

# Technology

## US tariff updates: Reciprocal tariff exemptions for smartphone/PC/server but new electronics tariff will come soon

The US's CBP published an updated guidance on 11 Apr ([link](#)) to exempt 20 product categories (incl. smartphones, PCs, servers and tablets) from reciprocal tariffs (i.e. 125% China tariff and 10% global tariff). However, the US commerce secretary stated on 13 Apr ([link](#)) that tariff exemptions for electronic devices were temporary and electronics will come under separate tariffs, along with semiconductors that will be imposed in a month or two. Overall, while the upcoming electronics tariff remains an overhang in the near term, we believe 1) the new tariff (vs. 25% for other sectoral tariffs) will be lower than the 125% for China's previous reciprocal tariff, and 2) recent sector correction has priced in the worst scenario for reciprocal tariffs. Therefore, we expect sector sentiment to gradually recover and recommend to revisit quality sector leaders on further weakness, including Xiaomi, AAC, BYDE and Q-Tech.

- **Further details on reciprocal tariff exemptions for smartphone/PC/server/watch/TWS/TV.** Following the exemptions published on 11 Apr, below is our analysis of the latest US tariffs across all products. For **smartphone (iPhone)/tablet(ipad)/NB(Macbook)**, US tariff will be 20% for China and 0% for Vietnam/India/Taiwan/Mexico. For **server/router/ switch**, US tariff will be 45% for China and 0% for Vietnam/ Taiwan/Mexico. For **smart watch/TWS(AirPods)**, US tariff will be 27.5%/ 170% for China and 0%/10% for Vietnam/India. For **TV**, US tariff will be 156% for China, 13.9% for Vietnam/India/Taiwan and 0% for Mexico.
- **New electronics tariff to be announced in “a month or two”.** The US commerce secretary, Howard Lutnick, commented during an interview on 13 Apr that reciprocal tariff exemptions for electronic devices on 11 Apr was only a temporary reprieve, and those items would be subject to separate tariffs, along with semiconductors that may be implemented in a month or two. Despite the lack of details, we expect the new electronics tariffs will be lower than the 125% for China's reciprocal tariff. And as a reference, other sectoral tariffs for China introduced include 25% for steel/aluminum, machinery and battery, and 50% for solar cells and facemask/gloves.
- **Worst scenario priced in; Expect sentiment to improve in near term.** While the upcoming electronics tariff will still weigh on the sector in the near term, we believe 1) the new tariff will likely be lower than China's previous reciprocal tariff, and 2) recent sector correction has reflected the worst scenario for the prior reciprocal tariff (i.e. 125% for China). Therefore, we are positive on gradual recovery of sector sentiment in the near term, and we recommend to look for some quality names to accumulate in case of further weakness, including Xiaomi, AAC, BYDE and Q-Tech. In the near term, for Apple names, we prefer BYDE (iPad), Luxshare (iPhone/AirPods/watch), and FIT (AirPods/iPhone).

### Valuation Table

Name	Ticker	Rating	Mkt Cap (US\$m)	TP (LC)	Up/down -side	P/E (x)		P/B (x)		ROE (%)	
						FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Xiaomi	1810 HK	BUY	147,878	59.52	35%	25.9	21.2	4.4	3.7	17.0	17.4
AAC Tech	2018 HK	BUY	5,541	58.78	61%	15.4	13.0	1.5	1.4	9.9	10.8
BYDE	285 HK	BUY	9,573	47.10	43%	11.2	9.0	1.8	1.6	16.3	17.7
FIT Hon Teng	6088 HK	BUY	1,797	3.86	102%	7.0	4.8	0.6	0.6	9.0	11.7
Luxshare	002475 CH	BUY	31,957	55.09	71%	14.0	11.1	2.3	2.2	16.4	20.7
Q-Tech	1478 HK	BUY	954	9.25	49%	11.6	9.3	1.2	1.1	10.3	11.6

Source: Company data, CMBIGM estimates

**OUTPERFORM**  
(Maintain)

### China Technology Sector

#### Alex NG

(852) 3900 0881

alexng@cmbi.com.hk

#### Hanqing LI

lihanqing@cmbi.com.hk

### Related Reports:

1. Technology - US tariff updates: Addressing FAQs after a volatile day – 8 Apr 2025 ([link](#))
2. Technology - Implications of US reciprocal tariffs on supply chain – 3 Apr 2025 ([link](#))

## Focus Charts

**Figure 1: List of product categories for reciprocal tariff exemptions announced on 11 Apr**

Heading/ Subheading	Article description
<b>8471</b>	<b>Notebook, desktop, servers, workstations, tablets, external hard drives, input/output devices (such as keyboards, mice, monitors, and printers)</b>
8473.30	Printed circuit assemblies (e.g., motherboards, graphics cards), accessories for printed circuit assemblies (e.g., panels, latches), and other parts and accessories (e.g., memory modules, heat sinks, internal chassis components), specifically designed for automatic data processing machines
8486	Semiconductor manufacturing equipment, wafer fabrication machinery, flat panel display manufacturing equipment, and their parts and accessories, such as machines for the production of semiconductor devices or integrated circuits
<b>8517.13.00</b>	<b>Smartphones</b>
8517.62.00	Routers, switches, and other network communication products
8523.51.00	Semiconductor storage media, such as solid-state drives (SSDs), flash memory cards or flash electronic storage cards
8524	Flat panel display modules, including LCDs, OLEDs, and their parts
8528.52.00	Color monitors (e.g., computer monitors)
8541.10.00	Diodes (excluding photosensitive or light-emitting diodes)
8541.21.00	Transistors with a power output of less than 1 watt
8541.29.00	Transistors with a power output of 1 watt or more (excluding photosensitive transistors)
8541.30.00	Thyristors, diacs and triacs, (excluding photosensitive devices)
8541.49.10	Photosensitive semiconductor devices, including unassembled photovoltaic cells
8541.49.70	Photovoltaic cells assembled in modules or made up into panels.
8541.49.80	Optocouplers, opto-isolators, and photoelectric isolators
8541.49.95	Other photosensitive semiconductor devices (including photodetectors)
8541.51.00	Semiconductor devices: Semiconductor light-emitting diodes (LEDs)
8541.59.00	Other semiconductor devices (e.g. laser diodes, Zener diodes, varactors)
8541.90.00	Parts of diodes, transistors and similar semiconductor devices; parts of photosensitive semiconductor devices, including photovoltaic cells
8542	Electronic integrated circuits, including processors, controllers, memory devices, and other integrated circuits (e.g., microchips), and their parts

Source: U.S. Customs and Border Protection, CMBIGM

**Figure 2: Analysis of the latest US tariffs after CBP updated guidance published on 11 Apr (%)**

Product	Examples	Global Tariff		China				Vietnam		India		Mexico
		Baseline	Reciprocal Tariff (Prior)	Section 301	IEEPA (fentanyl)	Reciprocal Tariff (Latest)	Total Tariff	Reciprocal Tariff (Latest)	Total Tariff	Reciprocal Tariff (Latest)	Total Tariff	Total Tariff (USMCA)
Smartphone	iPhone	0	10	0	20	0	20	0	0	0	0	0
Smart Watch	Watch	0	10	7.5	20	0	27.5	0	0	0	0	0
TWS	AirPods	0	10	25	20	125	170	10	10	10	10	0
Tablet/NB	iPad	0	10	0	20	0	20	0	0	0	0	0
Server	HGX/DGX	0	10	25	20	0	45	0	0	0	0	0
Router/Switch		0	10	25	20	0	45	0	0	0	0	0
TV		3.9	10	7.5	20	125	156.4	10	13.9	10	13.9	0

Source: CMBIGM

**Figure 3: Sales exposure by region for A/H listed tech companies**

Company	Ticker	2023 Overseas Sales Exposure	Revenue breakdown of Top 5 regions (2023)									
			Region 1	Sales Mix (%)	Region 2	Sales Mix (%)	Region 3	Sales Mix (%)	Region 4	Sales Mix (%)	Region 5	Sales Mix (%)
FIT Hon Teng	6088 HK	83%	US	46%	Others	17%	China	17%	Taiwan	9%	Hong Kong	6%
Lenovo	992 HK	76%	Americas	34%	EMEA	25%	China	24%	APAC	17%		0%
BYD Electronics	285 HK	67%	International	67%	China	33%		0%		0%		0%
TCL Electronics	1070 HK	59%	China	41%	Emerging Markets	27%	North America	21%	Europe	11%		0%
TK Group	2283 HK	52%	China	48%	US	18%	Europe	16%	SE Asia(Inc HK)	11%	Others	5%
AAC Technologies	2018 HK	50%	Greater China	50%	Americas	43%	Other Asia	6%	Europe	0%		0%
Xiaomi	1810 HK	45%	China	55%	International	45%		0%		0%		0%
Time Interconnect	1729 HK	30%	China	70%	US	15%	Others	4%	Singapore	4%	Netherlands	2%
BOEVx	710 HK	27%	China	73%	Europe	13%	Americas	7%	Others	4%	Korea	3%
Tongda	698 HK	21%	China	79%	Others	7%	Asia	7%	Europe	6%	US	1%
Q Technology	1478 HK	20%	China	80%	India	15%	Others	5%	Hong Kong	0%		0%
Cowell	1415 HK	8%	HK & China	92%	India	6%	Others	2%	Korea	0%		0%
Intron Tech	1760 HK	3%	China	97%	Hong Kong	3%	Others	0%		0%		0%
Transsion	688036.SH	98%	Asia	63%	Africa	35%	Others	2%				
Goertek Inc	002241.SZ	93%	International	93%	China	7%						
Luxshare	002475.SZ	89%	International	89%	China	11%						
Avary	002938.SZ	84%	US	81%	Greater China	16%	Others	4%	Europe	0%		
Dongshan Precision	002384.SZ	83%	International	83%	China	17%						
Sunway	300136.SZ	81%	International	81%	China	19%						
WUS	002463.SZ	81%	International	81%	China	15%	Others	4%				
Crystal-Optech	002273.SZ	77%	International	77%	China	21%	Others	2%				
Leyard Optoelectronic	300162.SZ	72%	Greater China&Intl	72%	North America	55%	Mid-East	10%	South-China	7%	Asia	7%
Lingyi iTech	002600.SZ	69%	International	69%	China	31%						
Lens Tech	300433.SZ	68%	International	68%	China	32%						
Wingtech	600745.SH	67%	International	67%	China	33%	Others					
Huaqin	603296.SH	66%	International	66%	China	34%						
BOE	000725.SZ	54%	China	46%	Other Asia	32%	Americas	19%	Europe	3%	Others	0%
USI	601231.SH	48%	China	62%	Greater China&Intl.	48%	Others	0%	Internal	-9%		
Everwin	300115.SZ	47%	China	53%	International	47%						
Tianma	000050.SZ	42%	China	58%	International	42%						
Lianchuang	002036.SZ	20%	China	80%	International	20%						

Source: Company data, Wind, CMBIGM

**Figure 4: Supply chain mapping and sales mix exposure (2024)**

Company	Ticker	Apple	Huawei	Samsung	Other CN brands	Others	Major products
AAC Tech	2018 HK	25%	10%	10%	43%	12%	Acoustics, haptics, optics, casing
FIT Hon Teng	6088 HK	25%	-	-	-	75%	Connectors, AirPods, accessories, EV, servers
BYDE	285 HK	60%	5%	5%	15%	15%	Metal/glass/plastics casing, ODM/OEM, automobile
Tongda	698 HK	5%	5%	5%	50%	35%	Metal/plastic casing, waterproof materials
Q-Tech	1478 HK	-	5%	-	85%	15%	Camera modules/lenses, FPM, auto CCM
TK Group	2283 HK	10%	-	-	-	90%	Plastic molding, plastic precision
Truly	732 HK	-	-	3%	62%	35%	Camera modules, fingerprint, display modules
Cowell	1415 HK	90%	-	5%	-	5%	Camera modules
Luxshare	002475 CN	60%	10%	3%	-	27%	Wireless, iPhone/AirPods/Watch OEM, acoustics/haptics

Source: Company data, CMBIGM estimates

**Figure 5: Global capacity of component names**

Company	Production base
AAC Tech	China, Vietnam, Philippines, Singapore, Germany
FIT Hon Teng	China, Vietnam, Taiwan, India, Mexico, Europe
BYDE	China, India, Vietnam, Europe, Mexico
Goertek	China, Vietnam
Luxshare	China, Vietnam, Malaysia, Germany
Lens Tech	China, Vietnam
Q-Tech	China, Taiwan, India

Source: Company, CMBIGM

**Figure 6: Global capacity of ODM names**

Company	Production base
Hon Hai	China, Taiwan, Vietnam, India, Mexico, US, Malaysia
Quanta	China, Taiwan, US, Thailand, Vietnam, Germany, Mexico
Wistron	China, Taiwan, India, Vietnam, Mexico, Europe, Malaysia
Wiwynn	Taiwan, Malaysia, Mexico
Inventec	China, Taiwan, Mexico, Europe
Compal	Taiwan, Vietnam, Mexico, United States, Brazil
Lenovo	China, Europe, Mexico
Xiaomi	China, SEA, India

Source: Company, CMBIGM

**Figure 7: Peers valuation**

		Mkt Cap	Price	P/E (x)		P/B (x)		ROE (%)		Perf
Company	Ticker	(US\$ mn)	(LC)	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	YTD
Brand										
Apple	AAPL US	2,860,503	190.42	26.2	23.7	40.8	30.3	177.7	195.4	(24.0)
Xiaomi	1810 HK	147,878	44.25	25.9	21.2	4.4	3.7	17.0	17.4	28.3
Transsion	688036 CH	13,579	86.90	15.4	13.1	4.0	3.3	27.2	28.5	(8.5)
Samsung	005930 KS	228,265	55,200.00	11.4	8.9	0.9	0.8	8.0	9.4	3.8
LG	066570 KS	7,762	67,900.00	7.3	5.5	0.5	0.5	7.3	9.7	(18.7)
TCL Electronics	1070 HK	2,584	7.95	10.4	8.8	1.1	1.0	10.5	11.4	25.2
Average				16.1	13.5	8.6	6.6	41.3	45.3	1.0
ODM/EMS										
BYDE	285 HK	9,573	32.95	11.2	9.0	1.8	1.6	16.3	17.7	(21.6)
Luxshare	002475 CH	31,957	32.18	14.0	11.1	2.3	2.2	16.4	20.7	(21.1)
Hon Hai Precision	2317 TT	57,515	134.50	9.5	8.2	1.0	0.9	11.1	11.9	(26.9)
Average				11.6	9.4	1.7	1.6	14.6	16.7	(23.2)
Optics										
Q Tech	1478 HK	954	6.22	11.6	9.3	1.2	1.1	10.3	11.6	(4.0)
Truly	732 HK	379	0.93	-	-	-	-	-	-	(18.4)
Cowell	1415 HK	2,302	20.70	11.5	8.9	3.3	2.5	31.0	29.9	(26.9)
Largan	3008 TT	8,361	2,035.00	10.7	10.2	1.4	1.3	13.5	12.7	(23.9)
Genius	3406 TT	1,229	354.00	9.6	8.4	1.4	1.3	15.6	16.0	(30.2)
O-Film	002456 CH	5,550	12.23	44.8	36.7	8.7	7.8	12.5	13.4	2.1
Lg Innotek	011070 KS	2,278	137,800.00	6.5	4.9	0.6	0.5	9.2	11.3	(14.9)
Average				16.3	13.4	2.7	2.4	15.0	15.6	(15.1)
Acoustics/Haptics										
AAC Tech	2018 HK	5,541	36.45	15.4	13.0	1.5	1.4	9.9	10.8	(2.8)
Luxshare	002475 CH	31,957	32.18	14.0	11.1	2.3	2.2	16.4	20.7	(21.1)
Merry	2439 TT	792	101.50	11.3	9.8	1.3	-	13.9	14.7	(6.0)
Knowles	KN US	1,276	14.55	14.3	11.9	-	-	-	-	(27.0)
Nidec	6594 JP	17,455	2,087.50	13.1	11.6	1.4	1.2	10.5	11.1	(26.9)
Average				14.5		1.7		12.1		(17.0)
Connector										
FIT Hon Teng	6088 HK	1,797	1.91	7.0	4.8	0.6	0.6	9.0	11.7	(47.7)
Luxshare	002475 CH	31,957	32.18	14.0	11.1	2.3	2.2	16.4	20.7	(21.1)
TE	TEL US	37,995	127.35	15.8	14.3	2.9	2.8	18.7	19.2	(10.9)
Amphenol	APH US	77,712	64.13	28.0	25.0	6.9	5.8	26.7	25.5	(7.7)
Average				16.2		3.2		17.7		(21.8)
Casing										
BYDE	285 HK	9,573	32.95	11.2	9.0	1.8	1.6	16.3	17.7	(21.6)
Tongda	698 HK	92	0.07	3.8	2.8	0.2	0.2	5.9	7.4	(9.9)
TK Group	2283 HK	204	1.90	5.3	4.1	0.8	0.8	15.9	18.3	(19.8)
Everwin	300115 CH	3,869	20.83	32.3	23.3	1.8	1.6	13.0	15.4	28.3
Lens Tech	300433 CH	13,765	20.16	18.7	15.3	1.9	1.8	10.6	12.0	(7.9)
Catcher	2474 TT	4,042	193.00	12.6	12.1	-	-	6.0	-	(0.5)
Jabil	JBL US	14,174	132.04	14.7	12.9	10.1	9.9	62.7	72.2	(8.2)
Average				14.1	11.4	2.8	2.6	18.6	23.8	(5.7)
Hinge										
AAC Tech	2018 HK	5,541	36.45	15.4	13.0	1.5	1.4	9.9	10.8	(2.8)
Jiangsu Gian	300709 CH	795	31.17	-	-	-	-	-	-	(22.4)
KH Vatec	060720 KS	141	8,520.00	6.9	5.5	0.7	0.7	10.9	12.6	4.7
Foseltek	6805 TT	929	440.00	14.0	9.1	4.5	3.4	33.6	38.8	(45.7)
Jarlytec	3548 TT	231	113.50	11.9	11.3	1.2	1.1	10.2	9.7	(35.7)
NBTM	600114 CH	1,579	18.70	19.4	15.3	3.8	3.4	19.0	20.6	15.6
Dongguan Eontec	300328 CH	915	9.67	-	-	-	-	-	-	31.4
Average					10.8	2.4	2.0	16.7	18.5	(7.8)

Source: Bloomberg, CMBIGM estimates

Figure 8: Peers valuation (cont.)

		Mkt Cap	Price	P/E (x)		P/B (x)		ROE (%)		Perf
Company	Ticker	(US\$ mn)	(LC)	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	YTD
PC/Server										
Lenovo	992 HK	12,844	8.03	8.7	8.2	2.0	1.7	23.8	22.5	(20.3)
Dell	DELL US	55,088	78.94	10.1	8.6	-	70.9	(166.4)	1,027.0	(31.5)
HPE	HPE US	18,049	13.74	7.6	6.7	0.7	0.7	9.3	9.8	(35.6)
HP Inc	HPQ US	21,560	22.87	6.5	6.2	-	-	(303.7)	(35.8)	(29.9)
Super Micro	SMCI US	19,988	33.68	13.0	9.1	3.1	2.4	29.9	31.9	10.5
ASUSTeK	2357 TT	11,707	512.00	10.7	9.2	1.4	1.4	13.0	15.4	(16.9)
Inspur	000977 CH	9,638	47.78	24.8	20.1	3.1	2.7	13.0	13.8	(7.9)
Dawning	603019 CH	13,124	65.46	37.6	31.1	4.2	3.8	11.5	12.4	(9.5)
		Average		14.9	12.4	2.4	11.9	(46.2)	137.1	(17.6)
ODM/OEM										
FII	601138 CH	48,436	17.80	11.4	9.8	2.1	1.8	18.2	18.7	(17.2)
Huaqing	603296 CH	9,480	68.10	18.2	15.4	2.7	2.3	13.9	14.4	(4.0)
BYDE	285 HK	9,573	32.95	11.2	9.0	1.8	1.6	16.3	17.7	(21.6)
Quanta	2382 TT	25,625	215.50	11.9	9.9	3.5	3.0	30.6	32.0	(24.9)
Wistron	3231 TT	8,052	90.30	10.8	8.9	1.9	1.6	17.5	18.5	(13.2)
Wiwynn	6669 TT	10,870	1,900.00	12.2	10.3	3.5	3.0	30.2	29.9	(27.5)
Inventec	2356 TT	4,418	40.00	14.7	13.3	2.1	1.9	13.5	14.7	(20.2)
GigaByte	2376 TT	4,166	202.00	11.0	9.4	2.5	2.2	23.1	24.5	(25.9)
		Average		12.7	10.8	2.5	2.2	20.4	21.3	(19.3)
Connector										
FIT Hon Teng	6088 HK	1,797	1.91	7.0	4.8	0.6	0.6	9.0	11.7	(47.7)
Luxshare	002475 CH	31,957	32.18	14.0	11.1	2.3	2.2	16.4	20.7	(21.1)
TE	TEL US	37,995	127.35	15.8	14.3	2.9	2.8	18.7	19.2	(10.9)
Amphenol	APH US	77,712	64.13	28.0	25.0	6.9	5.8	26.7	25.5	(7.7)
		Average		16.2		3.2		17.7		(21.8)
Switch/Storage										
Cisco	CSCO US	225,132	56.59	15.2	14.2	4.8	4.5	33.0	33.2	(4.4)
Arista	ANET US	91,621	72.65	29.3	24.7	7.0	5.5	26.4	24.7	(34.3)
Juniper	JNPR US	11,542	34.64	16.9	15.5	2.3	2.2	14.2	14.5	(7.5)
Keysight	KEYS US	23,055	133.41	19.0	16.7	4.3	3.8	19.8	21.1	(16.9)
Seagate	STX US	14,764	69.74	9.4	7.5	-	43.0	(143.5)	4,846.2	(19.2)
Western Digital	WDC US	12,129	34.87	7.4	7.1	-	2.1	25.3	29.3	(22.6)
		Average		17.3	14.9	4.3	8.4	1.5	626.0	(16.8)
Substrate										
Unimicron	3037 TT	3,687	78.30	12.1	7.3	1.2	1.1	9.8	15.2	(44.5)
Ibiden	4062 JP	3,563	3,608.00	16.7	14.4	1.0	1.0	6.1	7.0	(24.4)
NYPCB	8046 TT	1,665	83.70	28.3	11.2	1.1	1.1	5.0	8.9	(35.9)
		Average		19.0	11.0	1.1	1.0	6.9	10.3	(34.9)
PCB										
WUS Printed	002463 CH	7,277	27.68	15.4	12.6	3.6	2.9	24.3	24.0	(30.2)
Victory Giant	300476 CH	8,425	71.27	20.0	15.0	5.3	4.1	19.6	21.2	69.3
Gold Circuit	2368 TT	2,589	171.00	11.4	9.1	3.3	2.6	31.3	30.6	(29.2)
		Average		15.6	12.2	4.1	3.2	25.1	25.2	3.3
Power Supply										
Delta	2308 TT	26,788	335.00	18.7	15.9	3.4	3.0	17.5	18.3	(22.2)
Lite-on	2301 TT	6,185	85.60	12.9	11.2	2.1	2.0	16.8	18.2	(14.0)
		Average		15.8	13.6	2.7	2.5	17.2	18.2	(18.1)
Thermal										
FII	601138 CH	48,436	17.80	11.4	9.8	2.1	1.8	18.2	18.7	(17.2)
Sunowealth	2421 TT	658	78.20	11.1	9.5	2.6	2.4	23.7	25.2	(19.9)
AVC	3017 TT	4,909	411.50	12.9	10.8	4.3	3.3	35.8	34.4	(33.9)
		Average		11.8	10.0	3.0	2.5	25.9	26.1	(23.7)

Source: Bloomberg, CMBIGM estimates

**Figure 9: Peers valuation (cont.)**

Company	Ticker	Mkt Cap	Price	P/E (x)		P/B (x)		ROE (%)		Perf
		(US\$ mn)	(LC)	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	YTD
Auto Electronics										
BYDE	285 HK	9,573	32.95	11.2	9.0	1.8	1.6	16.3	17.7	(21.6)
AAC Tech	2018 HK	5,541	36.45	15.4	13.0	1.5	1.4	9.9	10.8	(2.8)
FIT Hon Teng	6088 HK	1,797	1.91	7.0	4.8	0.6	0.6	9.0	11.7	(47.7)
BOE Varitronix	710 HK	512	5.02	7.8	6.3	0.3	0.3	4.0	4.2	(25.7)
Intron Tech	1760 HK	178	1.27	5.0	3.8	0.5	0.4	9.4	11.3	5.0
Luxshare	002475 CH	31,957	32.18	14.0	11.1	2.3	2.2	16.4	20.7	(21.1)
Desay SV	002920 CH	7,671	100.88	20.8	16.3	4.7	3.8	24.4	24.9	(8.4)
Jingwei Hirain	688326 CH	1,237	75.25	72.0	26.7	1.8	1.7	5.0	6.4	(10.5)
Foryou	002906 CH	2,139	29.74	17.9	14.0	2.2	2.0	12.4	14.3	(3.3)
O-Film	002456 CH	5,550	12.23	44.8	36.7	8.7	7.8	12.5	13.4	2.1
LianChuang	002036 CH	1,404	9.67	75.0	34.2	3.6	3.2	3.0	9.3	2.9
Average				36.9	21.5	3.5	3.2	12.0	14.4	(5.7)

Source: Bloomberg, CMBIGM estimates

# Disclosures & Disclaimers

## Analyst Certification

The research analyst who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that analyst in this report. Besides, the analyst confirms that neither the analyst nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

## CMBIGM Ratings

**BUY** : Stock with potential return of over 15% over next 12 months  
**HOLD** : Stock with potential return of +15% to -10% over next 12 months  
**SELL** : Stock with potential loss of over 10% over next 12 months  
**NOT RATED** : Stock is not rated by CMBIGM

**OUTPERFORM** : Industry expected to outperform the relevant broad market benchmark over next 12 months  
**MARKET-PERFORM** : Industry expected to perform in-line with the relevant broad market benchmark over next 12 months  
**UNDERPERFORM** : Industry expected to underperform the relevant broad market benchmark over next 12 months

## CMB International Global Markets Limited

**Address:** 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888 Fax: (852) 3900 0800

**CMB International Global Markets Limited ("CMBIGM") is a wholly owned subsidiary of CMB International Capital Corporation Limited (a wholly owned subsidiary of China Merchants Bank)**

## Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM. Additional information on recommended securities is available upon request.

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.