



## Company Report: Lenovo Group (00992 HK)

公司报告: 联想集团 (00992 HK)

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# Disappointing Mobile Business, Maintain "Neutral"

手机业务令人失望，维持“中性”

- **3QFY18 results were lower than expected.** With the US Tax reform from the US government, Lenovo recorded a one-time non-cash write-off of US\$400 million of deferred income tax assets in 3QFY18 which resulted in a loss attributable to equity holders of US\$289 million.
- **FY18-FY20 PC and smart device (PCSD) revenue is estimated to grow by 5.5%/ 3.5%/ 2.9%, respectively.** PCSD revenue grew 7.6% yoy in 3QFY18, driven by ASP improvement amid flat PC shipments growth. Lenovo is estimated to improve its PC ASP with the launch of gaming and detachable PC products.
- **We cut Mobile Business Group (MBG) revenue by 8.5%/ 10.2%/ 13.0%, respectively.** 3QFY18 MBG revenue declined by 5.0% yoy due to significant decline in smartphone shipments in emerging markets. Lenovo's mobile business is expected to face stronger challenges due to fierce market competition.
- **Maintain the Company's investment rating as "Neutral" and lower the TP from HK\$4.80 to HK\$4.50.** We cut FY19-FY20 EPS by 6.0%/ 7.1%, respectively. The new TP represents 16.1x FY19 PER, 11.0x FY20 PER and 2.3x FY19 PBR.
- **联想 2018 财年第三季度业绩低于预期。**随着美国政府的税务改革，联想在 2018 财年第一季度需要为递延所得税资产作一次性非现金注销 4 亿美元，而导致 289 百万美元的亏损。
- **预计 2018-2020 财年计算机和智能设备(PCSD)收入分别增长 5.5%/ 3.5%/ 2.9%。**2018 财年第一季度 PCSD 收入同比升 7.6%因个人计算机出货量的平稳增长和平均销售价格的上升。随着游戏和可拆卸个人计算机产品的推出，联想将可改善其个人计算机平均售价。
- **我们分别下调移动业务(MBG)收入 8.5%/ 10.2%/ 13.0%。**2018 财年第一季度 MBG 收入同比下降 5.0%，因新兴市场的手机出货量大幅下滑。由于激烈的市场竞争，联想移动业务将面临更大的挑战。
- **维持公司的投资评级为“中性”及目标价从 4.80 港元下调至 4.50 港元。**我们分别下调 2019-2020 财年每股净利 6.0%/ 7.1%。新目标价相当于 16.1 倍 2019 财年年市盈率、11.0 倍 2020 财年年市盈率及 2.3 倍 2019 财年年市净率。

Rating:

**Neutral**  
Maintained

评级:

中性 (维持)

6-18m TP 目标价:

**HK\$4.50**

Revised from 原目标价:

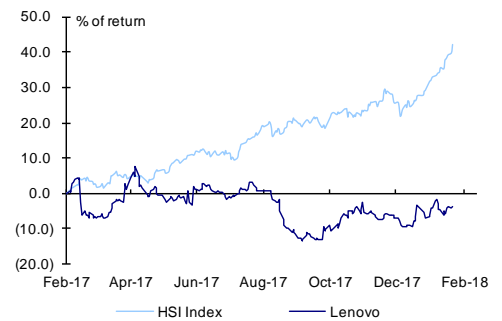
HK\$4.80

Share price 股价:

HK\$4.310

### Stock performance

股价表现



Change in Share Price	1 M	3 M	1 Y
股价变动	1 个月	3 个月	1 年
Abs. % 绝对变动 %	(1.8)	(7.1)	(13.2)
Rel. % to HS Index 相对恒指变动 %	7.1	14.6	41.0
Avg. Share price(HK\$) 平均股价 (港元)	4.6	4.5	4.6

Source: Bloomberg, Guotai Junan International.

Year End	Turnover	Net Profit	EPS	EPS	PER	BPS	PBR	DPS	Yield	ROE
年结	收入	股东净利	每股净利	每股净利变动	市盈率	每股净资产	市净率	每股股息	股息率	净资产收益率
03/31	(US\$ m)	(US\$ m)	(US\$ Cent)	(Δ %)	(x)	(US\$)	(x)	(US\$)	(%)	(%)
2016A	44,912	(128)	(1.160)	n.a.	n.a.	0.271	2.1	0.034	6.1	(3.6)
2017A	43,035	535	4.860	n.a.	11.4	0.293	1.9	0.034	6.1	17.2
2018F	44,464	(107)	(0.968)	n.a.	n.a.	0.249	2.2	0.034	6.2	(3.6)
2019F	45,671	394	3.574	n.a.	15.4	0.250	2.2	0.034	6.2	14.3
2020F	47,125	576	5.232	46.4	10.5	0.268	2.1	0.034	6.2	20.2
Shares in issue (m) 总股数 (m)				12,015.0	Major shareholder 大股东		Legend Holdings Limited 33.8%			
Market cap. (HK\$ m) 市值 (HK\$ m)				51,784.7	Free float (%) 自由流通比率 (%)		66.2			
3 month average vol. 3 个月平均成交股数 ('000)				52,049.0	FY18 Net gearing (%) FY18 净负债/股东资金 (%)		Net cash			
52 Weeks high/low (HK\$) 52 周高/低 (HK\$)				5.400 / 4.100	FY18 Est. NAV (HK\$) FY18 每股估值 (港元)		4.8			

Source: the Company, Guotai Junan International.

### 3QFY18 Results Review

**3QFY18 results came in weaker than expected.** With the new US Tax reform from the US government, Lenovo recorded a one-time non-cash write-off of US\$400 million of deferred income tax assets in 3QFY18 which resulted in a loss attributable to equity holders of US\$289 million. With a low tax rate in the US, some of Lenovo's subsidiaries may benefit. Data center business showed better business prospects with 16.7 yoy growth in 3QFY18 thanks to hyperscale and software defined infrastructure segments contributions. PC revenue grew 7.6% yoy in 3QFY18 amid flat shipments growth thanks to ASP improvement. Mobile business recorded 5% yoy decline in 3QFY18, weaker than expected due to competition from emerging markets and brand transition in eastern Europe. The Company's mobile business was still making loss last quarter, weaker than the Company's previous guidance. Lenovo's mobile business is undergoing brand transition and expanding into fierce competition and business transition; we estimate mobile business to face challenges in FY19. Data center business revenue showed stronger growth at 16.7% in 3QFY18 due to strong demand from Europe and North America. Lenovo has shifted its focus to different customer segments to seek better profitability and margins. The rise of component costs is expected to further affect Lenovo's profitability in FY19.

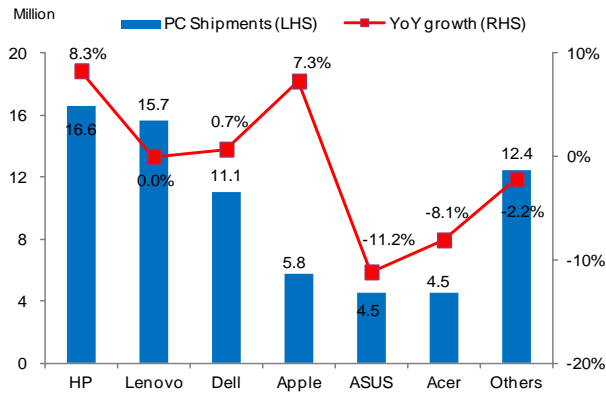
**Table-1: Lenovo's Financial Results Analysis**

USD (Million)	3QFY18	3QFY17	YoY	Comments
Total revenue	12,939	12,169	6.3%	
-PC & Smart Devices (PCSD)	9,250	8,598	7.6%	Contributed by ASP improvement in PC products amid flat shipments growth
-Mobile Business Group (MBG)	2,076	2,185	(5.0%)	Mobile business was still weak despite the launch of new models and brand building
-Data Center Business Group (DCG)	1,225	1,050	16.7%	Strong growth in DCG thanks to cloud platform demand and new structure
-Others	387	335	15.3%	
Cost of sales	(11,188)	(10,573)	5.8%	
Gross profit	1,751	1,595	9.8%	
S&D expenses	(741)	(727)	2.0%	
Admin costs	(453)	(446)	1.6%	
R&D costs	(344)	(318)	8.2%	Higher R&D costs for product innovation
Operating profit	204	138	48.2%	
Finance income	7	6	12.9%	
Finance costs	(60)	(53)	12.7%	
Profit from associates & JV	(1)	10	n.a.	
Shareholders' profit	(289)	98	n.a.	
EPS (USD cents)	(2.53)	0.90	n.a.	
Gross profit margin	13.5%	13.1%	0.4ppt	Driven by better product mix in PC and data center businesses
Operating profit margin	1.6%	1.1%	0.4ppt	
Net profit margin	(2.2%)	0.8%	n.a.	

Source: the Company, Guotai Junan International.

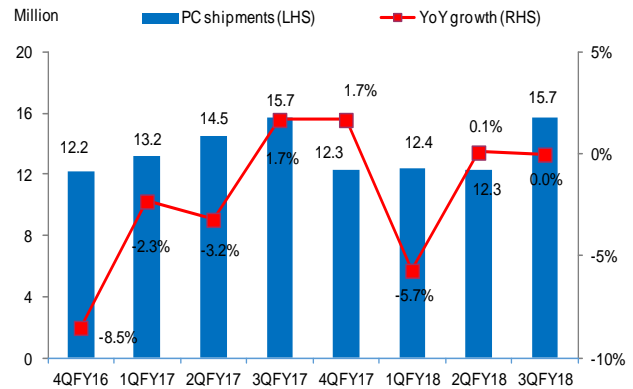
**Flat PC shipment growth in 3QFY18.** PCSD revenue grew 7.6% yoy in 3QFY18, driven by ASP improvement amid flat PC shipments growth. Pre-tax income margin of PCSD fell 0.5 ppt yoy to 4.5% in 3QFY18. Lenovo's PC shipments reached 15.7 million in 3QFY18, the same as last year, but market share declined slightly by 0.2 ppt yoy to 22.2% due to fierce market competition and market saturation. HP posed a stronger challenge to Lenovo with better sales channels in North America. Lenovo's PC ASP improved by 7.6% yoy in 3QFY18 thanks to the launch of high-end PC products and lower contributions from the Chrome book series. The Company is shipping more gaming PCs and detachable PC workstations which have higher ASP as there is growing market demand for gaming and e-sports recently. Lenovo acquired a stake in Fujitsu PC which is estimated to consolidate with Lenovo in FY19. We expect that contribution from Fujitsu will not be significant although it can help Lenovo to regain market share in the PC sector. FY18-FY20 PC shipments are estimated to grow by -2.0%/ 0.5%/ 1.0%, respectively. We keep our estimations for FY18-FY20 PCSD revenue growth at 5.5%/ 3.5%/ 2.9%, respectively.

Figure-1: 3Q17 PC Shipments of Global Producers and YoY Growth



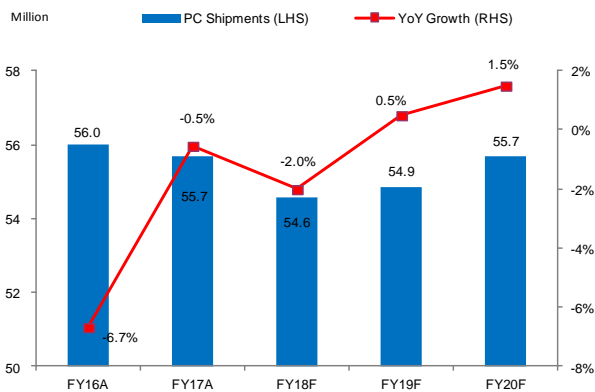
Source: IDC.

Figure-2: Lenovo's Quarterly PC Shipments and YoY Growth



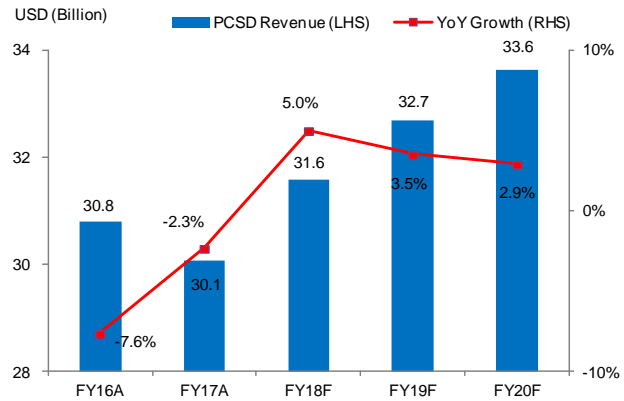
Source: IDC.

Figure-3: Lenovo's PC Shipments and YoY Growth



Source: the Company, Guotai Junan International.

Figure-4: Lenovo's PCSD Revenue and YoY Growth

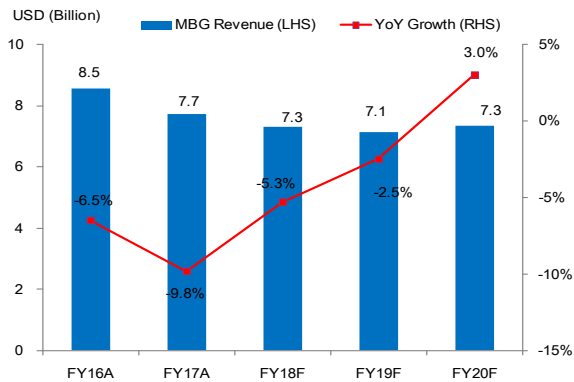


Source: the Company, Guotai Junan International.

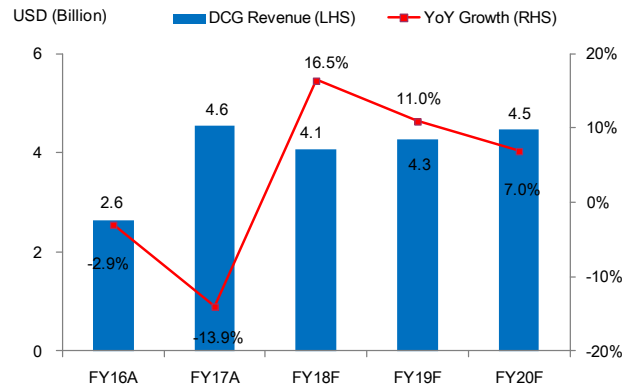
**Weaker-than-expected Mobile Business.** Lenovo's Mobile Business Group (MBG) revenue declined 5.0% yoy in 3QFY18. MBG business recorded USD92 million in pre-tax loss in 3QFY18, compared to USD112 million net loss in 3QFY17. Pre-tax income margin was -4.4% in 3QFY18, in contrast to -5.1% last year. There was ASP improvement for smartphones amid decline in smartphones shipments. Latin America remained as the driving momentum of Lenovo's mobile business, with double-digit growth in revenue thanks to better Moto brand recognition in the region. Lenovo is improving carrier network expansion in North America and western Europe to strengthen market share in western markets. Global smartphone shipments in 4Q17 declined by 6.3% yoy, showing fierce market competition and longer replacement cycle of smartphones. Many Chinese smartphone makers (Xiaomi, OPPO, Huawei) are expanding into emerging markets, which is expected to further affect Lenovo's shipments in these regions. Component costs are hiking due to shortages of components and strong demand from other manufacturers. Lenovo is trying to improve the business downturn in emerging markets through moderate investments with a structure of controlling costs. There were little signs of improvement in China, which may be due to the Company's change in position to other regions with less market competition. Lenovo has partnered with third parties to improve branding, such as the co-operation with Disney for the launch of Star Wars products. Due to weaker-than-expected mobile revenue in 3QFY18, we cut FY18-FY19 MBG revenue by 8.5%/ 10.2%/ 13.0%, respectively.

**Data Center business grew thanks to business transformation.** Data Center Business showed better yoy growth in 3QFY18 at 16.7%, compared to 10.2% yoy decline in 2QFY18, contributed by the launch of business transformation strategy on hyperscale products and software-defined infrastructure. The revenue contributions from hyperscale products and software-defined infrastructure showed triple-digit yoy growth in 3QFY18. The China region showed double-digit revenue contribution to Lenovo thanks to the launch of supporting cloud computing policies from the government. Cloud computing demand is ramping up rapidly in China, especially for private cloud, industrial cloud and large scale cloud platforms. Lenovo has improved in-house design, with in-house manufacturing with the launch of customized solutions. By building a unique

engineering team, Lenovo has been able to provide customized products to meet customers' specific needs with a shift in the customer segment towards the high end. Lenovo is undergoing system level integrations with the establishment of a factory in Europe for better supply chain. We revise up FY18-FY20 DCG revenue by 12.0%/ 16.0%/ 21.0%, respectively, driven by the Company's launch of customized products and strong market demand.

**Figure-5: Lenovo's MBG Revenue and YoY Growth**


Source: the Company, Guotai Junan International.

**Figure-6: Lenovo's DCG Revenue and YoY Growth**


Source: the Company, Guotai Junan International.

### Profit Revisions

**We cut FY19-FY20 EPS estimates by 6.0%/ 7.1%, respectively.** We trim FY18-FY20 MBG revenue by 8.5%/ 10.2%/ 13.0%, respectively, due to weaker-than-expected smartphone shipments in 3QFY18 and fierce market competition. FY18-FY20 DCG revenue is revised up by 12.0%/ 16.0%/ 21.0%, respectively, driven by business transformation with the launch of customized products for customers. We adjust FY18 net profit from USD182 million to -USD107 million, due to the non-cash write-off of USD400 million deferred tax asset from new US tax rule.

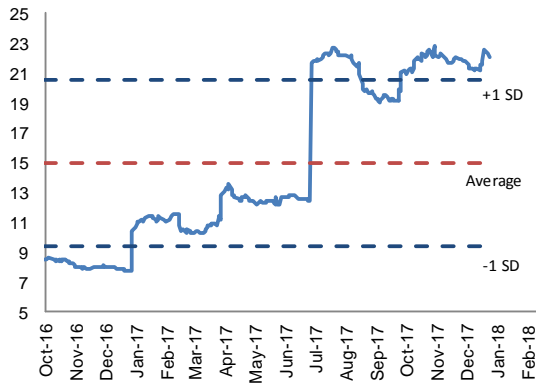
**Table-2: Financial Estimations Revisions**

USD (Million)	OLD			NEW			CHANGE		
	2018F	2019F	2020F	2018F	2019F	2020F	2018F	2019F	2020F
PCSD revenue	31,580	32,685	33,633	31,580	32,685	33,633	0.0%	0.0%	0.0%
MBG revenue	7,977	7,924	8,425	7,299	7,116	7,330	(8.5%)	(10.2%)	(13.0%)
DCG revenue	3,814	3,848	3,874	4,272	4,464	4,687	12.0%	16.0%	21.0%
Others revenue	1,313	1,405	1,475	1,313	1,405	1,475	0.0%	0.0%	0.0%
Total revenue	44,388	47,327	49,346	44,464	45,671	47,125	0.2%	(3.5%)	(4.5%)
Net profit	182	419	620	(107)	394	576	n.a.	(6.0%)	(7.1%)
EPS (USD cents)	(1.654)	3.802	5.632	(0.968)	3.574	5.232	n.a.	(6.0%)	(7.1%)

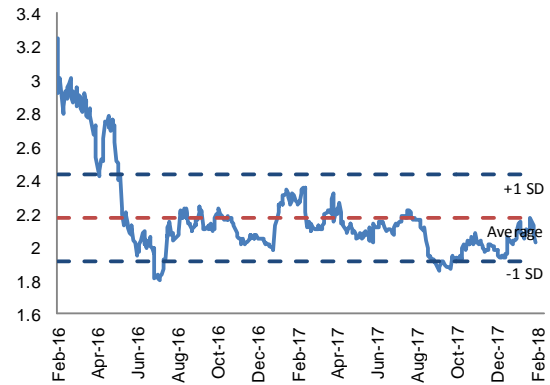
Source: Guotai Junan International.

### Valuation

**Maintain the Company's investment rating at "Neutral" and lower the TP from HK\$4.80 to HK\$4.50.** We expect Lenovo to face challenges in its mobile business with fierce market competition and business transformation. We lower the TP from HK\$4.80 to HK\$4.50 and the TP represents 16.1x FY19 PER, 11.0x FY20 PER and 2.3x FY19 PBR.

**Figure-7: Lenovo's PE Graph**


Source: Bloomberg.

**Figure-8: Lenovo's PB Graph**


Source: Bloomberg.

**Table-3: Peers Comparison**

Company	Ticker	Currency	Price	PER			PBR			ROE (%)	EV/EBITDA	ROA (%)
				17F	18F	19F	17F	18F	19F	18F	18F	18F
<b>US Listed Companies</b>												
APPLE INC	AAPL US	USD	160.500	17.3	13.9	12.3	6.1	5.6	5.1	1.7	20.5	8.1
HEWLETT-PACKARD CO	HPQ US	USD	22.480	15.0	12.4	11.9	n.a.	n.a.	n.a.	1.5	4.3	7.0
Simple Average				16.2	13.2	12.1	6.1	5.6	5.1	1.6	12.4	7.5
Weighted Average				17.2	13.8	12.3	6.1	5.6	5.1	1.7	19.8	8.1
<b>Taiwan Listed Companies</b>												
ASUSTEK COMPUTER INC	2357 TT	TWD	282.500	14.2	12.8	12.1	1.2	1.1	1.1	11.0	5.0	14.4
ACER INC	2353 TT	TWD	26.050	31.5	23.9	23.9	1.4	1.3	1.3	4.1	0.3	11.7
Simple Average				22.9	18.4	18.0	1.3	1.2	1.2	7.6	2.7	13.1
Weighted Average				19.0	15.9	15.4	1.2	1.2	1.1	9.1	3.7	13.6
<b>HK Listed Companies</b>												
LENOVO GROUP LTD.	992 HK	HKD	4.310	11.4	34.8	10.2	1.9	1.7	1.6	2.3	3.6	57.8
ZTE CORP-H	763 HK	HKD	27.600	21.9	18.0	15.4	2.6	2.4	2.1	1.7	3.1	9.1
Simple Average				16.7	26.4	12.8	2.3	2.0	1.8	2.0	3.4	33.4
Weighted Average				19.1	22.5	14.1	2.4	2.2	2.0	1.9	3.3	22.0
<b>JP Listed Companies</b>												
PANASONIC	6752 JP	JPY	1623.000	25.2	20.7	15.9	2.4	2.3	2.1	1.1	3.2	7.4
SONY	6758 JP	JPY	5533.000	95.3	16.9	16.5	2.8	2.4	2.1	0.0	(0.8)	4.7
NEC CORP	6701 JP	JPY	3285.000	31.3	16.5	20.8	1.0	1.0	0.9	1.1	2.2	10.4
FUJITSU LTD	6702 JP	JPY	675.600	15.8	9.0	9.3	1.6	1.4	1.2	1.0	4.4	6.0
Simple Average				41.9	15.8	15.6	1.9	1.8	1.6	0.8	2.3	7.2
Weighted Average				61.7	17.1	15.8	2.4	2.2	1.9	0.5	1.1	6.0
Overall Simple Average				24.4	18.4	14.6	2.9	2.6	2.4	3.0	5.2	15.3
Overall Weighted Average				29.3	17.3	14.4	3.1	2.8	2.5	3.3	7.0	12.4

Source: Bloomberg.

**Financial Statements and Ratios**

Income Statement						Balance Sheet					
Year end 31 Mar (USD m)	2016A	2017A	2018F	2019F	2020F	Year end 31 Mar (USD m)	2016A	2017A	2018F	2019F	2020F
PC & smart device business	30,795	30,076	31,580	32,685	33,633	PP&E	1,391	1,236	1,338	1,378	1,416
Mobile business	8,548	7,707	7,299	7,116	7,330	Prepaid land least payment	338	473	509	547	588
Data center business	4,553	4,068	4,272	4,464	4,687	Intangible assets	8,661	8,349	8,626	9,023	9,003
Others	1,016	1,183	1,313	1,405	1,475	Others	1,576	2,259	2,000	1,585	1,498
<b>Total Revenue</b>	<b>44,912</b>	<b>43,035</b>	<b>44,464</b>	<b>45,671</b>	<b>47,125</b>	<b>Total Non-current Assets</b>	<b>11,967</b>	<b>12,318</b>	<b>12,473</b>	<b>12,533</b>	<b>12,505</b>
Cost of revenues	(38,288)	(36,929)	(38,417)	(39,596)	(40,905)	Inventory	2,637	2,794	2,878	2,964	3,053
Gross profit	6,624	6,106	6,047	6,074	6,221	Trade & note receivable	4,534	4,537	3,188	2,555	2,048
Sell & Distribution costs	(2,373)	(2,681)	(2,801)	(2,786)	(2,733)	Deposits, prepayments & other receivables	3,549	4,333	4,290	4,247	4,205
Admin costs	(2,109)	(1,852)	(1,512)	(1,461)	(1,461)	Cash & Cash Equivalents	1,927	2,755	2,447	2,244	2,368
R&D costs	(1,491)	(1,362)	(1,334)	(1,187)	(1,178)	Others	320	450	437	427	420
Others	(713)	461	8	6	5	<b>Total Current Assets</b>	<b>12,967</b>	<b>14,868</b>	<b>13,240</b>	<b>12,438</b>	<b>12,095</b>
<b>Operating Profit</b>	<b>(62)</b>	<b>672</b>	<b>409</b>	<b>645</b>	<b>853</b>	<b>Total Assets</b>	<b>24,933</b>	<b>27,186</b>	<b>25,713</b>	<b>24,970</b>	<b>24,600</b>
Finance Income	33	28	30	27	25	Trade & note payables	4,501	6,486	5,471	4,617	3,898
Finance costs	(237)	(232)	(246)	(244)	(243)	Provisions, accruals & other payables	8,306	10,005	10,305	10,614	10,932
Profit from associates & JCE	(11)	21	22	24	25	Bank borrowings	746	70	63	57	51
<b>Profit Before Tax</b>	<b>(277)</b>	<b>490</b>	<b>215</b>	<b>452</b>	<b>660</b>	Other current liabilities	2,207	1,774	1,595	1,472	1,380
Income Tax	132	41	(318)	(61)	(89)	<b>Total Current Liabilities</b>	<b>15,760</b>	<b>18,334</b>	<b>17,434</b>	<b>16,759</b>	<b>16,261</b>
<b>profit After Tax</b>	<b>(145)</b>	<b>530</b>	<b>(103)</b>	<b>391</b>	<b>571</b>	Warranty provision	291	280	294	309	325
Non-controlling Interest	16	5	(3)	3	5	Deferred revenue	533	537	570	604	640
Shareholders' Profit / Loss	(128)	535	(107)	394	576	Retirement benefit obligations	443	370	389	400	412
Basic EPS (USD Cents)	(1.160)	4.860	(0.968)	3.574	5.232	Bank borrowings	2,505	2,967	2,818	2,677	2,544
						Other non-current liabilities	2,375	602	588	575	565
						<b>Total Non-current Liabilities</b>	<b>6,147</b>	<b>4,757</b>	<b>4,659</b>	<b>4,566</b>	<b>4,486</b>
						<b>Total Liabilities</b>	<b>21,907</b>	<b>23,091</b>	<b>22,093</b>	<b>21,325</b>	<b>20,747</b>
						Share capital	2,690	2,690	2,690	2,690	2,690
						Reserves	310	534	49	64	261
						<b>Total Shareholders' Equity</b>	<b>3,000</b>	<b>3,224</b>	<b>2,739</b>	<b>2,754</b>	<b>2,951</b>
						Minority Interest	26	872	881	891	902
						<b>Total Equity</b>	<b>3,026</b>	<b>4,095</b>	<b>3,620</b>	<b>3,645</b>	<b>3,853</b>
Cash Flow Statement						Financial Ratios					
Year end 31 Mar (USD m)	2016A	2017A	2018F	2019F	2020F		2016A	2017A	2018F	2019F	2020F
Profit before tax	(277)	490	215	452	660	Gross margin	14.7	14.2	13.6	13.3	13.2
D&A	741	742	548	575	598	Operating margin	(0.1)	1.6	0.9	1.4	1.8
Finance income, net	204	204	216	217	218	Net margin	(0.3)	1.2	(0.2)	0.9	1.2
Other non-cash items	444	(356)	(2)	75	136	ROA	(0.5)	2.1	(0.4)	1.6	2.3
Change in working capital	(270)	1,617	419	(95)	(52)	ROE	(3.6)	17.2	(3.6)	14.3	20.2
Interest paid	(195)	(174)	(246)	(244)	(243)	Current ratio (x)	0.8	0.8	0.8	0.7	0.7
Tax paid	(354)	(404)	(311)	(55)	(84)	Quick ratio (x)	0.7	0.7	0.6	0.6	0.6
<b>Cash from Operating Activities</b>	<b>292</b>	<b>2,120</b>	<b>839</b>	<b>925</b>	<b>1,233</b>	Debt to equity ratio (x)	1.1	0.9	1.1	1.0	0.9
CAPEX	(927)	(803)	(795)	(792)	(793)						
Change in bank deposits	19	(44)	10	9	9						
Others	55	(550)	481	492	509						
<b>Cash from Investing Activities</b>	<b>(854)</b>	<b>(1,398)</b>	<b>(305)</b>	<b>(291)</b>	<b>(275)</b>						
Dividends paid	(379)	(377)	(378)	(378)	(378)						
Bank borrowings change	(415)	(682)	(155)	(147)	(140)						
Others	490	1,204	(274)	(280)	(288)						
<b>Cash from Financing Activities</b>	<b>(305)</b>	<b>145</b>	<b>(808)</b>	<b>(806)</b>	<b>(806)</b>						
<b>Net Changes in Cash</b>	<b>(867)</b>	<b>867</b>	<b>(273)</b>	<b>(171)</b>	<b>152</b>						
Cash at Beg of Year	2,855	1,927	2,755	2,447	2,244						
FX change	(62)	(40)	(35)	(31)	(28)						
<b>Cash at End of Year</b>	<b>1,927</b>	<b>2,755</b>	<b>2,447</b>	<b>2,244</b>	<b>2,368</b>						

Source: the Company, Guotai Junan International.

### Company Rating Definition

The Benchmark: Hong Kong Hang Seng Index

Time Horizon: 6 to 18 months

Rating		Definition
Buy	买入	Relative Performance > 15%; or the fundamental outlook of the company or sector is favorable.
Accumulate	收集	Relative Performance is 5% to 15%; or the fundamental outlook of the company or sector is favorable.
Neutral	中性	Relative Performance is -5% to 5%; or the fundamental outlook of the company or sector is neutral.
Reduce	减持	Relative Performance is -5% to -15%; or the fundamental outlook of the company or sector is unfavorable.
Sell	卖出	Relative Performance < -15%; or the fundamental outlook of the company or sector is unfavorable.

### Sector Rating Definition

The Benchmark: Hong Kong Hang Seng Index

Time Horizon: 6 to 18 months

Rating		Definition
Outperform	跑赢大市	Relative Performance > 5%; or the fundamental outlook of the sector is favorable.
Neutral	中性	Relative Performance is -5% to 5%; or the fundamental outlook of the sector is neutral.
Underperform	跑输大市	Relative Performance < -5%; Or the fundamental outlook of the sector is unfavorable.

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