

Morning Express

22 October 2020

Focus of the Day

Alibaba Group 2QFY21 earnings preview; further growth upside in long term		BABA US Rating: Buy Upside: +20.4%
CP: US\$ 309.81	TP: US\$ 373.00↑	
Connie Gu, CPA	connie.gu@bocomgroup.com	

Alibaba will release 2QFY21 results in Nov. We expect revenue to jump 31% YoY to RMB155.4bn, generally in line with consensus of RMB156.1bn. We expect CMR/new retail/cloud/DME revenue to grow 18%/53%/58%/13%, and adjusted EBITA to come in at RMB41bn, with EBITA margins at 36%/-3%/-20%/-166% for e-commerce/cloud/DME/new business.

Amid weak seasonality for e-commerce, we expect the 2QFY21 GMV of Alibaba to grow 16% YoY/1% QoQ, vs. NBS data of 14% YoY/-3% QoQ. As the impact of the epidemic continues to weaken, with easing consumer demand for hoarding and fewer promotion activities, the seasonal impact was more pronounced in the past quarter. We expect the CMR rate to be 3.5%, and revenue to grow 18% YoY/fall 5% QoQ. Its new retail business is advancing steadily, with the synergies between Hema and Tmall supermarket as well as the acquisition of Sun Art Retail to increase the proportion of FMCG and fresh products.

We are optimistic about the monetization capabilities of Alibaba e-commerce, and long-term improvement in operational efficiency through the integration of traditional retail and Alibaba platform. We see further upside to valuation in the long term. We raise TP from US\$309/HK\$306 to US\$373/HK\$367 and maintain **Buy**.

Cathay Pacific Airways Restructuring no guarantee for soft landing in FY21E; maintain Neutral		293 HK
Luya You	luya.you@bocomgroup.com	

Cathay Pacific Airways (CPA) announced that ~8,500 positions will be cut across the airline group (~24% of headcount). We expect CPA to remain at an overstaffed level across FY21 as overall headcount will remain at ~80% of pre-COVID level, while capacity will linger at <30%, based on our estimates.

Dissolution of the Cathay Dragon brand portends an even weaker stake in the mainland market, in our view. Drastic erosion in CPA's mainland market share has extended from 2H19 to now, with mainland RPK to comprise <3.0% of total RPK in FY20 (vs. 6-7% of RPK in 1H19). Loss of Cathay Dragon will further accelerate shrinkage of CPA's presence in the mainland market.

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Global Stock Indices

	Close	1D%	YTD%
HSI	24,754	0.39	-15.61
HSCEI	10,078	0.90	-9.76
SH A	3,485	-0.09	9.04
SH B	251	-0.72	-2.22
SZ A	2,359	-1.10	30.91
SZ B	942	-0.82	-2.00
DJIA	28,211	-0.35	-1.15
S&P 500	3,436	-0.22	6.34
Nasdaq	11,485	-0.28	28.00
FTSE	5,777	-1.91	-23.41
CAC	4,929	0.00	-17.54
DAX	12,558	-1.41	-5.22

Source: FactSet

Key Commodity/Forex Indicators

	Close	3M%	YTD%
Brent	43.14	-2.64	-34.68
Gold	1,910.40	3.69	25.73
Silver	24.63	19.82	36.49
Copper	6,814.00	4.62	10.69
JPY	104.42	2.38	4.07
GBP	1.32	3.24	-0.64
EUR	1.19	3.36	5.79
bps change		3M	6M
HIBOR	0.55	14.88	-70.62
US 10yr yield	0.81	34.73	41.93

Source: FactSet

HSI Technical

HSI	24,754.42
50D MA	24,261.36
200D MA	24,527.23
14D RSI	50.73
Short sell (HK\$m)	13,742

Source: FactSet

Hao Hong, CFA

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We maintain our **Neutral** rating and TP of HK\$5.71. Though CPA's restructuring plans affirm to investors that the carrier is still committed to deep but necessary cost cuts, the overarching market environment still has not improved.

WuXi Biologics		2269 HK
3Q20 operation beat expectations, reaffirm Buy		Rating: Buy
CP: HK\$ 201.60	TP: HK\$ 259.00↑	Upside: +28.5%
Aiwei Li, PhD	aiwei.li@bocomgroup.com	

WuXi Bio released latest operational data. As of 15 Oct 2020, its total backlog had jumped to US\$10.3bn, almost doubling the 2019 level, driven by strong demand, new COVID-19 projects and long-term vaccine CMO contracts. The number of new projects rose to 72, and total integrated projects further climbed to 312. Management revised up their guidance of YoY net profit growth to 40%+ for 2H20E and to 50% for 2021E.

Notably, the company won 10 projects (including 6 in Phase III and 3 in Phase II), which were transferred from global competitors. We believe the revenue growth and efficiency of its CMO business will further improve.

We revise up 2020-22E net profit by 5-12%. Reaffirm **Buy** and lift 12M TP from to HK\$203 to HK\$259.

Renewable Energy Sector Weekly	
As of 21 October 2020	Rating: Market Perform
Louis Sun	louis.sun@bocomgroup.com

Key news: The National Energy Administration announced 8.00GW of tariff-parity PV power projects transformed from bidding projects, which we expect to significantly increase China's grid-connected PV capacity in 2021. We expect China's new PV installations to exceed 60GW in 2021, up ~50% YoY.

The Ministry of Finance announced the reasonable life-cycle utilization hours for various renewable power projects. Excessive power generation above the life-cycle subsidy quota will no longer enjoy government subsidies. We believe this policy's impact will be minimal on the yield of existing PV projects, but more felt by existing wind power projects, though the impact on wind power operators' absolute valuation is <5%. We also believe the release of reasonable utilization hours marks the initial implementation of subsidy cap and removes a major obstacle for solving the problem of subsidy arrears through debt issuance.

Investment opportunities: Recent gains in PV glass prices have significantly beaten expectations. We remain optimistic on PV glass leaders in the long term.

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Economic data releases for this week – US

Date	Event	Survey	Prior
21 Oct	MBA mortgage applications (%)	-	-0.7
22 Oct	Initial jobless claims (k)	-	898
22 Oct	Existing home sales (m)	6.25	6.00

Source: Bloomberg

Economic data releases for this week – China

Date	Event	Survey	Prior
18 Oct	GDP YTD (YoY%)	-	-1.6
18 Oct	Industrial production (YoY%)	5.8	5.6
18 Oct	Retail sales (YoY%)	1.8	0.5

Source: Bloomberg

BOCOM Research latest reports

21 Oct	Alibaba Group (BABA US) - 2QFY21 earnings preview; further growth upside in long term	Connie Gu, CPA, Brandy Sun, Gigi Zhou, Li Zhao, CFA
21 Oct	Cathay Pacific Airways (293 HK) - Restructuring no guarantee for soft landing in FY21E; maintain Neutral	Luya You, Maggie Wang
21 Oct	WuXi Biologics (2269 HK) - 3Q20 operation beat expectations, reaffirm Buy	Aiwei Li, PhD, Li Zhao, PhD
21 Oct	Healthcare Sector Weekly - As of 20 October 2020	Li Zhao, PhD, Aiwei Li, PhD
21 Oct	China Literature (772 HK) - China Literature and Tencent Pictures further collaborate	Gigi Zhou, Connie Gu, CPA, Brandy Sun, Li Zhao, CFA
20 Oct	iQIYI Inc (IQ US) - 3Q20E revenue to come in line, loss narrower than expected	Gigi Zhou, Connie Gu, CPA, Brandy Sun, Li Zhao, CFA
20 Oct	Insurance Sector Monthly - Life premiums slowed further; proactive jump-start sales prep	Li Wan, CFA, FRM
20 Oct	Yongda Automobiles (3669 HK) - Strong 3Q20 rebound; maintain Buy	Angus Chan
20 Oct	Transportation & Infrastructure Sector Weekly - As of 16 October 2020	Luya You, Maggie Wang
19 Oct	Internet Sector Weekly - As of 16 October 2020	Connie Gu, CPA, Brandy Sun, Gigi Zhou, Li Zhao, CFA
19 Oct	Consumer Sector Weekly - As of 16 October 2020	Edward Lui
16 Oct	Xinyi Solar (968 HK) - Further surge in PV glass prices, equity financing to boost capacity	Bob Wen, CPA, Louis Sun
16 Oct	Banking Sector - Payment boom a win-win for banks and 3P players, key to client acquisition	Jaclyn Wang
16 Oct	NetEase Inc (NTES US) - Expect games to be steady but profit pressure from K12 promotion and FX loss in 3Q	Brandy Sun, Connie Gu, CPA, Gigi Zhou, Li Zhao, CFA
16 Oct	Internet Sector - Monthly gaming data watch (as of September 2020)	Connie Gu, CPA, Brandy Sun, Gigi Zhou, Li Zhao, CFA
16 Oct	Property Sector Weekly - As of 15 October 2020	Philip Tse, CFA, FRM, Evangeline Luo, Spencer Luo
16 Oct	Country Garden Services (6098 HK) - Accelerating expansion in urban services the next growth driver	Evangeline Luo, Philip Tse, CFA, FRM
16 Oct	Anta Sports (2020 HK) - Robust Golden Week, cold winter to set up a strong 4Q finish	Edward Lui
15 Oct	Banking Sector - China Credit Monitor Sep 2020 – demand recovery on track	Jaclyn Wang, Hannah Han
15 Oct	Renewable Energy Sector Weekly - As of 14 October 2020	Louis Sun, Bob Wen, CPA

Source: BOCOM Int'l

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Morning Express
HSI constituents

Company name	Stock code	Current price (HK\$)	Mkt cap (HK\$ m)	5D chg (%)	YTD chg (%)	-----52-week-----		-----P/E-----			Yield 2020E (%)	P/B 2020E (x)
						High (HK\$)	Low (HK\$)	2019 (x)	2020E (x)	2021E (x)		
CKH	1 HK	46.15	177,965	0.22	-37.89	75.45	45.55	4.47	5.74	N/A	5.37	0.36
CLP	2 HK	72.85	184,052	-0.14	-11.05	84.20	65.00	39.59	15.98	15.57	4.23	1.65
HK & CHINA GAS	3 HK	11.20	199,039	0.72	-22.73	15.14	10.86	28.54	31.11	28.00	3.13	3.05
HSBC	5 HK	31.05	632,413	2.99	-48.97	61.85	28.20	5.62	16.35	9.11	1.25	0.48
POWER ASSETS	6 HK	40.65	86,758	-1.09	-28.68	58.50	40.55	12.17	14.10	13.03	6.89	1.02
HANG SENG	11 HK	114.80	219,479	0.97	-28.70	173.50	111.10	8.99	12.82	12.57	4.79	1.29
HENDERSON	12 HK	28.75	139,190	0.17	-24.84	40.55	26.95	9.52	9.48	10.01	6.26	0.43
SHKP	16 HK	97.70	283,113	-0.51	-18.11	123.00	89.00	8.74	9.64	9.08	5.07	0.50
NEW WORLD	17 HK	37.90	96,613	-0.39	-11.28	46.88	30.44	11.02	14.70	12.06	5.38	0.45
SWIRE PACIFIC	19 HK	37.65	34,081	0.13	-48.00	76.65	36.30	7.84	N/A	12.04	4.05	0.21
GEG	27 HK	52.15	226,471	1.07	-9.15	62.80	38.60	17.32	N/A	N/A	0.00	3.43
MTRC	66 HK	38.80	239,797	0.52	-15.74	47.80	36.85	22.56	41.50	23.44	3.17	1.31
SINO	83 HK	9.84	69,324	1.03	-13.07	12.40	8.18	14.26	14.93	N/A	5.59	0.47
HLP	101 HK	20.05	90,179	2.19	17.25	22.15	13.82	20.25	20.76	N/A	3.79	0.66
WANT WANT	151 HK	5.37	65,732	-1.65	-26.24	7.37	4.93	16.70	N/A	N/A	N/A	N/A
GEELY	175 HK	16.38	160,738	-0.12	7.48	19.06	10.08	15.81	18.52	13.80	1.37	2.09
CITIC LTD	267 HK	5.81	169,014	-0.51	-44.24	10.70	5.60	3.14	3.76	3.30	6.57	0.27
WH GROUP	288 HK	6.28	92,576	3.29	-21.99	8.78	5.96	8.65	9.04	8.10	4.46	1.28
SINOPEC	386 HK	2.98	76,030	-1.00	-36.46	4.80	2.97	5.38	11.74	8.42	6.25	0.42
HKEX	388 HK	371.40	470,876	2.82	46.80	394.20	211.40	49.59	42.76	36.77	2.11	9.96
COLI	688 HK	19.58	214,500	0.00	-35.49	30.70	19.14	4.43	4.81	4.23	6.17	0.60
TENCENT	700 HK	566.50	5,429,699	1.71	50.83	573.50	316.20	50.47	38.69	32.50	0.25	8.29
UNICOM	762 HK	6.00	183,589	12.57	-18.26	8.10	3.90	13.93	12.27	10.97	3.30	0.48
LINK	823 HK	61.15	126,118	0.99	-25.88	86.50	57.00	22.55	21.29	21.73	4.69	0.79
CR POWER	836 HK	8.55	41,129	0.47	-21.85	11.40	6.58	6.24	4.82	4.28	8.00	0.53
PETROCHINA	857 HK	2.19	46,207	-0.45	-43.99	4.20	2.18	7.53	N/A	16.23	7.06	0.28
CNOOC	883 HK	7.35	328,159	0.96	-43.29	13.74	6.40	4.61	12.63	7.89	5.68	0.63
CCB	939 HK	5.66	1,432,565	1.80	-15.90	6.80	4.98	4.93	5.12	4.79	5.85	0.54
CHINA MOBILE	941 HK	51.90	1,062,677	3.80	-20.76	69.70	48.25	8.61	8.55	8.31	6.55	0.79
CK INFRA	1038 HK	36.85	97,678	0.68	-33.54	57.85	35.65	8.84	11.13	9.96	6.73	0.81
HENGAN	1044 HK	54.95	65,373	-0.99	-0.99	71.00	50.00	14.37	11.95	N/A	5.84	2.88
SHENHUA	1088 HK	13.80	46,900	-1.85	-15.23	16.62	12.06	5.65	5.99	5.93	8.43	0.64
CSPC	1093 HK	8.96	107,285	-2.61	-7.41	11.15	7.15	24.78	20.19	17.11	1.45	4.21
CR LAND	1109 HK	35.05	249,939	-2.09	-9.66	39.40	28.00	9.68	8.78	7.61	4.09	1.12
CKA	1113 HK	37.20	137,394	-0.53	-33.87	56.70	34.40	4.78	7.21	N/A	3.95	0.38
SBP	1177 HK	8.03	151,547	1.01	10.50	10.88	6.47	41.44	40.58	32.85	0.63	3.87
AIA	1299 HK	77.70	939,693	-0.13	-5.01	87.35	60.70	18.16	22.84	17.32	1.70	2.01
ICBC	1398 HK	4.59	1,983,200	3.85	-23.50	6.05	3.99	4.59	5.02	4.78	6.03	0.53
SANDS	1928 HK	27.90	225,708	2.20	-33.01	45.00	26.15	14.33	N/A	N/A	0.00	12.61
WHARF REIC	1997 HK	31.45	95,489	1.78	-33.86	49.10	27.30	9.74	12.58	11.76	5.04	0.44
COUNTRY GARDEN	2007 HK	9.44	208,014	-1.87	-24.36	12.88	7.88	4.53	4.13	3.64	7.40	0.98
AAC TECH	2018 HK	43.75	52,872	0.11	-35.66	70.00	35.85	20.43	26.79	17.30	0.97	2.19
SHENZHOU	2313 HK	143.90	216,313	7.39	26.34	143.90	73.15	36.47	34.53	29.48	1.49	6.63
PING AN	2318 HK	84.60	1,669,053	1.38	-8.14	99.55	70.90	8.65	9.95	8.35	3.03	1.74
MENGNIU	2319 HK	40.30	159,040	8.63	27.94	40.30	25.00	33.01	40.83	26.11	0.52	4.27
SUNNY OPTICAL	2382 HK	130.00	142,591	3.26	-3.63	149.50	92.40	30.61	28.69	21.73	0.73	7.62
BOCHK	2388 HK	21.40	226,257	0.47	-20.89	28.90	20.30	7.03	8.40	8.31	5.41	0.77
CHINA LIFE	2628 HK	18.48	1,396,935	-0.11	-14.64	22.75	12.86	7.74	8.82	8.01	4.15	1.02
BOCOM	3328 HK	3.89	136,196	-2.75	-29.78	5.61	3.66	3.34	3.67	3.45	8.23	0.34
BOC	3988 HK	2.55	1,008,100	-0.39	-23.42	3.37	2.37	3.59	3.88	3.88	8.14	0.36
HANG SENG INDEX		24,754.42	18,504,074	1.51	-12.19	29,056.42	21,696.13	21.07	18.99	16.08	3.54	3.20

Source: FactSet

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HSCEI constituents

Company name	Stock code	Closing price (HK\$)	Mkt cap (HK\$ m)	5D chg (%)	YTD chg (%)	-----52-week-----		-----P/E-----			Yield 2020E (%)	P/B 2020E (x)
						High (HK\$)	Low (HK\$)	2019 (x)	2020E (x)	2021E (x)		
CITIC LTD	267 HK	5.81	169,014	-0.51	-44.24	10.70	5.60	3.14	3.76	3.30	6.57	0.27
GDI	270 HK	12.06	78,846	-2.11	-26.01	17.30	11.90	15.63	15.66	13.40	4.98	1.85
CGH	384 HK	24.35	127,072	5.87	-16.61	34.75	20.75	14.94	13.84	11.76	2.05	3.21
SINOPEC	386 HK	2.98	76,030	-1.00	-36.46	4.80	2.97	5.38	11.74	8.42	6.25	0.42
CRG	390 HK	3.59	143,100	1.99	-25.36	5.03	3.47	3.25	3.25	2.99	5.50	0.31
DONGFENG	489 HK	5.50	15,707	-0.90	-24.97	8.09	4.42	3.17	4.41	3.27	5.29	0.30
TENCENT	700 HK	566.50	5,429,699	1.71	50.83	573.50	316.20	50.47	38.69	32.50	0.25	8.29
CHINA TELECOM	728 HK	2.61	36,220	10.13	-18.69	3.55	2.06	8.97	8.62	8.30	5.02	0.50
AIR CHINA	753 HK	5.24	108,326	2.95	-33.75	8.26	4.60	9.63	N/A	18.76	0.00	0.79
CHINA TOWER	788 HK	1.74	N/A	0.00	1.16	1.78	1.56	40.20	29.60	23.20	1.69	1.09
PETROCHINA	857 HK	2.19	46,207	-0.45	-43.99	4.20	2.18	7.53	N/A	16.23	7.06	0.28
CNOOC	883 HK	7.35	328,159	0.96	-43.29	13.74	6.40	4.61	12.63	7.89	5.68	0.63
HUANENG	902 HK	2.94	79,617	-2.97	-25.38	4.11	2.24	252.58	5.61	4.87	11.48	0.36
CONCH	914 HK	51.90	67,449	0.00	-8.63	61.05	46.05	7.23	6.69	6.51	4.76	1.46
CCB	939 HK	5.66	1,432,565	1.80	-15.90	6.80	4.98	4.93	5.12	4.79	5.85	0.54
CHINA MOBILE	941 HK	51.90	1,062,677	3.80	-20.76	69.70	48.25	8.61	8.55	8.31	6.55	0.79
CNCB	998 HK	3.33	257,651	1.22	-28.69	4.77	2.96	3.21	3.37	3.14	7.60	0.30
HENGAN	1044 HK	54.95	65,373	-0.99	-0.99	71.00	50.00	14.37	11.95	N/A	5.84	2.88
SHENHUA	1088 HK	13.80	46,900	-1.85	-15.23	16.62	12.06	5.65	5.99	5.93	8.43	0.64
CSPC	1093 HK	8.96	107,285	-2.61	-7.41	11.15	7.15	24.78	20.19	17.11	1.45	4.21
SINOPHARM	1099 HK	16.90	22,677	5.10	-40.60	29.45	14.86	6.91	6.66	5.97	4.50	0.86
CR LAND	1109 HK	35.05	249,939	-2.09	-9.66	39.40	28.00	9.68	8.78	7.61	4.09	1.12
BYD	1211 HK	139.50	417,832	7.64	259.07	139.90	33.55	239.69	82.65	70.87	0.13	5.45
ABC	1288 HK	2.75	1,277,354	2.23	-19.83	3.47	2.40	4.00	4.38	4.11	6.84	0.44
NCI	1336 HK	30.85	200,608	-1.12	-7.91	35.95	20.65	5.68	6.21	5.60	4.49	0.88
PICC	1339 HK	2.43	21,205	2.97	-25.00	3.38	2.11	4.18	4.63	N/A	5.60	0.46
CINDA	1359 HK	1.51	20,487	0.00	-14.69	1.86	1.36	4.18	4.90	4.12	6.94	0.33
ICBC	1398 HK	4.59	1,983,200	3.85	-23.50	6.05	3.99	4.59	5.02	4.78	6.03	0.53
PSBC	1658 HK	3.79	75,255	3.84	-28.49	5.39	3.08	4.52	5.34	4.93	5.74	0.53
CRRC	1766 HK	3.17	172,716	-0.94	-44.19	5.99	3.05	6.64	7.20	6.30	5.12	0.55
GF SEC	1776 HK	10.58	18,005	1.54	11.49	10.76	7.60	9.18	7.64	7.24	4.23	0.72
CCC	1800 HK	4.04	121,260	-0.74	-36.38	6.55	4.00	2.99	3.19	2.80	6.28	0.23
CGN POWER	1816 HK	1.68	149,701	1.20	-19.23	2.12	1.52	7.18	7.38	7.21	5.54	0.76
MSB	1988 HK	4.30	258,675	1.18	-26.99	5.99	3.86	3.23	3.45	3.22	8.32	0.34
VANKE	2202 HK	24.10	45,634	0.00	-27.52	34.35	23.00	6.28	5.59	4.87	5.37	1.10
GAC	2238 HK	7.51	118,421	5.92	-22.58	9.97	5.59	10.08	9.67	7.51	3.19	0.78
SHENZHO	2313 HK	143.90	216,313	7.39	26.34	143.90	73.15	36.47	34.53	29.48	1.49	6.63
PING AN	2318 HK	84.60	1,669,053	1.38	-8.14	99.55	70.90	8.65	9.95	8.35	3.03	1.74
PICC P&C	2328 HK	5.58	38,498	3.33	-40.58	10.16	5.25	4.39	5.10	4.65	8.34	0.59
GWM	2333 HK	13.42	215,376	4.68	132.99	13.80	3.85	23.53	23.06	16.47	2.17	1.85
CPIC	2601 HK	25.75	343,794	5.10	-16.12	31.70	18.16	7.23	7.81	7.27	5.72	1.00
CHINA LIFE	2628 HK	18.48	1,396,935	-0.11	-14.64	22.75	12.86	7.74	8.82	8.01	4.15	1.02
HUARONG	2799 HK	0.84	21,037	-2.33	-31.71	1.33	0.77	18.04	18.04	10.31	1.39	0.23
BOCOM	3328 HK	3.89	136,196	-2.75	-29.78	5.61	3.66	3.34	3.67	3.45	8.23	0.34
CMB	3968 HK	42.85	1,176,401	4.64	6.99	42.85	31.45	10.17	10.11	9.08	3.19	1.45
BOC	3988 HK	2.55	1,008,100	-0.39	-23.42	3.37	2.37	3.59	3.88	3.88	8.14	0.36
CITIC SEC	6030 HK	18.04	418,270	0.33	1.46	20.75	13.00	16.27	12.19	10.79	4.02	1.15
ZA ONLINE	6060 HK	40.05	18,816	0.13	42.53	55.10	23.30	N/A	86.64	69.38	0.00	3.35
HAITONG SEC	6837 HK	6.74	188,402	-0.88	-26.82	9.43	5.86	6.98	6.73	5.85	4.66	0.50
HTSC	6886 HK	13.00	202,880	0.62	-5.66	16.04	10.40	11.55	8.65	7.78	3.93	0.80
HANG SENG CHINA ENT INDX		10,077.78	18,827,296	1.64	-9.76	11,419.91	8,559.64	23.53	17.08	14.67	3.91	2.87

Source: FactSet

22 October 2020

Morning Express

BOCOM International

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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**.

22 October 2020

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Analyst certification

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