国泰君安证券 GUOTAI JUNAN SECURITIES

Flash Note: Times Electric (03898 HK)

快讯：时代电气 (03898 HK)

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Related Party ZCSE was Added to the UVL of the Commerce Department of the USA

关联方株洲中车特装被加入到美国商务部的未经核实名单

- According to news reported by Reuters, **the U.S. Commerce Department on Monday (7th February) said it had added 33 entities in China to its unverified list ("UVL") for receiving U.S. exports.** In a statement, the department said it was taking the step as it was unable to establish how export items would be used by the entities. Zhuzhou CRRC Special Equipment Technology Co., Ltd. ("ZCSE"), who is a related party of CRRC Corporation (01766 HK) and Times Electric (03898 HK), was among one of the 33 entities.

- According to the company website of ZCSE, it mainly manufactures amusement train products for amusement parks in China. In addition, it is one of the global leaders specialized in developing and constructing press brakes and cutting machines for both thin and thick sheet metal. ZCSE's current controlling shareholder is CRRC Zhuzhou Investment Holding Co., Ltd. (holding 80.8% of ZCSE), while CRRC Zhuzhou Investment Holding Co., Ltd. is in turn 84.3% held by CRRC Industry Investment Co., Ltd. and 15.7% held by CRRC Zhuzhou Electric Locomotive Co., Ltd., which are both wholly owned by CRRC Group, the ultimate controlling shareholder of CRRC Corporation (01766 HK), which is in turn the controlling shareholder of Times Electric (03898 HK). Therefore, ZCSE is only considered a related party of Times Electric (03898 HK. the "Company") and has no mutual shareholding. In addition, the UVL mainly implemented new restrictions on those entities obtaining products from U.S. exporters and require U.S. companies wishing to do business with these Chinese companies to conduct additional due diligence, but not a total ban of the business relationship. **We think the impact to operation of Times Electric (03898 HK) is very minimal at this moment.**

- Times Electric (03898 HK) shares dropped substantially in morning trading session on 8th of February; we think this reflected the investors expectation of further restriction of operation or even direct sanction of Times Electric (03898 HK). Yet the Company does not have direct exports to the USA as a main market while its core technology also does not rely on U.S. companies, so we think the operation risk is low at the moment. Despite this, if the U.S. government implements new investment restrictions on U.S. investors who invest in the Company, temporary selling pressure may build up. **We see a temporary drop in the Company's shares a good buying opportunity for long term. Maintain the TP at HK$52.00 and "Accumulate" rating.**

- 据路透社报道，**美国商务部周一(2 月 7 日)表示，已将 33 家中国实体列入其接受美国出口的未经核实名单("未核实名单")。**该部门在一份声明中表示，由于无法确定这些实体将如何使用出口物品，因此采取相关措施。株洲中车特种装备科技有限公司("株洲中车特装")作为中国中车(01766 HK)和时代电气(03898 HK)的关联方，是 33 家实体之一。

- 据株洲中车特装公司网站资料，其主要为中国的游乐园生产游乐火车产品。此外，它还是专门开发和制造用于薄板和厚板金属的折弯机和切割机的全球领导者之一。株洲中车特装目前的控股股东为中车株洲投资控股有限公司(持股比例为 80.8%)。中车株洲投资控股有限公司则分别由中车产业投资有限公司持股 84.3%，及中车株洲电力机车持股 15.7%，而两者皆为中车集团全资拥有。中车集团是中国中车(01766 HK)的最终控股股东，而中国中车(01766 HK)则为时代电气(03898 HK)的控股股东。因此，株洲中车特装仅被视为时代电气(03898 HK)的关联方，并无相互持股。此外，未核实名单主要对那些从美国出口商处获得产品的实体实施新的限制，并要求那些希望与这些中国公司开展业务的美国公司进行额外的尽职调查，并未全面禁止这种业务关系。**我们认为目前这个事件对时代电气(03898 HK)经营的影响非常小。**

- 时代电气(03898 HK)股价在 2 月 8 日早盘大幅下跌，我们认为这反映了投资者对时代电气(03898 HK)进一步受限制甚至受直接制裁的预期。但公司没有直接出口美国作为其主要市场，核心技术也不依赖美国公司，因此我们认为目前经营风险较低。尽管如此，如果美国政府对美国投资者投资该公司实施新的投资限制，可能会增加暂时的抛售压力。**我们认为公司股价暂时下跌是长期买入的良机。维持 52.00 港元的目标价及"收集"评级。**

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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