



## Market Overview

Yesterday, the Hong Kong stocks markets corrected on the negative news regarding China regulatory crackdown towards Chinese technology firms and continuous weak performance on China healthcare sector. China Tech sector slumped 4-8% on average. China healthcare underperformed on southbound capital outflow. On the other hand, China Mobile (941 HK) gained on the back of its A-share performance and share buyback proposal; HSBC (5 HK) also advanced on steepening yield curve. The Hang Seng Index was down 382pts to 22,907pts with a daily turnover of HKD155.3b. Hong Kong tightens COVID social distancing, with bars, gyms, pool closed and dine-in ends 6pm. This move is expected to adversely affect share movement of Hong Kong retailers, landlord and Macau gaming sector.

## Sector News

---

### Hong Kong Social Distancing

Hong Kong Chief Executive Carrie Lam announced that Hong Kong's Covid-19 social distancing measures will be tightened over fears of a community outbreak. The measures will be effective on Friday (7 Jan), (1) dine-in services at restaurants will be banned after 6 p.m. and bars will be closed entirely; (2) major events will be cancelled; (3) all gyms, theme parks, pools, party rooms, clubs, museums and a list of other designated premises will be closed; (4) hospital visits will be halted; (5) Hong Kong will ban flights or travellers from eight countries, starting from Saturday (8 Jan), including Australia, Canada, France, India, Philippines, Pakistan, the UK and the US.

### China Tech

The sector slumped after China's top market regulator said that it has fined units of Alibaba-SW (9988 HK), Tencent (700 HK), and Bilibili-SW (9626 HK) for failing to properly report about a dozen deals. According to public filings, China's State Administration for Market Regulation (SAMR) placed penalties of RMB500k on the companies per deal, the maximum under China's 2008 anti-monopoly law. The SAMR said these companies were found to have not declared the concentration of business operators as per the law. The concentration of business operators is that a business operator obtains control over another in the same business, which may lead to monopoly.

### China Securities

The A-share market continued to diverge in Dec, with CSI300 up 2% MoM, while ChiNext and STAR50 were both down 5% MoM. Average daily turnover (ADT) rose 24% YoY to a record RMB1.1trn in 2021. 2021 IPO financing/follow-on offerings grew 13%/6% YoY, and brokers' bond underwriting amount increased 10% YoY. In addition, new equity fund issuance remained low in Dec and was flattish in 2021. Northbound net inflow hit a monthly high of RMB89b in Dec 2021.

## Company News

---

### China Mobile (941 HK)

(1) China Mobile A-share made a debut on Shanghai Stock Exchange yesterday. Its A-share price closed at RMB57, gaining 0.5% compared with its offer price. Its management stated that the company will keep up to create a new and high-quality development landscape, set to become an extraordinary listed company with long-term investment value in the A-share market; (2) Chia Mobile announced a plan to exercise a buy-back mandate to make on-market buy-backs of H-shares on the HKEX. The plan has been approved by the board. The announce stated that up to 2b H-shares will be bought back, representing up to 10% of total issued H-shares.

## Tencent (700 HK)

Tencent announced that it has entered into a transaction to divest 14.5m Class A shares of Sea Limited (SE US), reducing its equity interest from 21.3% to 18.7%. This is Tencent's second share disposal of its key investee companies after the JD share distribution on Dec 2021. Market raises concern if Tencent is going to dispose its investment position in the near term, for example, Meituan-W (3690 HK). Yesterday, Tencent repurchased 470k shares at a price ranging between HKD429.4-HKD437.6 per share, involving c.HKD203m.

### DISCLAIMERS

This Dim Sum Daily is prepared for general circulation and for information purposes only. It is not an investment research or a research recommendation, as it does not constitute substantive research or analysis. The material contained herein is intended as a general market commentary. Information contained herein is based on data obtained from recognized statistical services, issuer reports or communications, or other sources believed to be reliable. However, MIB Securities (HK) Ltd, its subsidiary and affiliates (collectively, "MIB(HK)") do not independently verify such information and consequently no representation is made as to the accuracy or completeness of such information. MIB(HK) does not take responsibility for any loss occasioned by reliance placed upon the contents hereof. Any statements nonfactual in nature constitute only current opinions, which are subject to change at any time without prior notice. MIB (HK) or its officers, directors, analysts, or employees may, to the extent permitted by law, from time to time participate or invest in financing transaction with any company mentioned herein; may have positions in securities or commodities referred to herein, and may, as principal or agent, buy and sell such securities or commodities. An employee, analyst, officer, or a director of MIB (HK) may serve as a director for companies mentioned in this email. Neither the information nor opinion expressed in this email shall constitute a solicitation to buy or sell any securities. There may be instances when fundamental, technical, and quantitative opinions may not be in concert. MIB (HK) may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any company mentioned in this email. This Dim Sum Daily is prepared for the use of MIB (HK)'s clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of MIB (HK) and MIB (HK) accepts no liability whatsoever for the actions of third parties in this respect. There are risks inherent in international investments, which may make such investments unsuitable for certain clients. These include, for example, economic, political, currency exchange rate fluctuations, and limited availability of information on international securities. MIB (HK) recommends that you obtain the advice of your Financial Advisor regarding this or other investment in order to confirm to your financial resources and risk preference.