



# 中国消费行业

2018年9月20日

## 中国零售行业

### 香港高铁—改变香港零售的格局

**事件：**连接深圳-福田至香港的广深港高速铁路的香港段将于2018年9月23日通车，意味着香港将正式连接到中国的高铁网络。我们和一些香港零售商讨论过后，认同这将成为整个零售市场的长远利好因素。更多大湾区以外的消费者现在可以更快地前往香港。根据我们的分析，这可以对香港零售业带来庞大的潜在影响。

**每年或有2,900万乘客乘搭广深港高速铁路到香港。**广深港高速铁路香港段连接到深圳，而列车将从西九龙站接驳到内地44个目的地。根据香港运输及房屋局的预测，2018年的每日乘客量将达80,100，并将在2021年及2031年分别增加至95,000及129,300。如果这个预测准确，将意味着在短期内，每年将有2,900万乘客乘搭广深港高速铁路。虽然我们预计实际的每日乘客量会略低于这数字，但这仍会带来重大的正面影响，因为去年去香港的旅客总数达到5,800万。我们同意这2,900万乘客并非全都是新增的（即有一部分是从其他交通转到高铁），但即使只有20%-30%是新增客量，它仍然是一个很大的数字。

**同时别忘记港珠澳大桥。**港珠澳大桥将成为连接香港和内地的另一个主要基础设施。大桥预计到2018年底将开通。我们预计最初的流量不会高于广深港高速铁路，但政府和零售商都抱乐观看法，认为它可带来更多的访客。

**香港仍有一定空间吸收更多游客。**要实现每年新增数百万访客，其中一个限制是酒店房间的供应。虽然一些评论认为香港旅游市场接近饱和，但我们相信广深港高速铁路香港段有助解决这个问题。它为游客，尤其是那些居住在大湾区的游客提供了更灵活的选择，到访香港可以无需过夜。另一方面，为了应对更多的游客到访，过去几年酒店和住宿设施的供应量一直稳步增加。

**不只是iPhone卖的更便宜 - 香港零售仍有它的魅力。**我们继续认为，香港对内地游客而言是一个吸引的购物目的地。尽管中国一直在降低某些商品的进口关税，但各类商品，如电子产品、奢侈品、化妆品和个人护理产品的价格仍存在明显的差异。香港没有增值税，而内地现时对进口商品征收16%的增值税，所以它比内地更有优势，

### 投资建议

**香港零售业。**我们相信香港零售商将成为广深港高速铁路香港段开通的直接受益者。我们目前对**六福[590.HK]**和**周生生[116.HK]**给予买入评级。在中型股方面，我们也相信**莎莎国际[178.HK;未评级]**和**利福国际[1212.HK;未评级]**将受益于游客人数的增加。

**香港收租股。**如果香港零售业受益于游客人数增加，收租股亦有望受益于租金上涨。我们认为海港城的业主**九龙仓置业[1997.HK]**将成为主要的受益者。海港城由于靠近西九龙站，我们相信它将继续成为香港表现最佳的购物中心。我们对某些高端零售业主也持正面看法，例如**希慎兴业[0014.HK]**。银河联昌现时给予九龙仓置业和希慎兴业“增持”评级。

**香港旅游及酒店。**由于我们认为酒店房价和入住率将面临上升压力，我们对本地酒店业持乐观看法。个别酒店经营商如**大酒店[0045.HK;未评级]**、**富豪产业信托[1881.HK;未评级]**和**朗廷[1270.HK;未评级]**或值得再次关注。我们亦看好**香港中旅[0308.HK;未评级]**，因公司有经营香港的酒店和旅游相关业务。

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# China Consumer Sector

September 20, 2018

## Greater China Retail Sector

### High Speed Rail / XRL: A Game Changer for Hong Kong Retail

**Event:** The final phase of the Guangzhou–Shenzhen–Hong Kong Express Rail Link (XRL), which connects Shenzhen-Futian to Hong Kong, is scheduled to open on 23 Sept 2018. This means Hong Kong will be officially connected to the China's high-speed rail network. We talked to retailers in Hong Kong, and we agree this will be a long-term positive for the overall retail market. More consumers outside the Great Bay Area can now travel to Hong Kong quickly and conveniently. The potential impact on the Hong Kong retail landscape could be huge, based on our analysis.

**29 Million Potential Passengers Travelling through the XRL per Year.** The Hong Kong Section of the XRL connects to Shenzhen, allowing XRL trains to run from West Kowloon Station (WKS) to 44 Mainland destinations. According to the forecast by Hong Kong Transport and Housing Bureau, daily patronage is expected to be 80,100 in 2018, and will ramp up to 95,000 in 2021 and 129,300 in 2031. If this forecast is accurate, this will mean in the near term, around 29 million passengers will travel through the Hong Kong XRL per year. Although we expect the actual daily patronage to be slightly lower, this is still a meaningful number, as the total number of visitors to Hong Kong last year was 58 million. We agree not all these 29 million passengers are new addition (i.e. shift from other means of transport) but it is still a large number if only 20%-30% is new addition.

**Also Don't Forget the HZMB—the Hong Kong-Zhuhai-Macao Bridge.** The HZMB will be another major piece of infrastructure connecting Hong Kong and the Mainland. It is expected to be open by the end of 2018. We don't expect the initial traffic to be as high as that of the XRL, but the government and retailers are both optimistic, as it could bring more visitors as well.

**Hong Kong Still Has Some Capacity to Absorb More Tourists.** One of the constraints of achieving millions of more visitors per year is hotel room supply. While some critics believe the tourism market is close to saturation, we believe the Hong Kong XRL offers a solution to this problem. It offers more flexible options for visitors, especially those residing in the Greater Bay Area, for visiting Hong Kong without staying overnight. On the other hand, to cope with the increasing number of tourists, the supply of hotels and lodging facilities has been steadily increasing over the past few years.

**Not Just Cheaper iPhones—Hong Kong Retail Still Has Its Charm.** We continue to see Hong Kong as an appealing shopping destination for Mainland visitors. Although China has been cutting import tariffs on certain goods, there is still a noticeable price differential in various categories of merchandise, such as electronics, luxury goods, cosmetics and personal care products. Hong Kong has no VAT, so it has an advantage over the Mainland, which levies a 16% VAT on imported goods.

#### Investment Ideas

**Hong Kong Retail.** We believe Hong Kong retailers will be direct beneficiaries of the opening of the Hong Kong XRL. We currently have BUY ratings on **Luk Fook [590.HK]** and **Chow Seng Seng [116.HK]**. In the mid-cap universe, we also believe **Sa Sa International [178.HK; NR]** and **Lifestyle International [1212.HK; NR]** will benefit from increasing tourist arrivals.

**Hong Kong Landlords.** If Hong Kong retail benefits from increasing tourist arrivals, landlords should benefit from increasing rentals and likely rent increases. We think **Wharf REIC [1997.HK]** will be a primary beneficiary, as it is the landlord of Harbour City. Because of its close proximity to the WKS, we believe Harbour City will continue to be the top performing shopping mall in Hong Kong. We are also positive on certain high-end retail landlords, such as **Hysan Development [0014.HK]**. Wharf REIC and Hysan Development are both rated "ADD" by CGS-CIMB.

**Hong Kong Tourism and Lodging.** We are positive on the local hotel industry, as we believe there will be upward pressure on hotel room rates and occupancy rates. Selective hotel operators, like **HK&S Hotels [0045.HK; NR]**, **Regal REIT [1881.HK; NR]** and **Langham Hospitality [1270.HK; NR]** may be worth a revisit. We are also positive on **China Travel HK [0308.HK; NR]** because of its exposure to Hong Kong's hotel and tourism-related business.

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## Hong Kong Express Rail Link (XRL)

**Background:** The Guangzhou–Shenzhen–Hong Kong Express Rail Link (XRL), which connects Shenzhen-Futian to Hong Kong, is scheduled to open on 23 Sept 2018. This means Hong Kong will be officially connected to China's high-speed rail network. The Hong Kong Section of the XRL connects to Shenzhen, allowing XRL trains to run from West Kowloon Station (WKS) to 44 Mainland destinations.

WKS is located north of the West Kowloon Cultural District and will be linked to Austin Station and Kowloon Station by footbridges and subways. This means WKS will be well-connected to Hong Kong's MTR system, allowing passengers to travel to other destinations on public transport.

***XRL allows passengers to travel from HK to SZ within 14 minutes***

As there will be no intermediate stations in the Hong Kong Section, the XRL will allow passengers to reach Shenzhen quickly. Based on the estimate of the Hong Kong Transport and Housing Bureau, a train departing from the WKS can reach Futian, Shenzhen in as little as 14 minutes.

***...and they have to clear customs and immigration only once***

The WKS is also paired with the West Kowloon Station Mainland Port Area, which offers **joint border control**. This means passengers can clear customs and immigration control for both the Hong Kong SAR and Mainland China inside the WKS, without the need to go through the procedure again in the Mainland. This arrangement will allow travellers to travel between Hong Kong and the Mainland faster and more conveniently than ever before.

Figure 1: Map of Hong Kong Section XRL



Sources: MTR Corporation

Figure 2: Photo of Hong Kong West Kowloon Station



Sources: MTR Corporation

## Hong Kong XRL: Reaching Mainland Much Faster

**Hong Kong connected to 44+ Mainland Locations:** At present, the XRL trains will run between the WKS and 44 destinations in the Mainland, including Futian, Shenzhen North, Humen, Guangzhou South, Beijing, Shanghai, Kunming, Guilin, Guiyang, Shijiazhuang, Zhengzhou, Wuhan, Changsha, Hangzhou, Nanchang, Fuzhou, Xiamen and Shantou stations.

In other words, the Hong Kong XRL will allow passengers to travel beyond Guangdong province in just one trip. This will allow more flexibility for passengers travelling between Hong Kong and the Mainland. Currently, passengers can travel to Hong Kong direct by rail, but the options are limited to: (1) the **Beijing-Kowloon Through Train**, and (2) the **Guangzhou-Kowloon Through Train**.

However, these two options are generally less popular than other means, because of the long traveling time and limited number of stations. For example, it takes two hours and costs HK\$210 to travel from Hong Kong to Guangzhou East Station. And there are only 12 trains per day, so the schedule is relatively limited.

**The XRL is much faster than the traditional “through train”, and the fares are similar**

In contrast, the Hong Kong XRL will only take 47 minutes to travel from Hong Kong to Guangzhou South Station, and the fare is similar, at RMB215. There will be 30 trains per day, offering passengers much more flexibility. In addition, thanks to the joint border control, passengers can save time.

**Figure 3: Fares and Time Required to Travel From WKS**

Destination	Fares (RMB)	Expected shortest travelling time of train departing from the WKS	Daily train pairs		
			Mondays to Thursdays	Fridays to Sundays	Peak periods
Futian	68	14 minutes	15	27	58
Shenzhen North	75	19 minutes	25	25	26
Guangzhou South	215	47 minutes	30	30	30
Changsha	529	3 hours 12 minutes	1	1	1
Xiamen	269	4 hours	3	3	3
Hangzhou	935	7 hours 25 minutes	1	1	1
Shanghai	1008	8 hours 17 minutes	1	1	1
Beijing	1,077	8 hours 56 minutes	1	1	1

Sources: Transport and Housing Bureau, MTR Corporation, CGIS Research

**The HK XRL is centered on short-haul trains to the Great Bay Area**

In the current settings, the capacity of XRL is tilted more towards short-haul trains, i.e., trips between Hong Kong and Guangdong province / the Greater Bay Area. This is based on rising demand for fast and affordable cross-border travel. More particularly, we expect to see higher demand for travel between Shenzhen and Hong Kong. This will offer more options to the residents in the Greater Bay Area, such as people living in Shenzhen and working in Hong Kong.

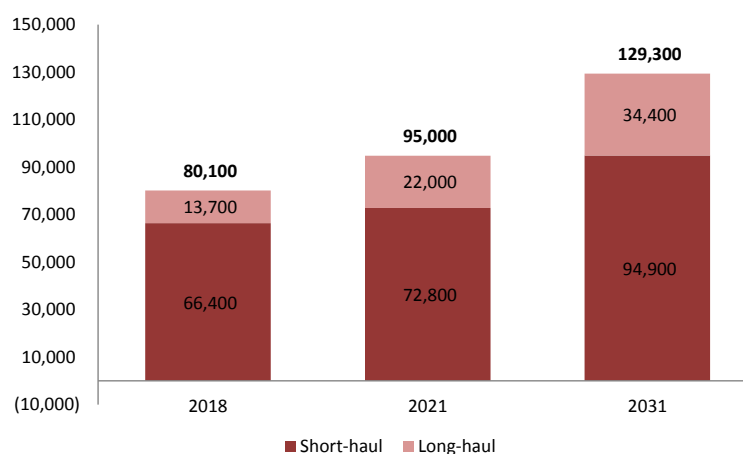
## Estimating the Impact—How Many to HK?

**29 Million Passengers a Year, and Increasing:** According to an estimate by Hong Kong Transport and Housing Bureau in Aug 2018, the Hong Kong XRL will have 80,100 passengers a day in 2018, 95,000 in 2021 and 129,300 in 2031. This means the Hong Kong government expects daily patronage to grow at a CAGR of 5.9% in 2018-2021 and 3.8% in 2018-2031. The most popular destinations are expected to be Futian / Shenzhen, followed by Guangzhou South.

*It may take some time to reach the 80,100/day figure*

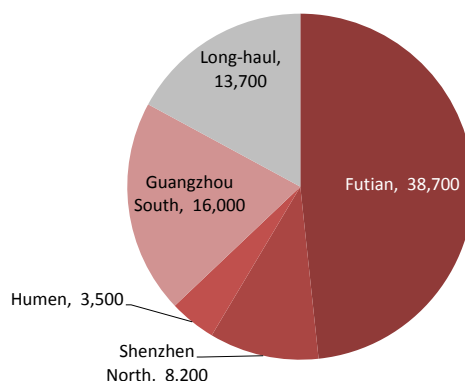
We believe in the near term, the daily number of passengers will be slightly short of the 80,100 official estimate, as it will take time for residents to become familiar with the XRL. Nonetheless, we believe the 80,100 figure is a good starting point for assessing the impact on the economy and retail industry of Hong Kong, since 80,100 per day means 29.2 million passengers traveling on the XRL per year.

**Figure 4: Daily Patronage of the Hong Kong XRL—Estimate by the HK Government**



Sources: Transport and Housing Bureau, MTR Corporation, CGIS Research

**Figure 5: Breakdown of Estimated Daily Patronage of the Hong Kong XRL—2018**



Sources: Transport and Housing Bureau, MTR Corporation, CGIS Research



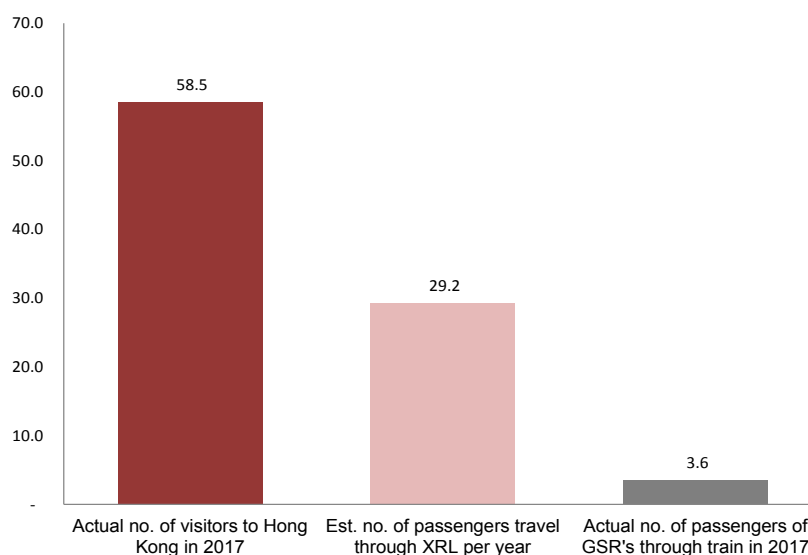
**29 Million—That's 50% of the Number of Annual Visitors to Hong Kong!** To illustrate the impact of the Hong Kong XRL (29 million passengers per year), we present numbers for a direct comparison.

In 2017, the total number of visitors to Hong Kong reached 58.5 million. So the 29.2 million passengers brought by the XRL will be equivalent to 50% of the total number of visitors to Hong Kong in 2017. More realistically, if we assume 50% of the 29 million XRL passengers are visitors, then 14.6 million passengers will be visitors traveling to Hong Kong on the XRL, which is equivalent to 25% of the total number of visitors in 2017.

**HK XRL could carry 8 times more passengers than the present through train**

In contrast, the number of passengers traveling on the “through train”, operated by Guangshen Railway was only 3.6 million in 2017. This means if the Hong Kong XRL runs smoothly and hits the estimate of Hong Kong Government, it will handle eight times more passengers than the existing Guangzhou–Kowloon Through Train.

**Figure 6: Number of Passengers of HK XRL vs Other Numbers**



Sources: Hong Kong Tourism Board, Guangshen Railway, CGIS Research

**The actual no. of new visitors should be smaller, but still impactful**

However, we expect the actual number of Mainland visitors to Hong Kong to be much less than the 14.6 million estimate. There will be a shift in travel means after the opening of the Hong Kong XRL, such as switching from long-distance bus to the XRL. Therefore, the 14.6 million figure will include some frequent visitors to Hong Kong who previously used different transportation. Still, we expect the Hong Kong XRL to draw more new Mainland visitors to Hong Kong, as it will make it faster and more convenient to visit Hong Kong. In fact, even if only 20-30% of these passengers are new addition, it is still a large number.

## Also Eyes on the New Bridge—the HZMB

**Hong Kong-Zhuhai-Macao Bridge (HZMB).** The HZMB will be another major piece of infrastructure connecting Hong Kong and the Mainland. It is expected to be open by the end of 2018.

*HZMB's initial traffic should be smaller than that of the XRL*

We don't expect the initial traffic to be as high as that of the XRL. We believe several factors will limit the use of the HZMB in the initial stage: (1) there will be a quota on the number of vehicles traveling over the HZMB; (2) the vehicles need to be registered in both HK/Macau and the Mainland, and drivers need to have the relevant licenses in both places; and (3) the locations connected are less densely populated than those on the Hong Kong XRL.

*Still a long-term positive for HK retail*

However, based on the estimate of a third-party consultant employed by the HK government, the daily number of passengers using the HZMB is expected to be 126,000 in 2030 and 175,000 in 2037. This will mean the impact of HZMB will be similar to that of the Hong Kong XRL in 2030, assuming the forecasts are accurate. Therefore, both government and retailers are positive on its long run contribution to the Hong Kong retail market.

Figure 7: Map of the HZMB



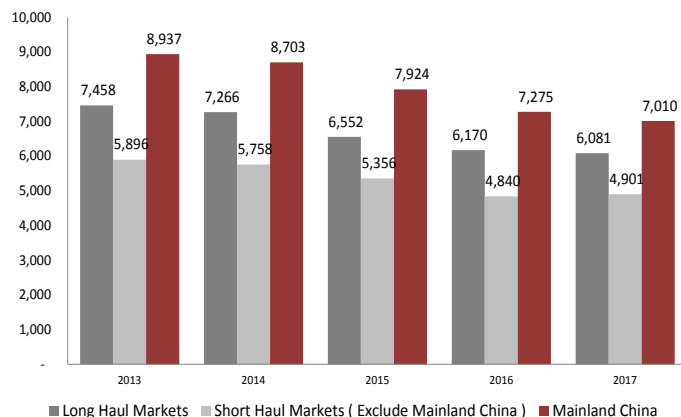
Source: Hong Kong Highways Department

## Estimating the Impact—How Much Will Be Spent?

**Shopping Spree by Mainland Visitors:** Mainland visitors, on average, are still the top spenders among tourists in Hong Kong. Although it is difficult to predict the exact number of new tourists travelling to Hong Kong after the opening of the Hong Kong XRL, we still expect the impact to be meaningful for the economy and particularly the retail industry in Hong Kong.

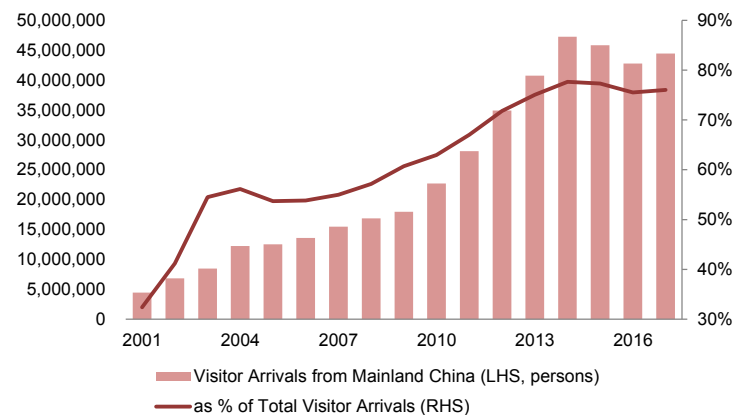
According to the Hong Kong Tourism Board, the per capita spending of Mainland visitors in Hong Kong was HK\$7,010 in 2017. It has been declining over the past few years, as there are fewer ultra-high spenders visiting Hong Kong. However, the number of Mainland visitors is still on the rise in general. In 2017, 44.4 million Mainlanders visited Hong Kong, accounting for 76% of the total number of visitors during the year.

**Figure 8: Per Capita Spending of Tourists in Hong Kong—By Origin (Unit: HK\$)**



Sources: Hong Kong Tourism Board, CGIS Research

**Figure 9: Number of Tourist Arrivals from Mainland China**



Sources: Hong Kong Tourism Board, CGIS Research

To quantify the impact on the Hong Kong retail market, we first prudently assume 5.8 million new Mainland visitors per year (20% of the annual number of passengers on the XRL) will visit Hong Kong after the opening of the XRL. We assume per capita spending of HK\$5,000, ~30% lower than the per capita spending in 2017, as we expect many visitors not to stay overnight, so the spending on lodging will be lower.

**Our prudent calculation suggests the XRL could boost retail sales by at least 6.5%**

Adding up all the numbers, we still expect HK\$29 billion per year in additional spending in Hong Kong. The total retail sales value in Hong Kong in 2017 was HK\$446 billion, so the HK\$29 billion additional spending is equivalent to 6.5% of the retail sales value in 2017. The new spending should be getting larger every year, as more visitors take advantage of the Hong Kong XRL.



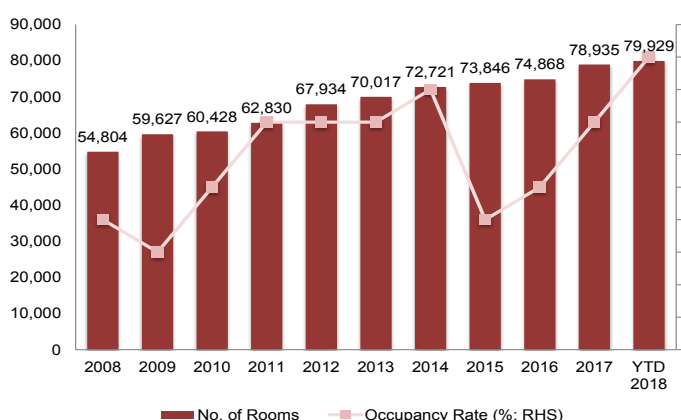
## Is Hong Kong Ready for the XRL? Probably Yes

**Hong Kong Is Increasing Hotel Room Supply:** We are more prudent than the government's official forecast, mainly because in our view, one of the constraints in achieving the 29 million annual visitors is the capacity of the Hong Kong tourism market. A key number to watch is the hotel room supply in Hong Kong.

### Hong Kong is increasing hotel room supply

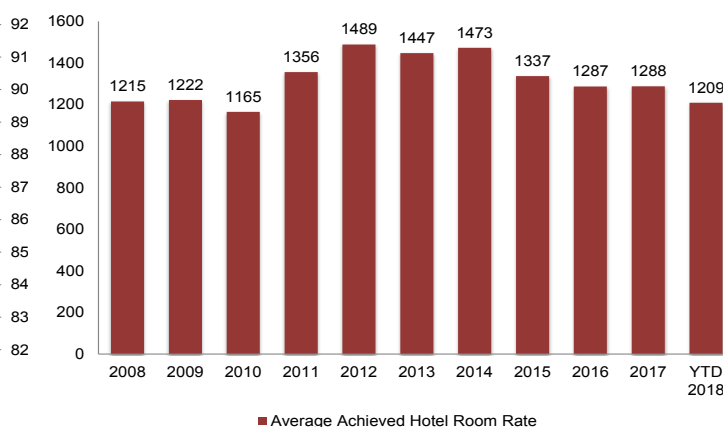
According to the Hong Kong Tourism Board, there were close to 80,000 hotel rooms in Hong Kong in 2018. The number has been increasing over the past few years, thanks to ongoing urban redevelopment projects in Hong Kong. More new hotels continue to be developed in Hong Kong, so we expect the number of hotel rooms to continue to increase in the medium run.

Figure 10: Number of Hotel Rooms and Occupancy Rate in Hong Kong—Overall



Sources: Hong Kong Tourism Board, CGIS Research

Figure 11: Average Achieved Hotel Room Rate (HK\$/night)



Sources: Hong Kong Tourism Board, CGIS Research

### There are still many alternative lodging solutions

The occupancy rate of Hong Kong hotels is close to the recent years' high of 91%, so the room for catering for millions of more visitors may be limited. Nonetheless, we believe there will still be room to cater for more tourists. First, the above figures do not count the room supply from hostels and other lodging facilities, and this room supply is flexible. The ease of conducting business in Hong Kong also allows expansion relatively easily and flexibly. So there is more actual capacity to cater for more tourists. Also, the rise of alternative lodging options, such as Airbnb offers options for tourists to stay in Hong Kong.

### The XRL allows easier day trips for visitors from Guangdong

**Day Trips Will Be the Norm.** On the other hand, we believe the Hong Kong XRL will offer more solutions to Mainland visitors, especially those residing in the Greater Bay Area, for visiting Hong Kong without staying overnight. For example, residents in Shenzhen and Guangzhou can easily visit Hong Kong for shopping and return to their residences on the same day. This is more feasible now, as the XRL offers faster customs clearance and less traveling time. This also explains why the majority of the passengers are expected to be same-day visitors.

## Hong Kong Retail—Still Has Its Charm

**Zero Tax and Tariffs Still Matter.** We continue to see Hong Kong as an appealing destination for Mainland visitors to shop for imported goods. A key distinct advantage of Hong Kong over other destinations is that almost all goods sold in Hong Kong are tax and tariff free.

*We do not see Japan or Korea posing a significant threat to Hong Kong retail*

Many tourist destinations in Asia are also trying to attract more Mainland tourists, which poses a direct threat to Hong Kong retail. However, we don't see these as material threats. While tourists can get tax refunds in Korea and Japan, the refunds are subject to several criteria, like reaching a certain amount of purchases, and going through a time-consuming refund procedure at designated locations. Visa and passport policies in both the Mainland and these countries also restrict the number of outbound tourists.

*Neither does Hainan*

Hainan is also developing duty-free shopping areas to promote tourism, but we do not see this as a major threat to the retail landscape in Hong Kong either. Duty free shopping is still limited to certain locations in Hainan. Even though more preferential tax treatment is expected in Hainan, we don't believe the goods sold in Hainan are as competitive as those in Hong Kong.

*The VAT makes goods sold in the Mainland more expensive than those in HK*

A major reason for goods sold in China being more expensive, even in the absence of import duties, is value-added taxes. Although China has been cutting the import tariffs on certain goods, there is still a noticeable price difference in various categories of merchandise, such as electronics, luxury goods, cosmetics and personal care products. Hong Kong has no VAT, so it has a advantage over the Mainland, which levies a 16% VAT on imported goods.

*Imported goods in Hong Kong are 14-15% cheaper than those in the Mainland*

A simple example can be illustrated by the price difference in the latest iPhone models. iPhones sold in Hong Kong and the Mainland are almost identical, with no differences in functionality or appearance. But iPhones sold in Hong Kong are 14-15% cheaper than those in the Mainland at the current exchange rate. If the RMB appreciates, the price difference could be even larger. However, in the long run, we expect the price differences for general imported goods to remain at 14-15%, which accounts for the VAT differential.

Figure 12: Prices of the Latest iPhones in Hong Kong and the Mainland

Model	iPhone XS 64 GB	iPhone XS 256 GB	iPhone XS 512 GB	iPhone XS Max 64 GB	iPhone XS Max 256 GB	iPhone XS Max 512 GB
Price in Hong Kong	HK\$8,599	HK\$9,899	HK\$11,599	HK\$9,499	HK\$10,799	HK\$12,499
Price in Mainland China	¥8,699	¥10,099	¥11,899	¥9,599	¥10,999	¥12,799
Price Difference	-14.0%	-14.7%	-15.2%	-13.9%	-14.6%	-15.0%

Sources: Apple, CGIS Research

## Stock Picks– Retail, Landlords & Lodging

### Hong Kong Retail

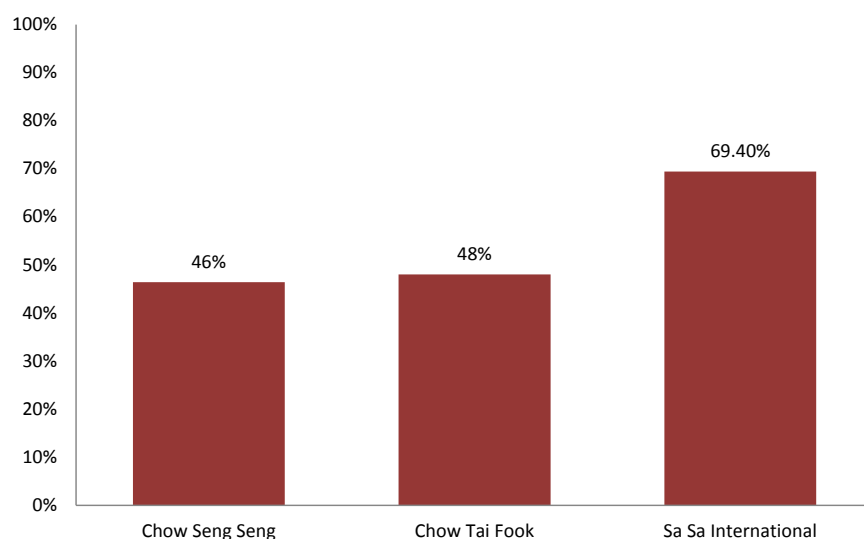
We expect Hong Kong's retail industry to be a direct beneficiary of the new infrastructure. The reason is simple and direct: more tourists from the Mainland will visit Hong Kong on the Hong Kong XRL. Most Mainland tourists visit Hong Kong for shopping, as suggested by Hong Kong Tourism Board data.

*Pick those with significant exposure to Mainland visitors*

Therefore, for stock picks, we believe retailers with a strong Hong Kong presence and significant exposure to Mainland visitors will be long-term beneficiaries. We currently have BUY ratings on **Luk Fook [590.HK]** and **Chow Seng Seng [116.HK]**. In the mid-cap universe, we also expect **Sa Sa International [178.HK; NR]** and **Lifestyle International [1212. HK; NR]** to benefit from increasing tourist arrivals.

Certain retailers have disclosed the contribution of Mainland visitors to their Hong Kong retail operations. According to Hong Kong-based jewellery retailers, close to 50% of their sales are to Mainland visitors. Sa Sa is also highly dependent on visitors, as close to 70% of its sales in Hong Kong is driven by Mainland visitors.

Figure 13: Percentage of Retail Sales in Hong Kong Related to Mainland Visitors



Sources: Company, CGIS Research estimates

## Hong Kong Landlords

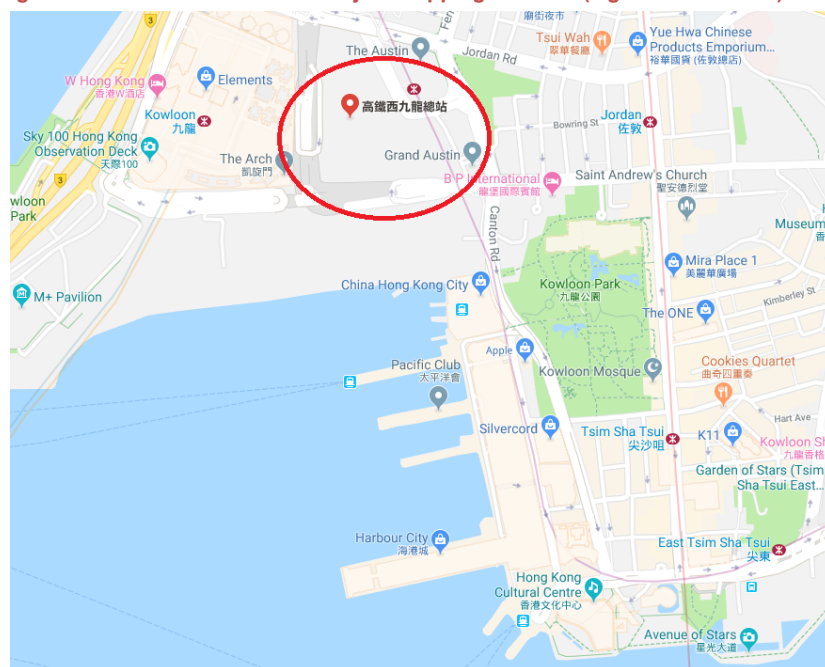
If Hong Kong retail benefits from increasing tourist arrivals, landlords should benefit from increasing rentals and rents. We believe both street level stores and shopping malls will benefit from the increasing number of visitors to Hong Kong.

We expect **Wharf REIC [1997.HK]** to be a primary beneficiary, as the landlord of Harbour City. Because of its close proximity to the WKS (figure 13), we expect Harbour City to benefit from increasing foot traffic and therefore stronger retail sales performance. We believe Harbour City will continue to be the top performing shopping mall in Hong Kong.

We are also positive on certain high-end retail landlords, such as **Hysan Development [0014.HK]**, as they are more sensitive to changes in the retail landscape. They should benefit from more high spenders visiting Hong Kong.

Wharf REIC and Hysan Development are both rated “ADD” by CGS-CIMB.

**Figure 14: The WKS is Close to Major Shopping Districts (e.g. Tsim Sha Tsui)**



Sources: Company, CGIS Research estimates



## Hong Kong Tourism and Hotel Industry

We are positive on the local hotel industry as we expect upward pressure on the hotel room rates and occupancy rates. Select hotel operators like **HK&S Hotels [0045.HK; NR]**, **Regal REIT [1881.HK; NR]** and **Langham Hospitality [1270.HK; NR]** may be worth a revisit.

We are also positive on **China Travel HK [308.HK; NR]** because of its exposure to Hong Kong's hotel and tourism-related business.

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