



Company Report: Dongfang Electric (01072 HK)

公司报告: 东方电气 (01072 HK)

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Recovery and Transformation to Boost Growth, Maintain "Buy"

复苏及转型将推动增长, 维持“买入”

- 9M2019 net earnings increased by 13.5% YoY to RMB1,035 mn.** Quarterly sales and net earnings in 3Q2019 went up YoY by 26.9% and down YoY by 19.0%, respectively. The earnings during the first 3 quarters missed expectation due to the worse-than-expected 3Q2019 results. Gross margin in 9M2019 went up by 4.0 ppt YoY to 24.4%, while net margin was up 0.4 ppt YoY to 4.5%. New orders in 9M2019 went up YoY by 14.4% to RMB26.12 bn, with export orders contributing 11.1% of total new orders.
- Nationwide newly installed power generating capacity in 9M2019 reached 64.6 GW, down YoY by 20.4%.** Thermal, hydro, nuclear, wind and solar contributed 28.5 GW, 2.8 GW, 4.1 GW, 13.1 GW and 16.1 GW, respectively, of newly installed capacity in the first 9 months of 2019, implying YoY growth of +19.7%/ -58.0%/ +18.2%/ +3.7%/ -53.3%, respectively. Renewable energies made up 56% of newly installed power capacity in China in 9M2019.
- We maintain the investment rating of "Buy" but cut our TP to HK\$6.35.** We expect revenues to increase YoY by 0.4%/ 3.2%/ 4.6% from 2019 to 2021, respectively. The consolidated gross margin of Dongfang Electric is set to gradually recover and therefore is estimated to be 26.4%/ 27.4%/ 28.1% from 2019 to 2021, respectively. Our revised EPS estimates from 2019 to 2021 are RMB0.434, RMB0.580 and RMB0.653, respectively. Our new TP corresponds to 13.2x/ 10.0x/ 8.8x FY19 to FY21 PER or 0.6x/ 0.6x/ 0.5x FY19 to FY21 PBR.
- 2019 年前 9 个月净利润同比升 13.5%至人民币 10.35 亿元。** 2019 年第三季度的收入和净利分别同比升 26.9%和跌 19.0%。2019 年前 9 个月的业绩差于预期, 主要受累于不如预期的 2019 年第三季度的业绩。2019 年前 9 个月的毛利率同比上升了 4.0 个百分点至 24.4%, 而净利润率则同比上升 0.4 个百分点至 4.5%。2019 年前 9 个月的新订单同比增长 14.4%至 261.2 亿元人民币, 而出口订单占到了新订单总额的 11.1%。
- 全国于 2019 年前 9 个月的新增发电装机容量同比下降 20.4%至 64.6 吉瓦。** 其中, 火电、水电、核电、风电和太阳能的新增装机容量分别为 28.5 吉瓦、2.8 吉瓦、4.1 吉瓦、13.1 吉瓦和 16.1 吉瓦, 分别相当于+19.7% / -58.0% / +18.2% / +3.7% / -53.3%的同比增长。可再生能源发电装机容量占到了 2019 年前 9 个月国内新增发电装机容量的 56%。
- 我们维持投资评级为“买入”, 但下调目标价至 6.35 港元。** 我们预计公司于 2019-2021 年的收入将分别同比上升 0.4% / 3.2% / 4.6%。此外, 公司的综合毛利率将逐年回升, 并预计将于 2019-2021 年分别达到 26.4% / 27.4% / 28.1%。我们经调整后的 2019-2021 年的每股盈利预测分别为人民币 0.434 元、人民币 0.580 元和人民币 0.653 元。我们的新目标价相当于 13.2 / 10.0 / 8.8 倍的 2019-2021 年市盈率或 0.6 / 0.6 / 0.5 倍的 2019-2021 年市净率。

Rating:

Buy

Maintained

评级:

买入 (维持)

6-18m TP 目标价:

HK\$6.35

Revised from 原目标价:

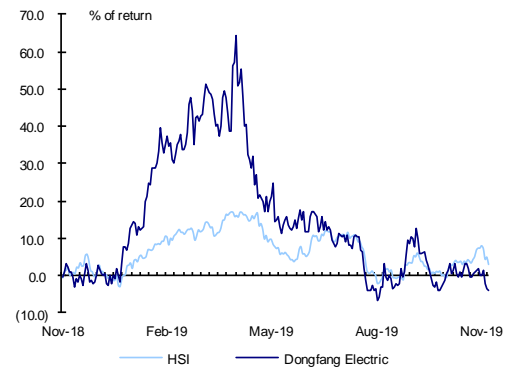
HK\$7.00

Share price 股价:

HK\$4.250

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 %	(5.1)	2.7	(6.4)
Rel. % to HS Index 相对恒指变动 %	(6.1)	(2.4)	(9.4)
Avg. Share price(HK\$) 平均股价 (港元)	4.4	4.5	5.1

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
12/31	(RMB m)	(RMB m)	(RMB)	(Δ %)	(x)	(RMB)	(x)	(RMB)	(%)	(%)
2017A	33,430	1,057	0.342	n.a.	10.3	11.690	0.3	0.000	0.0	4.4
2018A	30,706	1,129	0.365	6.7	10.2	9.248	0.4	0.110	2.9	4.0
2019F	30,817	1,342	0.434	18.9	8.8	9.564	0.4	0.130	3.4	4.6
2020F	31,813	1,792	0.580	33.6	6.6	10.027	0.4	0.174	4.5	5.9
2021F	33,284	2,018	0.653	12.6	5.9	10.542	0.4	0.196	5.1	6.3

Shares in issue (m) 总股数 (m)	3,090.8	Major shareholder 大股东	DFE Group 55.9%
Market cap. (HK\$ m) 市值 (HK\$ m)	13,135.9	Free float (%) 自由流通比率 (%)	43.5
3 month average vol. 3 个月平均成交股数 ('000)	830.3	FY19 Net gearing (%) FY19 净负债/股东资金 (%)	Net cash
52 Weeks high/low (HK\$) 52 周高/低 (HK\$)	7.700 / 4.100	FY19 Est. NAV (HK\$) FY19 每股估值 (港元)	7.2

Source: the Company, Guotai Junan International.

9M2019 net earnings increased by 13.5% YoY to RMB1,035 mn. Quarterly sales and net earnings in 3Q2019 went up YoY by 26.9% to RMB7.15 bn and down YoY by 19.0% to RMB306 mn, respectively. The Company's earnings during the first 3 quarters missed expectation due to the worse-than-expected 3Q2019 operating results. Quarterly earnings in 3Q2019 went down YoY by 19.0% as a result of the sharp rise in selling expense and R&D expense during the 3rd quarter, which went up YoY by 146% and 93%, respectively. R&D expenses nearly doubled in 9M2019 and reached RMB1.21 bn, which we believe was attributable to increased spending on developing larger and more advanced wind power equipment to suffice the domestic market. During the first 3 quarters of 2019, the Company produced 15.03 GW of power equipment, down YoY by 17.6%. Except for gross margin, segmental operating information was not provided for 9M2019. Overall gross margin in 9M2019 went up by 4.0 ppt YoY to 24.4%, while net margin was up 0.4 ppt YoY to 4.5%. It is worth noting that the gross margin of the high efficiency clean energy equipment segment, mainly composed of thermal equipment and thermal-related products, in 9M2019 reached 24.2%, up YoY by 7.1 ppt. Asset impairment loss (credit impairment and asset impairment combined) went up YoY by 24.3% to RMB598 mn in 9M2019 and remains a critical determinant to the profitability of the Company. New orders in 9M2019 went up YoY by 14.4% to RMB26.12 bn, with export orders contributing 11.1% of total new orders. The Company completed its reorganization in 2018 and acquired promising new assets from its parent Dongfang Electric Group, and we believe these assets are to help the Company cope with the challenges of decreased demand of conventional power equipment in the China market. As China is limiting the development of thermal power as a result of its energy structure optimization strategy, we believe that the Company will continue the ongoing SOE reform and gradually transform itself from a power equipment pure play into a diversified industrial conglomerate in the region.

Nationwide newly installed power generating capacity in 9M2019 reached 64.6 GW, down YoY by 20.4%. In 9M2019, nationwide newly installed power generating capacity reached 64.55 GW, down YoY by 20.4% or YoY decrement of 16.59 GW. Thermal, hydro, nuclear, wind and solar contributed 28.5 GW, 2.8 GW, 4.1 GW, 13.1 GW and 16.1 GW, respectively, of newly installed capacity in the first 9 months of 2019, implying YoY growth of +19.7%/ -58.0%/ +18.2%/ +3.7%/ -53.3%, respectively. Newly installed solar capacity suffered the greatest decline during the period as a result of de-subsidization process within the solar industry in China ("solar energy grid-parity"). Non-fossil fuel renewable energies contributed 56% of total newly installed power capacity in China in 9M2019. Nationwide power engineering investment in 9M2019 reached RMB179.7 bn, up YoY by 6.0%. Among which, thermal, hydro, nuclear and wind power engineering investment in 9M2019 went down YoY by 28.9%, up YoY by 30.2%, down YoY by 29.7% and up YoY by 72.8%, respectively. Renewable energy power sources contributed approximately 79% (+10 ppt YoY) of power engineering investment in China during the first 9 months in 2019, with the rest contributed by thermal power. On the other hand, nationwide power grid investment in 9M2019 was down by 12.5% YoY to RMB295.3 bn. We expect investment in renewable power sources to speed up for the period from 2019 to 2020, while investment on thermal power is expected to stabilize at approximately 30 GW per year. As part of its energy development strategy and its commitment to the Paris Agreement, China is set to further expand its renewable energy portfolio going forward. We expect total domestic power sector investment in 2019 to be approximately RMB770 bn, down YoY by 4.9%. In which, power engineering investment is estimated to hit RMB290 bn (+6.6%) while that on the power grid is expected to be RMB480 bn (-10.7% YoY). Further down to the last year of the 13th Five-Year period, we expect power sector investment in China to be approximately RMB750 bn in 2020.

We trimmed our earnings forecast as a result of the unsatisfactory 3Q2019 results. We expect sales of the high efficiency clean energy segment (mainly composed of thermal equipment and related services) to further decline from 2019 to 2021, while that of engineering and trade segment to fall YoY by 13.5% in 2019 before achieving revenues growth over the next two years. Furthermore, we expect sales of renewable energy equipment, of modern manufacturing services, and of emerging growth business to record high double-digit growth per annum during the 3 year forecast period from 2019 to 2021 and to help offset the negative impact brought by the domestic thermal downtrend. We expect overall sales to increase YoY by 0.4%/ 3.2%/ 4.6% from 2019 to 2021, respectively. Despite expected sales decline to be recorded from 2019 to 2021, the high efficiency clean energy segment's gross margin is projected to recover and to reach 24.5%/ 25.1%/ 25.6% from 2019 to 2021, respectively. Thus, the consolidated gross margin of Dongfang Electric is set to gradually recover and therefore is estimated to be 26.4%/ 27.4%/ 28.1% from 2019 to 2021, respectively. We expect the profitability of the key businesses of Dongfang Electric to continue strengthening during our forecast period. Rising operating expenses are mainly to be blamed for the earnings decline during the 3rd quarter of 2019, but we expect the situation to change in 2020 as the Company is aiming to cut expenses and trim unnecessary expenditures in order to improve its overall profitability over time. We expect the Company to continue to increase its investments in new and high-tech industries going forward and transform itself into an advanced diversified industrial and energy equipment giant, further reducing the risk brought by the thermal downtrend in China. We therefore adjusted our earnings estimates for the 3-year forecast period, and our revised EPS estimates from 2019 to 2021 are RMB0.434, RMB0.580 and RMB0.653, respectively.

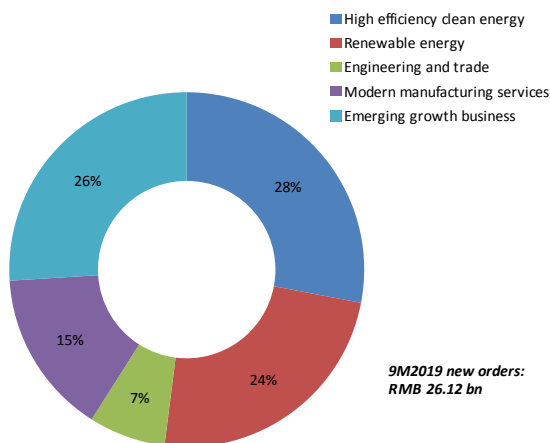
We maintain the investment rating of "Buy" but cut our TP to HK\$6.35. The new assets acquired via the restructuring with Dongfang Electric Group in 2018 are expected to further transform the Company into an advanced industrial and energy equipment giant as well as to offset the negative impact brought by decreased demand of conventional energy equipment products in China as a result of the change in the direction of China's energy development strategy. Dongfang Electric maintained a net cash position of more than RMB24 bn as at September 2019 and having abundant resources on hand means that the Company is ready to make further foray into new businesses via aggressive acquisitions. The expected acquisitions in the future may further transform the Company as it enters into new and emerging industries such as waste treatment, energy storage, automation, etc., just to name a few. We remain positive about the outlook of Dongfang Electric and maintain our investment rating of "Buy" but we trim our TP to HK\$6.35 as a result of earnings estimates adjustments. Our new TP corresponds to 13.2x/ 10.0x/ 8.8x FY19 to FY21 PER or 0.6x/ 0.6x/ 0.5x FY19 to FY21 PBR, respectively.

Table-1: 9M2019 & 3Q2019 Operating Results YoY Comparison

(RMB mn)	9M2019	9M2018	YoY Δ	3Q2019	3Q2018	YoY Δ
Revenues	22,989.3	22,211.3	+3.5%	7,148.1	5,634.5	+26.9%
COGS	(17,379.9)	(17,671.6)	-1.7%	(5,344.7)	(4,107.5)	+30.1%
Gross profit	5,609.4	4,539.7	+23.6%	1,803.4	1,527.0	+18.1%
Selling expense	(966.2)	(702.2)	+37.6%	(505.1)	(250.2)	+101.9%
Administrative expense	(1,690.0)	(1,953.4)	-13.5%	(545.3)	(795.5)	-31.5%
R&D expenses	(1,207.6)	(650.4)	+85.7%	(421.7)	(218.9)	+92.7%
Business tax & surcharges	(151.4)	(222.1)	-31.8%	(18.2)	(45.2)	-59.8%
EBIT	1,594.1	1,011.5	+57.6%	313.1	217.1	+44.2%
Asset impairment loss	(597.5)	(481.0)	+24.2%	(73.6)	(33.7)	+118.4%
Investment income	138.2	196.8	-29.8%	29.6	33.3	-10.9%
Non-operating income	(5.5)	(32.6)	-83.1%	(27.6)	0.2	n.a.
Finance income	167.5	345.7	-51.5%	137.2	191.0	-28.1%
Profit before tax	1,296.9	1,040.5	+24.6%	378.9	407.9	-7.1%
Income tax / credit	(186.5)	(103.2)	+80.7%	(54.6)	(25.0)	+118.8%
Minority interest	(74.9)	(25.3)	+196.3%	(18.5)	(5.7)	+225.4%
Net income	1,035.4	911.9	+13.5%	305.7	377.2	-19.0%
Margins(YoY comparison)						
Gross margin	24.4%	20.4%	+4.0 ppt	25.2%	27.1%	-1.9 ppt
EBIT margin	6.9%	4.6%	+2.3 ppt	4.4%	3.9%	+0.5 ppt
PBT margin	5.6%	4.7%	+0.9 ppt	5.3%	7.2%	-1.9 ppt
Net margin	4.5%	4.1%	+0.4 ppt	4.3%	6.7%	-2.4 ppt

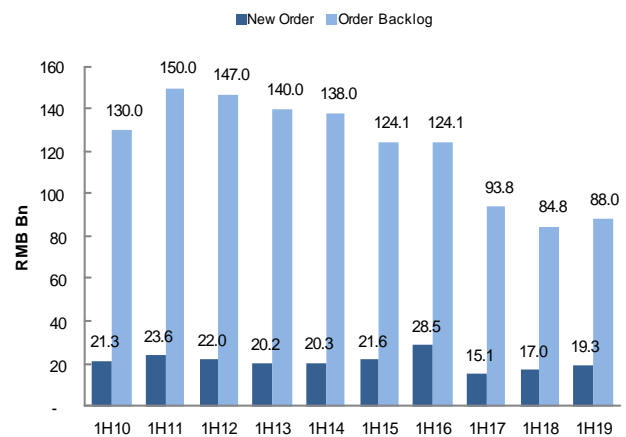
Source: the Company, Guotai Junan International.

Figure-1: New Orders Composition – 9M2019



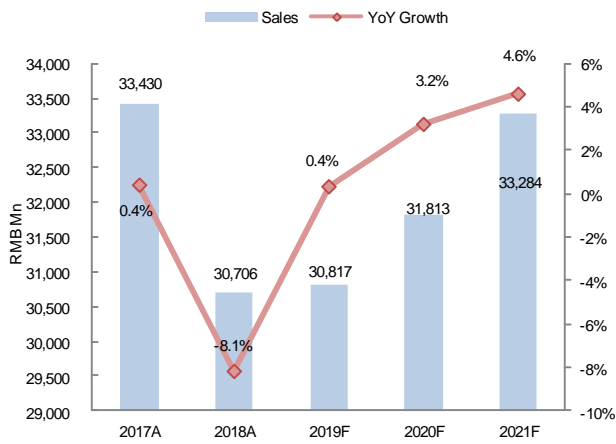
Source: the Company, Guotai Junan International.

Figure-2: Historical Orders Backlog & New Orders



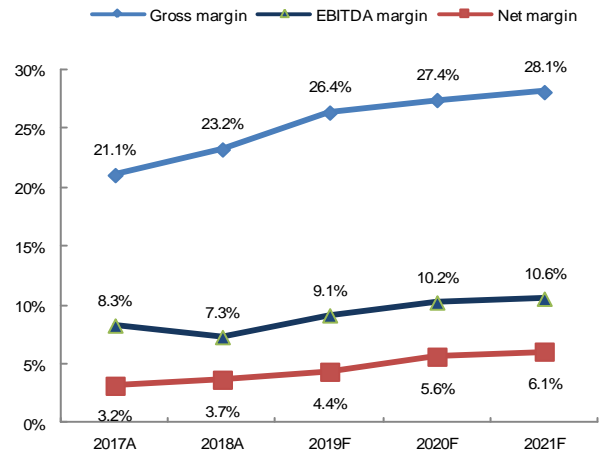
Source: the Company, Guotai Junan International.

Figure-3: Historical & Forecast Sales



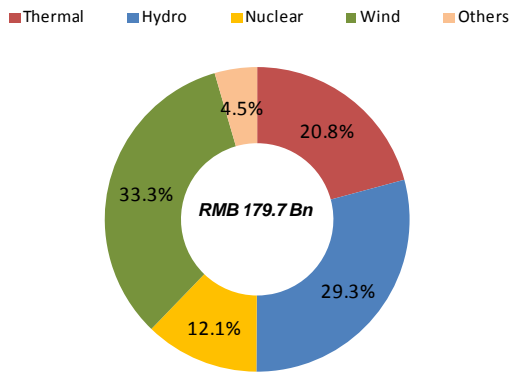
Source: the Company, Guotai Junan International.

Figure-4: Historical and Forecast Margins



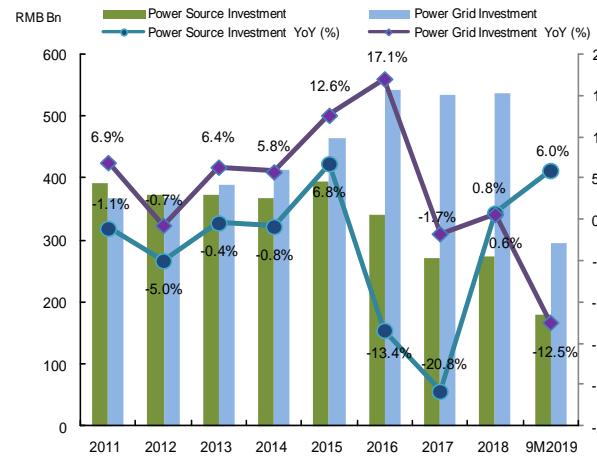
Source: the Company, Guotai Junan International.

Figure-5: 9M2019 Power Engineering Investment in PRC



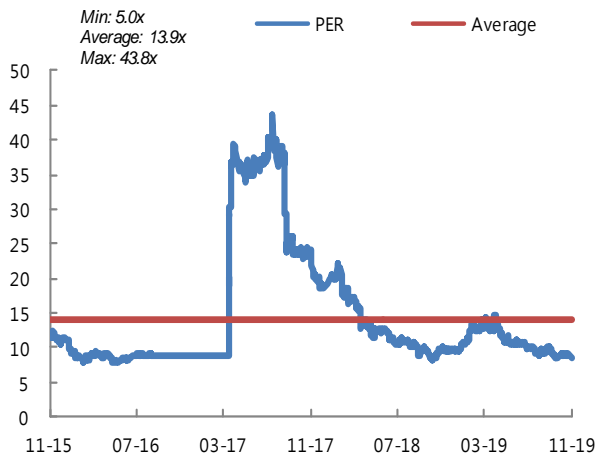
Source: NEA, China Electricity Council, Guotai Junan International.

Figure-6: Historical Power Sector Investment in PRC



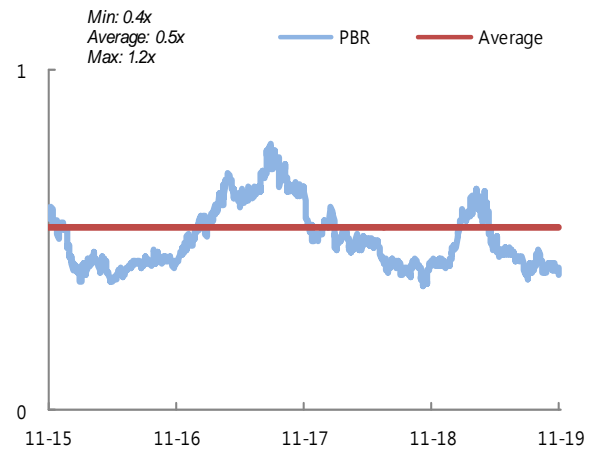
Source: NEA, China Electricity Council, Guotai Junan International.

Figure-7: Forward PER of Dongfang Electric



Source: the Company, Guotai Junan International.

Figure-8: Forward PBR of Dongfang Electric



Source: the Company, Guotai Junan International.

Table-2: Peers Comparison

Company	Stock Code	Currency	Last price (in local \$)	PE (fiscal year)				PB (fiscal year)				ROE (%)		D/Y (%)	Market Cap HKD mn
				18A	19F	20F	21F	18A	19F	20F	21F	19F	19F		
HK - Listed Peers															
Dongfang Electric Corp - H	01072 HK	HKD	4.25	9.7	8.5	7.8	6.9	0.4	0.4	0.4	0.4	5.7	3.5	27,688	
Harbin Electric	01133 HK	HKD	1.92	40.5	32.0	19.2	12.8	0.2	0.2	0.2	0.2	5.5	0.2	3,277	
Shanghai Electric - H	02727 HK	HKD	2.44	10.3	11.4	10.8	10.3	0.6	0.5	0.5	0.5	4.9	2.7	71,943	
Xinjiang Goldwind	02208 HK	HKD	9.27	9.3	11.8	8.5	7.5	1.2	1.1	1.0	0.9	8.2	2.2	55,542	
Simple Average				17.4	15.9	11.6	9.4	0.6	0.6	0.5	0.5	6.1	2.2		
Weighted Average				10.5	11.5	9.6	8.7	0.7	0.7	0.7	0.6	6.2	2.6		
Overseas Listed Peers															
Alstom	ALO.FP	EUR	37.83	22.9	12.4	17.8	15.5	2.5	2.1	2.5	2.3	18.2	0.9	73,144	
Bharat Heavy Electricals	BHEL IN	INR	55.25	46.4	19.9	15.0	13.8	0.6	0.6	n.a.	n.a.	3.2	2.4	20,992	
Doosan Heavy Industries	034020 KS	KRW	5,720.00	n.a.	n.a.	12.9	13.6	0.3	0.4	0.4	0.4	(0.7)	0.0	7,752	
General Electric	GE US	USD	11.42	n.a.	18.5	16.7	13.8	3.2	3.9	3.6	3.0	11.3	0.6	780,902	
Hyundai Heavy Industries	009540 KS	KRW	115,000.00	n.a.	37.9	29.3	18.2	0.7	0.7	0.7	0.6	1.9	0.6	54,563	
Mitsubishi Heavy Industries	7011 JT	JPY	4,379.00	n.a.	14.5	13.3	11.4	1.1	1.0	1.0	0.9	7.2	2.8	106,040	
Siemens Ag	SIE GY	EUR	114.38	16.1	17.8	15.8	13.9	2.0	2.0	1.9	1.8	11.1	4.0	837,491	
Wartsila Oyj Abp	WRT1V FH	EUR	9.67	14.9	16.0	14.5	13.2	2.4	2.4	2.2	2.2	13.4	4.6	49,290	
Simple Average				25.1	19.6	16.9	14.2	1.6	1.6	1.8	1.6	8.2	2.0		
Weighted Average				17.2	18.3	16.4	13.9	2.4	2.7	2.5	2.2	10.9	2.3		

Source: Bloomberg, Guotai Junan International. Prices as at November 13th, 2019.

Financial Statements and Ratios

Income Statement						Balance Sheet					
Year end 31 Dec (RMB m)	2017A	2018A	2019F	2020F	2021F	Year end 31 Dec (RMB m)	2017A	2018A	2019F	2020F	2021F
Total Revenue	33,430	30,706	30,817	31,813	33,284	PPE	6,845	6,091	5,382	4,666	3,949
COGS	(26,388)	(23,568)	(22,688)	(23,082)	(23,925)	Long term investments	1,408	1,517	1,638	1,769	1,911
Gross profit	7,043	7,138	8,129	8,731	9,359	Intangible assets	1,549	1,681	1,661	1,683	1,664
Selling expense	(917)	(1,358)	(1,541)	(1,432)	(1,498)	Other non-current assets	4,328	8,479	10,003	10,207	10,420
Admin expense	(4,055)	(4,190)	(4,499)	(4,738)	(5,056)	Total Non-current Assets	14,131	17,768	18,685	18,325	17,943
Business tax & surcharges	(344)	(335)	(277)	(330)	(337)	Cash & Cash Equivalents	30,610	29,346	29,594	33,819	37,079
Operating Profit	1,727	1,255	1,812	2,232	2,468	Inventories	17,182	13,874	13,613	13,388	13,757
Investment income	280	246	258	271	285	Trade receivable	14,442	12,200	12,327	12,407	13,147
Asset impairment loss	(813)	(780)	(801)	(795)	(832)	Other current assets	18,936	18,135	13,651	14,090	14,582
Non-operating gain	(16)	174	189	205	222	Total Current Assets	81,170	73,556	69,184	73,704	78,565
Finance income	(160)	381	187	201	225	Total Assets	95,301	91,323	87,869	92,028	96,508
Profit Before Tax	1,017	1,275	1,644	2,113	2,368	Short-term debts	88	246	765	868	974
Income Tax	62	(117)	(197)	(211)	(237)	Trade payable	18,443	15,093	13,159	13,849	14,594
Profit After Tax	1,080	1,158	1,447	1,902	2,131	Others	41,851	37,358	33,969	35,419	36,940
Non-controlling Interest	(22)	(29)	(105)	(110)	(113)	Total Current Liabilities	60,382	52,697	47,893	50,136	52,509
Shareholders' Profit / Loss	1,057	1,129	1,342	1,792	2,018	Long-term debts	457	463	443	493	543
Basic EPS (RMB)	0.342	0.365	0.434	0.580	0.653	Others	6,031	7,470	7,778	8,159	8,565
DPS (RMB)	0.000	0.110	0.130	0.174	0.196	Total Non-current Liabilities	6,488	7,933	8,220	8,652	9,108
						Total Liabilities	66,870	60,629	56,114	58,788	61,617
						Total Shareholders' Equity	27,318	28,584	29,562	30,990	32,583
						Minority Interest	1,113	2,110	2,193	2,250	2,308
						Total Equity	28,431	30,694	31,755	33,240	34,891
						BPS (RMB)	11.690	9.248	9.564	10.027	10.542

Cash Flow Statement					
Year end 31 Dec (RMB m)	2017A	2018A	2019F	2020F	2021F
Operating activities					
Net income	1,057	1,129	1,342	1,792	2,018
D&A	1,042	987	1,007	1,027	1,048
Change in working capital	(26,584)	2,260	(704)	1,845	665
Others	26,323	(4,928)	(660)	(642)	(681)
Cash from Operating Activities	1,839	(552)	985	4,023	3,049
Investing activities					
Capital expenditure	(210)	(185)	(247)	(255)	(266)
Others	(904)	(240)	(1,618)	(349)	(329)
Cash from Investing Activities	(1,114)	(425)	(1,865)	(603)	(595)
Financing activities					
Debt raised / (repaid)	(480)	(348)	500	153	157
Dividend paid	0	0	(340)	(402)	(538)
Stock issued	(5)	(22)	(22)	(53)	(55)
Others	(165)	(884)	990	1,108	1,241
Cash from Financing Activities	(650)	(1,254)	1,127	806	806
Net Changes in Cash	74	(2,230)	247	4,225	3,260
Adjustments	2,127	967	0	0	0
Cash at Beg of Year	28,409	30,610	29,346	29,594	33,819
Cash at End of Year	30,610	29,346	29,594	33,819	37,079

Financial Ratios					
	2017A	2018A	2019F	2020F	2021F
Gross margin(%)	21.1%	23.2%	26.4%	27.4%	28.1%
EBIT margin (%)	5.2%	4.1%	5.9%	7.0%	7.4%
EBITDA margin (%)	8.3%	7.3%	9.1%	10.2%	10.6%
Net margin(%)	3.2%	3.7%	4.4%	5.6%	6.1%
Inventory turnover (day)	252.8	237.2	216.0	208.8	207.0
AR turnover (day)	187.4	150.0	136.8	133.2	135.0
AP turnover (day)	259.9	256.1	208.8	216.0	219.6
ROE(%)	4.4%	4.0%	4.6%	5.9%	6.3%
ROA(%)	1.2%	1.2%	1.5%	2.0%	2.1%
Net gearing(%)	NetCash	NetCash	NetCash	NetCash	Net Cash
EV/EBITDA(x)	-6.2	-6.7	-5.2	-5.7	-6.2
Quick ratio (x)	0.7	0.8	0.9	0.9	1.0
Current ratio (x)	1.3	1.4	1.4	1.5	1.5

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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