5%)

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Analyst Assistant

Ref. No.: CO2015\_0013

## Investment Thesis

- A continued increase in store count will likely be a key growth driver for OfficeMate and B2S.
- Online section looks promising after COL acquired Zalora Thailand that will allow COL to reap rewards from the online system knowhow and management. This could mean quick development for COL online business with supplies from Central Group's arms—Central and Robinson Department Stores.
- B2S is going to open new overseas store in Vietnam after Central Group acquired BIGC Vietnam. The move is expected to drive B2S revenue growth significantly.
- We forecast a 17.87% growth in FY16 net profit on sturdy growth outlook.

### Strong core business and promising online business to be key earnings growth driver

COL revenue derives from three business units: 1) OfficeMate that generates 62% of total revenue, 2) B2S revenue representing 34%, and 3) Central Online around 4%.

OfficeMate is Thailand's leading stationery and office equipment supplier. Most customers are corporations and OfficeMate has highlighted B2B strategy with more than 70% market share in the country's office supplies. About 50% of total revenue comes from its traditional stores and the rest from call center channel. The office supplier aims to increase revenue proportion from its future channel—online and mobile application. A number of stores reached 61 at end-1QFY16, which has marked its footprints across the nation. According to guidance, OfficeMate plans to open 6-8 stores per year. We forecast a 10% sales growth to Bt6,726mn this year with estimated gross margin of 20%-25%.

B2S sells lifestyle goods through traditional stores. Products can be categorized into three key sections. Stationery generated the biggest sales proportion at 48% of the total, followed by book at 33% and lifestyle & entertainment at 19%. Lifestyle and entertainment goods have been on the downward spiral due to changes in consumer's behavior, which push B2S same-store sales into minus of 1%-3%. B2S is making a revamp of its stores and fine-tuning its product mix strategy to better match customer's preferences. In addition to traditional channel, B2S bought 75% share in Mobile E-books (MEB) to explore online channel, which should become another growth driver in the near term. B2S registered 94 stores at end-1QFY16 and the lifestyle supplier plans to open six stores per year and renovate its existing ones—14 stores have been under renovation this year. We expect B2S sales to grow 2% to Bt3,839mn and gross margin is estimated at 26%-28%.

Central Online is the latest addition that looks increasingly promising after COL has laid down concrete strategy and bought Zalora Thailand, which should help develop its online channel at a faster pace, given IT system knowhow and management from the large online retailer. We foresee prosperous growth outlook for Central Online given rising popularity of online shopping and strong support from Central and Robinson Department Stores, which allow Central Online to gain an upper hand against its counterparts. We forecast a 300% growth in online revenue to Bt850mn-Bt900mn. Note that COL holds 49% stake and Central Group owns the rest.

### FY16 net profit seen up 17.87% on higher store count and strong online growth potential

We forecast a 17.87% growth in FY16 net profit to Bt464.07mn on the back of core and new businesses. With bullish guidance that COL aims to add eight OfficeMate branches and six B2S as well as striking growth forecast for its online section, we expect revenue from sales and services to grow 9.13% to Bt10,951.28mn.

### B2S extends market presence into Vietnam

B2S has a plan to open its first overseas store in Vietnam in 4QFY16 after Central Group, the Mother Co, acquired BIGC Vietnam early 2016. The move is expected to drive B2S operating performance significantly and with bright market prospects there, we see future store opening as a key catalyst to long-term growth.

## COL COMPANY UPDATE

COL also established CENERGY engaging in mobile application development and online services. CENERGY is currently taking care of online system for Central Group. Although the business itself has yet generated profits during initial stage of operations and human resources development, we believe CENERGY will be another section to help boost COL's top line growth in the foreseeable future.

**'ACCUMULATE' rating with FY16 target price of Bt38**

In view of strong potential growth in both OfficeMate and B2S, and bright outlook of online business that is expected to push revenue growth at a rapid pace from 2016 onward, we raise our FY16 target price to Bt38 and reiterate an 'ACCUMULATE' rating on COL.

## Financials

### Income Statement

FYE Dec, Btmn	FY14	FY15	FY16E	FY17E
<b>Revenue</b>	<b>9,388</b>	<b>10,254</b>	<b>11,173</b>	<b>12,743</b>
<b>EBITDA</b>	<b>751</b>	<b>719</b>	<b>814</b>	<b>989</b>
Depreciation & Amortisation	200	224	230	253
<b>EBIT</b>	<b>551</b>	<b>494</b>	<b>585</b>	<b>735</b>
Net Finance (Expense)/Inc	(0)	(0)	0	0
Other items	0	0	0	0
Associates & JVs	0	0	0	0
Exceptional items	0	0	0	0
<b>Profit Before Tax</b>	<b>551</b>	<b>494</b>	<b>585</b>	<b>735</b>
Taxation	111	97	117	147
<b>Profit After Tax</b>	<b>440</b>	<b>397</b>	<b>467</b>	<b>588</b>
Non-controlling Interest	1	3	3	3
<b>Net Income, reported</b>	<b>439</b>	<b>394</b>	<b>464</b>	<b>585</b>
<b>Net Income, adj.</b>	<b>439</b>	<b>394</b>	<b>464</b>	<b>585</b>

### Per share data

FYE Dec, Bt	FY14	FY15	FY16E	FY17E
EPS, reported	1.37	1.23	1.45	1.83
EPS, adj.	1.37	1.23	1.45	1.83
DPS	0.55	0.55	0.58	0.73
BVPS	15.16	15.85	16.75	18.00

### Balance Sheet

FYE Dec, Btmn	FY14	FY15	FY16E	FY17E
Cash	745	1,106	529	591
Investments	285	297	299	299
Accounts Receivables	566	591	691	799
Inventories	1,531	1,631	1,728	1,997
Others	0	0	600	1,000
<b>Total current assets</b>	<b>3,127</b>	<b>3,625</b>	<b>3,848</b>	<b>4,686</b>
PPE	735	787	777	763
Intangibles	216	201	196	196
Associates & JVs	0	0	147	147
Investments	0	0	0	0
Others	3,277	3,281	3,287	3,287
<b>Total non-current assets</b>	<b>4,227</b>	<b>4,270</b>	<b>4,406</b>	<b>4,393</b>
<b>Total Assets</b>	<b>7,354</b>	<b>7,895</b>	<b>8,254</b>	<b>9,079</b>
Short term loans	0	0	0	0
Accounts Payables	2,386	2,698	2,737	3,162
Others	35	38	66	66
<b>Total current liabilities</b>	<b>2,421</b>	<b>2,736</b>	<b>2,803</b>	<b>3,228</b>
Long term loans	0	0	0	0
Others	82	89	90	90
<b>Total liabilities</b>	<b>2,503</b>	<b>2,825</b>	<b>2,893</b>	<b>3,319</b>
Non-controlling interests	2	5	6	6
<b>Shareholder Equities</b>	<b>4,851</b>	<b>5,071</b>	<b>5,361</b>	<b>5,760</b>

Source: Company Data, PSR est

\*\*Based on latest closing price

Latest closing price

### Cash Flow

FYE Dec, Btmn	FY14	FY15	FY16E	FY17E
CFO				
PBT	551	494	545	732
Adjustments	258	260	242	253
WC changes	809	754	787	985
Cash generated from ops	(56)	148	(179)	49
Others	(125)	(99)	(53)	(147)
<b>Cashflow from ops</b>	<b>628</b>	<b>803</b>	<b>555</b>	<b>888</b>
CFI				
CAPEX, net	(294)	(211)	(265)	(811)
Others	(215)	(55)	(690)	171
<b>Cashflow from investments</b>	<b>(509)</b>	<b>(266)</b>	<b>(956)</b>	<b>(640)</b>
CFF				
Share issuance	0	0	0	0
Loans, net of repayments	0	0	0	0
Dividends	(160)	(176)	(176)	(186)
Others	(0)	(0)	0	0
<b>Cashflow from financing</b>	<b>(160)</b>	<b>(176)</b>	<b>(176)</b>	<b>(186)</b>
<b>Net change in cash</b>	<b>(41)</b>	<b>361</b>	<b>(577)</b>	<b>62</b>
Effects of exchange rates	0	0	0	0
<b>CCE, end</b>	<b>745</b>	<b>1,106</b>	<b>529</b>	<b>591</b>

### Valuation Ratios

FYE Dec	FY14	FY15	FY16E	FY17E
P/E (X), adj.**	24.8	27.6	23.4	18.6
P/B (X), adj.**	2.2	2.1	2.0	1.9
Dividend Yield (%)	1.6	1.6	1.7	2.2

### Growth

FYE Dec, %	FY14	FY15	FY16E	FY17E
Revenue	n.m.	9.22	8.96	14.05
EBITDA	n.m.	-4.25	13.32	21.38
EBIT	n.m.	-10.32	18.32	25.72
Net Income, adj.	n.m.	-10.37	17.87	26.04

### Margins

FYE Dec, %	FY14	FY15	FY16E	FY17E
EBITDA margin	8.00	7.01	7.29	7.76
EBIT margin	5.87	4.82	5.23	5.77
Net Profit Margin	4.68	3.84	4.15	4.59

### Key Ratios

FYE Dec	FY14	FY15	FY16E	FY17E
ROE (%)	18.11	7.94	8.90	10.52
ROA (%)	11.95	5.16	5.75	6.75
Net Debt/(Cash) (Btmn)	(745)	(1,106)	(529)	(591)
Net Gearing (X)	0.57	0.56	0.63	0.66

## Fact Sheet

### GENERAL INFORMATION

Address:	Jewelry Trade Center Bldg., South Tower, 15 FLR., 919/555 Silom Road., Bangrak, Bangkok 10500
Tel:	66 2 739 5278
Fax:	66 2 739 5278
URL:	http://www.col.co.th
Market/Sector:	Commerce

### BUSINESS DESCRIPTION

COL is a distributor of stationary and office equipment through catalog, call center, e-Commerce, eProcurement, and traditional stores; and lifestyle products through online channel and stores.

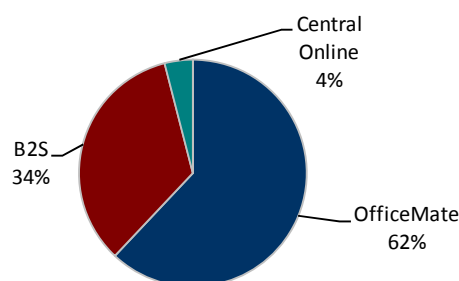
### RISK FACTORS

1. Slower-than-expected economic recovery
2. COL's online channel fails to achieve its target.
3. B2S might face a challenge of changing customer behavior

### KEY DEVELOPMENT

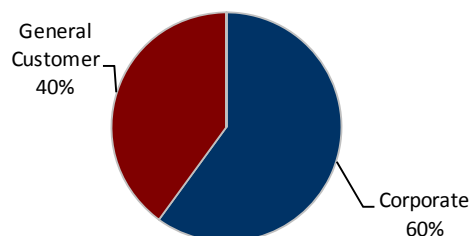
- Yr 2015 Launched digital agency CENERGY / Grand opening of central online / Launched E-Book / Changed the name to COL
- Yr 2014 Opened online book store www.b2s.co.th / B2S acquired 75% of MEB
- Yr 2013 started online business www.central.co.th and www.robinson.co.th
- Yr 2012 Merged between Office Depot and B2S / listed on the SET

### REVENUE BREAKDOWN as of 09 June 2016



Source: Company, PSR

### CUSTOMER BREAKDOWN as of 09 June 2016



Source: Company, PSR

### KEY FINANCIAL SUMMARY

Btmn	1Q16	4Q15	3Q15	2Q15	1Q15
Sales	2,665	2,633	2,564	2,362	2,477
Gross profit	650	663	626	567	588
Net profit	144	96	99	70	128
Assets	7,741	7,895	7,514	7,307	7,394
Liabilities	2,523	2,825	2,536	2,430	2,413
Equities	5,217	5,071	4,977	4,876	4,981
EPS (Bt)	0.45	0.30	0.31	0.22	0.40
BVPS (Bt)	16.30	15.85	15.55	15.24	15.56
GPM (%)	24%	25%	24%	24%	24%
NPM (%)	5%	4%	4%	3%	5%

Source: Company, PSR

### PEER COMPARISON \* updated on 09 June 2016

Company name	as of	Mkt Cap. (Btmn)	P/E (x)	P/BV (x)	Div Yield (%)
COL PCL					
COL TB	3/16	10,880	26.6	2.1	1.6
Home Product Center PCL					
HMPRO TB	3/16	119,676	32.9	7.1	2.7
Siam Global House PCL					
GLOBAL TB	3/16	47,195	42.2	3.2	0.3

Source: Bloomberg, PSR

\*Data based on trailing 12 months earnings, book value and dividend per share

## 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	MIINT	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	AMANAH	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	TCJ	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 $\pm$ 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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