

# Morning Express

20 February 2024

## Focus of the Day

<b>Simcere Pharmaceutical</b>		<b>2096 HK</b>
<u>2023 growth hit by external factors, expect high growth to resume in 2024; maintain Buy</u>		Rating: <b>Buy</b>
CP: HK\$ 5.52	TP: HK\$ 11.50↓	Upside: +108.3%
Ethan Ding	Ethan.Ding@bocomgroup.com	

**2023 results dragged by external disturbances; expect >20% growth to resume in 2024:** The company released preliminary profit, with 2023 revenue growth of 4-5% YoY to RMB6,578m-6,638m, and net attributable profit decline by 20-26% to RMB685m-745m, both lower than our previous expectations.

**A number of new drugs will file NDAs in the coming year, and the company expects to commercialize 11 innovative drugs by 2026. (1) Insomnia drug Daridorexant:** NDA filing is expected in 2024. **(2) Suvemcitug (VEGF inhibitor):** NDA filing is expected in 2024. **(3) Simnotrelvir/Ritonavir:** It was successfully renewed in 2023 medical insurance negotiation with a price reduction of 27%. It is also expected to receive full approval in the near future. **(4) COSELA:** Clinical studies are underway for combination chemotherapy or ADC drugs. **(5) Recently introduced cetuximide analogue CMAB009 and influenza drug ADC189** are expected to be approved for marketing/submit NDA in 2024, respectively; for IL-4R, the company will decide on the subsequent development and filing plan after communicating with the CDE.

**Cut TP, maintain Buy.** We lower our 2023-25 revenue forecast to RMB6.62bn/8.07bn/9.64bn and net profit forecast to RMB730m/980m/1.27bn. Based on DCF model, we lower target price to HK\$11.50 (from HK\$14.00) and maintain **Buy**.

<b>Jiumaojiu International</b>		<b>9922 HK</b>
<u>2023 preview: Cut EPS on fierce competition, franchise model roll-out</u>		Rating: <b>Buy</b>
CP: HK\$ 4.79	TP: HK\$ 9.90↓	Upside: +106.7%
Edward Lui, CFA, CESGA	edward.lui@bocomgroup.com	

**2023 Preview: Expect sales/net profit rebound of 49%/759% YoY:** We expect JMJ to post 2023 sales/attributable net profit growth of 49%/759% YoY to Rmb5,962mn/423mn respectively. We cut 2023 net profit by 18% due to likely more back-end loaded restaurant openings that raised costs but contribute minimal sales, and weak SSSG that hurt TaiEr's margins.

**TaiEr – Low-hanging fruits mostly gone; expect slower openings, lower returns going forward:** Company guided to open 105 new restaurants in 2023, while we expect only 80-100 openings in 2024E. TaiEr has been extending growth via

Global Stock Indices			
	Close	1D%	YTD%
HSI	16,156	-1.07	-3.97
HSCEI	5,485	-1.33	-4.92
SH A	3,051	1.56	-2.18
SH B	250	0.35	8.05
SZ A	1,678	1.70	-12.73
SZ B	1,031	1.45	-4.59
DJIA	38,628	0.00	2.49
S&P 500	5,006	0.00	4.94
Nasdaq	15,776	0.00	5.09
FTSE	7,729	0.22	-0.06
CAC	7,769	0.00	2.99
DAX	17,092	-0.15	2.03

Source: FactSet

Key Commodity/Forex Indicators			
	Close	3M%	YTD%
Brent	83.47	3.55	8.29
Gold	2,011.50	1.51	-2.47
Silver	23.01	-4.11	-3.28
Copper	8,322.00	2.22	-1.82
JPY	150.17	-0.39	-6.12
GBP	1.26	1.23	-1.26
EUR	1.08	-1.10	-2.53
bps change		3M	6M
HIBOR	4.58	0.00	-8.82
US 10yr yield	4.29	-3.36	1.00

Source: FactSet

HSI Technical	
HSI	16,155.61
50D MA	15,944.00
200D MA	17,201.52
14D RSI	53.28
Short sell (HK\$m)	13,161

Source: FactSet

overseas expansion and recently rolled out a franchise model to tap into faraway provinces, which could come at the expense of lower sales-per-store despite higher % margin. As such, we lower our medium-term sales estimates for TaiEr.

**Song Hot Pot – Expansion continues amid fierce competition:** We expect Song to open 35-40 restaurants in 2024, off a small base. However, Song likely faces fierce competition in the hot pot segment, given its weak SSSG for most months in 2H23. JMJ recently launched a new concept **ShanWaiShan Hot Pot**, which will be run fully on “cooperative model”.

**Cut EPS and TP to HK\$9.9; Stay Buy:** We cut 2023-25E EPS by 18%-28% due to intensified competition in the catering market as we underestimated its impact on ASP and margins given operating deleverage. With that said, JMJ remains a high growth company even with our revised 38% 2024-26 EPS CAGR, which stands out among Chinese consumer stocks. Cut TP to HK\$9.9, based on 19x 2024E P/E. JMJ is expected to release 2023 results on 22 March.

#### Internet Sector

Earnings calendar for major Internet names (as of 19 Feb 2024)

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We have updated earnings calendar for major TMT names, please see the calendar for details.

### Economic data releases for this week – US

Date	Event	Survey	Prior
22 Feb	Initial jobless claims (k)	217.00	212.00
22 Feb	Manufacturing PMI	.50.1	50.70
22 Feb	Existing Home sales (m)	3.96	3.78

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
7 Feb	Macro Trading Series - Japanese equity series (1): Prefer value over growth	Carl Cai, CFA, Evan Li
3 Feb	Global Macro- NFP reacceleration puts another dent in rate cut hopes – comments on Jan US NFP	Carl Cai, CFA, Evan Li
1 Feb	Global Macro - Tightening Stance Turns Neutral, but No Rush to Cut Rates - Comments on the January FOMC meeting	Carl Cai, CFA, Evan Li
26 Jan	Global Macro - Still resilient – comments on 4Q23 US GDP	Carl Cai, CFA, Evan Li
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

#### Daily reports

19 Feb	Jiumaojiu International (9922 HK) - 2023 Preview: Cut EPS on Fierce Competition, Franchise Model Roll-Out	Edward Lui, CFA, CESGA, Kay Tan, FRM
19 Feb	Simcere Pharmaceutical (2096 HK) - 2023 growth hit by external factors, expect high growth to resume in 2024; maintain buy	Ethan Ding, Joyce Li, PhD, CFA
19 Feb	Internet Sector - Earnings Calendar for Major Internet Names (as of 19 Feb 2024)	Connie Gu, CPA, Brandy Sun, Li Zhao, CFA, Hanna Cai
9 Feb	Link REIT (823 HK) - Yield accretive deal announced before CNY holiday; Upgrade to Buy	Philip Tse, CFA, FRM
8 Feb	Alibaba Group (BABA US) - 3QFY24 results: increasing shareholder returns, focusing on e-commerce, cloud and business synergies	Connie Gu, CPA, Brandy Sun, Li Zhao, CFA, Hanna Cai
8 Feb	ZhongAn Online (6060 HK) - Earnings preview: Expect fundamentals to improve, valuation has room to recover	Li Wan, CFA, FRM
7 Feb	Securities Sector - Comments on preliminary results: focus on top names with balanced business amid divergence	Li Wan, CFA, FRM
7 Feb	Healthcare Sector Weekly - Sector sentiment and valuation low and set to rebound, aided by favorable policies	Ethan Ding, Joyce Li, PhD, CFA
7 Feb	Internet Sector - Domestic new titles outlook: supply-side improvement continues, while competition in niche segments intensifies; NetEase growth visibility is strong	Connie Gu, CPA, Brandy Sun, Li Zhao, CFA, Hanna Cai
6 Feb	Haitong Securities (6837 HK) - Significant losses in 4Q23, maintain Neutral rating	Li Wan, CFA, FRM
5 Feb	Healthcare Sector - 4Q23 Institutional Position Observations: Slight Divergence Between Domestic and Foreign Investors, Attention to Layout Opportunities After Sentiment Fluctuations	Ethan Ding, Joyce Li, PhD, CFA
5 Feb	NetEase Inc (NTES US) - “Eggy Party” lead; expect continuous advantages in Wuxia RPG to bring growth certainty	Brandy Sun, Connie Gu, CPA, Li Zhao, CFA, Hanna Cai
3 Feb	Youdao (DAO US)- Expect in-line 4Q23 results, improved business health to drive profit	Connie Gu, CPA, Brandy Sun, Li Zhao, CFA, Hanna Cai
1 Feb	Internet Sector Monthly - Internet Jan Monthly: Consumer staples/price power advantaged platforms has better growth visibility	Connie Gu, CPA, Brandy Sun, Li Zhao, CFA, Hanna Cai
31 Jan	Healthcare Sector Weekly - More cautious on CXO sector after volatility; pay attention to SOE reform-related stocks	Ethan Ding, Joyce Li, PhD, CFA
26 Jan	XPeng Inc. (9868 HK) - Sales continue to be under pressure, cut sales forecasts and price targets, maintain Sell	Angus Chan, Iris Li, CFA
26 Jan	TAL Education (TAL US) - 3QFY24 revenue beat with strong demand of enrich learning	Connie Gu, CPA, Brandy Sun, Li Zhao, CFA, Hanna Cai
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

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 2023E (%)	P/B 2023E (x)
						High (HK\$)	Low (HK\$)	2022 (x)	2023E (x)	2024E (x)		
CKH	1 HK	41.70	159,713	1.34	-0.36	54.45	38.15	4.36	6.12	5.63	5.49	0.29
CLP	2 HK	64.10	161,945	-0.54	-0.54	67.35	55.55	173.24	14.70	13.57	4.93	1.54
HK & CHINA GAS	3 HK	5.94	110,840	4.39	-0.67	7.65	5.27	21.14	18.28	17.47	5.89	1.76
HSBC	5 HK	62.40	1,201,044	2.63	-0.95	66.30	50.45	10.75	6.25	6.51	8.00	0.93
POWER ASSETS	6 HK	46.00	98,031	1.10	1.66	46.70	36.20	17.36	16.72	15.99	6.13	1.13
HANG SENG	11 HK	81.00	154,859	0.00	-11.04	131.60	79.25	16.36	9.38	9.08	7.03	0.90
HENDERSON	12 HK	21.10	102,153	0.96	-12.27	28.85	19.60	10.60	9.59	9.59	8.53	0.31
SHKP	16 HK	71.80	208,061	0.56	-14.98	111.90	71.15	7.25	8.71	8.54	6.89	0.35
NEW WORLD	17 HK	9.39	23,631	0.11	-22.52	20.33	9.26	3.71	26.77	11.05	7.28	0.12
GALAXY ENT	27 HK	44.25	193,498	-0.23	1.14	58.30	38.30	N/A	23.85	16.67	1.08	2.76
MTRC	66 HK	25.20	156,511	0.20	-16.83	40.95	24.90	14.65	24.95	9.93	5.24	0.87
HLP	101 HK	8.21	36,939	0.00	-24.54	16.10	8.11	8.83	8.92	8.56	9.50	0.28
GEELY	175 HK	8.10	81,514	1.25	-5.70	11.54	7.34	14.60	16.06	10.35	2.28	0.95
ALI HEALTH	241 HK	3.30	53,080	4.43	-22.17	6.38	2.81	54.73	43.39	31.91	0.00	2.57
CITIC LTD	267 HK	7.78	226,323	0.65	-0.26	10.58	6.60	3.16	N/A	N/A	N/A	N/A
WH GROUP	288 HK	4.70	60,302	2.40	-6.75	5.11	3.92	5.63	8.58	6.74	4.22	0.76
CR BEER	291 HK	30.35	98,461	4.30	-11.26	64.75	28.15	20.84	17.68	15.06	2.22	3.01
OOIL	316 HK	115.70	76,405	5.66	6.15	153.20	91.90	1.09	6.24	24.05	8.27	0.86
TINGYI	322 HK	7.50	42,258	-1.96	-21.22	14.38	7.15	N/A	N/A	N/A	N/A	N/A
SINOPEC	386 HK	4.26	103,708	4.41	4.16	5.38	3.68	7.17	6.53	6.33	9.22	0.58
HKEX	388 HK	246.20	311,549	1.07	-8.13	348.60	221.60	30.97	25.92	24.83	3.46	6.03
TECHTRONIC	669 HK	82.35	150,647	-2.66	-11.50	101.70	67.80	17.89	19.93	16.67	2.05	3.35
COLI	688 HK	11.64	127,399	2.46	-15.41	21.60	10.74	5.03	5.10	5.02	5.88	0.32
TENCENT	700 HK	284.80	2,647,168	-1.79	-3.00	388.20	262.20	22.15	16.15	13.85	0.58	2.94
UNICOM	762 HK	5.52	168,902	3.18	12.65	6.42	4.52	9.24	8.33	7.47	6.61	0.44
LINK	823 HK	37.80	97,243	1.20	-13.80	52.05	35.45	12.73	13.78	14.77	7.25	0.51
CR POWER	836 HK	16.00	76,967	4.85	2.30	18.80	14.04	10.96	6.39	5.30	6.25	0.84
PETROCHINA	857 HK	5.82	122,796	3.74	12.79	6.02	4.02	6.53	5.85	5.76	8.21	0.67
XINYI GLASS	868 HK	6.88	29,051	3.93	-21.46	16.96	6.18	5.47	5.84	6.20	8.31	0.81
ZHONGSHENG	881 HK	13.20	31,491	-1.79	-29.34	42.75	13.14	4.48	6.11	5.45	5.59	0.62
CNOOC	883 HK	15.08	672,218	3.86	16.00	15.08	11.02	4.58	5.05	4.79	8.65	0.99
CCB	939 HK	4.73	1,210,560	1.50	1.72	5.63	4.02	5.50	5.35	5.14	5.68	0.60
CHINA MOBILE	941 HK	67.40	1,380,986	1.58	4.01	69.65	57.30	10.55	9.79	9.11	7.23	0.99
LONGFOR	960 HK	8.90	58,728	6.59	-28.80	24.90	7.92	2.02	3.23	3.23	8.61	0.34
XINYI SOLAR	968 HK	3.88	34,545	1.57	-14.91	9.47	3.46	9.03	9.24	7.16	5.15	1.08
SMIC	981 HK	14.56	86,966	0.00	-26.69	25.60	14.08	8.09	16.92	27.93	0.00	0.74
LENOVO	992 HK	8.37	103,827	2.57	-23.35	11.04	6.88	6.13	7.93	N/A	4.68	2.28
CK INFRA	1038 HK	46.20	110,351	3.01	6.94	47.60	35.55	15.00	14.95	14.18	5.54	0.89
HIENGAN	1044 HK	24.75	28,762	2.27	-14.80	37.15	24.00	13.75	10.41	8.50	6.19	1.29
SHENHUA	1088 HK	31.15	105,209	4.71	16.45	31.15	21.50	7.81	9.03	9.12	7.95	1.39
CSPC	1093 HK	6.11	72,396	2.00	-15.84	8.83	5.29	11.00	10.81	9.69	2.97	1.95
SINOPHARM	1099 HK	21.40	28,715	3.38	4.65	28.25	17.78	8.23	6.86	N/A	4.47	0.82
CR LAND	1109 HK	24.60	175,421	4.24	-12.14	39.45	20.50	5.97	5.85	5.50	6.31	0.62
CKA	1113 HK	35.55	126,156	0.71	-9.31	50.35	34.55	5.94	7.07	7.42	6.41	0.32
SBP	1177 HK	3.10	57,038	5.80	-10.66	4.62	2.66	20.89	20.38	17.83	1.60	1.72
CHINA RES MIXC	1209 HK	22.10	50,443	1.61	-20.65	45.05	20.80	21.03	16.32	12.91	2.75	2.93
BYD	1211 HK	186.40	435,810	1.91	-13.06	275.60	171.70	30.04	16.46	12.76	1.05	3.59
AIA	1299 HK	64.20	724,293	2.39	-5.66	86.65	59.10	347.82	18.33	13.50	2.54	2.09
CHINA HONGQIAO	1378 HK	5.95	56,379	6.06	-6.89	9.20	5.28	5.85	5.51	5.15	11.80	0.58
ICBC	1398 HK	3.92	1,884,128	1.55	2.62	4.67	3.36	3.72	3.68	3.57	8.54	0.38
<b>HANG SENG INDEX</b>		<b>16,155.61</b>	<b>21,588,078</b>	<b>1.74</b>	<b>-5.23</b>	<b>20,886.96</b>	<b>14,961.18</b>	<b>391.35</b>	<b>11.56</b>	<b>9.83</b>	<b>4.55</b>	<b>1.66</b>

Source: FactSet

### HSCEI constituents

Company name	Stock code	Closing price (HK\$)	Mkt cap (HK\$ m)	5D chg (%)	YTD chg (%)	-----52-week-----		-----P/E-----			Yield 2023E (%)	P/B 2023E (x)
						High (HK\$)	Low (HK\$)	2022 (x)	2023E (x)	2024E (x)		
WHEELOCK	20 HK	0.86	22,316	7.50	-25.86	3.33	0.78	N/A	N/A	N/A	N/A	N/A
GEELY	175 HK	8.10	81,514	1.25	-5.70	11.54	7.34	14.60	16.06	10.35	2.28	0.95
CITIC LTD	267 HK	7.78	226,323	0.65	-0.26	10.58	6.60	3.16	N/A	N/A	N/A	N/A
CR BEER	291 HK	30.35	98,461	4.30	-11.26	64.75	28.15	20.84	17.68	15.06	2.22	3.01
SINOPEC	386 HK	4.26	103,708	4.41	4.16	5.38	3.68	7.17	6.53	6.33	9.22	0.58
COLI	688 HK	11.64	127,399	2.46	-15.41	21.60	10.74	5.03	5.10	5.02	5.88	0.32
TENCENT	700 HK	284.80	2,647,168	-1.79	-3.00	388.20	262.20	22.15	16.15	13.85	0.58	2.94
PETROCHINA	857 HK	5.82	122,796	3.74	12.79	6.02	4.02	6.53	5.85	5.76	8.21	0.67
ZHONGSHENG	881 HK	13.20	31,491	-1.79	-29.34	42.75	13.14	4.48	6.11	5.45	5.59	0.62
CNOOC	883 HK	15.08	672,218	3.86	16.00	15.08	11.02	4.58	5.05	4.79	8.65	0.99
CCB	939 HK	4.73	1,210,560	1.50	1.72	5.63	4.02	5.50	5.35	5.14	5.68	0.60
CHINA MOBILE	941 HK	67.40	1,380,986	1.58	4.01	69.65	57.30	10.55	9.79	9.11	7.23	0.99
LONGFOR	960 HK	8.90	58,728	6.59	-28.80	24.90	7.92	2.02	3.23	3.23	8.61	0.34
XINYI SOLAR	968 HK	3.88	34,545	1.57	-14.91	9.47	3.46	9.03	9.24	7.16	5.15	1.08
SMIC	981 HK	14.56	86,966	0.00	-26.69	25.60	14.08	8.09	16.92	27.93	0.00	0.74
LENOVO	992 HK	8.37	103,827	2.57	-23.35	11.04	6.88	6.13	7.93	N/A	4.68	2.28
KUAISHOU	1024 HK	43.55	156,767	-0.11	-17.75	69.15	39.10	N/A	31.48	13.90	0.00	3.65
SHENHUA	1088 HK	31.15	105,209	4.71	16.45	31.15	21.50	7.81	9.03	9.12	7.95	1.39
CSPC	1093 HK	6.11	72,396	2.00	-15.84	8.83	5.29	11.00	10.81	9.69	2.97	1.95
CR LAND	1109 HK	24.60	175,421	4.24	-12.14	39.45	20.50	5.97	5.85	5.50	6.31	0.62
SBP	1177 HK	3.10	57,038	5.80	-10.66	4.62	2.66	20.89	20.38	17.83	1.60	1.72
BYD	1211 HK	186.40	435,810	1.91	-13.06	275.60	171.70	30.04	16.46	12.76	1.05	3.59
ABC	1288 HK	3.16	1,512,443	1.94	4.98	3.27	2.51	4.21	4.01	3.81	7.91	0.42
ICBC	1398 HK	3.92	1,884,128	1.55	2.62	4.67	3.36	3.72	3.68	3.57	8.54	0.38
PSBC	1658 HK	4.05	430,505	1.50	8.58	5.54	3.37	4.38	4.33	4.05	7.24	0.47
XIAOMI	1810 HK	12.92	264,339	2.87	-17.18	16.80	9.99	118.90	17.73	18.73	0.00	1.82
LI AUTO	2015 HK	124.80	409,731	4.35	-15.16	184.30	83.75	20,661.20	26.96	17.36	0.00	4.51
ANTA	2020 HK	75.80	213,229	4.70	0.07	116.80	64.15	25.28	19.93	16.89	2.22	4.19
SHENZHOU	2313 HK	69.20	104,023	4.45	-13.93	92.30	61.95	20.95	21.05	17.32	2.63	2.92
PING AN	2318 HK	33.95	747,797	1.49	-3.96	61.15	29.80	6.61	5.29	4.31	7.71	0.62
MENGNIU	2319 HK	18.44	72,401	2.44	-12.19	36.80	16.32	12.65	12.66	10.88	3.65	1.53
LI NING	2331 HK	19.42	50,009	1.25	-7.08	71.25	15.12	11.58	14.77	13.24	2.59	1.79
SUNNY OPTICAL	2382 HK	49.55	54,065	0.61	-30.06	97.50	45.30	20.71	43.19	20.66	0.48	2.19
JD LOGISTICS	2618 HK	7.47	49,445	2.47	-23.62	15.12	6.80	N/A	97.51	22.65	0.00	0.95
CHINA LIFE	2628 HK	9.47	771,444	1.50	-6.42	15.70	8.33	7.64	11.17	5.60	5.42	0.54
ENN	2688 HK	57.00	64,326	5.75	-0.87	121.70	49.70	10.11	7.97	7.98	5.07	1.36
BOCOM	3328 HK	4.89	171,208	3.16	0.41	5.59	4.26	3.95	3.85	3.72	8.44	0.37
MEITUAN	3690 HK	72.75	410,338	2.32	-11.17	146.30	62.55	N/A	35.05	20.05	0.00	2.85
CMB	3968 HK	30.05	846,729	-0.66	10.48	45.75	24.50	5.26	4.91	4.67	6.69	0.75
BOC	3988 HK	3.03	1,286,244	2.36	1.68	3.42	2.60	6.18	6.05	5.86	5.32	0.60
JD HEALTH	6618 HK	28.15	89,760	-0.35	-28.01	64.55	25.60	215.89	39.86	29.24	0.00	1.73
HAIER	6690 HK	23.25	228,099	-1.48	5.44	29.85	20.55	12.88	12.12	10.61	3.22	1.93
HAIDILAO	6862 HK	13.82	77,033	4.07	-4.95	23.70	12.20	N/A	N/A	N/A	N/A	N/A
JD.COM	9618 HK	91.85	250,332	3.09	-18.36	207.40	82.50	9.20	7.89	7.44	0.00	1.10
NONGFU SPRING	9633 HK	43.55	219,178	0.23	-3.54	46.30	38.50	52.74	40.90	34.85	2.20	16.43
XPENG	9868 HK	36.90	56,471	6.03	-34.92	86.75	30.40	N/A	N/A	N/A	0.00	1.71
BAIDU	9888 HK	103.60	229,122	0.97	-10.77	155.10	95.60	12.36	9.96	9.76	0.00	1.06
TRIP.COM	9961 HK	327.40	216,117	3.22	17.94	329.80	241.60	146.67	17.48	17.72	0.00	1.62
ALIBABA	9988 HK	71.50	1,369,711	0.99	-5.42	100.40	65.45	9.41	8.29	8.07	1.35	1.23
NETEASE	9999 HK	169.40	529,539	1.38	20.48	183.20	121.10	21.50	15.49	15.28	1.78	3.96
<b>HANG SENG CHINA ENT INDX</b>		<b>5,484.88</b>	<b>19,041,047</b>	<b>1.83</b>	<b>-4.92</b>	<b>7,063.94</b>	<b>5,001.95</b>	<b>439.51</b>	<b>10.81</b>	<b>8.93</b>	<b>4.51</b>	<b>1.58</b>

Source: FactSet

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#### 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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