

Morning Express

26 January 2024

Focus of the Day

Datang Renewable

Earnings to return to growth trend with uncertainties largely priced in, Upgrade to Buy

CP: HK\$ 1.73

TP: HK\$ 2.20↓

Wallace Cheng

wallace.cheng@bocomgroup.com

1798 HK

Rating: **Buy**↑

Upside: +27.2%

In 2023, DTR's wind/solar generations were 1.4%/8.8% lower than our expectations, despite a 7.4% YoY lift in total power generation. During the period, climate factor dragged wind power generation.

In terms of new installation planning, we believe that short-term variables to be the change of the company's chairman. Update on such planning could come as soon as March this year.

We lower our 2023-25 earnings forecast by 5.6-7.7% and slightly lower our TP to HK\$2.20 from HK\$2.26.

Compared current valuation to similar level in 2020, we believe improvement in ROE (from 8% in 2020 to 13% in 2023) should support the re-rating. Coupled with the estimate that DTR's earnings to return to growth trend in 2024, we upgrade DTR from Neutral to **Buy**.

CSPC Pharmaceutical

CSPC Innovation acquires key assets within the group, subsidiary synergies further strengthened; Maintain Buy

CP: HK\$ 5.92

TP: HK\$ 10.00

Ethan Ding

Ethan.Ding@bocomgroup.com

1093 HK

Rating: **Buy**

Upside: +68.9%

CSPC Innovation (300765 CH) acquires 100% stake in CSPC Baike: CSPC Innovation (74% indirectly held by CSPC Group) announced that it will acquire 100% interest in CSPC Baike (100% indirectly held by CSPC Group) by issuing of shares and cash, the purchase consideration has not yet been determined, the company expects to disclose it around the time of the annual report.

CSPC Baike's key assets to focus on - 津优力®，GLP-1 pipeline: In 2023, Baike recorded RMB 4.7 billion in revenue and RMB 860 million in net profit, and we expect its contribution to the Group to be within 15%. CSPC Baike's pipeline has an extremely diversified layout of GLP-1 targets, including: 1) clinical phase III TG103 and class 2.2 new drug Semaglutide (chemical synthesis method); 2) long-acting Semaglutide (fluid crystalline dosage form), oral Semaglutide, and GLP-1 dual-/triple-target candidates in preclinical research and development. The

Global Stock Indices

	Close	1D%	YTD%
HSI	16,212	1.96	-5.02
HSCEI	5,469	2.16	-5.20
SH A	3,047	3.02	-2.32
SH B	244	3.52	5.53
SZ A	1,768	2.62	-8.05
SZ B	1,036	2.01	-4.20
DJIA	38,049	0.64	0.95
S&P 500	4,894	0.53	2.61
Nasdaq	15,510	0.18	3.33
FTSE	7,530	0.03	-2.63
CAC	7,464	0.11	-1.05
DAX	16,907	0.10	0.93

Source: FactSet

Key Commodity/Forex Indicators

	Close	3M%	YTD%
Brent	80.02	-11.25	3.81
Gold	2,013.90	1.50	-2.35
Silver	22.77	-0.18	-4.29
Copper	8,460.00	6.47	-0.19
JPY	147.59	1.58	-4.48
GBP	1.27	4.58	-0.37
EUR	1.08	2.30	-1.96

bps change		3M	6M
HIBOR	4.58	0.00	-10.97
US 10yr yield	4.12	-16.52	5.47

Source: FactSet

HSI Technical

HSI	16,211.96
50D MA	16,250.48
200D MA	17,622.05
14D RSI	51.46
Short sell (HK\$m)	28,125

Source: FactSet

Company expects that TG103 and chemically synthesized Semaglutide will be submitted for marketing application in 2025, and are expected to be officially launched in 2026.

Maintain **Buy** rating and HKD10.0 target price: We believe that the acquisition signifies the Group's determination to tap the value of its innovative assets and enhance the overall valuation of the company, and that synergies between subsidiaries in research and development and commercialization will be further strengthened; after the completion of the acquisition, the sales of 津优力® will provide important financial support for the research and development of CSPC Innovation, and the Group's investors will continue to benefit from the cash dividends and valuation enhancement arising from the realization of the value of the subsidiaries' innovations. Management maintains its guidance of a return to double-digit revenue growth at the group level by 2024.

Baidu Inc		BIDU US
<u>4Q23E preview: stable profit, cloud resumes double-digit growth</u>		Rating: Buy
CP: US\$ 110.62	TP: US\$ 140.00↓	Upside: +26.6%
Connie Gu, CPA		connie.gu@bocomgroup.com

We expect Baidu's core revenue in 4Q23 to be RMB27.2bn, up 6% YoY, lowered by 2% vs. prior estimate. We maintain our non-GAAP OP forecast at RMB5.8bn, with ~21% OPM, vs. VisibleAlpha consensus of 7.7% YoY revenue growth and RMB6.2bn OP. We expect Baidu (including iQIYI) total revenue to be RMB34.8bn, up 5% YoY, and non-GAAP NP of RMB5.4bn, flat from last year.

We maintain our view of Baidu's ad revenue to grow faster than GDP in 2024E. AI-driven advertising system is expected to drive high-single-digit growth (7%) in total ad revenue, and we expect the revenue of cloud business will resume double-digit growth in 2024E. Although AI-related investment has increased, we think Baidu's core business profit margin will remain stable thanks to operating leverage.

We cut Xiaodu business revenue forecast and lower Baidu core revenue by 2%/3% in 2024E/25E, and cut to US\$140/HK\$135 (9888 HK) based on SOTP, implying 12.5x/11.2x 2024E/25E P/E. The stock is currently trading at 9.5x 2024E P/E. Baidu Ernie is still at a leading position in the industry; its progress in LLM transformation and monetization are key issues to watch. Maintain **Buy** rating.

New Oriental <u>2QFY24 results beat, strong demand spurs revenue growth</u>		9901 HK Rating: Buy
CP: HK\$ 58.50	TP: HK\$ 75.00↑	Upside: +28.2%
Connie Gu, CPA connie.gu@bocomgroup.com		

2QFY24 revenue grew 36% to US\$870m, 6%/7% above our estimate/Bloomberg consensus, mainly driven by growth in both education services and East Buy. Non-GAAP OP was US\$51m with an OPM of 5.9%, vs. 2.6% in 2QFY23. Non-GAAP net profit was US\$50m, vs. our estimate/Bloomberg consensus of US\$57m/45m, with an NPM of 5.8%, vs. 2.8% in 2QFY23, as revenue growth drove operating leverage.

Management guided to 42-45% YoY growth of revenue in 3QFY24, 15% higher than consensus, and lifted FY24 revenue growth expectation from 30-35% to 35-40%. In terms of operating profit, East Buy's OPM may trend down, but this should be offset by continuous OPM expansion of education services. 3QFY24/FY24 OPM is expected to increase 1ppt/4ppts YoY to 12.7%/13%.

We lift our revenue forecast by 8%/10% and net profit by 6%/8% for FY24E/25E. Considering the steady growth and better-than-expected margins of intelligent device business, we fine-tune its valuation multiple to 20x P/E (same as other education services), and raise SOTP TP to HK\$75/US\$96 (EDU US), which implies 34x/26x FY24E/25E P/E and 86%/32% profit growth. Maintain **Buy**.

Economic data releases for this week – US

Date	Event	Survey	Prior
24 Jan	Manufacturing PMI (Jan)	47.60	47.90
24 Jan	Core Durable goods order (MoM%) (Dec)	0.20	0.50
25 Jan	GDP (QoQ%)(Q4)	2.00	4.90
26 Jan	Initial jobless claims (k)	199.00	187.00

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 Sector - 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: Bottoming Out	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
18 Jan	China Macro - Target met, "double cut" still likely – Comments on China 4Q23 GDP and Dec economic data	Carl Cai, CFA, Evan Li
12 Jan	Global Macro- A Setback in the Fight Against Inflation- US Dec CPI Comments	Carl Cai, CFA, Evan Li
11 Jan	Consumer Sector - Home Appliance - China White Goods Still in a Boom; Who will be the champion in AC Space?	Edward Lui, CFA, CESGA
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

Daily reports

25 Jan	Baidu Inc (BIDU US) - 4Q23 result preview: Stable profit, cloud resumes double-digit growth	Connie Gu, CPA, Brandy Sun, Li Zhao, CFA, Hanna Cai,
25 Jan	Datang Renewable (1798 HK) - Earnings to return to growth trend with uncertainties largely priced in, Upgrade to Buy	Wallace Cheng, Bob Wen, CPA
25 Jan	CSPC Pharmaceutical (1093 HK) - CSPC Innovation acquires key assets within the group, subsidiary synergies further strengthened; Maintain Buy	Ethan Ding, Joyce Li, PhD, CFA
25 Jan	New Oriental (9901 HK) - 2QFY24 results beat, strong demand spurs revenue growth	Connie Gu, CPA, Brandy Sun, Li Zhao, CFA, Hanna Cai,
25 Jan	Xinte Energy (1799 HK) - Cost to drop significantly in 2024; still profitable at cycle bottom due to N-type polysilicon shortage	Bob Wen, CPA, Wallace Cheng
24 Jan	Technology Sector - Earnings Calendar for Major Technology Companies	Dawei Wang, PhD, CFA, Carrie Tong
24 Jan	Bilibili Inc (BILI US) - 4Q23 preview: Maintain user and revenue growth expectations, eyes on new game launch schedule	Li Zhao, CFA, Connie Gu, CPA, Brandy Sun, Hanna Cai,
24 Jan	GenScript Biotech (1548 HK) - 4Q23 ciltacabine Sales in line with Expectations, Main Business 2024 Recovery can be Expected, Maintain Buy	Ethan Ding, Joyce Li, PhD, CFA
24 Jan	CITIC Securities (6030 HK) - Earnings missed, but low valuation offers both elasticity and defensiveness; reiterate Buy	Li Wan, CFA, FRM
24 Jan	Internet Sector - Earnings Calendar for Overseas Major Internet Names (as of Jan 22, 2024)	Connie Gu, CPA, Brandy Sun, Li Zhao, CFA, Hanna Cai,
23 Jan	Healthcare Sector Weekly - The number of medicines used in medical institutions continues to be uncapped, focusing on long-term medical needs under the silver economy policy	Ethan Ding, Joyce Li, PhD, CFA
23 Jan	Gaotu Techedu (GOTU US) - Online business optimization drives profit turnaround in 2024; offline layout and Gaotujiapi are potential increments	Connie Gu, CPA, Brandy Sun, Li Zhao, CFA, Hanna Cai,
23 Jan	Kuaishou Technology (1024 HK) - 4Q23E preview: expense optimization may beat our previous expectation, raise profit estimates	Li Zhao, CFA, Connie Gu, CPA, Brandy Sun, Hanna Cai,
22 Jan	Adv Micro-Fab Equipment China (688012 CH) - Suspension of coverage	
22 Jan	Xiaomi Corp (1810 HK) - Suspension of coverage	
22 Jan	Hua Hong Semiconductor (1347 HK) - Suspension of coverage	
22 Jan	BOE Varitronix (710 HK) - Suspension of coverage	
22 Jan	Semiconductor Manufacturing Int (981 HK) - Suspension of coverage	
22 Jan	Technology Sector - AI theme of to a great start in 2024	Dawei Wang, PhD, CFA, Carrie Tong
22 Jan	Li Ning Co (2331 HK) - Expect weaker medium-term growth and margin outlook; move to Neutral	Edward Lui, CFA, CESGA, Kay Tan, FRM

Source: BOCOM Int'l

HSI constituents

Company name	Stock code	Current price (HK\$)	Mkt cap (HK\$ m)	5D chg (%)	YTD chg (%)	-----52-week----- High (HK\$) Low (HK\$)		-----P/E----- 2022 (x) 2023E (x) 2024E (x)			Yield 2023E (%)	P/B 2023E (x)
CKH	1 HK	40.20	153,968	3.47	-3.94	54.45	38.15	4.20	6.14	5.60	5.02	0.27
CLP	2 HK	61.95	156,514	2.06	-3.88	64.45	55.55	167.43	15.45	13.43	5.10	1.43
HK & CHINA GAS	3 HK	5.62	104,869	0.36	-6.02	8.07	5.27	20.00	18.13	17.43	6.23	1.67
HSBC	5 HK	60.40	1,162,549	2.98	-4.13	66.30	50.45	10.40	6.02	6.38	8.23	0.90
POWER ASSETS	6 HK	46.00	98,031	4.55	1.66	46.65	36.20	17.36	16.57	15.86	6.13	1.13
HANG SENG	11 HK	82.95	158,587	0.55	-8.90	133.30	79.25	16.76	9.63	9.00	7.05	1.02
HENDERSON	12 HK	21.10	102,153	0.48	-12.27	30.10	19.60	10.60	9.47	9.21	8.53	0.31
SHKP	16 HK	76.05	220,376	0.73	-9.95	114.80	74.10	7.67	9.23	8.98	6.51	0.37
NEW WORLD	17 HK	10.50	26,425	0.57	-13.37	22.13	10.00	4.15	29.93	13.73	6.51	0.14
GALAXY ENT	27 HK	40.60	177,537	1.50	-7.20	58.30	38.30	N/A	21.60	14.71	1.20	2.53
MTRC	66 HK	26.20	162,722	1.35	-13.53	42.90	25.60	15.23	24.03	10.34	5.06	0.91
HLP	101 HK	9.84	44,273	1.86	-9.56	16.10	9.10	10.58	10.00	8.60	7.93	0.33
GEELY	175 HK	7.94	79,903	1.15	-7.57	13.28	7.50	14.26	15.26	9.89	2.34	0.93
ALI HEALTH	241 HK	3.26	52,437	2.84	-23.11	7.68	3.00	53.87	42.70	33.08	0.00	2.53
CITIC LTD	267 HK	7.46	217,014	7.18	-4.36	10.58	6.60	3.01	N/A	N/A	N/A	N/A
WH GROUP	288 HK	4.85	62,226	1.68	-3.77	5.11	3.92	5.81	8.33	6.96	4.09	0.78
CR BEER	291 HK	30.15	97,812	-0.99	-11.84	64.75	28.80	20.63	17.40	15.04	2.24	2.98
OOIL	316 HK	118.00	77,924	4.80	8.26	153.20	91.90	1.11	6.51	29.74	7.56	0.88
TINGYI	322 HK	7.62	42,934	5.98	-19.96	14.38	7.15	N/A	N/A	N/A	N/A	N/A
SINOPEC	386 HK	4.14	100,787	10.40	1.22	5.38	3.68	6.94	6.33	5.94	10.28	0.57
HKEX	388 HK	245.00	310,030	6.71	-8.58	375.00	221.60	30.82	25.68	24.25	3.47	6.00
TECHTRONIC	669 HK	89.00	162,812	5.14	-4.35	109.40	67.80	19.34	21.55	18.07	1.89	3.62
COLI	688 HK	12.22	133,747	7.19	-11.19	22.85	10.74	5.26	5.07	4.77	5.70	0.33
TENCENT	700 HK	290.80	2,708,930	7.23	-0.95	415.00	262.20	22.53	16.41	14.08	0.57	2.99
UNICOM	762 HK	5.45	166,760	11.91	11.22	6.42	4.52	9.08	8.19	7.29	6.80	0.43
LINK	823 HK	39.20	100,111	-3.09	-10.60	62.83	35.45	13.20	14.29	15.31	6.99	0.53
CR POWER	836 HK	16.04	77,159	4.97	2.56	18.80	14.04	10.99	6.42	5.23	6.20	0.80
PETROCHINA	857 HK	5.67	119,631	14.08	9.88	6.02	4.02	6.34	5.60	5.59	8.46	0.65
XINYI GLASS	868 HK	7.17	30,276	1.85	-18.15	17.66	6.85	5.70	5.96	6.35	7.97	0.84
ZHONGSHENG	881 HK	15.28	36,453	5.67	-18.20	47.15	13.70	5.17	6.44	5.70	4.92	0.71
CNOOC	883 HK	14.44	643,689	9.39	11.08	14.44	11.02	4.37	4.80	4.57	9.14	0.94
CCB	939 HK	4.66	1,190,452	6.15	0.22	5.63	4.02	5.23	5.08	4.89	5.90	0.57
CHINA MOBILE	941 HK	67.65	1,386,108	4.16	4.40	69.65	56.15	10.55	9.80	9.12	7.22	0.99
LONGFOR	960 HK	9.61	61,727	8.59	-23.12	28.20	7.92	2.18	3.35	3.33	8.63	0.37
XINYI SOLAR	968 HK	3.96	35,257	2.33	-13.16	10.76	3.70	9.22	9.43	7.31	4.97	1.11
SMIC	981 HK	16.04	95,806	2.69	-19.23	25.60	15.00	8.92	18.65	19.90	0.00	0.81
LENOVO	992 HK	10.26	127,133	5.12	-6.04	11.04	6.22	7.52	9.72	N/A	3.82	2.79
CK INFRA	1038 HK	46.00	109,873	5.87	6.48	46.75	35.55	14.94	15.51	14.12	5.57	0.89
HIENGAN	1044 HK	25.15	29,227	-4.19	-13.43	39.20	24.00	13.92	10.64	8.60	6.07	1.32
SHENHUA	1088 HK	29.55	99,805	9.44	10.47	29.55	21.50	7.38	8.53	8.47	8.49	1.31
CSPC	1093 HK	6.10	72,277	3.21	-15.98	9.41	5.29	10.94	10.76	9.64	2.98	1.94
SINOPHARM	1099 HK	20.00	26,836	5.82	-2.20	28.25	17.78	7.66	6.38	N/A	4.74	0.76
CR LAND	1109 HK	24.30	173,282	5.42	-13.21	39.80	20.50	5.88	5.71	5.34	6.46	0.60
CKA	1113 HK	35.75	126,872	1.27	-8.80	51.60	34.55	5.98	7.64	7.22	6.38	0.32
SBP	1177 HK	2.94	54,094	0.34	-15.27	4.91	2.66	19.73	19.25	16.85	1.69	1.62
CHINA RES MIXC	1209 HK	23.45	53,525	5.63	-15.80	46.35	20.80	22.23	17.34	13.61	2.58	3.10
BYD	1211 HK	198.40	457,957	1.43	-7.46	275.60	190.90	31.86	17.04	13.25	1.11	3.81
AIA	1299 HK	65.05	736,601	7.61	-4.41	90.00	59.10	352.57	18.70	13.57	2.40	2.14
CHINA HONGQIAO	1378 HK	5.90	55,906	6.69	-7.67	9.30	5.28	5.78	5.23	4.74	11.94	0.57
ICBC	1398 HK	3.83	1,805,727	6.69	0.26	4.67	3.36	3.62	3.58	3.41	8.83	0.37
HANG SENG INDEX		16,211.96	21,301,952	5.90	-4.90	22,688.90	14,961.18	316.26	11.49	9.78	4.51	1.79

Source: FactSet

HSCEI constituents

Company name	Stock code	Closing price (HK\$)	Mkt cap (HK\$ m)	5D chg (%)	YTD chg (%)	-----52-week----- High (HK\$) Low (HK\$)		-----P/E----- 2022 (x) 2023E (x) 2024E (x)			Yield 2023E (%)	P/B 2023E (x)
WHEELock	20 HK	0.92	23,873	3.37	-20.69	3.33	0.83	N/A	N/A	N/A	N/A	N/A
GEELY	175 HK	7.94	79,903	1.15	-7.57	13.28	7.50	14.26	15.26	9.89	2.34	0.93
CITIC LTD	267 HK	7.46	217,014	7.18	-4.36	10.58	6.60	3.01	N/A	N/A	N/A	N/A
CR BEER	291 HK	30.15	97,812	-0.99	-11.84	64.75	28.80	20.63	17.40	15.04	2.24	2.98
SINOPEC	386 HK	4.14	100,787	10.40	1.22	5.38	3.68	6.94	6.33	5.94	10.28	0.57
COLI	688 HK	12.22	133,747	7.19	-11.19	22.85	10.74	5.26	5.07	4.77	5.70	0.33
TENCENT	700 HK	290.80	2,708,930	7.23	-0.95	415.00	262.20	22.53	16.41	14.08	0.57	2.99
PETROCHINA	857 HK	5.67	119,631	14.08	9.88	6.02	4.02	6.34	5.60	5.59	8.46	0.65
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CCB	939 HK	4.66	1,190,452	6.15	0.22	5.63	4.02	5.23	5.08	4.89	5.90	0.57
CHINA MOBILE	941 HK	67.65	1,386,108	4.16	4.40	69.65	56.15	10.55	9.80	9.12	7.22	0.99
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SMIC	981 HK	16.04	95,806	2.69	-19.23	25.60	15.00	8.92	18.65	19.90	0.00	0.81
LENOVO	992 HK	10.26	127,133	5.12	-6.04	11.04	6.22	7.52	9.72	N/A	3.82	2.79
KUAISHOU	1024 HK	44.60	160,869	7.34	-15.77	72.70	41.00	N/A	31.80	14.27	0.00	3.72
SHENHUA	1088 HK	29.55	99,805	9.44	10.47	29.55	21.50	7.38	8.53	8.47	8.49	1.31
CSPC	1093 HK	6.10	72,277	3.21	-15.98	9.41	5.29	10.94	10.76	9.64	2.98	1.94
CR LAND	1109 HK	24.30	173,282	5.42	-13.21	39.80	20.50	5.88	5.71	5.34	6.46	0.60
SBP	1177 HK	2.94	54,094	0.34	-15.27	4.91	2.66	19.73	19.25	16.85	1.69	1.62
BYD	1211 HK	198.40	457,957	1.43	-7.46	275.60	190.90	31.86	17.04	13.25	1.11	3.81
ABC	1288 HK	3.04	1,416,636	5.92	1.00	3.27	2.51	4.04	3.83	3.63	8.25	0.40
ICBC	1398 HK	3.83	1,805,727	6.69	0.26	4.67	3.36	3.62	3.58	3.41	8.83	0.37
PSBC	1658 HK	3.79	414,227	10.82	1.61	5.54	3.37	4.09	4.02	3.78	7.77	0.44
XIAOMI	1810 HK	13.74	281,098	4.25	-11.92	16.80	9.99	125.97	18.89	20.03	0.00	1.93
LI AUTO	2015 HK	111.30	363,678	1.00	-24.34	184.30	83.75	18,426.20	23.99	16.01	0.00	4.05
ANTA	2020 HK	70.65	198,742	7.45	-6.73	124.00	64.15	23.47	18.51	15.72	2.39	3.81
SHENZHOU	2313 HK	73.00	109,735	5.04	-9.20	107.50	61.95	22.02	22.12	18.22	2.54	3.07
PING AN	2318 HK	34.60	736,148	14.00	-2.12	64.75	29.80	6.71	5.28	4.26	7.60	0.61
MENGNIU	2319 HK	17.26	67,768	0.00	-17.81	39.45	16.32	11.79	11.46	10.09	3.92	1.42
LI NING	2331 HK	17.30	44,549	6.92	-17.22	81.00	15.12	10.28	12.33	10.19	3.03	1.56
SUNNY OPTICAL	2382 HK	60.05	65,521	6.00	-15.24	116.30	51.05	25.01	40.48	22.61	0.49	2.64
JD LOGISTICS	2618 HK	7.76	51,279	-0.26	-20.65	17.84	7.22	N/A	100.92	23.44	0.00	0.99
CHINA LIFE	2628 HK	9.36	721,278	9.60	-7.51	15.70	8.33	7.53	11.00	5.52	5.50	0.53
ENN	2688 HK	62.05	70,025	18.08	7.91	126.00	49.70	10.96	8.84	8.43	4.57	1.48
BOCOM	3328 HK	4.68	163,856	4.93	-3.90	5.59	4.26	3.76	3.67	3.55	8.85	0.35
MEITUAN	3690 HK	69.40	391,442	1.09	-15.26	180.10	65.40	N/A	33.31	18.52	0.00	2.71
CMB	3968 HK	28.85	827,714	14.71	6.07	52.95	24.50	5.03	4.70	4.39	6.99	0.72
BOC	3988 HK	2.99	1,204,066	3.82	0.34	3.42	2.60	5.68	5.58	5.39	5.70	0.55
JD HEALTH	6618 HK	29.15	92,948	2.10	-25.45	71.60	26.60	222.71	41.12	30.16	0.00	1.78
HAIER	6690 HK	22.40	215,755	4.43	1.59	30.70	20.55	12.41	11.68	10.23	3.34	1.87
HAIDILAO	6862 HK	13.56	75,583	3.67	-6.74	23.70	12.20	N/A	N/A	N/A	N/A	N/A
JD.COM	9618 HK	93.50	254,829	11.11	-16.89	251.40	82.50	9.36	8.07	7.58	0.00	1.12
NONGFU SPRING	9633 HK	42.15	212,132	6.04	-6.64	46.30	38.50	50.85	39.43	34.16	2.28	15.90
XPENG	9868 HK	35.95	55,018	-3.36	-36.60	86.75	30.40	N/A	N/A	N/A	0.00	1.56
BAIDU	9888 HK	106.80	236,199	7.66	-8.01	162.50	95.60	12.74	10.26	10.03	0.00	1.09
TRIP.COM	9961 HK	290.20	191,561	4.09	4.54	329.80	241.60	130.01	15.43	15.80	0.00	1.43
ALIBABA	9988 HK	73.35	1,405,374	11.90	-2.98	117.50	65.45	9.66	8.33	7.95	0.00	1.24
NETEASE	9999 HK	161.50	504,844	16.27	14.86	183.20	121.10	20.50	14.90	14.64	1.84	3.81
HANG SENG CHINA ENT INDX		5,468.71	18,622,351	6.66	-5.20	7,773.61	5,001.95	357.31	10.70	8.83	4.49	1.57

Source: FactSet

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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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