

2021 Performance of HSI Constituent

Ticker	Name	% Chg	Points	%Driven	Ticker	Name	% Chg	Points	%Driven
857 HK Equity	PetroChina Co Ltd	55.93 %	65.65	1.71 %	241 HK Equity	Alibaba Health Information Tec	(72.43)%	-168.22	(4.39)%
267 HK Equity	CITIC Ltd	48.76 %	52.15	1.36 %	6862 HK Equity	Haidilao International Holding	(69.40)%	-91.50	(2.39)%
2382 HK Equity	Sunny Optical Technology Grou	46.12 %	124.27	3.24 %	9988 HK Equity	Alibaba Group Holding Ltd	(48.88)%	-1389.19	(36.24)%
669 HK Equity	Techtronic Industries Co Ltd	41.87 %	168.79	4.40 %	1928 HK Equity	Sands China Ltd	(46.67)%	-92.62	(2.42)%
1211 HK Equity	BYD Co Ltd	39.05 %	136.51	3.56 %	1810 HK Equity	Xiaomi Corp	(43.07)%	-496.79	(12.96)%
1113 HK Equity	CK Asset Holdings Ltd	28.26 %	69.59	1.82 %	6098 HK Equity	Country Garden Services Holdin	(38.91)%	-103.98	(2.71)%
1038 HK Equity	CK Infrastructure Holdings Ltd	25.53 %	18.43	0.48 %	2318 HK Equity	Ping An Insurance Group Co of	(38.57)%	-492.68	(12.85)%
6 HK Equity	Power Assets Holdings Ltd	22.60 %	30.09	0.78 %	868 HK Equity	Xinyi Glass Holdings Ltd	(36.79)%	-49.68	(1.30)%
3328 HK Equity	Bank of Communications Co Ltd	20.49 %	18.84	0.49 %	27 HK Equity	Galaxy Entertainment Group Ltd	(32.95)%	-84.85	(2.21)%
883 HK Equity	CNOOC Ltd	19.64 %	60.58	1.58 %	2007 HK Equity	Country Garden Holdings Co Ltd	(31.37)%	-54.92	(1.43)%
5 HK Equity	HSBC Holdings PLC	19.47 %	366.36	9.56 %	2018 HK Equity	AAC Technologies Holdings Inc	(28.39)%	-15.82	(0.41)%
688 HK Equity	China Overseas Land & Investm	16.91 %	25.09	0.65 %	2017 HK Equity	Sino Biopharmaceutical Ltd	(26.61)%	-42.42	(1.11)%
12 HK Equity	Henderson Land Development C	15.35 %	18.10	0.47 %	3690 HK Equity	Meituan	(23.49)%	-547.93	(14.29)%
3988 HK Equity	Bank of China Ltd	14.73 %	74.67	1.95 %	288 HK Equity	WH Group Ltd	(22.75)%	-24.50	(0.64)%
2 HK Equity	CLP Holdings Ltd	14.40 %	44.82	1.17 %	1044 HK Equity	Hengan International Group Co	(22.43)%	-18.35	(0.48)%
386 HK Equity	China Petroleum & Chemical Co	14.18 %	32.94	0.86 %	960 HK Equity	Longfor Group Holdings Ltd	(22.11)%	-43.33	(1.13)%
2388 HK Equity	BOC Hong Kong Holdings Ltd	13.84 %	28.97	0.76 %	2628 HK Equity	China Life Insurance Co Ltd	(20.47)%	-56.26	(1.47)%
941 HK Equity	China Mobile Ltd	13.23 %	91.80	2.39 %	1876 HK Equity	Budweiser Brewing Co APAC Ltd	(19.47)%	-21.99	(0.57)%
3 HK Equity	Hong Kong & China Gas Co Ltd	13.09 %	39.10	1.02 %	175 HK Equity	Geely Automobile Holdings Ltd	(18.80)%	-61.52	(1.60)%
11 HK Equity	Hang Seng Bank Ltd	11.12 %	30.40	0.79 %	700 HK Equity	Tencent Holdings Ltd	(18.79)%	-355.67	(9.28)%
388 HK Equity	Hong Kong Exchanges & Clearin	9.26 %	133.53	3.48 %	101 HK Equity	Hang Lung Properties Ltd	(18.51)%	-15.40	(0.40)%
1093 HK Equity	CSPC Pharmaceutical Group Ltd	8.57 %	24.93	0.65 %	1177 HK Equity	AIA Group Ltd	(16.10)%	-311.31	(8.12)%
1109 HK Equity	China Resources Land Ltd	7.07 %	17.84	0.47 %	9618 HK Equity	JD.com Inc	(14.80)%	-54.56	(1.42)%
291 HK Equity	China Resources Beer Holdings	2.41 %	4.51	0.12 %	2331 HK Equity	Li Ning Co Ltd	(14.56)%	-63.77	(1.66)%
968 HK Equity	Xinyi Solar Holdings Ltd	2.06 %	8.19	0.21 %	2269 HK Equity	Wuxi Biologics Cayman Inc	(9.97)%	-55.57	(1.45)%
1997 HK Equity	Wharf Real Estate Investment C	1.47 %	3.95	0.10 %	17 HK Equity	New World Development Co Ltd	(9.41)%	-7.08	(0.18)%
823 HK Equity	Link REIT	1.39 %	6.74	0.18 %	3968 HK Equity	China Merchants Bank Co Ltd	(8.33)%	-40.75	(1.06)%
					9999 HK Equity	NetEase Inc	(6.91)%	-11.11	(0.29)%
					1398 HK Equity	Industrial & Commercial Bank o	(6.57)%	-46.34	(1.21)%
					762 HK Equity	China Unicom Hong Kong Ltd	(5.06)%	-2.51	(0.07)%
					2319 HK Equity	China Mengniu Dairy Co Ltd	(4.86)%	-14.68	(0.38)%
					2020 HK Equity	ANTA Sports Products Ltd	(4.20)%	9.15	0.24 %
					1 HK Equity	CK Hutchison Holdings Ltd	(3.08)%	1.95	0.05 %
					939 HK Equity	China Construction Bank Corp	(2.09)%	-4.48	(0.12)%
					16 HK Equity	Sun Hung Kai Properties Ltd	(0.86)%	2.66	0.07 %
					66 HK Equity	MTR Corp Ltd	(0.72)%	-1.98	(0.05)%
					2313 HK Equity	Shenzhen International Group H	(0.20)%	7.09	0.18 %
					2688 HK Equity	ENN Energy Holdings Ltd	(0.14)%	-0.29	(0.01)%

As a general summary, Hong Kong stock market outperformed global major stock indices during 1Q 2021. After that, the bullish sentiment was vanished and deteriorating throughout the year. In the second half, China has tightened its regulation on tech giants, real estate developers and some industries, which bring more selling pressure and analysts revised down earning estimate.

Above table showed the performance of Hang Seng Index in 2021. In general, HSI down 3833 points or 14% respectively. 58% Hang Seng Index Constituents recorded negative returns. Alibaba Health Information and Alibaba were plunged 72% and 48% respectively, and most of the technology stocks hit hard while the value stocks and defensive stocks outperformed the market.

Manager Comment and Investment Strategy



1. Neutral case may test 21000 level again low volume.
2. Bull case is trading at 23,000 level then rebound.
3. Bear case would be HSI plunged below 2020 Covid low to test 20,000 level or lower but we believed this is less likely to be happened.

Last month we have mentioned there are 3 possible scenarios, now the bull case is wrong, HSI failed to hold at 23,000 and rebound. In our thought the neutral case with 21,000 level is the most possible scenario.

Our view and strategy is same as last month, the Hong Kong market is forming a bottom, it may take several months for that. During this phase, we may accumulate stocks when buy on-dip opportunity emerge in order to lower the entry price. Stocks with attractive valuation, good growth prospects and high-barrier of entry are potential candidates. However, we are still monitoring risk appetite on global risky assets, the development of economic fundamental and potential change on monetary policies.