

Morning Express

10 January 2024

Focus of the Day

Dada Nexus Limited

Dada's ad and marketing revenue may be overstated; downgrade to Neutral

CP: US\$ 1.60

TP: US\$ 2.00

Connie Gu, CPA

connie.gu@bocomgroup.com

DADA US

Rating: **Neutral**

Upside: +25.0%

On Jan 8, Dada announced that in the course of routine internal audit, certain suspicious practices were identified that may cast doubt on certain revenues from online ad and marketing services, together with operations and support costs, for the first three quarters of 2023. The audit committee of Dada's board of directors has determined to conduct an independent review with the assistance of independent professional advisers. Dada's stock price fell 45% on Jan 8.

Dada's online marketing services are mainly from JDDJ, and we communicated with the company for a higher-than-industry ad take rate in the previous coverage report, mainly because (1) ad revenue is related to the marketing activities of the brand side; (2) the brand side is mainly FMCG and other supermarket categories. JDDJ leads in the supermarket category, so the brand will invest part of its budget on JDDJ platform. Based on the company's 2022 annual report, we estimate that ad and marketing-related costs are related to user subsidy fees provided by the relevant brand parties.

Since we do not have detailed data on the company's actual financial situation, we will maintain the company's current financial forecast. The company is responding positively, but given the current impact and uncertainty about future revenues, we lowered its valuation to TP of US\$2 based on 8x P/E and downgrade to **Neutral**.

Automobile Sector Monthly

PV retail sales rose 5.6% YoY in 2023, with NEV penetration reaching 35.7%

Rating: **Outperform**

Angus Chan

angus.chan@bocomgroup.com

Driven by OEMs' year-end promotions to reach sales target, PV sales reached 2.35m units in Dec 2023, hitting the highest in the same period since 2018. Full-year PV retail sales totaled 21.7m units, same as our earlier forecast. NEV retail sales in Dec recorded 945k units, with an NEV penetration rate at 40.2%.

Looking ahead to Jan 2024, we expect sales to soften as strong sales in Dec brought forward part of the car-purchasing demand. We forecast annual sales to reach 22.13m units in 2024, representing YoY increase at ~2.0%.

Global Stock Indices

| | Close | 1D% | YTD% |
|---------|--------|-------|-------|
| HSI | 16,190 | -0.35 | -4.21 |
| HSCEI | 5,450 | -0.57 | -5.53 |
| SH A | 3,034 | 0.20 | -2.74 |
| SH B | 224 | -2.74 | -3.14 |
| SZ A | 1,826 | 0.34 | -5.00 |
| SZ B | 1,055 | -0.37 | -2.39 |
| DJIA | 37,525 | -0.42 | -0.44 |
| S&P 500 | 4,757 | -0.15 | -0.28 |
| Nasdaq | 14,858 | 0.09 | -1.02 |
| FTSE | 7,684 | -0.13 | -0.64 |
| CAC | 7,427 | -0.32 | -1.55 |
| DAX | 16,688 | -0.17 | -0.38 |

Source: FactSet

Key Commodity/Forex Indicators

| | Close | 3M% | YTD% |
|--------|----------|--------|-------|
| Brent | 76.17 | -13.70 | -1.18 |
| Gold | 2,026.60 | 9.58 | -1.74 |
| Silver | 22.85 | 5.52 | -3.97 |
| Copper | 8,295.00 | 3.49 | -2.14 |
| JPY | 144.33 | 2.92 | -2.32 |
| GBP | 1.27 | 4.03 | -0.35 |
| EUR | 1.09 | 3.53 | -1.16 |

| bps change | | 3M | 6M |
|---------------|------|--------|-------|
| HIBOR | 4.58 | 0.00 | -9.47 |
| US 10yr yield | 4.02 | -16.32 | -0.71 |

Source: FactSet

HSI Technical

| | |
|--------------------|-----------|
| HSI | 16,190.02 |
| 50D MA | 16,765.37 |
| 200D MA | 17,889.29 |
| 14D RSI | 38.52 |
| Short sell (HK\$m) | 13,795 |

Source: FactSet

We believe that BYD (1211 HK/**Buy**), as a leader in the NEV sector, will maintain a high growth in export sales. Among the emerging OEMs, we still like Li Auto's (2015 HK/**Buy**) sales growth momentum and new product launch pace of BEV models in 2024. We maintain Sell rating on XPeng (9868 HK/**Sell**) due to uncertainty on sales growth and gross margins in 2024.

| | |
|---|---------------------------|
| Healthcare Sector Weekly <u>More overseas deals of domestic innovative drugs; ADC, small nucleic acid drug in limelight</u> | |
| Rating: Outperform | |
| Ethan Ding | Ethan.Ding@bocomgroup.com |

The National Healthcare Security Administration ("NHSA") issued a document to eliminate unfair high prices and discriminatory high prices among provinces. This is aimed at correcting the deviation and restoring price rationality, and **abnormal prices should not be seen as an incentive for innovation in the pharmaceutical industry**, according to person in charge of the NHSA's Pricing and Procurement Department.

Investment implications: A number of domestic innovative drugs went overseas this week, including Bio-Thera licensing HER2/TROP2 dual antibody ADC to Radiance Biopharma, Boehringer Ingelheim ("BI") and Ribo Life Science collaborating to develop NASH siRNA therapeutics, Argo Biopharmaceutical entering into a collaboration agreement with Novartis on RNAi therapeutics, Allorion Therapeutics licensing CDK2 and two other new drugs to Avenzo, and Kanghua Biological Products licensing recombinant hexavalent Norovirus vaccine to HilleVax. Novel technologies are in high demand, and two deals this week (BI/Ribo, Argo/Novartis) were in small nucleic acid-related areas. After AstraZeneca's acquisition of Ganshi Bio, this week Novartis acquired SinoPharma, accelerating its layout in the field of renal disease. Overseas, Johnson & Johnson acquired Ambrx.

The domestic innovative drug BD deals since 2024 continue to prove Chinese innovative drug companies' R&D strength, and show the ecosystem of China's biopharmaceutical industry is being reshaped. Considering the current valuation of China's healthcare sector is still low, we remain optimistic about more overseas deals of innovative drugs, as well as the relative performance of the healthcare sector in 2024 amid sentiment recovery and ongoing catalysts.

Economic data releases for this week – US

| Date | Event | Survey | Prior |
|--------|----------------------------|--------|--------|
| 11 Jan | CPI (YoY%) | 0.20 | 0.10 |
| 11 Jan | CPI (MoM%) | 3.20 | 3.10 |
| 11 Jan | Initial jobless claims (k) | 0.20 | 0.10 |
| 12 Jan | PPI (MoM%) | 211.00 | 202.00 |

Source: Bloomberg

Economic data releases for this week – China

| Date | Event | Survey | Prior |
|------|-------|--------|-------|
| | | | |
| | | | |
| | | | |

Source: Bloomberg

BOCOM Research latest reports

In-depth reports

| | | |
|--------|---|--|
| 11 Dec | BOCOM Int'l Research - A Wider Horizon in the Year Ahead | BOCOM Int'l Research team |
| 6 Dec | Technology Thematic - 2024 Outlook: Global tech investment strategy behind AI and semiconductor themes | Dawei Wang, PhD, CFA, Carrie Tong |
| 6 Dec | Consumer Sector - 2024 Outlook: Self-help volume drivers key to winning as ASP likely muted | Edward Lui, CFA, CESGA, Kay Tan, FRM |
| 6 Dec | Global Macro - 2024 Outlook: The Symphony of Change and Chance (No.2) – Chance | Carl Cai, CFA, Evan Li, Alan Qian |
| 5 Dec | Mainland Property Sector - 2024 Outlook: Turning over a new leaf | Philip Tse, CFA, FRM |
| 5 Dec | Hong Kong Property Sector - 2024 Outlook: Stay patient before dawn | Philip Tse, CFA, FRM |
| 4 Dec | Internet Sector - 2024 Outlook: Innovation and profitability to drive valuation recovery | Connie Gu, CPA, Brandy Sun, Li Zhao, CFA, Hanna Cai, |
| 4 Dec | Securities Sector - 2024 Outlook: Earnings Recovery; Prefer Brokers of Balanced Income Mix | Li Wan, CFA, FRM |
| 4 Dec | Insurance Sector - 2024 Outlook: Liability side still in transformation, asset side to improve | Li Wan, CFA, FRM |
| 4 Dec | Automobile Sector - 2024 Outlook: Auto exports, autonomous driving applications in full swing | Angus Chan, Iris Li, CFA |
| 4 Dec | Renewable Energy Sector - 2024 Outlook: Solar Sector Near End of Tunnel as Oversupply Largely Priced in | Wallace Cheng, Bob Wen, CPA |
| 1 Dec | Healthcare Sector - 2024 Outlook: Bottom rally underway | Ethan Ding, Joyce Li, PhD, CFA |
| 30 Nov | Global Macro - 2024 Outlook: The Symphony of Change and Chance (No.1)- | Carl Cai, CFA, Evan Li, Alan Qian |
| 7 Jan | Global Macro - Strong NFP renders rate cuts more difficult- Comments on Dec 23 US NFP | Carl Cai, CFA, Evan Li |
| 6 Jan | Global Macro - Red Sea crisis may pose challenge on rate cut outlook | Carl Cai, CFA, Evan Li |
| 5 Jan | Global Macro - Still cautious on rate cuts – December 2023 Fed minutes comments | Carl Cai, CFA, Evan Li |
| 30 Dec | Global Macro - 2023 Overseas Equity- The Winners | Carl Cai, CFA, Alan Qian, Evan Li |
| 28 Dec | Global Macro - US Equity 23Q3 Earnings Tracker | Carl Cai, CFA, Evan Li, Alan Qian |
| 28 Dec | Global Macro - 2023 Overseas Asset Classes Performance Review | Carl Cai, CFA, Evan Li, Alan Qian |
| 18 Dec | WuXi XDC Cayman Inc (2268 HK) - Riding on the global XDC R&D boom, one-stop CRDMO platform with outstanding strength, initiate with BUY | Ethan Ding, Joyce Li, PhD, CFA |
| 15 Dec | Macro Trading Series - Two-pronged sector allocation approach amid Hong Kong stock rebound | Carl Cai, CFA, Evan Li, Alan Qian |

Daily reports

| | | |
|--------|--|--|
| 9 Jan | Automobile Sector Monthly - PV retail sales rose 5.6% YoY in 2023, with NEV penetration reaching 35.7% | Angus Chan, Iris Li, CFA |
| 9 Jan | Dada Nexus Limited (DADA US) - Dada's ad and marketing revenue may be overvalued, and downgrade to Neutral | Connie Gu, CPA, Brandy Sun, Li Zhao, CFA, Hanna Cai, |
| 8 Jan | Internet Sector Monthly - Dec game monthly: key mobile games in line, and estimated first-month grossing of "Dream Stars" at RMB600-800m | Connie Gu, CPA, Brandy Sun, Li Zhao, CFA, Hanna Cai, |
| 5 Jan | Anta Sports (2020 HK) - 4Q23 stronger than expected; implications from Amer's IPO filing | Edward Lui, CFA, CESGA, Kay Tan, FRM |
| 5 Jan | GCL Technology (3800 HK) - Polysilicon rod project disposal; Middle East plant to reap polysilicon premium overseas | Bob Wen, CPA, Wallace Cheng |
| 5 Jan | Internet Sector - 2024 Internet investing directions - strong individual stocks, price power and AIGC | Connie Gu, CPA, Brandy Sun, Li Zhao, CFA, Hanna Cai, |
| 5 Jan | Akeso Inc (9926 HK) - Cadonilimab GC indication's sNDA was accepted, data readout continues to validate pipeline value, target price raised | Ethan Ding, Joyce Li, PhD, CFA |
| 20 Dec | Xinyi Solar (968 HK) - Industry expansion slower than expected, market is too pessimistic about overcapacity in 2024. Upgrade to Buy | Bob Wen, CPA, Wallace Cheng |
| 18 Dec | Topsports International (6110 HK) - 3QFY24 sales growth improved on strong retail and Nike/Adidas recovery | Edward Lui, CFA, CESGA, Kay Tan, FRM |
| 18 Dec | Insurance Sector Monthly - Life insurance premium growth slowed down, and diversified performance in P&C insurance | Li Wan, CFA, FRM |
| 15 Dec | Internet Sector Monthly - Promotion drove e-commerce recovery; Gaotu live broadcast continues to heat up | Connie Gu, CPA, Brandy Sun, Li Zhao, CFA, Hanna Cai, |
| 14 Dec | Healthcare Sector - 2023 medical insurance negotiation list expands again; price reductions further rationalized under simplified renewal rules | Ethan Ding, Joyce Li, PhD, CFA |
| 13 Dec | Internet Sector - Analysis on KOL of live broadcasting: DFZX vs.GTJP | Connie Gu, CPA, Brandy Sun, Li Zhao, CFA, Hanna Cai, |
| 13 Dec | Hygeia Healthcare (6078 HK) - Earnings growth guidance lowered, but growth outlook for next year and medium-to-long term remains solid; target price lowered | Ethan Ding, Joyce Li, PhD, CFA |
| 11 Dec | Hello Group (MOMO US) - 3Q23 bottom line beat; revenue under pressure amid unfavorable environment | Li Zhao, CFA, Connie Gu, CPA, Brandy Sun, Hanna Cai, |
| 11 Dec | Securities Sector - Fee rate reform of mutual fund into second stage, urgent transformation of wealth management business | Li Wan, CFA, FRM |
| 9 Dec | Automobile Sector Monthly - PV sales continued to improve MoM in Nov; NEV penetration rate surpassed 40% | Angus Chan, Iris Li, CFA |
| 8 Dec | Yuexiu Property Co (123 HK) - Contracted sales target completed, maintain BUY | Philip Tse, CFA, FRM |
| 6 Dec | NIO Inc (9866 HK) - 3Q gross profit and loss were better than expected, negative factors largely reflected, upgraded to Neutral | Angus Chan, Iris Li, CFA |
| 5 Dec | Internet Sector Monthly - Nov game data watch: New titles of Tencent scheduled for launch; ByteDance to scale back game business | Connie Gu, CPA, Brandy Sun, Li Zhao, CFA, Hanna Cai, |
| 5 Dec | Healthcare Sector - 3Q23 sample hospital drug sales data review: overall growth dips, but domestic innovative drugs rapidly ramp up volume | Ethan Ding, Joyce Li, PhD, CFA |

Source: BOCOM Int'l

HSI constituents

| Company name | Stock code | Current price (HK\$) | Mkt cap (HK\$ m) | 5D chg (%) | YTD chg (%) | -----52-week----- | | -----P/E----- | | | Yield | P/B |
|------------------------|------------|----------------------|-------------------|--------------|--------------|-------------------|------------------|---------------|--------------|-------------|-------------|-------------|
| | | | | | | High (HK\$) | Low (HK\$) | 2022 (x) | 2023E (x) | 2024E (x) | 2023E (%) | 2023E (x) |
| CKH | 1 HK | 41.05 | 157,223 | 0.12 | -1.91 | 54.45 | 38.80 | 4.25 | 5.80 | 5.40 | 5.64 | 0.28 |
| CLP | 2 HK | 63.40 | 160,177 | -0.86 | -1.63 | 64.45 | 55.55 | 170.68 | 16.52 | 13.82 | 4.96 | 1.47 |
| HK & CHINA GAS | 3 HK | 5.92 | 110,467 | 1.02 | -1.00 | 8.07 | 5.27 | 20.85 | 19.01 | 18.17 | 5.97 | 1.74 |
| HSBC | 5 HK | 63.45 | 1,221,254 | 2.01 | 0.71 | 66.30 | 50.45 | 10.79 | 6.20 | 6.57 | 7.87 | 0.93 |
| POWER ASSETS | 6 HK | 44.60 | 95,048 | -1.22 | -1.44 | 46.65 | 36.20 | 16.77 | 16.01 | 15.33 | 6.34 | 1.09 |
| HANG SENG | 11 HK | 86.50 | 165,374 | -0.97 | -5.00 | 133.30 | 84.85 | 17.54 | 10.03 | 9.04 | 6.76 | 1.07 |
| HENDERSON | 12 HK | 22.60 | 109,415 | -0.88 | -6.03 | 30.10 | 19.60 | 11.28 | 9.69 | 9.52 | 8.02 | 0.32 |
| SHKP | 16 HK | 79.30 | 229,794 | -1.98 | -6.10 | 114.80 | 75.90 | 8.03 | 9.66 | 9.40 | 6.22 | 0.38 |
| NEW WORLD | 17 HK | 10.82 | 27,230 | -3.74 | -10.73 | 22.13 | 10.60 | 4.34 | 31.30 | 12.05 | 6.23 | 0.15 |
| GALAXY ENT | 27 HK | 41.05 | 179,505 | -6.92 | -6.17 | 58.30 | 40.25 | N/A | 21.82 | 14.80 | 1.21 | 2.58 |
| MTRC | 66 HK | 27.80 | 172,659 | -1.59 | -8.25 | 42.90 | 27.50 | 16.25 | 25.63 | 11.03 | 4.76 | 0.97 |
| HLP | 101 HK | 10.32 | 46,432 | -0.19 | -5.15 | 16.10 | 9.86 | 10.82 | 10.02 | 8.49 | 7.75 | 0.34 |
| GEELY | 175 HK | 8.15 | 82,017 | -2.16 | -5.12 | 13.28 | 7.73 | 14.61 | 14.92 | 9.32 | 1.96 | 0.95 |
| ALI HEALTH | 241 HK | 3.72 | 50,320 | -5.82 | -12.26 | 7.68 | 3.72 | 61.50 | 48.75 | 37.77 | 0.00 | 2.89 |
| CITIC LTD | 267 HK | 7.50 | 218,177 | -2.98 | -3.85 | 10.58 | 6.60 | 3.02 | N/A | N/A | N/A | N/A |
| WH GROUP | 288 HK | 4.91 | 62,996 | -2.39 | -2.58 | 5.04 | 3.92 | 5.84 | 8.36 | 6.57 | 4.23 | 0.79 |
| CR BEER | 291 HK | 30.10 | 97,650 | -5.79 | -11.99 | 64.75 | 29.90 | 20.47 | 17.22 | 14.31 | 2.26 | 2.94 |
| OOIL | 316 HK | 108.30 | 71,518 | -6.56 | -0.64 | 153.20 | 91.90 | 1.10 | 7.19 | 36.94 | 7.70 | 0.87 |
| TINGYI | 322 HK | 9.00 | 50,709 | -2.39 | -5.46 | 14.38 | 8.89 | N/A | N/A | N/A | N/A | N/A |
| SINOPEC | 386 HK | 4.00 | 97,378 | -1.72 | -2.20 | 5.38 | 3.82 | 6.76 | 6.16 | 5.36 | 10.80 | 0.55 |
| HKEX | 388 HK | 245.20 | 310,283 | -4.89 | -8.51 | 375.00 | 245.20 | 31.17 | 25.81 | 24.41 | 3.44 | 6.06 |
| TECHTRONIC | 669 HK | 86.05 | 157,459 | -1.83 | -7.52 | 109.40 | 67.80 | 18.53 | 20.67 | 17.29 | 1.99 | 3.47 |
| COLI | 688 HK | 12.66 | 138,562 | -3.95 | -7.99 | 22.85 | 12.66 | 5.49 | 5.16 | 4.71 | 5.78 | 0.34 |
| TENCENT | 700 HK | 283.60 | 2,650,537 | -5.09 | -3.41 | 415.00 | 274.00 | 22.32 | 16.17 | 13.88 | 0.59 | 2.95 |
| UNICOM | 762 HK | 4.80 | 146,871 | 0.21 | -2.04 | 6.42 | 4.52 | 7.96 | 7.17 | 6.34 | 7.77 | 0.38 |
| LINK | 823 HK | 42.75 | 109,177 | -0.35 | -2.51 | 62.83 | 35.45 | 14.32 | 15.51 | 16.62 | 6.44 | 0.58 |
| CR POWER | 836 HK | 15.78 | 75,909 | -0.38 | 0.90 | 18.80 | 14.04 | 10.84 | 6.29 | 5.09 | 6.71 | 0.81 |
| PETROCHINA | 857 HK | 5.38 | 113,512 | 0.19 | 4.26 | 6.02 | 3.58 | 6.06 | 5.35 | 5.29 | 8.99 | 0.62 |
| XINYI GLASS | 868 HK | 7.75 | 32,725 | -9.14 | -11.53 | 17.66 | 7.75 | 6.30 | 6.38 | 7.02 | 7.34 | 0.93 |
| ZHONGSHENG | 881 HK | 15.92 | 37,980 | -5.24 | -14.78 | 48.60 | 15.38 | 5.21 | 5.69 | 5.07 | 6.01 | 0.71 |
| CNOOC | 883 HK | 13.50 | 601,787 | 1.05 | 3.85 | 14.00 | 9.95 | 4.14 | 4.53 | 4.31 | 9.64 | 0.89 |
| CCB | 939 HK | 4.52 | 1,156,334 | -1.74 | -2.80 | 5.63 | 4.02 | 5.20 | 5.05 | 4.86 | 5.94 | 0.56 |
| CHINA MOBILE | 941 HK | 65.60 | 1,343,544 | 2.42 | 1.23 | 69.65 | 53.20 | 10.20 | 9.46 | 8.80 | 7.47 | 0.95 |
| LONGFOR | 960 HK | 11.04 | 70,912 | -1.08 | -11.68 | 28.20 | 11.04 | 2.51 | 3.34 | 3.51 | 8.87 | 0.41 |
| XINYI SOLAR | 968 HK | 4.01 | 35,702 | -4.52 | -12.06 | 10.76 | 3.98 | 9.45 | 9.44 | 7.02 | 4.93 | 1.13 |
| SMIC | 981 HK | 17.62 | 105,243 | -6.48 | -11.28 | 25.60 | 15.70 | 9.93 | 20.75 | 22.48 | 0.00 | 0.90 |
| LENOVO | 992 HK | 10.62 | 131,593 | -0.75 | -2.75 | 11.04 | 6.06 | 7.46 | 9.64 | N/A | 3.85 | 2.77 |
| CK INFRA | 1038 HK | 42.95 | 102,588 | -0.92 | -0.58 | 46.75 | 35.55 | 13.85 | 14.11 | 12.94 | 6.00 | 0.83 |
| HIENGAN | 1044 HK | 28.15 | 32,714 | -1.92 | -3.10 | 40.95 | 24.00 | 15.64 | 11.87 | 10.52 | 5.44 | 1.48 |
| SHENHUA | 1088 HK | 28.50 | 96,258 | 1.06 | 6.54 | 28.50 | 21.50 | 7.05 | 8.19 | 8.14 | 8.74 | 1.25 |
| CSPC | 1093 HK | 6.95 | 82,349 | -5.18 | -4.27 | 9.41 | 5.29 | 12.47 | 12.26 | 11.11 | 2.61 | 2.21 |
| SINOPHARM | 1099 HK | 20.05 | 26,903 | 0.25 | -1.96 | 28.25 | 18.62 | 7.48 | 6.23 | N/A | 4.86 | 0.75 |
| CR LAND | 1109 HK | 25.85 | 184,335 | -3.18 | -7.68 | 39.80 | 25.40 | 6.34 | 5.91 | 5.53 | 6.07 | 0.65 |
| CKA | 1113 HK | 37.05 | 131,486 | -3.01 | -5.48 | 51.60 | 37.05 | 6.26 | 7.47 | 7.55 | 6.09 | 0.34 |
| SBP | 1177 HK | 3.32 | 61,085 | -1.48 | -4.32 | 4.99 | 2.66 | 21.76 | 21.23 | 18.58 | 1.35 | 1.79 |
| CHINA RES MIXC | 1209 HK | 25.40 | 57,976 | -5.75 | -8.80 | 46.35 | 25.35 | 24.05 | 18.63 | 14.67 | 2.41 | 3.35 |
| BYD | 1211 HK | 207.60 | 471,656 | -0.95 | -3.17 | 275.60 | 195.80 | 32.90 | 17.59 | 13.61 | 1.08 | 3.93 |
| AIA | 1299 HK | 63.60 | 722,567 | -1.01 | -6.54 | 90.00 | 61.65 | 341.97 | 17.36 | 12.81 | 2.48 | 2.13 |
| CHINA HONGQIAO | 1378 HK | 5.78 | 54,769 | -4.30 | -9.55 | 9.30 | 5.55 | 5.69 | 5.12 | 4.67 | 13.07 | 0.56 |
| ICBC | 1398 HK | 3.68 | 1,753,623 | -2.65 | -3.66 | 4.67 | 3.36 | 3.48 | 3.44 | 3.28 | 9.18 | 0.35 |
| HANG SENG INDEX | | 16,190.02 | 21,057,853 | -2.74 | -5.03 | 22,688.90 | 16,190.02 | 463.51 | 11.67 | 9.84 | 4.59 | 1.77 |

Source: FactSet

HSCEI constituents

| Company name | Stock code | Closing price (HK\$) | Mkt cap (HK\$ m) | 5D chg (%) | YTD chg (%) | -----52-week----- | | -----P/E----- | | | Yield | P/B |
|---------------------------------|------------|----------------------|-------------------|--------------|--------------|-------------------|-----------------|---------------|--------------|-------------|-------------|-------------|
| | | | | | | High (HK\$) | Low (HK\$) | 2022 (x) | 2023E (x) | 2024E (x) | 2023E (%) | 2023E (x) |
| WHEELLOCK | 20 HK | 1.05 | 27,246 | -4.55 | -9.48 | 3.33 | 1.03 | N/A | N/A | N/A | N/A | N/A |
| GEELY | 175 HK | 8.15 | 82,017 | -2.16 | -5.12 | 13.28 | 7.73 | 14.61 | 14.92 | 9.32 | 1.96 | 0.95 |
| CITIC LTD | 267 HK | 7.50 | 218,177 | -2.98 | -3.85 | 10.58 | 6.60 | 3.02 | N/A | N/A | N/A | N/A |
| CR BEER | 291 HK | 30.10 | 97,650 | -5.79 | -11.99 | 64.75 | 29.90 | 20.47 | 17.22 | 14.31 | 2.26 | 2.94 |
| SINOPEC | 386 HK | 4.00 | 97,378 | -1.72 | -2.20 | 5.38 | 3.82 | 6.76 | 6.16 | 5.36 | 10.80 | 0.55 |
| COLI | 688 HK | 12.66 | 138,562 | -3.95 | -7.99 | 22.85 | 12.66 | 5.49 | 5.16 | 4.71 | 5.78 | 0.34 |
| TENCENT | 700 HK | 283.60 | 2,650,537 | -5.09 | -3.41 | 415.00 | 274.00 | 22.32 | 16.17 | 13.88 | 0.59 | 2.95 |
| PETROCHINA | 857 HK | 5.38 | 113,512 | 0.19 | 4.26 | 6.02 | 3.58 | 6.06 | 5.35 | 5.29 | 8.99 | 0.62 |
| ZHONGSHENG | 881 HK | 15.92 | 37,980 | -5.24 | -14.78 | 48.60 | 15.38 | 5.21 | 5.69 | 5.07 | 6.01 | 0.71 |
| CNOOC | 883 HK | 13.50 | 601,787 | 1.05 | 3.85 | 14.00 | 9.95 | 4.14 | 4.53 | 4.31 | 9.64 | 0.89 |
| CCB | 939 HK | 4.52 | 1,156,334 | -1.74 | -2.80 | 5.63 | 4.02 | 5.20 | 5.05 | 4.86 | 5.94 | 0.56 |
| CHINA MOBILE | 941 HK | 65.60 | 1,343,544 | 2.42 | 1.23 | 69.65 | 53.20 | 10.20 | 9.46 | 8.80 | 7.47 | 0.95 |
| LONGFOR | 960 HK | 11.04 | 70,912 | -1.08 | -11.68 | 28.20 | 11.04 | 2.51 | 3.34 | 3.51 | 8.87 | 0.41 |
| XINYI SOLAR | 968 HK | 4.01 | 35,702 | -4.52 | -12.06 | 10.76 | 3.98 | 9.45 | 9.44 | 7.02 | 4.93 | 1.13 |
| SMIC | 981 HK | 17.62 | 105,243 | -6.48 | -11.28 | 25.60 | 15.70 | 9.93 | 20.75 | 22.48 | 0.00 | 0.90 |
| LENOVO | 992 HK | 10.62 | 131,593 | -0.75 | -2.75 | 11.04 | 6.06 | 7.46 | 9.64 | N/A | 3.85 | 2.77 |
| KUAISHOU | 1024 HK | 47.55 | 170,678 | -7.13 | -10.20 | 77.75 | 47.55 | N/A | 39.37 | 16.65 | 0.00 | 4.14 |
| SHENHUA | 1088 HK | 28.50 | 96,258 | 1.06 | 6.54 | 28.50 | 21.50 | 7.05 | 8.19 | 8.14 | 8.74 | 1.25 |
| CSPC | 1093 HK | 6.95 | 82,349 | -5.18 | -4.27 | 9.41 | 5.29 | 12.47 | 12.26 | 11.11 | 2.61 | 2.21 |
| CR LAND | 1109 HK | 25.85 | 184,335 | -3.18 | -7.68 | 39.80 | 25.40 | 6.34 | 5.91 | 5.53 | 6.07 | 0.65 |
| SBP | 1177 HK | 3.32 | 61,085 | -1.48 | -4.32 | 4.99 | 2.66 | 21.76 | 21.23 | 18.58 | 1.35 | 1.79 |
| BYD | 1211 HK | 207.60 | 471,656 | -0.95 | -3.17 | 275.60 | 195.80 | 32.90 | 17.59 | 13.61 | 1.08 | 3.93 |
| ABC | 1288 HK | 3.02 | 1,387,392 | -0.66 | 0.33 | 3.27 | 2.51 | 3.99 | 3.79 | 3.59 | 8.36 | 0.40 |
| ICBC | 1398 HK | 3.68 | 1,753,623 | -2.65 | -3.66 | 4.67 | 3.36 | 3.48 | 3.44 | 3.28 | 9.18 | 0.35 |
| PSBC | 1658 HK | 3.56 | 391,898 | -2.47 | -4.56 | 5.54 | 3.44 | 3.93 | 3.86 | 3.63 | 8.09 | 0.42 |
| XIAOMI | 1810 HK | 14.34 | 293,373 | -4.91 | -8.08 | 16.80 | 9.99 | 131.73 | 19.93 | 20.95 | 0.00 | 2.02 |
| LI AUTO | 2015 HK | 131.00 | 434,750 | -6.50 | -10.94 | 184.30 | 83.75 | 22,704.10 | 28.31 | 18.76 | 0.00 | 4.82 |
| ANTA | 2020 HK | 70.55 | 198,461 | 0.36 | -6.86 | 124.00 | 69.60 | 23.13 | 18.24 | 15.39 | 2.40 | 4.11 |
| SHENZHOU | 2313 HK | 74.00 | 111,238 | -3.33 | -7.96 | 107.50 | 61.95 | 22.27 | 22.25 | 18.41 | 2.51 | 3.10 |
| PING AN | 2318 HK | 32.20 | 685,800 | -5.15 | -8.91 | 64.75 | 32.20 | 6.31 | 4.86 | 3.97 | 8.04 | 0.58 |
| MENGNIU | 2319 HK | 19.10 | 74,992 | -4.02 | -9.05 | 39.45 | 18.88 | 12.91 | 12.24 | 10.82 | 3.18 | 1.56 |
| LI NING | 2331 HK | 17.58 | 45,988 | -8.34 | -15.89 | 81.00 | 17.58 | 10.70 | 11.79 | 9.89 | 3.03 | 1.61 |
| SUNNY OPTICAL | 2382 HK | 61.35 | 66,940 | -4.14 | -13.41 | 116.30 | 51.05 | 25.67 | 41.55 | 24.16 | 0.48 | 2.68 |
| JD LOGISTICS | 2618 HK | 8.98 | 59,341 | -5.37 | -8.18 | 17.84 | 8.86 | N/A | 118.41 | 27.51 | 0.00 | 1.16 |
| CHINA LIFE | 2628 HK | 9.08 | 665,917 | -6.58 | -10.28 | 15.70 | 9.08 | 7.47 | 11.06 | 5.42 | 6.05 | 0.53 |
| ENN | 2688 HK | 57.70 | 65,116 | 1.50 | 0.35 | 126.00 | 49.70 | 10.00 | 8.07 | 7.53 | 5.01 | 1.35 |
| BOCOM | 3328 HK | 4.79 | 167,707 | -1.03 | -1.64 | 5.59 | 4.26 | 3.81 | 3.72 | 3.59 | 8.73 | 0.35 |
| MEITUAN | 3690 HK | 70.55 | 397,784 | -8.97 | -13.86 | 180.10 | 70.55 | N/A | 35.52 | 19.12 | 0.00 | 2.90 |
| CMB | 3968 HK | 25.85 | 752,137 | -3.00 | -4.96 | 52.95 | 24.50 | 4.57 | 4.28 | 3.96 | 7.70 | 0.66 |
| BOC | 3988 HK | 2.94 | 1,187,829 | -1.01 | -1.34 | 3.42 | 2.60 | 5.62 | 5.54 | 5.32 | 5.77 | 0.54 |
| JD HEALTH | 6618 HK | 32.50 | 103,630 | -7.67 | -16.88 | 73.30 | 32.50 | 251.51 | 45.29 | 34.06 | 0.00 | 2.02 |
| HAIER | 6690 HK | 21.65 | 209,120 | 1.17 | -1.81 | 30.70 | 20.55 | 11.94 | 11.26 | 9.86 | 3.27 | 1.79 |
| HAIDILAO | 6862 HK | 13.32 | 74,246 | -2.35 | -8.39 | 24.05 | 13.22 | N/A | N/A | N/A | N/A | N/A |
| JD.COM | 9618 HK | 98.00 | 267,093 | -8.41 | -12.89 | 251.40 | 93.90 | 10.13 | 8.74 | 7.93 | 0.00 | 1.21 |
| NONGFU SPRING | 9633 HK | 41.40 | 208,357 | -3.38 | -8.31 | 46.30 | 41.20 | 49.79 | 40.47 | 35.04 | 2.01 | 15.68 |
| XPENG | 9868 HK | 48.95 | 74,913 | -10.92 | -13.67 | 86.75 | 30.40 | N/A | N/A | N/A | 0.00 | 2.11 |
| BAIDU | 9888 HK | 113.60 | 251,238 | -0.96 | -2.15 | 162.50 | 101.30 | 13.48 | 10.87 | 10.66 | 0.00 | 1.16 |
| TRIP.COM | 9961 HK | 296.40 | 195,654 | 3.28 | 6.77 | 329.80 | 241.60 | 129.83 | 15.48 | 16.01 | 0.00 | 1.43 |
| ALIBABA | 9988 HK | 69.75 | 1,336,398 | -5.81 | -7.74 | 117.50 | 68.80 | 9.26 | 7.91 | 7.35 | 0.00 | 1.19 |
| NETEASE | 9999 HK | 140.20 | 438,261 | -5.72 | -0.28 | 183.20 | 121.10 | 17.87 | 13.03 | 12.80 | 2.10 | 3.32 |
| HANG SENG CHINA ENT INDX | | 5,449.76 | 18,265,131 | -3.53 | -5.53 | 7,773.61 | 5,449.76 | 531.67 | 11.06 | 8.92 | 4.58 | 1.59 |

Source: FactSet

BOCOM International

10/F, Man Yee Building, 68 Des Voeux Road Central, Central, Hong Kong
Main: (852) 3766 1899 Fax: (852) 2107 4662

Rating System

Analyst Stock Rating:

Buy: The stock's total return is expected to **exceed** that of the corresponding industry over the next 12 months.

Neutral: The stock's total return is expected to be **in line with** that of the corresponding industry over the next 12 months.

Sell: The stock's total return is expected to be **below** that of the corresponding industry over the next 12 months.

Not-Rated: The analyst **does not have conviction** regarding the outlook of the stock's total return relative to that of the corresponding industry over the next 12 months.

Analyst Industry Views:

Outperform: The analyst expects the industry coverage universe to be **attractive** relative to the relevant broad market benchmark over the next 12 months.

Market perform: The analyst expects the industry coverage universe to be **in line with** the relevant broad market benchmark over the next 12 months.

Underperform: The analyst expects the industry coverage universe to be **unattractive** relative to the relevant broad market benchmark over the next 12 months.

Broad market benchmark for Hong Kong is the **Hang Seng Composite Index**, for China A-shares is the **MSCI China A Index**, for US-listed Chinese companies is **S&P US Listed China 50 (USD) Index**.

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