



Company Report: NetEase (NTES US)

公司报告: 网易 (NTES US)

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Impetus by Online Games Services, "Buy"

在线游戏服务发力, "买入"

- **NetEase's 1Q19 shareholders' profit was better than market expectation by 66.9%**, mainly due to higher than expected online game revenue and the efficient cost control in sales and marketing. Gross profit margin increased 2.1 ppts yoy to 44.1% due to the lifted gross profit margin of online game services and e-commerce.
- **We estimate FY19-FY21 online games services revenue growth of 11.7%/ 11.4%/ 7.3%, respectively**, due to the reopening of both domestic and imported game version number approval as well the expected strong title release. The revenue of online game services grew 35.3% yoy in 1Q19, 53.7 ppt higher than that of last year same period.
- **We expect FY19-FY21 E-commerce to grow 26.2%/ 25.5%/ 15.1%, respectively**. 1Q19 E-commerce grew 28.3% yoy. Gross profit margin is expected to be 40.0%/ 39.0% /38.8% in FY19-FY21. Operating margin is expected to expand in FY2019 due to efficient cost control.
- **We set investment rating of "Buy", and the TP as US\$285.00**. In accordance with the expected strong game pipeline and efficient cost control, we believe the Company can still maintain its profit momentum. Non-GAAP net profit is estimated to grow by 24.1%/ 13.2%/ 9.3% in FY19-21, respectively. The new TP represents 33.0x FY19 PER, 29.7x FY20 PER and 27.5x FY21 PER.
- **网易 2019 财年第 1 季度股东净利润超过市场预期 66.9%**, 主要由于高于市场预期的游戏收入与高效的成本控制。由于在线游戏服务与电子商务的毛利率上涨, 公司毛利率同比上升 2.1 个百分点至 44.1%。
- **我们预计 2019 财年至 2021 财年在线游戏服务收入将分别增长 11.7%/11.4%/7.3%**, 因国产与进口游戏版号审批重启与预计较强的游戏储备。在线游戏服务收入于 2019 财年 1 季度同比增长 35.3%, 与去年同期相比上升 53.7 个百分点。
- **我们预计 2019 财年至 2021 财年的电子商务将分别增长 26.2%/ 25.5%/ 15.1%**。2019 财年 1 季度的电子商务同比增长 28.3%。毛利率预计在 2019 财年至 2021 财年分别为 40.0%/ 39.0%/ 38.8%。在有效的成本控制下, 经营利润率在 2019 财年预计将得到扩张。
- **我们设定投资评级为“买入”, 目标价为 285.00 美元**。由于较强的游戏储备与有效的成本控制, 我们相信公司仍然可以维持其盈利势头。2019 财年至 2021 财年非 GAAP 净利润预计分别同比增长 24.1%/ 13.2%/ 9.3%。新的目标价对应 33.0 倍的 2019 财年市盈率、29.7 倍的 2020 财年市盈率以及 27.5 倍的 2021 财年市盈率。

Rating:

Buy

评级:

买入

6-18m TP 目标价:

US\$285.00

ADS price ADS 价格:

US\$266.130

Stock performance

股价表现



Change in ADS Price	1 M	3 M	1 Y
股价变动	1 个月	3 个月	1 年
Abs. % 绝对变动 %	(0.2)	8.9	6.8
Rel. % to NASDAQ Index 相对纳指变动 %	(1.9)	6.0	3.8
Avg. ADS price(US\$) 平均股价 (美元)	257.4	261.6	237.2

Source: Bloomberg, Guotai Junan International.

Year End	Turnover	Net Profit	Earnings/ADS	Earnings/ADS	PER	BV/ADS	PBR	DP ADS	Yield	ROE
年结	收入	股东净利	每份 ADS 净利	每份 ADS 净利变动	市盈率	每份 ADS 净资产	市净率	每份 ADS 股息	股息率	净资产收益率
12/31	(RMB m)	(RMB m)	(RMB)	(Δ %)	(x)	(RMB)	(x)	(RMB)	(%)	(%)
2017A	54,102	10,708	81.360	(8.0)	21.3	352.181	4.9	24.752	1.5	25.4
2018A	67,156	6,152	47.541	(41.6)	38.5	355.651	5.1	11.129	0.6	13.5
2019F	80,892	7,707	59.596	25.4	30.8	415.690	4.4	13.951	0.8	15.7
2020F	95,441	8,557	66.300	11.2	27.7	490.906	3.7	15.520	0.8	14.8
2021F	104,956	9,201	71.536	7.9	25.7	572.991	3.2	16.746	0.9	13.6

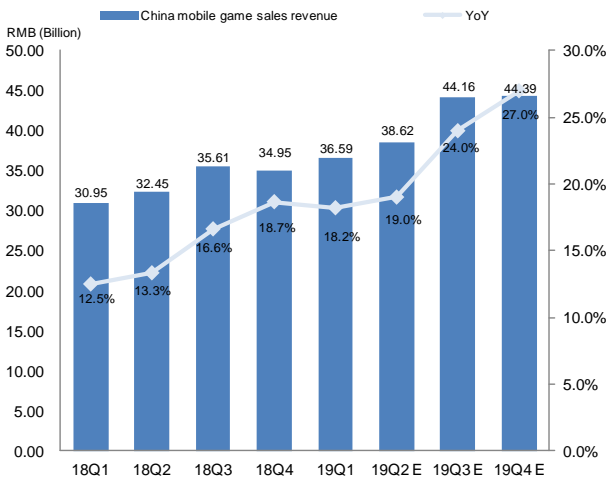
ADS in issue (m) 总 ADS 数 (m)	128.0	Major shareholder 大股东	Mr William Lei Ding 45.5%
Market cap. (US\$ m) 市值 (US\$ m)	34,064.6	Free float (%) 自由流通比率 (%)	52.6
3 month average vol. 3 个月平均成交股数 ('000)	748.4	FY19 Net gearing (%) FY19 净负债/股东资金 (%)	14.0
52 Weeks high/low (US\$) 52 周高/低 (US\$)	289.685 / 184.600	FY19 - FY21 PEG	2.0

Source: the Company, Guotai Junan International.

Industry Updates

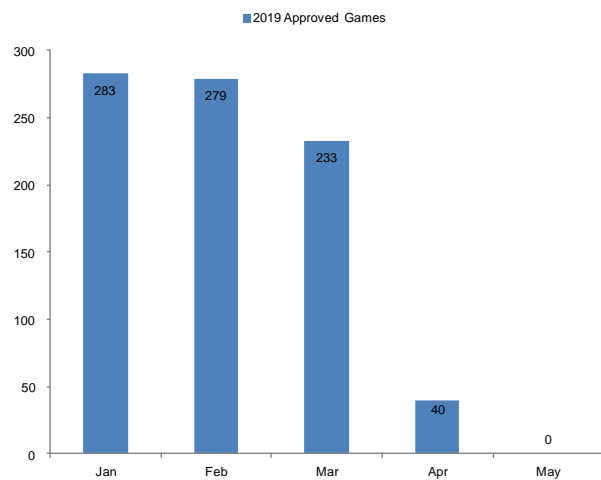
The growth in China mobile game sales revenue in 1Q19 was in line with our expectation and further accelerated growth is expected in 2Q19. The growth in China mobile game sales revenue recorded a small drop in 1Q19, with 18.2% yoy growth, compared to 18.7% in 4Q18. Growth was mainly driven by outperforming revenue from both existing titles and newly released games in 1Q19, such as Perfect World from Tencent. On the other hand, the total amount of new licensed games approved by the State Administration of Press, Publications, Radio, Film and Television (SAPPRFT) declined from January to April and no new game licenses were approved in May 2019. We expect that the total amount of approved licensed games will decrease compared to in 2017 due to the increase in licensed game control standards. Strong China mobile game sales revenue is expected to rally in 2H19 due to 1) policy support from SAPPRFT with the reopening of both domestic and imported game license approval; 2) more highly-expected games are expected to be released in 2Q19.

Figure-1: 1Q2019 China mobile game sales revenue



Source: CNG, Guotai Junan International.

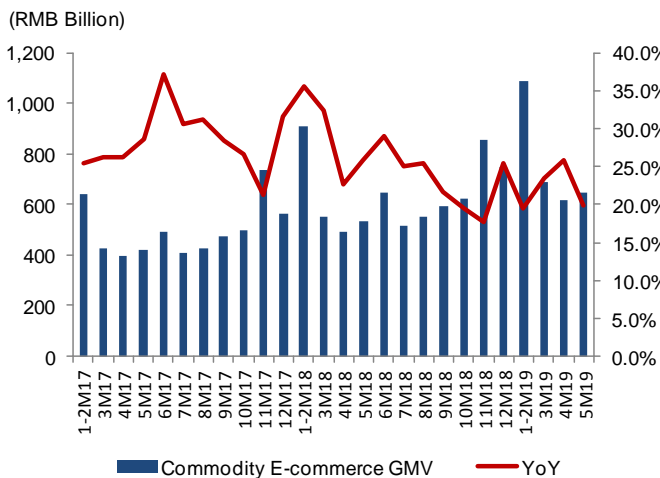
Figure-2: Amount of licensed games approved by SAPPRFT



Source: SAPPRFT, Guotai Junan International.

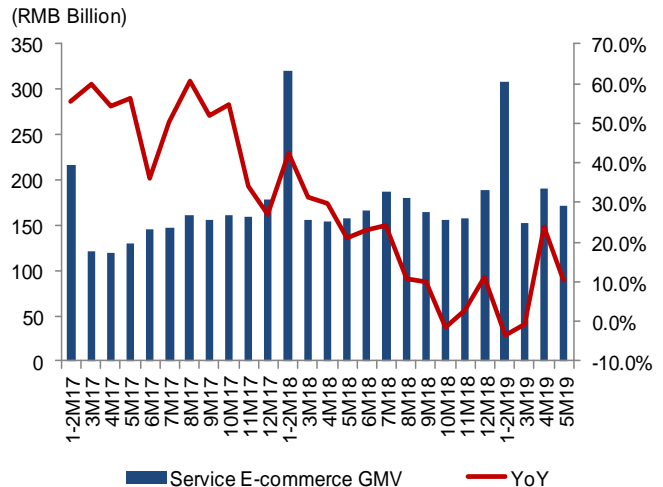
China e-commerce GMV recorded solid growth in 5M19. According to data published by the National Bureau of Statistics of China, China e-commerce GMV in 1-5M19 reached RMB3,864.1 bn, up 17.8% yoy, but growth was down 12.9 ppts yoy. In 5M19, China commodity e-commerce GMV reached RMB684.2 bn, up 19.9% yoy and China service e-commerce GMV reached RMB172.0 bn, up 10.5% yoy. China's express delivery volume in 1-5M19 reached 22.3 bn, up 24.9% yoy. During 5M19, China's express delivery volume reached 5.2 bn, up 25.2% yoy.

Figure-3: China Commodity E-commerce GMV



Source: National Bureau of Statistics of China, Guotai Junan International.

Figure-4: China Service E-commerce GMV



Source: National Bureau of Statistics of China, Guotai Junan International.

1Q19 Results Review

1Q19 shareholders' profit was better than market expectation by 66.9%, mainly due to higher than expected online game services revenue and the efficient cost control in sales and marketing. More specifically, online game services revenue in 1Q19 increased 35.3% yoy mainly due to strong performance from its flagship titles, such as Fantasy Westward Journey and New Westward Journey Online series, and its initiatives diversification. Gross profit margin improved to 44.1%, compared to 38.6% and 42.0% for the previous quarter and 1Q18. The improvement was mainly driven by the increase of gross profit margin of both online game services and e-commerce. On the other hand, as the decrease in marketing expenditure related to online games services and e-commerce, operating profit margin increased 5.9 ppts qoq and 8.7 ppts yoy to 17.2% in 1Q19. As for income tax, the effective tax rate was 34.0% for 1Q19, which was 8.0 ppt higher than that in 1Q18. Non-GAAP net profit increased 125.6% yoy in 1Q19.

Table-1: Netease's Income Statement Analysis

RMB (Billion)	1Q19	1Q18	yoy	Comments
Total revenue	18.4	14.2	29.5%	
- Online game services	11.9	8.8	35.3%	Primarily due to increased revenue contribution from mobile games including Knives Out.
- E-commerce	4.8	3.7	28.3%	Increased sales volume of Kaola and Yanxuan as well as improved procurement and operation process.
- Advertising services	0.4	0.5	(5.1%)	Seasonality and macro headwinds affect.
- Innovative business and others	1.3	1.2	5.0%	
Gross profit	8.1	6.0	35.9%	
S&M expenses	(1.7)	(2.5)	(31.9%)	Decreased marketing expenditures related to online game services and e-commerce, plus decreased shipping and handling costs.
G&A expenses	(0.8)	(0.8)	2.9%	
R&D expenses	(2.2)	(1.5)	48.5%	
Operating profit	3.4	1.2	182.5%	
Income tax	(1.3)	(0.3)	348.9%	
Shareholders' profit	2.4	0.8	216.8%	
Non-GAAP Shareholders' profit	3.0	1.3	125.6%	
EPADS (RMB)	18.6	5.7	224.3%	
Gross profit margin	44.1%	42.0%	2.1 ppt	
Non-GAAP net profit margin	16.4	9.4	7.0 ppt	

Source: the Company, Guotai Junan International.

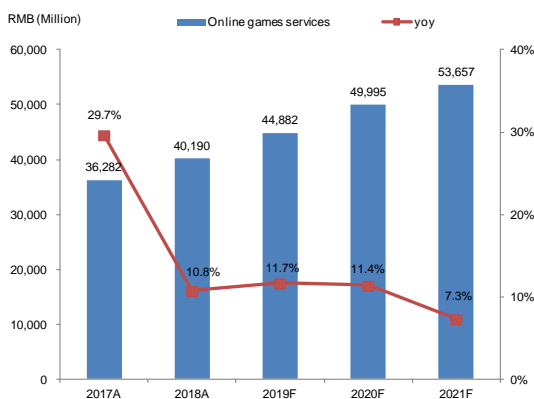
Strong rebound of online game services is expected in 2H19 due to the reopening of both domestic and imported game version number approval as well as the expected strong title release. The revenue of online game services was better than our expectation with 35.3% yoy growth, 53.7 ppt higher than that of last year same period. We believe the growth was due to the following reasons 1) continuing growth of its legacy titles such as Fantasy Westward Journey series, New Westward Journey Online series and Tianxia III; 2) Outstanding performance in overseas markets such as Knives Out in Japan. We believe the growth of online game services are expected to be strong in 2H19 due to the following reasons: 1) the approval pace of both domestic and imported game license is expected to become normalize in 2H19; 2) During the NetEase's Annual Game Conference in Guangzhou on 20th May, the Company announced 25 mobile games new titles. We believe the expected monetized titles could alleviate the income stress for some decreasing revenue contributed games. In addition, overseas game markets are expected to be another pillar to drive the growth of the Company's online game services. We expect the Company would further cultivate the oversea game markets and a few games have started to test and trial according to the Company. Knives Out, which ranked No.3 among the top 10 domestic mobile games in terms of overseas market revenue in April 2019, achieved an outstanding performance in Japanese market. Battle Royale title Cyber Hunter global launched in April 22, 2019 and racked up over 5 million worldwide download across App store and Google play. The main contribution area is in Japan, with 1.1 million Cyber Hunter's installs during its first two weeks from Japan, according to the SensorTower. The Company is expected to expand its international mobile game market via the following three approaches: 1) Continue to invest in global talent and overseas game studios in order to make proprietary games that are suitable for global players; 2) work with many of the world's best game companies to help transform some of their well-known PC or console IP into mobile sensations such as Diablo and EVE; 3) Partnered with some of the world's most successful IP owners to create games on their iconic characters and storylines. We believe the revenue momentum of overseas market could be another momentum for online game revenue growth. Hence we estimate the online game service grow by 11.7%/ 11.4%/ 7.3% from FY2019 to FY2021.

Table-2: Top 10 most income of domestic games in overseas market in Apr.2019

Ranking	Grossing Games	Game Distributors
1	PUBG (绝地求生)	Tencent
2	Lords Mobile (王国纪元)	IGG
3	Knives Out (荒野行动)	Netease
4	Rise of Kingdoms (万国觉醒)	LilithGame
5	Guns of Glory (火枪纪元)	FunPlus
6	Mafia City (黑道风云)	Yotta-games
7	Last Shelter: Survival (末日孤独城)	IM 30
8	King of Avalon (阿瓦隆之王)	FunPlus
9	Be The King (成为国王)	Chuang Cool
10	Langrisser (梦幻模拟战)	GameBeans

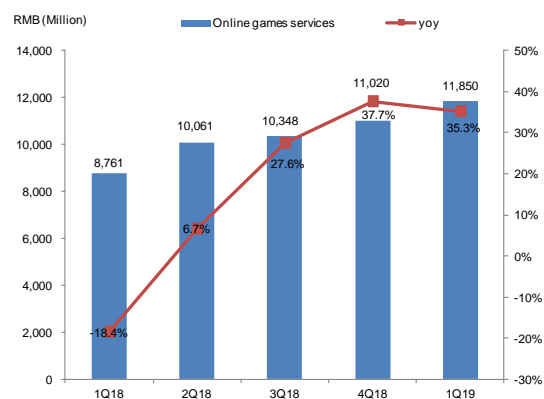
Source: Sensor Tower, Guotai Junan International

Figure-5: NetEase's Annual Online Games Revenue and YoY Growth



Source: the Company, Guotai Junan International.

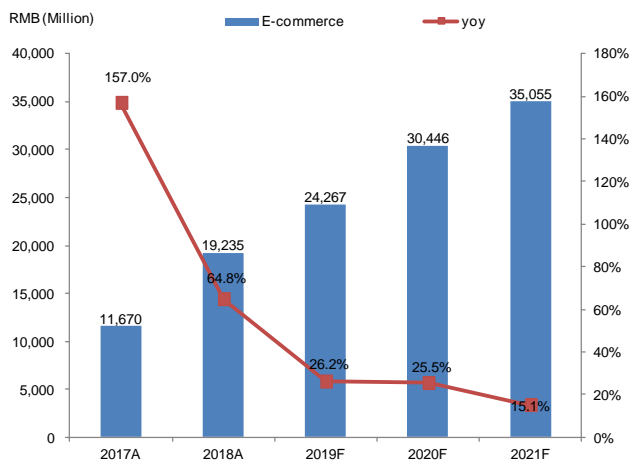
Figure-6: NetEase's Quaterly Online Games Revenue and YoY Growth



Source: the Company, Guotai Junan International.

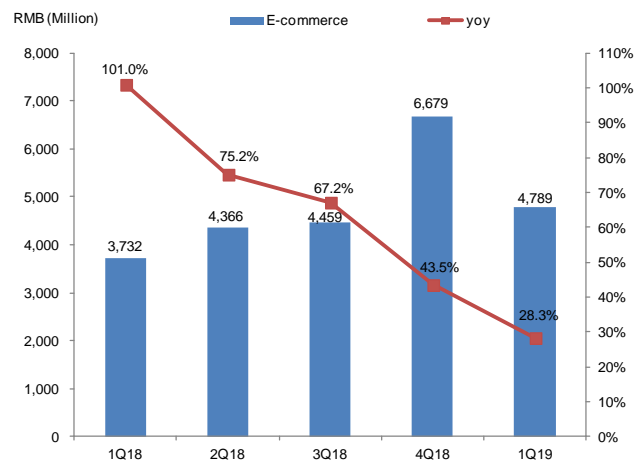
We expect FY19-FY21 percentage revenue contribution by E-commerce business would increase to 30.0%, 31.9%, and 33.4%, respectively. With the enhanced warehouse logistics operations, adjusted marketing strategies and optimized pricing, revenue of e-commerce grew 28.3% yoy in 1Q19. For Kaola, the Company is expected to continuously collaborate with more international brands and raise their brand profiles in China. In the policy view, the Company is expected to be increasingly encouraged by the government favorable policies toward cross-border e-commerce, which is expected to raise the cross-border duty free quota per transaction and raise the duty free annual quota per individual. Kaola also hope to seize additional spending from loyal customers by offering reliable and cost-effective products from around the world. We believe that could incentive customers for overseas good purchasing demand. For Yanxuan, the Company is expected to enhance its supply chain efficiency via establishing new workflow progresses, which is expected to work more closely with quality designers and ensure a high caliber product design and craftsmanship. In April, the Company introduced a new cash back incentive program to encourage user engagement. We believe the percentage revenue contribution by e-commerce would continue to increase due to the increasing demand of overseas goods and the expected high efficient supply chain. We expect the yoy growth of e-commerce revenue of FY19-FY21 to be 26.2%/ 25.5% and 15.1%.

Figure-7: NetEase's Annual E-commerce Revenue and YoY Growth



Source: the Company, Guotai Junan International.

Figure-8: NetEase's Quarterly E-commerce Revenue and YoY Growth



Source: the Company, Guotai Junan International.

We expect the yoy growth of innovative business and others in FY19-FY21 to be 79.3%, 33.3% and 7.9%, respectively.

The Company derive its innovative business and others revenue primarily from video streaming, music streaming, online payment platform, online education and premium e-mail and other value-added services. Innovative business and others net revenues were RMB 1.3 billion, increasing 5.0% yoy but declining 7.8% qoq. The qoq decline was mainly due to seasonality with low revenue generated from cloud music and NetEase CC, a live video streaming platform, as well as higher copyrights costs. In addition, as the Company is expected to put more resource on the development of music and online education divisions, we believe the revenue contribution by innovative business to be 11.6%/ 13.1%/ 12.8% from FY19 to FY21.

Gross profit margin is expected to be 40.0%, 39.0% and 38.8% in 2019 to 2021 due to the increasing revenue contribution of e-commerce business, which has a relatively low margin. Overall gross margin in 1Q19 increased by 2.1 ppts yoy to 44.1%, contributed by the increasing of e-commerce gross margin. Online game services gross margin was 63.7%, up 1.6ppts yoy mainly due to increased revenues while certain costs related to the Company's online game services were fixed. E-commerce gross margin increased 0.7ppts yoy to 10.2% in 1Q19 primarily due to increased sales volume of Kaola and Yanxuan as well as improved procurement and operation processes. We believe the gross margin would under pressure due to the expected continuing investment on e-commerce business development. However, we believe the operating margin would be expanded in FY2019 due to the expected efficient cost control by the Company. We expect the sale and marketing to revenue ratio to drop 2.4ppts to 11.8% in 2019F. In addition, we set the operating margin from 2019F to 2021F to be 12.5%/ 11.6% and 10.9%.

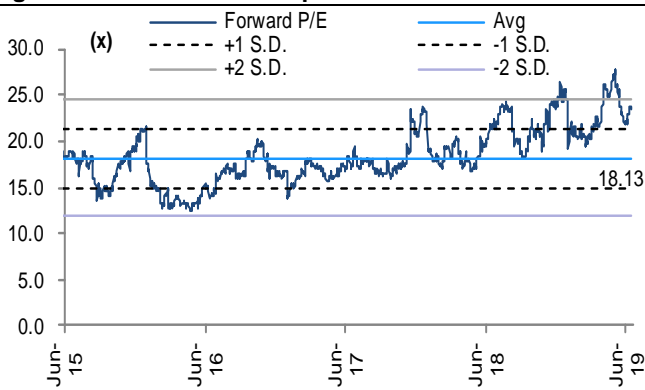
Profit Estimates

FY19-21 earnings per ADS are expected to grow 25.4%/ 11.2%/ 7.9%. we believe online game services is expected to strong rebound in 2H19 due to the expand games portfolio and rich pipeline. E-commerce is expected to be further improved. With the expected increase of online game services and e-commerce plus the expected efficient cost control, we set FY19-21 basic EPADS at RMB 59.60/ RMB 66.30/ RMB 71.54.

Valuation

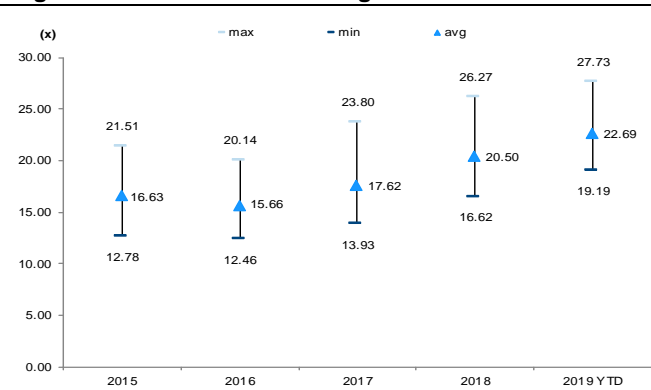
With the expected online game series rebound and improved e-commerce business, we set the investment rating as “Buy” and the TP as US\$285.00. We expect that NetEase’s online game business will improve in FY19 thanks to the expected strong pipeline and further expansion in overseas market. Non-GAAP net profit is estimated to grow by 24.1%/ 13.2%/ 9.3% in FY19-21, respectively. The new TP represents 33.0x FY19 PER, 29.7x FY20 PER and 27.5x FY21 PER.

Figure-9: NetEase’s PE Graph



Source: Bloomberg.

Figure-10: NetEase’s PER Range



Source: Bloomberg.

Table-3: Peers Comparison

Company	Ticker	Currency	Price	PER (x)			PBR (x)			P/S	PEG	Market Cap Local currency (million)
				19F	20F	21F	19F	20F	21F			
US Online Game Companies												
Changyou	CYOU US	USD	10.690	5.1	5.5	5.4	0.9	0.8	0.7	1.2	(1.8)	569
Electronic Arts Inc	EA US	USD	92.030	27.4	20.2	18.2	5.1	4.5	3.9	6.2	1.7	27,357
Activision Blizzard Inc	ATVI US	USD	45.770	21.1	17.9	15.7	2.8	2.6	2.3	5.5	1.3	35,060
Netease	NTES US	USD	266.130	23.5	20.3	17.8	4.2	3.7	3.2	2.9	1.6	34,054
Simple Average				19.3	16.0	14.3	3.3	2.9	2.5	4.0	0.7	
Weighted Average				23.6	19.3	17.1	4.0	3.5	3.1	4.8	1.5	
HK Online Game Companies												
Kingsoft Corp Ltd	3888 HK	HKD	16.900	25.3	18.0	15.6	1.5	1.4	1.3	2.4	0.9	23,199
Forgame Holdings Ltd	484 HK	HKD	4.770	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	654
Linekong Interactive Group C	8267 HK	HKD	0.700	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	258
Idreamsky Technology Holding	1119 HK	HKD	4.960	6.7	5.6	n.a.	1.6	1.2	n.a.	1.4	n.a.	6,298
Tencent	700 HK	HKD	334.000	30.1	24.2	19.7	6.6	5.3	4.2	7.1	1.3	3,179,993
Boyaa Interactive Int.	434 HK	HKD	1.340	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	968
Fingertango Inc	6860 HK	HKD	1.280	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2,530
Leyou Technologies Holdings	1089 HK	HKD	2.370	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7,304
Fire Rock Holdings Ltd	8345 HK	HKD	6.050	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,936
Digital Hollywood Interactiv	2022 HK	HKD	0.198	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	396
Ourgame International Holdin	6899 HK	HKD	0.730	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	798
Baioo Family Interactive Ltd	2100 HK	HKD	0.440	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,230
Feiyu Technology Internation	1022 HK	HKD	0.237	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	367
IGG	799 HK	HKD	8.620	7.3	6.5	5.9	3.4	2.5	2.0	1.7	0.7	11,007
Zengame Technology Holding	2660 HK	HKD	0.830	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	848
Netdragon	777 HK	HKD	19.000	12.8	10.7	10.3	1.7	1.5	1.4	1.5	1.1	10,079
Simple Average				16.4	13.0	12.9	3.0	2.4	2.2	2.8	1.0	
Weighted Average				29.9	24.0	19.6	6.6	5.2	4.2	7.0	1.3	
Advertising Companies												
Momo Inc-Spon ADR	MOMO US	USD	32.760	12.6	10.5	9.3	2.6	1.9	1.4	2.9	0.8	6,793
Bilibili Inc-Sponsored ADR	BILI US	USD	15.160	n.a.	n.a.	55.7	4.5	4.5	3.9	5.2	n.a.	4,944
Sohu.Com Inc	SOHU US	USD	14.450	n.a.	n.a.	n.a.	1.4	2.7	5.0	0.3	n.a.	567
Weibo	WB US	USD	43.240	15.9	13.5	11.6	3.8	2.9	2.3	5.2	0.9	9,731
Bitauto	BITA US	USD	10.630	7.5	6.1	5.4	0.4	0.4	0.4	0.4	0.4	746
Cheetah Mobile	CMCM US	USD	3.880	32.9	57.1	n.a.	0.6	0.6	0.5	0.9	n.a.	556
58.com	WUBA US	USD	61.610	21.8	17.4	14.7	2.6	2.4	2.0	4.0	1.0	9,154
Soufun	SFUN US	USD	0.835	6.2	4.3	n.a.	0.5	0.5	n.a.	1.3	n.a.	401
Phoenix New Media	FENG US	USD	3.580	n.a.	n.a.	28.4	0.3	0.3	0.3	1.1	n.a.	261
Sina	SINA US	USD	42.460	16.0	13.4	10.8	0.9	0.8	0.7	1.3	0.7	2,945
Facebook	FB US	USD	188.470	22.0	17.9	14.9	5.3	4.2	3.3	7.8	1.0	538,025
Simple Average				16.9	17.5	18.9	2.1	1.9	2.0	2.8	0.8	
Weighted Average				21.8	17.7	15.1	5.1	4.1	3.3	7.5	1.0	
E-commerce Companies												
Pinduoduo Inc-ADR	PDD US	USD	20.890	n.a.	39.9	17.7	9.7	7.9	6.0	5.9	n.a.	24,282
Alibaba*	BABA US	USD	165.510	31.0	24.6	19.1	5.8	4.7	3.9	8.4	0.9	430,917
VIPSHOP	VIPS US	USD	8.190	12.1	10.1	8.7	1.7	1.5	1.3	0.4	0.7	5,450
EBay	EBAY US	USD	39.670	14.7	12.8	11.3	11.4	8.5	7.0	3.2	1.0	34,573
JD.com	JD US	USD	28.260	40.8	28.0	19.8	4.2	3.8	3.3	0.5	0.9	41,089
AMAZON	MZN US	USD	1901.370	52.3	38.9	29.2	14.2	10.4	7.4	3.4	1.5	936,105
Simple Average				30.2	25.7	17.6	7.8	6.1	4.8	3.6	1.0	
Weighted Average				44.6	33.7	25.3	11.3	8.4	6.2	4.8	1.3	
Search Engine Companies												
Sogou Inc-ADR	SOGO US	USD	4.100	17.2	12.5	11.2	1.5	1.3	1.2	1.3	0.7	1,628
Alphabet Inc-CIA	GOOGL US	USD	1105.240	19.6	17.3	14.4	3.7	3.1	2.5	5.8	1.2	766,697
Baidu Inc - Spon ADR	BIDU US	USD	116.950	24.9	16.5	12.0	1.7	1.6	1.4	2.6	0.6	40,934
Simple Average				20.6	15.4	12.5	2.3	2.0	1.7	3.2	0.8	
Weighted Average				19.9	17.2	14.3	3.6	3.0	2.5	5.6	1.1	
Overall Average				20.7	17.5	15.2	3.7	3.1	2.7	3.3	0.9	
Overall Weighted Average				28.0	22.4	18.3	6.1	4.8	3.8	5.9	1.2	

Source: Bloomberg.
 Notes: * represents figures of FY19/FY20/FY21

Company Rating Definition

The Benchmark: NASDAQ Composite 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: NASDAQ Composite 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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