



輝立証券集團

Phillip Securities Group

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SC Asset Corporation

New project launches seen as key to driving presales to hit FY16 target

THAILAND | SET | PROP | COMPANY VISIT

BLOOMBERG SC TB | REUTERS SC.BK

29 September 2016

8MFY16 presales stuck in slow lane but full-year target still likely to be met

SC reported its total presales remained weak in 8MFY16 at Bt6.8bn, accounting for a mere 46% of its full-year target of Bt15bn. For the period, condo presales were still stuck in slow lane as it took in only Bt1.5bn, which remained far from its full-year target of Bt6bn. Even though SC launched two new condo projects worth a combined Bt4.9bn, namely *Beatniq* and *Chamber Chann* during the period, the average take-up rate was however low at only 30%. Much of the condo presales therefore came from sales of condo inventories from existing projects including the likes of *'The Crest Santora Hua Hin,' 'The Centric Ratchada-Huay Khwang,'* and *'The Centric Sea Pattaya'* which had remaining sales value of Bt479mn, Bt638mn and Bt667mn respectively after 71%, 78% and 77% of these projects were sold out. On the other hand, the take-up rate for its super luxury *'Saladaeng One'* still moved at a snail's pace, holding steady around 42%-43% due partly to the high price tag which caused potential buyers to take more time to make up their minds and sometimes delay their buying decisions until construction was near completion. To speed up condo presales to meet its full-year target, SC plans to launch the following two new condo projects: (i) the Bt8bn super luxury *'28 Chidlom'* and (ii) the Bt800mn *'Chamber Cher Ratchada-Ramintra.'* Given the project location in downtown Bangkok, we reckon that the take-up rate for the *'28 Chidlom'* may hit 50%, translating into presales of around Bt4bn, putting SC's total condo presales back on track to meet its full-year target of Bt6bn. On the low-rise front, we are very satisfied with its SDH/TH presales numbers, which clocked in at Bt5.3bn in 8MFY16. SC needs to generate additional SDH/TH presales of Bt3.7bn, or a monthly average of Bt900mn to achieve its full-year target of Bt9bn. Notwithstanding that YTD average monthly SDH/TH presales were only Bt700mn, we believe its new project launch plan in 4QFY16 would quicken the pace of its average monthly presales and put its total SDH/TH presales back on course to hit the full-year mark. SC plans to launch three new SDH/TH projects worth a combined Bt3.5bn in 4QFY16.

FY16 profit set to rise 11% y-y

We expect SC to achieve profit growth of 11% y-y this year on the back of revenue expansion and well-managed SG&A expenses. In our forecast, we predict its full-year revenue will rise 9% y-y to Bt14.4bn, meaning SC needs to generate additional revenue of Bt6.4bn in 2HFY16 after it earned revenue of Bt8bn in 1HFY16 based on the following assumptions:

- (1) SC had a backlog at end-Aug 2016 of around Bt2.9bn to be booked as revenue in what remains of FY16.
- (2) To meet the target, the rest should come from SDH/TH presales in the final four months of the year. We assume SC will rake in SDH/TH presales of Bt3.7bn during the period of Sep-Dec 2016. With its average book-to-transfer period of two weeks thanks to the pre-built approach, we reckon that nearly all of the above SDH/TH presales could be realized as revenue this year. For the year, margins tend to hold steady while SG&A expenses should remain well under control. Net margin is therefore forecast to widen to 14% this year from 13% a year earlier.

'BUY' rating with Bt4.50/share target price

Our 'BUY' rating remains unchanged for SC with a target price of Bt4.50/share. The rating reflects its cheap valuation and our view that presales, revenue and profit growth remains on course to meet targets. Currently SC sports only 6x-7x P/E, which represents a big discount to its historical average of 9x P/E.

Buy (Maintain)

Closing Price(Bt) 3.36
Target Price(Bt) 4.50 (+39.81%)

COMPANY DATA

O/S Shares (mn):	4,179
Market Cap. (Btmn):	14,043
Market Cap. (USDmn):	406
52-WK Hi/Lo (Bt):	3.74/2.62
3M Average Daily T/O (mn):	5.31
Par Value (Bt):	1.00

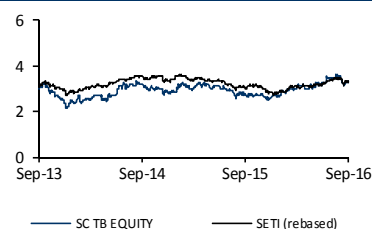
MAJOR SHAREHOLDERS (%) 04 May 2016

1. Ms. Paetongtarn Shinawatra	29.1
2. Ms. Pintongta Shinawatra	28.2
3. Mr. Bhanapot Damapong	4.8

PRICE PERFORMANCE (%)

	1MTH	3MTH	1YR
ABS	-5%	3%	-10%
REL TO SET INDEX	-1%	0%	-18%

PRICE VS SET INDEX



Source: Bloomberg, PSR

KEY FINANCIALS

FYE Dec	FY14	FY15	FY16E	FY17E
Sales(Btmn)	12,627	14,091	15,241	15,482
Net Profit(Btmn)	1,558	1,895	2,119	2,051
EPS (Bt)	0.42	0.45	0.51	0.49
P/E (X)	8.0	7.4	6.6	6.8
BVPS (Bt)	3.13	3.17	3.49	3.78
P/B (X)	1.1	1.1	1.0	0.9
DPS (Bt)	0.08	0.18	0.20	0.15
Dividend Yield (%)	2.4	5.4	5.9	4.4
ROE (%)	14.06	15.25	15.24	13.49
Debt/Equity (X)	2.42	2.10	1.90	2.06

Source: Company, PSR Est.

**Multiples and yields are based on latest closing price

VALUATION METHOD

P/E'16 (9x)

Danai Tunyaphisitchai, CFA

Capital Market Investment Analyst #2375

Tel: 66 2 635 1700 #481

Ref. No.: CO2016_0013

Financials

Income Statement

FYE Dec, Btmn	FY14	FY15	FY16E	FY17E
Revenue	12,627	14,091	15,241	15,482
EBITDA	2,156	2,568	2,908	2,853
Depreciation & Amortisation	86	94	124	125
EBIT	2,069	2,474	2,784	2,728
Net Finance (Expense)/Inc	(176)	(187)	(132)	(165)
Other items	65	93	0	0
Associates & JVs	0	0	0	0
Exceptional items	65	93	0	0
Profit Before Tax	1,959	2,380	2,652	2,563
Taxation	(400)	(485)	(533)	(513)
Profit After Tax	1,558	1,895	2,119	2,051
Non-controlling Interest	0	0	0	0
Net Income, reported	1,558	1,895	2,119	2,051
Net Income, adj.	1,493	1,802	2,119	2,051

Per share data

FYE Dec, Bt	FY14	FY15	FY16E	FY17E
EPS, reported	0.42	0.45	0.51	0.49
EPS, adj.	0.40	0.43	0.51	0.49
DPS	0.08	0.18	0.20	0.15
BVPS	3.13	3.17	3.49	3.78

Balance Sheet

FYE Dec, Btmn	FY14	FY15	FY16E	FY17E
Cash	648	910	953	1,053
Investments	508	292	0	0
Accounts Receivables	70	67	111	122
Inventories	19,967	21,119	24,661	30,035
Others	704	1,121	684	684
Total current assets	21,897	23,509	26,409	31,893
PPE	1,013	1,131	1,025	915
Intangibles	5,186	5,241	5,486	5,946
Associates & JVs	0	0	0	0
Investments	661	687	549	549
Others	213	389	567	567
Total non-current assets	7,072	7,448	7,627	7,977
Total Assets	28,969	30,957	34,036	39,870
Short term loans	8,220	7,583	6,049	6,049
Accounts Payables	506	472	572	843
Others	2,085	2,012	1,674	1,674
Total current liabilities	10,811	10,067	8,295	8,565
Long term loans	5,376	6,565	10,108	14,448
Others	1,145	1,100	1,041	1,041
Total non-current liabilities	17,332	17,732	19,444	24,054
Non-controlling interests	0	0	0	0
Shareholder Equities	11,636	13,225	14,592	15,816

Source: Company Data, PSR est

**Based on latest closing price

Cash Flow

FYE Dec, Btmn	FY14	FY15	FY16E	FY17E
CFO				
PBT	1,959	2,380	2,652	2,563
Adjustments	219	188	257	290
WC changes	(915)	(1,324)	(3,134)	(5,114)
Cash generated from ops	1,263	1,245	(224)	(2,261)
Others	(935)	(1,035)	(802)	(677)
Cashflow from ops	328	210	(1,026)	(2,938)
CFI				
CAPEX, net	(142)	(167)	(265)	(476)
Others	(526)	19	93	0
Cashflow from investments	(668)	(147)	(171)	(476)
CFF				
Share issuance	2	0	0	0
Loans, net of repayments	596	497	1,993	4,340
Dividends	(445)	(297)	(752)	(826)
Others	0	0	0	0
Cashflow from financing	153	199	1,241	3,514
Net change in cash	(186)	262	43	100
Effects of exchange rates	0	0	0	0
CCE, end	648	910	953	1,053

Valuation Ratios

FYE Dec	FY14	FY15	FY16E	FY17E
P/E (X), adj.**	8.4	7.8	6.6	6.8
P/B (X), adj.**	1.1	1.1	1.0	0.9
Dividend Yield (%)	2.4	5.4	5.9	4.4

Growth

FYE Dec, %	FY14	FY15	FY16E	FY17E
Revenue	0.00	11.59	8.16	1.58
EBITDA	0.00	19.11	13.26	-1.89
EBIT	56.23	19.53	12.55	-2.02
Net Income, adj.	43.67	20.69	17.59	-3.24

Margins

FYE Dec, %	FY14	FY15	FY16E	FY17E
EBITDA margin	17.07	18.22	19.08	18.43
EBIT margin	16.39	17.56	18.27	17.62
Net Profit Margin	12.34	13.45	13.90	13.24

Key Ratios

FYE Dec	FY14	FY15	FY16E	FY17E
ROE (%)	14.06	15.25	15.24	13.49
ROA (%)	5.57	6.33	6.52	5.55
Net Debt/(Cash) (Btmn)	12,948	13,238	15,203	19,443
Net Gearing (X)	0.95	0.87	0.79	0.79

Fact Sheet

GENERAL INFORMATION

Address: 1010 Vibhavadee Rd, Jatujak, BKK

Tel: 66 2 260 1321

Fax: 66 2 260 1339

URL: <http://www.scasset.com>

Market/Sector: Property Development

BUSINESS DESCRIPTION

SC is engaged in the operation of real estate development activities. Its project portfolio comprises property development for sale including single-detached houses, townhouses and condominiums and office buildings for rent and condominiums.

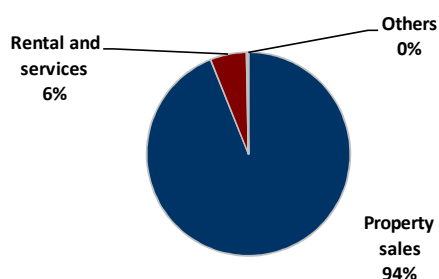
RISK FACTORS

1. Economic growth/employment rate/interest rate
2. Demand/supply equilibrium in the housing market
3. Government investment policy

KEY DEVELOPMENT

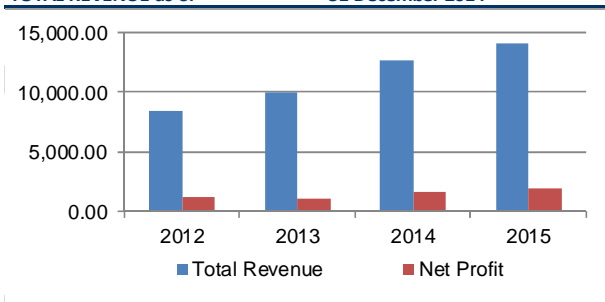
- Yr 2015: SC launched six new projects worth a combined Bt11,930mn.
- Yr 2014: SC launched five new projects worth a combined Bt5,920mn and Mr. Nattapong kunakornwong was named as CEO.
- Yr 2013 Yr 2013: SC split the stock's par value to Bt1/share from Bt5/share

REVENUE BREAKDOWN as of 31 December 2015



Source: Company, PSR

TOTAL REVENUE as of 31 December 2014



Source: Company, PSR

KEY FINANCIAL SUMMARY

Btmn	2Q16	1Q16	4Q15	3Q15	2Q15
Sales	5,142	3,323	5,020	3,117	3,841
Gross profit	1,872	1,263	1,815	1,184	1,366
Net profit	890	469	827	411	498
Assets	31,181	32,502	30,957	31,628	30,306
Liabilities	17,349	18,808	17,732	19,220	18,308
Equities	13,832	13,694	13,225	12,408	11,997
EPS (Bt)	0.21	0.11	0.20	0.10	0.12
BVPS (Bt)	3.31	3.28	3.16	2.97	2.87
GPM (%)	36%	38%	36%	38%	36%
NPM (%)	17%	14%	16%	13%	13%

Source: Company, PSR

PEER COMPARISON * updated on 28 September 2016

Company name	as of	Mkt Cap. (Btmn)	P/E (x)	P/BV (x)	Div Yield (%)
SC Asset Corp PCL					
SC TB	6/16	14,043	5.6	1.1	5.4
Land & Houses PCL					
LH TB	6/16	109,545	11.5	2.4	7.5
Quality Houses PCL					
QH TB	6/16	26,143	7.6	1.2	6.6
Sansiri PCL					
SIRI TB	6/16	24,571	7.6	0.9	9.3

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	MINT	MONO	NKI	PHOL	PPS
PS	PSL	PTT	PTTTP	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	TPPL	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	MIK
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

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.

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

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