招銀国际
CMB INTERNATIONAL

CMBI Research Focus List

Our best high conviction ideas



12 Nov 2026

CMBI Focus List – Long and short ideas

Company	Ticker	Sector	Rating	M cap (US$ bn)	3M ADTV (US$ mn)	Price (LC)	TP (LC)	Up/Down -side	P/E (x) FY25A	P/E (x) FY26E	P/B (x) FY25A	ROE (%) FY25A	Yield FY25A	Analyst
Long Ideas														
BYD	1211 HK	Auto	BUY	99.3	196.8	69.2	109.00	58%	17.90	17.20	N/A	15.1	N/A	Shi Ji/ Wenjing Dou/ Austin Liang
Horizon Robotics	9660 HK	Auto	BUY	7.9	59.7	3.9	7.00	80%	N/A	N/A	N/A	N/A	N/A	Shi Ji/ Wenjing Dou/ Austin Liang
Weichai Power	2338 HK	Capital Goods	BUY	25.6	73.2	23.1	44.70	93%	19.80	13.80	2.30	12.20	0.0%	Wayne Fung
Jiangsu Hengli	601100 CH	Capital Goods	BUY	18.7	109.5	93.2	132.00	42%	41.20	33.90	6.50	16.5	1.0%	Wayne Fung
CGN Mining	1164 HK	Materials	BUY	2.2	13.9	2.3	3.37	49%	34.90	19.00	3.50	10.7	0.7%	Wayne Fung
Proya Cosmetics	603605 CH	Consumer Staples	BUY	2.9	45.1	49.1	89.58	83%	13.40	11.90	3.20	25.7	3.9%	Miao Zhang/Yiwen Xu
Nongfu Spring	9633 HK	Consumer Staples	BUY	65.2	32.4	45.5	60.93	34%	27.40	24.60	11.00	44.2	2.8%	Miao Zhang/Yiwen Xu
CR Beverage	2460 HK	Consumer Staples	BUY	2.3	0.9	7.5	9.57	28%	15.50	15.10	1.40	8.9	4.1%	Miao Zhang/Yiwen Xu
Luckin Coffee	LKNCY US	Consumer Discretionary	BUY	10.6	44.1	36.9	54.68	48%	17.60	13.90	N/A	26.7	0.0%	Miao Zhang/Yiwen Xu
WuXi AppTec	603259 CH	Healthcare	BUY	68.7	987.5	148.7	190.00	28%	N/A	18.10	N/A	N/A	N/A	Jill Wu/Benchen Huang
3SBio	1530 HK	Healthcare	BUY	4.8	42.2	15.0	34.78	132%	N/A	21.20	N/A	N/A	N/A	Jill Wu/Cathy Wang
AIA	1299 HK	Insurance	BUY	104.1	271.0	78.9	112.00	42%	N/A	N/A	2.50	17.0	2.4%	Nika Ma
Ping An	2318 HK	Insurance	BUY	135.3	239.2	52.7	81.00	54%	N/A	N/A	0.74	14.0	6.6%	Nika Ma
Tencent	700 HK	Internet	BUY	474.8	1157.3	409.6	705.00	72%	12.40	11.90	N/A	N/A	N/A	Saiyi He/Wentao Lu/ Frank Tao/Shuyin Guo
NetEase	NTES US	Internet	BUY	78.2	91.0	122.1	159.50	31%	14.40	13.50	N/A	N/A	N/A	Saiyi He/Wentao Lu/Frank Tao/Shuyin Guo
Meituan	3690 HK	Internet	BUY	57.4	328.6	72.9	138.00	89%	N/A	N/A	N/A	N/A	N/A	Saiyi He/ Frank Tao/Wentao Lu/Shuyin Guo
Alibaba	BABA US	Internet	BUY	252.6	1132.2	101.5	220.10	117%	N/A	N/A	N/A	N/A	N/A	Saiyi He/Frank Tao/Wentao Lu/Shuyin Guo
CR MixC Lifestyle	1209 HK	Property	BUY	12.1	21.5	41.5	53.58	29%	20.60	18.40	5.30	24.8	4.8%	Miao Zhang/Yiwen Xu
Greentown Service	2869 HK	Property	BUY	1.7	1.4	4.2	6.55	57%	13.00	11.10	1.60	11.2	5.8%	Miao Zhang/Yiwen Xu
NAURA	002371 CH	Semiconductors	BUY	59.6	703.1	547.9	750.00	37%	73.30	56.80	N/A	N/A	N/A	Zhou Zhimin/Kevin Zhang/Aaron Guo
Lumentum	LITE US	Semiconductors	BUY	58.8	4490.3	648.1	1212.00	87%	261.90	62.10	N/A	N/A	N/A	Saiyi He/Kevin Zhang/Aaron Guo
SMIC	981 HK	Semiconductors	BUY	79.3	474.5	49.0	119.00	143%	N/A	N/A	2.20	N/A	N/A	Zhou Zhimin/Kevin Zhang/Aaron Guo
SICC	2631 HK	Semiconductors	BUY	5.7	13.0	45.8	82.50	80%	N/A	N/A	N/A	N/A	N/A	Zhou Zhimin/Kevin Zhang/Aaron Guo
Microsoft	MSFT US	Software & IT Services	BUY	3870.0	11917.8	521.1	641.80	23%	29.50	26.60	N/A	N/A	N/A	Saiyi He/ Frank Tao/Wentao Lu/Shuyin Guo

Source: Bloomberg, CMBIGM. Data as of 11/12/2026 7:20 a.m.

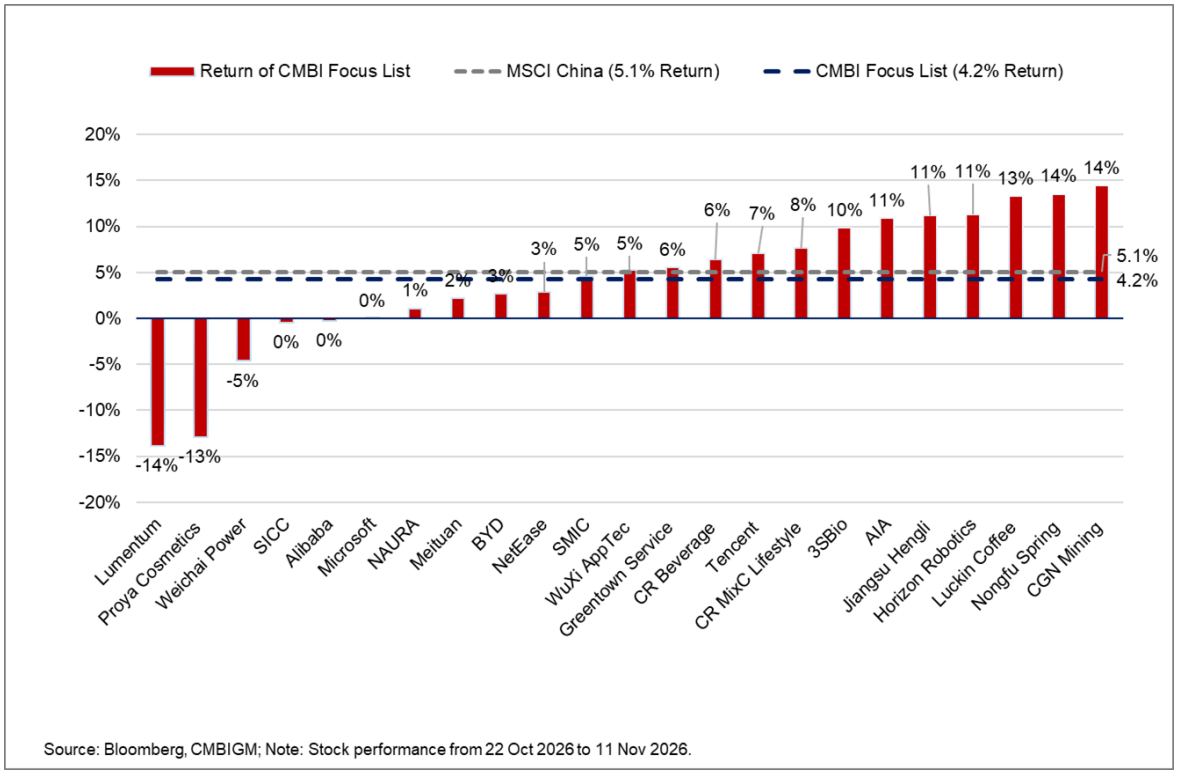
Latest additions/deletions from CMBI Focus List

Company	Ticker	Sector	Rating	Analyst	Rationale
Additions					
Ping An	2318 HK/601318 CH	Insurance	BUY	Nika Ma	We add back Ping An to our Nov conviction list, as we believe the 3Q26 high-base headwinds and investment volatilities have cleared and been fully priced in. We like Ping An for its 1) visibility on L&H growth acceleration; 2) being in the final phase of de-risking on the AM drag; 3) PAB profit enhancements; and 4) a higher-than-peers OCI stock mix (1H26: 66%, vs. peers average: 40%) to smooth the bottom-line volatilities.

Source: CMBIGM

Performance of our recommendations

- In our last list dated 22 Oct 2026, we highlighted a list of 23 long ideas.
- The basket (equal weighted) of these 23 stocks underperformed MSCI China index by 0.9 ppts, delivering 4.2% return (vs MSCI China 5.1%).
- 12 out of the 23 stocks outperformed the benchmark.



Source: Bloomberg, CMBIGM; Note: Stock performance from 22 Oct 2026 to 11 Nov 2026.

Long Ideas

BYD (1211 HK/002594 CH) – 4Q26 could be key for assessing FY27E earnings

Rating: BUY **| TP:** HK$109/RMB108 (58/28% upside) Analysts: SHI Ji/ DOU Wenjing/Austin Liang

- **3Q26 net profit missed by 12%.** 3Q26 revenue rose 13.6% YoY to RMB221.5bn, 3.5% below our forecast, and GPM narrowed 0.9ppts QoQ to 18.0% (0.4ppts under our projection), while combined SG&A and R&D expenses were largely in line. Impairment losses of RMB1.7bn were about RMB750mn above our estimate. 3Q26 net profit rose 28.1% YoY to RMB10.0bn, RMB1.4bn short of our estimate, with net profit per vehicle up 1.8% QoQ to about RMB7,600.

- **4Q26 margin realization is key to FY27E earnings.** Several transitional factors distorted 3Q26, including initial rollouts of a few 2nd-generation blade battery models, forex losses and larger-than-expected impairments. As new-model output ramps in 4Q26E, the margin benefit should become clearer, making 4Q26 margin execution a critical signal for the FY27E earnings trajectory.

- **First-mover European localization cushions trade risk.** Hungary plant mass production is slated for 4Q26, making BYD among the first Chinese automakers to run a fully integrated EU process from stamping to final assembly, insulating it from upcoming EU import quotas and hybrid tariffs. Its Brazil plant, live since 2025, is executing well, with permits sought to double capacity to 600,000 units.

- **Earnings/Valuation.** We have cut FY26E net profit by 5.2% to RMB34.2bn (implying RMB11.9bn in 4Q26E) and trim FY27E by 2.2% to RMB42.2bn on 5mn units, assuming lower impairment and forex losses. We maintain BUY, with H-share TP of HK$109 (20x revised FY27E EPS) and A-share TP of RMB108 (17% YTD A/H premium), reflecting persisting sector headwinds. Key risks: lower sales volume or margins than we expect, and a sector de-rating.

Link to latest report: BYD (1211 HK/002594 CH) - 4Q26 could be key for assessing FY27E earnings

Financials and Valuations

(YE 31 Dec)	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	803,965	815,343	898,208	956,051
YoY growth (%)	3.5	1.4	10.2	6.4
Gross margin (%)	17.7	18.4	17.9	18.0
Op. profit (RMB mn)	40,185	41,521	51,977	60,720
Net profit (RMB mn)	32,619	34,230	42,243	49,141
YoY growth (%)	(19.0)	4.9	23.4	16.3
EPS (Reported) (RMB)	3.58	3.72	4.60	5.36
P/S (x)	0.7	0.7	0.7	0.6
P/E (x)	17.9	17.2	13.9	12.0
ROE (%)	15.1	13.1	14.3	14.8
Net gearing (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Horizon Robotics (9660 HK) – Re-acceleration on HSD expansion, overseas

Rating: BUY **| TP:** HK$7.00 (80% upside) Analysts: SHI Ji/ DOU Wenjing/Austin Liang

- **HSD to accelerate from 2H26.** J6P/J6H-powered HSD solutions secured design wins across BYD's high-end product line with mass production slated for 2H26, and J6M should take 70-80% of its AD solution market share in 2H26E. Our FY26E shipment forecast of 5.2mn units implies 2H26E revenue growth back above 60% YoY, lifting product ASP from RMB417 in 1H26 to RMB712 in 2H26E.

- **Positioned for No.1 high-end AD chip share by 2027.** Management targets 7mn+ total deliveries in 2027, which should make Horizon China's No.1 high-end AD chip provider (from No.2 now) via combined shipments and licensed sales. A 20mn-unit J6B export order book adds a second growth engine, and high-margin licensing should keep GPM above 60% in FY26-28E.

- **Earnings forecasts.** We have raised FY26-28E GPM forecasts to 64.2%/61.9%/60.3% on an expanding licensing mix. We expect adjusted net losses to narrow from RMB4.4bn in FY26E to RMB0.57bn in FY27E, turning profitable at RMB1.7bn in FY28E.

- **Valuation.** We maintain BUY, with TP of HK$7.00 based on an unchanged 10x FY27E P/S. We believe the market has severely de-rated Horizon on weak domestic passenger-vehicle sales and OEMs' self-developed chip programs. However, these negatives have been largely priced in, and the stock now looks oversold. Its valuation is undemanding: we expect Horizon's share of China's intelligent-driving market to keep rising, while the earnings impact of OEMs' in-house chips should prove smaller than many investors expect. Key risks: slower HSD adoption, intensifying competition, sector de-rating.

Link to latest report: Horizon Robotics (9660 HK) - Re-acceleration on HSD expansion, overseas

Financials and Valuations

(YE 31 Dec)	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	3,758	5,617	9,265	14,472
YoY growth (%)	57.7	49.5	64.9	56.2
Gross margin (%)	64.5	64.2	61.9	60.3
Operating profit (RMB mn)	(3,338.8)	(3,038.3)	(1,427.6)	820.6
Net profit (RMB mn)	(10,469.0)	(1,261.3)	(1,453.6)	859.5
Adj. net profit (RMB mn)	(2,811.8)	(4,435.0)	(568.9)	1,744.3
P/S (x)	17.2	11.5	7.0	4.5

Source: Company data, Bloomberg, CMBIGM estimates

Weichai Power (2338 HK) – Back to mid-cycle valuation; AIDC gen-sets business value not in the price

Rating: BUY **| TP:** HK$44.7 (93% upside)

Analyst: Wayne Fung

- **Investment Thesis:** Weichai is transforming into a power play. We expect the contribution of power-related engine EBITDA (on attributable basis) to increase substantially from 18% in 2026E to 38% in 2028E. For the traditional business, HDT is still on an upcycle, driven by solid replacement demand, supportive replacement subsidies and exports.

- **Our View:** We are positive on Weichai due to (1) the high visibility of AIDC natural gas gensets sales (0.3k/2k units in 2026E/27E) as contracts have been signed with US hyperscalers; (2) AIDC diesel gensets sales are on track to reach 4k/6k units in 2026E/27E; (3) the unchanged capacity expansion targets for SOFC (30MW/200MW by end-2026E/27E), even though time is needed for production ramp-up.

- **Where do we differ vs consensus:** Our earnings forecasts for 2026E/27E are 0%/-10% versus Bloomberg consensus. We believe the deviation in 2027E is due to a wide range of assumptions for the fast-growing AIDC gensets and SOFC business.

- **Catalysts:** (1) Higher-than-expected AIDC gensets sales in the US; (2) progress on SOFC; (3) better-than-expected HDT sales.

- **Valuation:** Our SOTP-based TP for Weichai-H is HK$44.7. We assign 35x target EV/EBITDA for the power business, which we believe is justified given Weichai's high growth potential as a challenger (we expect 78% power segment EBITDA CAGR between 2026E and 2028E). For traditional business (i.e. engine for HDT & machinery + HDT + agricultural machinery), we assign 10x target EV/EBIDTA (peak cycle valuation) to reflect the continuous up-cycle of the HDT sector.

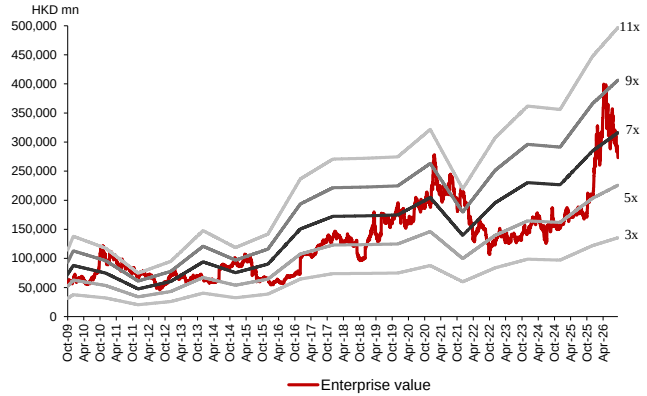
Link to latest report: Weichai Power (2338 HK) - AIDC gen-sets growth on track; Attractive valuation after pullback

Financials and Valuations

(YE 31 Dec)	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	231,809	253,844	276,314	299,971
YoY growth (%)	7.5	9.5	8.9	8.6
Core net income (RMB mn)	10,931	14,849	17,409	20,636
Core EPS (RMB)	1.25	1.70	2.00	2.37
YoY growth (%)	(4.1)	35.8	17.2	18.5
Consensus EPS (RMB)	N/A	1.69	2.22	2.67
P/E (x)	19.8	13.8	11.8	10.0
EV/EBITDA (x)	7.0	5.9	5.0	4.5
P/B (x)	2.3	2.0	1.9	1.7
Yield (%)	0.0	4.2	4.9	5.8
ROE (%)	12.2	15.2	16.4	17.8
Net gearing (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig.: Weichai's EV/EBITDA band



Source: Company data, Bloomberg, CMBIGM estimates

Jiangsu Hengli (601100 CH) – Concerns on AD/CVD duties already in the price

Rating: BUY **| TP:** RMB132 (42% upside)

Analyst: Wayne Fung

- **Investment Thesis:** On the back of strong production capability of hydraulic components, Hengli is expanding into linear actuator business which has a wide range of applications in machine tools, semiconductor and humanoid robot sectors.
- **Our View:** Hengli's share price saw deep pullback over the past one-month's time, as the market was concerned about the US's AD/CVD investigations on certain foreign linear hydraulic cylinders and related parts (including those from China and Mexico). In our view, the impact should be manageable given that (1) Hengli does not compete on pricing; (2) Hengli can transfer production to Mexico (lower dumping margin than China) and speed up capacity expansion in Indonesia (free from AD/CVD duties). Meanwhile, we believe the concerns have been largely in the price.
- **Where do we differ vs consensus:** Our earnings forecasts for 2026E/27E are +4%/+2% versus Bloomberg consensus.
- **Catalysts:** (1) The production growth of humanoid robots by the major overseas manufacturer; (2) upside in excavator demand.
- **Valuation:** Our TP of RMB132 is based on 42x 2027E P/E, 1SD above the historical average. Our valuation premium is to reflect both the upcycle of hydraulic component business and the growth potential of precision business. The stock is trading at <27x 2027E P/E, which is close to the trough valuation since 2020.

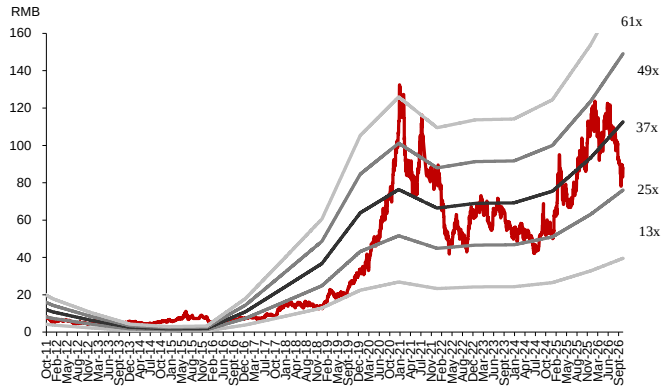
Link to latest report: Jiangsu Hengli (601100 CH) - 3Q26 EBIT +25% YoY largely in line; Precisoin industries to beat full year guidance

Financials and Valuations

(YE 31 Dec)	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	10,941	13,600	16,409	19,169
YoY growth (%)	16.5	24.3	20.6	16.8
Core net income (RMB mn)	2,734	3,383	4,209	4,938
Core EPS (RMB)	2.04	2.52	3.14	3.68
YoY growth (%)	9.0	23.7	24.4	17.2
Consensus EPS (RMB)	n/a	2.36	3.08	3.74
EV/EBITDA (x)	32.2	25.6	21.5	18.6
P/E (x)	41.2	33.9	26.7	22.8
P/B (x)	6.5	5.8	5.1	4.4
Yield (%)	1.0	1.3	1.6	1.9
ROE (%)	16.5	18.4	20.2	20.7
Net gearing (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Hengli's P/E band



Source: Company data, Bloomberg, CMBIGM estimates

CGN Mining (1164 HK) – Expect resilient uranium price to boost share price recovery after the deep pullback

Rating: BUY **| TP:** HK$3.37 (49% upside)

Analyst: Wayne Fung

- **Investment Thesis:** We anticipate that the global uranium demand will be driven by the structural growth of nuclear power over the next decade. This, coupled with the unstable uranium mine output, will likely keep uranium price elevated over the coming years. CGN Mining is well-positioned to capitalize on the uranium price uptrend, through its two JVs that hold stakes in four low-cost uranium mines in Kazakhstan.

- **Our View:** The share price pullback since Aug on concerns over the high sulphur price arising from the Middle East conflict and weak 1H26 earnings has been deeper than our expectation. While we understand that the limited mine life remains a market concern, we see the resilient trend of spot uranium price as a recovery driver of share price amid the current weak sentiment.

- **Where do we differ vs consensus:** Our earnings forecasts for 2026E/27E are --2%/-10% versus Bloomberg consensus. We believe it is due the wide range of uranium ASP assumptions.

- **Catalysts:** (1) Further increase in uranium spot price; (2) improvement of sulphuric acid supply.

- **Valuation:** Our target NPV multiple (2.5x) is to reflect the potential conversion from resources to reserves amid the uptrend of uranium price and the potential extension of mining licenses. Our long-term assumptions include: (1) uranium price increasing 5% p.a. from US$99/lb during 2027-31, (2) a stabilized price at US$120/lb thereafter, and (3) production costs inflation of 1% p.a. during 2027-42.

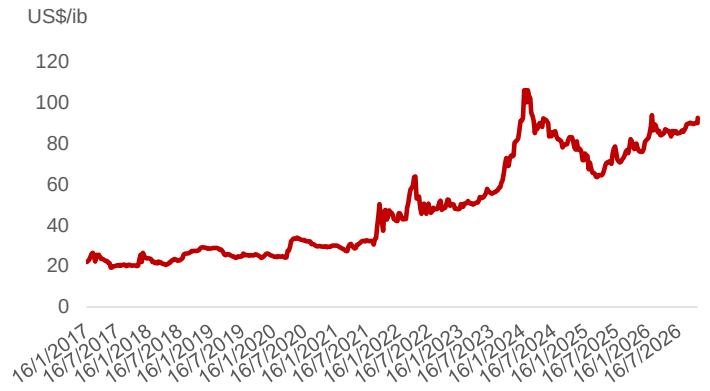
Link to latest report: CGN Mining (1164 HK) - Buying opportunities supported by near-term catalysts

Financials and Valuations

(YE 31 Dec)	FY25A	FY26E	FY27E	FY28E
Revenue (HK$ mn)	6,870	8,413	9,421	10,022
YoY growth (%)	(20.3)	22.5	12.0	6.4
Core net income (HK$ mn)	453	831	1,023	1,172
Core EPS (HK$)	0.060	0.109	0.135	0.154
YoY growth (%)	(14.0)	83.5	23.2	14.6
Consensus EPS (HK$)	N/A	0.11	0.15	0.16
EV/EBIDTA (x)	N/A	341.0	1045.7	850.7
P/E (x)	34.9	19.0	15.4	13.5
P/B (x)	3.5	3.0	2.6	2.2
Yield (%)	0.7	1.1	1.3	1.1
ROE (%)	10.7	16.9	17.9	17.7
Net gearing (%)	5.7	1.8	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: UxC Uranium U308 weekly spot price (US$/lb)



Source: Bloomberg, CMBIGM

Proya Cosmetics (603605 CH) - Improving core-brand sales could support re-rating

Rating: BUY **| TP:** RMB89.58 (83% upside)

Analysts: Miao Zhang/Yiwen Xu

- **Investment Thesis:** Proya offers a recovery opportunity as narrowing online sales declines point to stabilization of the core brand, while other brands provide incremental growth. At approximately 12x FY26E P/E following a roughly 60% share-price correction since mid-2025, a return to sales growth could support a re-rating, in our view.

- **Our View: 1) The broader portfolio supported sales.** Established brands are showing signs of improvement: Proya's 3Q26 revenue fell by a single digit YoY, leading its share of group revenue to drop below 50%. TIMAGE's YoY decline narrowed to a single digit in 3Q26. Emerging brands maintained strong momentum: OR (>50% YoY in 9M26), Awaken Seeds (+103.5% YoY in 1H26) and INSBAHA (>100% YoY in 9M26). **2)** The early Double 11 performance indicates that investment in 3Q26 is starting to pay off. **3) Scope for a valuation recovery:** The shares have declined approximately 60% since the middle of last year and trade at around 11x trailing P/E and 12x FY26E P/E, well below A-share beauty peers such as Botanee at approximately 25x and Shanghai Jahwa at 33x. Sales stabilization should support a re-rating, in our view.

- **Where do we differ vs consensus:** Our FY26E/FY27E net profit forecasts are 7%/20% below Bloomberg consensus, reflecting more conservative assumptions on marketing expenses.

- **Catalysts:** 1) Double 11 sales data; 2) evidence of traction for upgraded hero products.

- **Valuation:** Maintain BUY. TP at RMB89.58 based on 21x 2026E P/E.

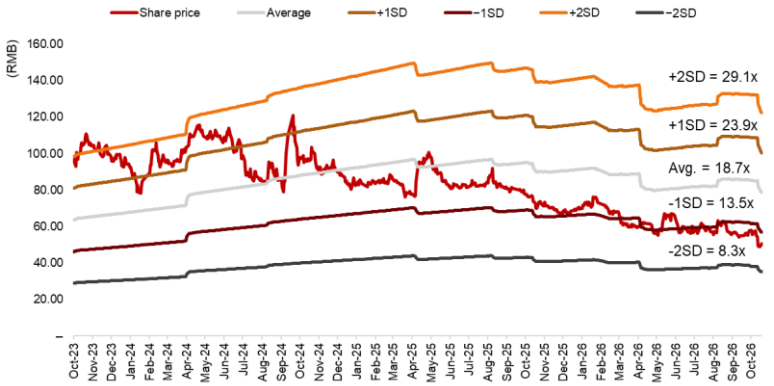
Link to latest report: Proya Cosmetics (603605 CH) - 3Q26 revenue beat; share-gain spend crimps

Financials and Valuations

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	10,778	10,597	10,957	12,043	12,865
YoY growth (%)	21.0	(1.7)	3.4	9.9	6.8
Net profit (RMB mn)	1,552.0	1,497.8	1,686.0	1,405.6	1,511.2
YoY growth (%)	30.0	(3.5)	12.6	(16.6)	7.5
EPS (Reported) (RMB)	3.92	3.78	4.26	3.55	3.82
Consensus EPS (RMB)	N/A	N/A	4.65	4.43	4.88
P/E (x)	12.9	13.4	11.9	14.3	13.3
P/B (x)	3.7	3.2	3.1	2.8	2.5
Yield (%)	3.1	3.9	4.4	3.7	4.0
ROE (%)	31.7	25.7	26.6	20.8	20.4
Net gearing (%)	(75.1)	(80.1)	(82.2)	(84.5)	(86.6)

Source: Company data, Bloomberg, CMBIGM estimates

Fig.: 1-year forward P/E band



Source: Company data, Wind, CMBIGM estimates

Nongfu Spring (9633 HK) - Strong earnings visibility; sugar-free tea grows against a weak sector backdrop

Rating: BUY **| TP:** HK$60.93 (34% upside)

Analysts: Miao Zhang/Yiwen Xu

- **Investment Thesis:** Nongfu Spring combines strong growth visibility with defensive qualities, supported by its dominant position in sugar-free tea and growing contributions from newer beverage categories. With double-digit net profit growth expected to continue and valuations near recent-year lows at approximately 22x FY26E and 20x FY27E P/E, we believe the shares offer an attractive entry point.

- **Our View: 1) Strong earnings visibility:** 3Q retail sales data from Mashangying, a market intelligence firm, show that sugar-free tea was the only beverage category to record positive sales growth, at approximately 10%. The company holds over 70% of the sugar-free tea market, and full-year net profit is expected to sustain double-digit growth, based on our estimates. **2) Proven ability to develop and scale new categories:** Beyond water and tea, newer categories such as juice and sports drinks are gaining scale, positioning the company to evolve into a diversified beverage player comparable to global peers. **3) Valuation near recent-year lows:** The shares now trade at approximately 22x FY26E and 20x FY27E P/E.

- **Where do we differ vs consensus:** Our FY26E/FY27E net profit forecasts are slightly below Bloomberg consensus by 2%/3%, as more conservative revenue assumptions are partly offset by higher gross margin expectations, supported by a rising contribution from high-margin tea beverages.

- **Catalysts:** 1) Easing competition in packaged water; 2) seasonal restocking through autumn and winter ahead of the Chinese New Year.

- **Valuation:** Maintain BUY. TP at HK$60.93 based on 32x 2026E P/E.

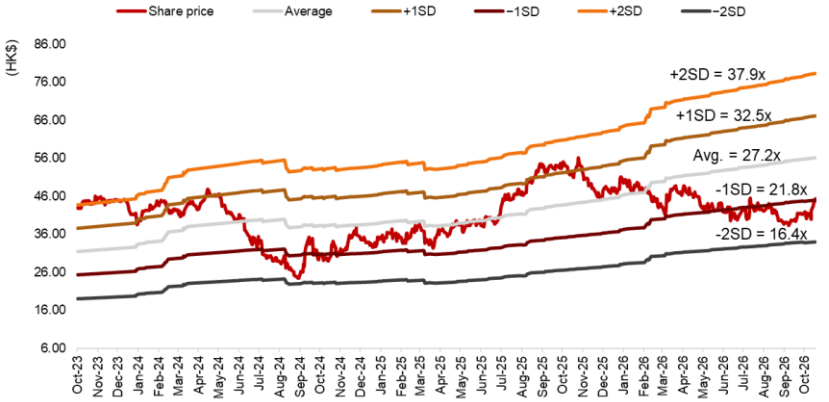
Link to latest report: Nongfu Spring (9633 HK) - Tea biz fuelled growth; 2H26 key variable lies in cost

Financials and Valuations

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	42,896	52,553	58,583	64,534	71,029
YoY growth (%)	0.5	22.5	11.5	10.2	10.1
Net profit (RMB mn)	12,123.3	15,868.3	17,687.6	19,491.2	21,547.5
YoY growth (%)	0.4	30.9	11.5	10.2	10.6
EPS (Reported) (RMB)	1.08	1.41	1.57	1.73	1.92
Consensus EPS (RMB)	N/A	N/A	1.59	1.79	2.02
P/E (x)	35.8	27.4	24.6	22.3	20.2
P/B (x)	13.5	11.0	9.5	8.2	7.1
Yield (%)	2.2	2.8	3.1	3.5	3.8
ROE (%)	39.8	44.2	41.4	39.4	37.8
Net gearing (%)	(22.0)	(17.2)	(23.2)	(28.4)	(34.0)

Source: Company data, Bloomberg, CMBIGM estimates

Fig.: 1-year forward P/E band



Source: Company data, Wind, CMBIGM estimates

CR Beverage (2460 HK) – Pains from reform run deeper than expected; longer time required for recovery

Rating: BUY **| TP:** HK$9.57 (28% upside)

Analysts: Miao Zhang/Yiwen Xu

- **Investment Thesis:** CR Beverage's ongoing headquarters, channel and R&D reforms have caused deeper-than-expected disruptions and delayed its return to growth. We view FY26E as the earnings trough, while reform payoffs and structural cost measures should support a gradual recovery and stable margins.

- **Our View:** 1) Water biz revenue declined by 7.9% YoY in 1H26, narrowing from the 23%/20% drops in 1H25/2H25, yet headwinds persist as the broader industry may worsen further; 2) Beverages revenue fell 35.4% YoY with the removal of low-price online SKUs and distributor margin reset, while management guides 2H26 beverage volume to return to YoY growth barring major external shocks; 3) GPM expanded 0.9ppt YoY in 1H26 despite upward oil/PET prices, above market expectations, supported by PET price-locking, higher shrink-wrapped pack penetration and logistics optimization; and 4) reform progressed steadily, but its benefits will take longer to materialize.

- **Where do we differ vs consensus:** Our FY26E/FY27E/FY28E revenue forecasts are 8.1%/8.2%/9.7% below Bloomberg consensus, while our net profit forecasts are 1.7%/2.8%/7.4% lower, as we factor in a slower return to growth.

- **Catalysts:** 1) Beverage revenue returning to YoY growth; 2) stronger-than-expected reform implementation; 3) sustained GPM resilience despite volatile oil and carton prices; 4) higher-than-expected dividend payout ratio.

- **Valuation:** Maintain BUY. TP at HK$9.57 based on 20x 2026E P/E.

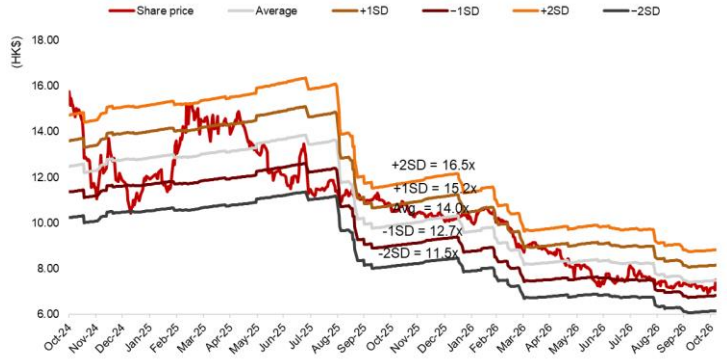
Link to latest report: CR Beverage (2460 HK) - Pains from reform run deeper than expected; longer time required for recovery

Financials and Valuations

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	13,521	11,002	10,530	11,210	11,811
YoY growth (%)	0.0	(18.6)	(4.3)	6.5	5.4
Net profit (RMB mn)	1,636.7	985.3	1,015.7	1,162.4	1,258.7
YoY growth (%)	23.1	(39.8)	3.1	14.4	8.3
EPS (Reported) (RMB)	0.79	0.41	0.42	0.48	0.52
Consensus EPS (RMB)	N/A	N/A	0.43	0.50	0.57
P/E (x)	8.1	15.5	15.1	13.2	12.2
P/B (x)	1.1	1.4	1.3	1.2	1.2
Yield (%)	7.9	4.1	4.2	4.9	5.3
ROE (%)	18.0	8.9	9.1	9.8	10.2
Net gearing (%)	(50.3)	(10.8)	(9.3)	(9.1)	(9.7)

Source: Company data, Bloomberg, CMBIGM estimates

Fig.: 1-year forward P/E band



Source: Company data, Wind, CMBIGM estimates

Luckin Coffee (LKNCY US) – Delivery price-war base fades; 3Q earnings may surprise

Rating: BUY **| TP:** US$54.68 (48% upside)

Analysts: Miao Zhang/Yiwen Xu

- **Investment Thesis:** Luckin is the largest and fastest-growing coffee brand in China, with 16,248 stores, sales of RMB24.9bn and net profit of RMB2.85bn and a market share of 21.7% in FY23. On top of quality coffee, it also emphasizes digital engagement, convenience, and competitive pricing. Growth drivers includes: 1) rapid store opening, 2) rises in ASP and new product launches, 3) further adoption of freshly-made coffee and 4) higher purchase frequency from the young/wealthy people in lower-tier cities.
- **Our View:** The high base in FY25E (induced by the delivery subsides) could be an issue for the tea drink and coffee sector in general in FY26E (for both SSSG and valuation of various listed companies). However, we do think Luckin is much more well-prepared than the others. On SSSG, while we are conservatively forecasting a 2% in FY26E given that we see: 1) category expansion (more non-coffee products like snacks, breakfast, etc.), 2) greater push on the star products (more new SKUs in 3Q25 than in 3Q24, which have less popularity than star products but with potential to improve in FY26E), 3) marketing expenses ratio decrease in 3Q25 (but Luckin could ramp that up if needed); 4) further boost of sales and purchasing frequency of customers (34.5mn new transacting customers in 9M25, +40%+ YoY). On the margin side: 1) GP margin is able to improve (as we expect efficiency improvement to more than offset overseas coffee bean price inflation), 2) delivery cost is likely to decrease YoY (from delivery platforms and major brands' point of view, we do think massive subsidies are only a short-term measure, with marginally low value to sustain); and 3) headquarters cost % will continue to improve.
- **Catalysts:** Better-than-expected new products, store expansion, store efficiency and government stimulus.
- **Valuation:** We derive our 12m TP of US$54.68 based on 18x FY26E P/E.

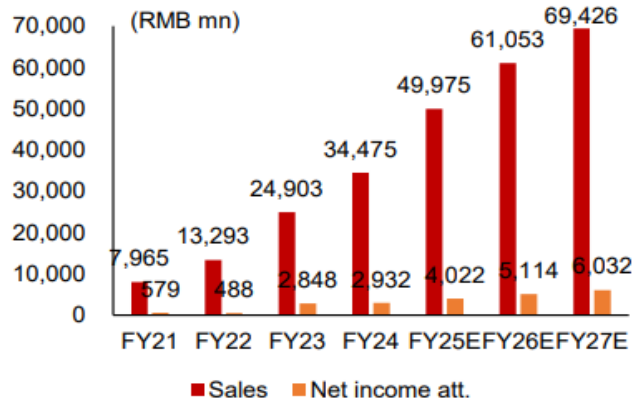
Link to latest report: Luckin Coffee (LKNCY US) – There are still multiple growth drivers in FY26E

Financials and Valuations

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	24,903	34,475	49,975	61,053	69,426
YoY growth (%)	87.3	38.4	45.0	22.2	13.7
EBITDA (RMB mn)	3,630.2	4,728.1	6,808.6	8,674.4	10,202.1
Net profit (RMB mn)	2,847.9	2,931.7	4,021.7	5,113.8	6,032.3
EPS (Reported) (RMB)	1.12	1.15	1.57	1.99	2.33
YoY growth (%)	479.6	2.3	36.5	26.5	17.4
P/E (x)	24.6	24.0	17.6	13.9	11.8
EV/EBITDA (x)	3.4	2.6	1.8	1.3	1.1
Yield (%)	0.0	0.0	0.0	0.0	0.0
ROE (%)	34.9	25.8	26.7	26.0	23.9

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Sales and net profit



Source: Company data, CMBIGM estimates

WuXi AppTec (603259 CH) – Accelerated backlog growth with further guidance raise in 3Q26

Rating: BUY **| TP:** RMB190.00 (28% upside)

Analysts: Jill Wu/Benchen Huang

- **Investment Thesis:** WuXi AppTec is a world leading pharmaceutical R&D and manufacturing platform which provides services with quality and efficiency for global clients. With capabilities covering major stages of drug R&D, it has built close partnerships with a wide range of customers in the world, including all global Top20 pharmaceutical companies, positioning the Company as an indispensable part to the global pharmaceutical industry.
- **Our View:** The integrated CRDMO model has enabled WuXi AppTec to consistently capture business opportunities of global blockbuster drugs. With a pipeline spanning a broad range of therapeutic areas and a large client base globally, the Company possesses advantages of gaining deep industry insights, allowing it to proactively expand capabilities and capacities in advance. As a result, WuXi AppTec has successfully seized major manufacturing contracts such as oral COVID-19 therapeutics, peptides and small-molecule GLP-1 drugs. In 9M26, revenue from Small Molecule D&M segment surged by 65.6% YoY, becoming a new growth engine for the Company. As of 3Q26, backlog from continuing operations increased by 36.4% YoY (vs as of 2Q26: +25.2% YoY) to RMB76.7bn, while newly signed orders in 9M26 grew by >60% YoY. In light of this strong momentum, WuXi AppTec plans to accelerate construction of new facility in Changzhou, which will include capacity for both small molecules and TIDES. Given its leading capabilities and capacities, we remain confident in WuXi AppTec's long-term competitiveness as the global leader in small-molecule CDMO market. We think that WuXi AppTec will continue to mitigate geopolitical risks with its global manufacturing network. Currently, its P/E valuation remains attractive in our view.
- **Where do we differ vs consensus:** To factor in the strong momentum of small molecule D&M and TIDES business as well as continuous recovery of early-stage business, we've raised earnings forecasts for WuXi AppTec. Our adj. net profit forecasts are higher than BBG consensus, reflecting our positive view on the Company's economies of scale in the long run.
- **Valuation:** We derive our target price of RMB190.00 based on DCF valuation (WACC: 9.39%, terminal growth rate: 2.0%).

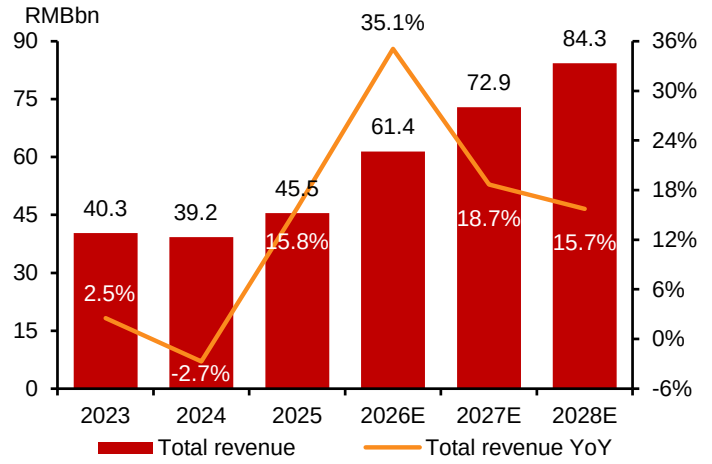
Link to latest report: WuXi AppTec (603259 CH) - Accelerated backlog growth with further guidance raise in 3Q26

Financials and Valuations

(YE 31 Dec)	FY26E	FY27E	FY28E
Revenue (RMB mn)	61,395	72,864	84,334
YoY growth (%)	35.1	18.7	15.7
Adjusted net income (RMB mn)	25,185	29,907	34,209
YoY growth (%)	68.4	18.8	14.4
Adjusted EPS (RMB)	8.64	9.85	11.27
YoY growth (%)	65.0	14.1	14.4
Consensus EPS (RMB)	8.11	9.58	11.22
P/E (x)	18.1	15.3	13.3
P/B (x)	4.8	4.0	3.3
ROE (%)	26.5	26.3	24.9
Net gearing (%)	Net cash	Net cash	Net cash

Source: Bloomberg, CMBIGM estimates

Fig: Revenue trend



Source: Company data, CMBIGM estimates

3Sbio (1530 HK) – ESMO 2026 takeaways: 707 updates support competitive positioning in 1L NSCLC

Rating: BUY **| TP:** RMB34.78 (132% upside)

Analysts: Jill Wu/ Cathy Wang

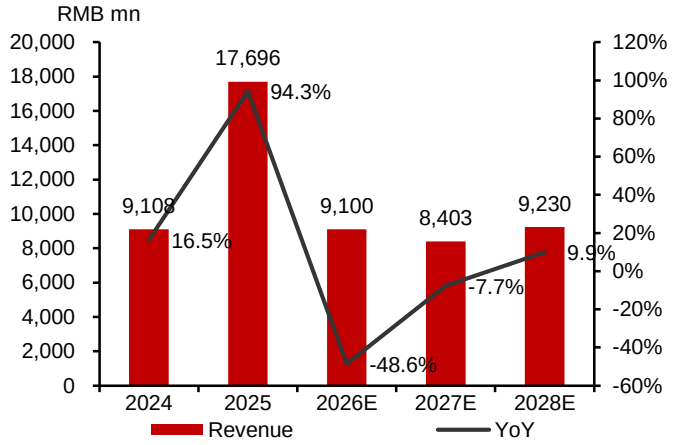
- **Investment Thesis.** In ESMO 2026, 3SBio/ Pfizer updated the China Ph2 results for tivunatamig (707/ PF'4404) in 1L NSCLC in combination with chemo. 122 non-squamous (nsq) and 139 squamous (sq) patients were enrolled. In the 10mg/kg tivunatamig + chemo subgroup, nsq mPFS was 13.8 months vs. 9.7 months of tislelizumab + chemo. In sq-NSCLC, mPFS was 13.6 months with paclitaxel and 13.4 months with nab-paclitaxel vs. 8.3 months for tislelizumab group. In our view, the updated results should further support tivunatamig's competitive profile and global development potential.
- **Our View:** (1) Competitive mPFS readouts in 1L NSCLC in combination of chemo. In the 10 mg/kg tivunatamig plus chemotherapy cohort, cORR was 77.5% and mPFS was 13.8 months in nsq-NSCLC (n=41). In sq-NSCLC, 10 mg/kg tivunatamig + carbo+ paclitaxel reported cORR of 80.7% and mPFS of 13.6 months, while nab-paclitaxel subgroup delivered cORR of 69.2% and mPFS of 13.4 months. We think the results of tivunatamig compare favorably, on a cross-trial basis, with reported mPFS of 13.3 months for ivonescimab in the nsq subgroup of a Ph2 study and 12.5 months in the HARMONi-6 squamous study. They also appear competitive with early BNT327's ORR results. (2) In the 10 mg/kg cohort, Gr3+ treatment-related adverse events (TRAEs) occurred in 59.0% of patients vs 49.3% for tislelizumab + chemo. Occurrence of Gr3+ haemorrhage was 4.9% in NSQ and 3.9% in SQ, which were slightly higher than ivonescimab but within a broad class range. Moreover, TRAEs leading to discontinuation (6.0% vs 9.9%) and death (2.6% vs 4.2%) were lower than the tislelizumab control. On a cross-trial basis, we think the safety profile was broadly consistent with available data for ivonescimab and BNT327.
- **Where do we differ vs consensus:** We think the market appears to have largely priced in near-term pressure on 3SBio's product sales in 2026E. However, value discovery for 707 remains at an early stage. In our view, Pfizer is accelerating the enrollment by broader site activation. For example, in Symbiotic-Lung-01 (1L NSCLC), 484 sites (as of Oct 27) for ~1,210 planned patients imply fewer than three patients per site versus approximately six per site for Summit's HARMONi-3. In Symbiotic-GI-03 (1L mCRC), 372 sites (as of Oct 27) for ~800 planned patients imply ~2.15 patients per site versus ~2.5 per site for Summit's HARMONi-GI3. Broader site activation should reduce per-site enrollment burden and accelerate global readouts, and maximize tivunatamig's global development potential.
- **Valuation:** We derive our target price of HK$34.78 (WACC: 10.11%, terminal growth rate: 2.0%), based on a 10-year DCF.

Financials and Valuations

(YE 31 Dec)	FY26E	FY27E	FY28E
Revenue (RMB mn)	9,100	8,403	9,230
YoY growth (%)	(48.6)	(7.7)	9.9
Net profit (RMB mn)	2,070	1,612	1,800
YoY growth (%)	(75.6)	(22.1)	11.7
EPS (RMB	0.82	0.64	0.71
P/E (x)	21.2	27.3	24.4

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Revenue trend



Source: Company data, CMBIGM estimates

Link to latest report: 3SBio (1530 HK) - ESMO 2026 takeaways: 707 updates support competitive positioning in 1L NSCLC

AIA (1299 HK) – 3Q high-base headwinds cleared; expect 4Q recovery on solid momentum

Rating: BUY | **TP:** HK$112.0 (42% upside)

Analyst: Nika MA

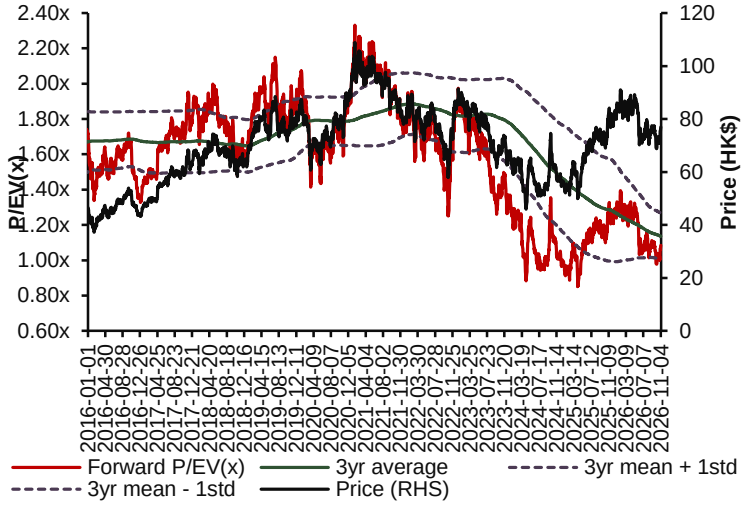
- **Investment thesis:** 1) 3Q high-base headwind has cleared, and we expect 4Q to record a robust VONB growth rebound against softer base and intact underlying momentum; 2) Group OPAT per share could rise on track to exceed the 9%-11% growth target in FY26E by our estimate; 3) UFSG is expected to stay strong as a valuable addition to Group free surplus generation and contribute to a sustainable outlook for shareholder returns. We expect to see a 4.0% 12m-forward total shareholder return including a 3.2% yield and 0.8% buyback; 4) southbound inflows have accelerated from Sep, underpinning share price rebounds with incremental net fund inflows. We've revised our FY26E VONB forecast to 10%, sustaining a streak of double-digit rise.
- **Our view:** Maintain BUY with price target at HK$112, implying 1.7x FY26E P/EV. Our FY26-28E operating EPS estimates are US$0.79/0.88/0.97, and VONB growth forecasts are 10%/12%/12%.
- **Catalysts:** 1) 4Q recovery in AIA HK/China markets on top of softer VONB bases. AIA HK VONB grew 20% YoY in Aug-Sep 2026, recovering from the high-base headwinds. 2) Strong VONB growth momentum in ASEAN markets in 3Q26 is likely to sustain in 4Q26 given intact underlying momentum and business mix. 3) A full-year dividend and buyback program to be announced in Mar 2027. 4) Continued strong southbound inflows. 5) Resilient demand from the Chinese Mainland Visitor (CMV) segment. 6) more license approvals for expansion in Chinese mainland markets.
- **Valuation:** The stock is trading at 1.2x FY26E P/EV and 2.4x FY26E P/B, with a yield of approx. 3.0%. We expect the 12m-forward total shareholder return to be 4.0% (3.2% yield + 0.8% buyback). The recent southbound inflows underpin the insurer's share price performance, and we expect this trend to continue in 4Q26, underpinned by robust momentum across markets, undemanding valuation (close to its 3-year historical average), and a consistent OPAT-pegged dividend policy.
- **Key risks:** 1) Weaker-than-expected new business sales across key markets; 2) faster- and stricter-than-expected offshore insurance taxation; 3) margin deterioration on medical inflation or negative economic shocks; 4) prolonged low interest yield in mainland China, significant equity and forex volatilities, etc.

Financials and Valuations

(YE 31 Dec)	FY25A	FY26E	FY27E	FY28E
Operating profit (US$ mn)	7,136	8,195	9,091	9,830
Operating EPS (US$)	0.68	0.79	0.88	0.97
Consensus EPS (US$)	n.a	0.78	0.86	0.97
P/EV (x)	1.4	1.2	1.1	1.0
P/B (x)	2.5	2.4	2.4	2.3
Dividend yield (%)	2.4	2.7	2.9	3.2
Operating ROE (%)	17.0	18.9	20.9	22.5

Source: Company data, Bloomberg, CMBIGM estimates

AIA (1299 HK): Share price and P/EV(x) valuation band



Source: Bloomberg, CMBIGM estimates

Link to latest report: AIA Group Ltd. (1299 HK) - 3Q VONB high-base headwinds cleared; softer 4Q base sets the stage for recovery

Ping An (2318 HK/601318 CH) - Solid OPAT growth with a brighter FY27E outlook

Rating: BUY | **TP:** HK$81.0/RMB73.0 (54%/35% upside)

Analyst: Nika MA

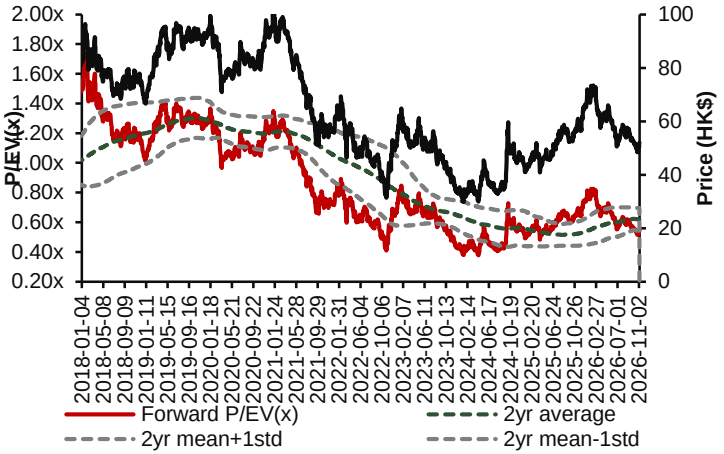
- **Investment thesis:** Ping An is in the final phase of de-risking and with consecutive provisions being made to the AM segment, we expect the AM drag to ease further, driving the Group's valuation re-rating over time. In 9M26, OPAT from AM segment surged 6.32x YoY to RMB19.4bn (15.4% mix), sustaining the more-than-doubled rise from 1Q/2Q26 (+1.93x/+2.37x YoY), which implied a significant turnaround to support the Group's OPAT growth. Core business segments' OPAT (Ping An L&H and PAB) remained broadly stable, rising 4.7%/2.2% YoY in 9M26, and we expect the Life CSM balance turnaround could further underpin the acceleration of growth of Group OPAT. The mgmt. restated a double-digit NBV growth target over long run in 3Q26 earnings call, which could further enhance the new business accretions to L&H CSM balance. We maintain our view that Life CSM balance could turn into positive growth in FY26E.
- **Our view:** Maintain BUY, with our TP at HK$81/RMB73 which implies 0.8x FY26E P/EV and 1.2x FY26E P/B vs. now trading at 0.47x FY26E P/EV and 0.71x FY26E P/B. We remain constructive on Ping An for its 1) visibility on solid L&H OPAT growth; 2) continued de-risking of the AM segment; 3) PAB profit enhancement; and 4) undemanding valuation with an attractive yield at 7% among the highest within peers.
- **Catalysts:** 1) Life CSM release to turn to positive growth in 2026 (1H26: -3.0% YoY); 2) outperformed profit growth in AM segment, led by continued de-risking progress; 3) a rising OPAT payout; 4) significant A-share market rally; and 5) PAB profit increase.
- **Valuation:** Out SOTP-based TP of HK$81 for Ping An-H (2318 HK) and RMB73 for Ping An-A (601318 HK) are based on 1) 1.1x Life EV, reflecting an average 13% 3-year forward ROEV; 2) 0.8x book value for Ping An P&C; 3) 0.6x BV for PAB; 4) 1.0x BV for AM and other segments; 5) HK$0.8/share for finance enablement businesses; and 6) a 10% Group conglomerate discount.
- **Key risks:** 1) tightening regulatory oversight; 2) a prolonged low-rate environment; 3) heightened equity market volatilities; 4) lower-than-expected new business sales; 5) intensified pricing competition in the P&C industry; and 6) asset deterioration, etc.

Financials and Valuations

(YE 31 Dec)	FY25A	FY26E	FY27E	FY28E
Net profit (RMB bn)	134.8	126.3	151.0	164.1
Diluted EPS (RMB)	7.44	6.98	8.34	9.06
Consensus EPS (RMB)	n.a	8.02	8.82	9.55
P/EV (x)	0.50	0.47	0.43	0.40
P/B (x)	0.74	0.71	0.66	0.61
Dividend yield (%)	6.6	6.9	7.4	7.9
ROE (%)	14.0	12.4	13.0	14.0

Source: Company data, Bloomberg, CMBIGM estimates

Ping An (2318 HK): Share price and P/EV(x) valuation band



Source: Bloomberg, CMBIGM estimates

Link to latest report: Ping An (2318 HK/601318 CH) - 3Q key metrics in-line; mgmt. restates double-digit NBV growth target over long run

Tencent (700 HK) – Gradually capturing AI benefits in the long run

Rating: BUY | **TP:** HK$705.0 (72% upside) Analysts: Saiyi He/Wentao LU/Frank Tao/Shuyin GUO

- **Investment Thesis:** Tencent's competitive edges remain solid, and investors over-reacted to the short-term earnings impact of increased AI investment, in our view. We expect Tencent to deliver sustainable earnings growth (+5%/+5% YoY in FY26/27E) despite stepped-up AI investment. We expect several catalysts to support Tencent's fundamental and valuation recovery: 1) agentic applications like Xiaowei & WorkBuddy enable Tencent to leverage Weixin+AI to tap into the enormous AI agent market; 2) performance of evergreen titles remains solid, and new titles like *Honor of Kings: ACE* contribute incremental revenue; 3) AI empowerment and improved monetization drive faster-than-sector marketing revenue growth. Tencent currently trades at 12x FY26E Non-GAAP PE, offering attractive risk-reward in our view.
- **Our View:** Tencent announced 2Q26 results: total revenue was up by 11% YoY to RMB204.8bn, mainly thanks to the solid growth of marketing and games businesses; non-IFRS operating profit grew by 9% YoY to RMB75.6bn; excluding new AI products investment, non-IFRS operating profit increased by 19% YoY to RMB86.1bn, demonstrating resilience of Tencent's core businesses. Free cash flow also remained healthy at RMB37.6bn if excluding prepayments for compute procurement, though total capex was up by 176% YoY to RMB52.8bn in 2Q26. Despite a slowdown in short-term earnings growth (2Q26/1Q26: +9%/11% YoY), we remain upbeat that Tencent will gradually gain benefits from AI investment in the long term through improved foundation models/productivity AI/consumer AI.
- **Catalysts:** 1) Weixin AI: Tencent is building the next-gen agentic services in Weixin, which will boost ecosystem activities and may generate revenue itself; 2) productivity AI: the company is introducing a range of autonomous AI agents like WorkBuddy, creating new monetization opportunities
- **Valuation:** Our SOTP-derived target price is HK$705.0, consisting of HK$318.3/31.1/134.9/107.5/36.0 for games/SNS/marketing/FBS/cloud and HK$5.1/72.0 for net cash/strategic investment.

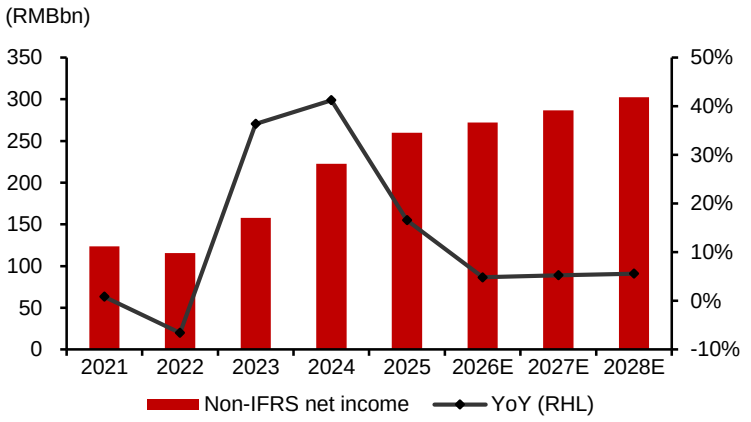
Link to latest report: Tencent (700 HK) - Solid 2Q26 results; gradually capturing AI benefits in the long run

Financials and Valuations

(YE 31 Dec)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (RMB mn)	660,257	751,766	816,510	873,828	925,213
Gross margin (%)	52.9	56.2	57.5	58.1	58.1
Adj. net profit (RMB mn)	222,703	259,626	272,181	286,534	302,518
EPS (Adjusted) (RMB)	23.96	28.55	29.83	31.88	34.17
Consensus EPS (RMB)	23.96	28.55	29.03	30.45	33.29
Non-GAAP P/E (x)	14.8	12.4	11.9	11.1	10.4

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Non-IFRS net income growth



Source: Company data, CMBIGM estimates

NetEase (NTES US) – 2Q26 earnings beat; legacy game titles maintain solid performance

Rating: BUY **| TP:** US$159.5 (31% upside) Analysts: Saiyi He/Wentao LU/Frank Tao/Shuyin GUO

- **Investment Thesis:** We expect NetEase to deliver solid earnings growth in FY26, supported by resilient evergreen game titles and margin expansion: 1) evergreen game titles like *Where Winds Meet* continue to maintain solid performance with active users reaching a new record high; 2) channel costs optimization and favorable revenue mix shift continue to support better-than-expected margin expansion. Besides, NetEase was included in Southbound Stock Connect on 30 Jun, which shall attract positive fund inflows in our view. We forecast NetEase FY26E operating income to grow by 33% YoY. The company currently trades at 14x FY26E non-GAAP PE. Our SOTP-derived target price is US$159.5, translating into 16x FY26E Non-GAAP PE.
- **Our View:** NetEase reported 2Q26 financial results: total revenue grew by 8% YoY to RMB30.1bn, thanks to the solid game business performance; operating income increased by 33% YoY to RMB12.1bn, mainly due to the strong GPM expansion and improved operational efficiency. Legacy game titles like *Where Winds Meet* continue to maintain solid performance with active users reaching a new record high, although the launch of *Sea of Remnants* was below expectation and more time is needed for its revenue to ramp up. Maintain BUY on NetEase's strong game portfolio and solid earnings growth outlook.
- **Catalysts:** 1) Launch of *ANANTA* in Jan 2027; 2) Southbound connect inclusion attracts fund inflow.
- **Valuation:** Our SOTP-derived target price is US$159.5, consisting of US$142.0/1.0/2.2/1.1 for games/Youdao/NetEase Cloud Music/Innovative Businesses and Others and US$13.3 for net cash.

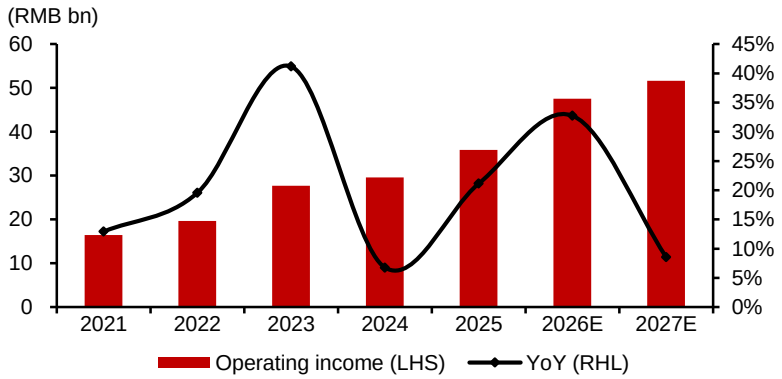
Link to latest report: NetEase (NTES US) - 2Q26 earnings beat; legacy game titles maintain solid performance

Financials and Valuations

(YE 31 Dec)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (RMB mn)	105,295	112,626	120,897	130,868	139,862
Gross margin (%)	62.5%	64.3%	70.0%	69.5%	69.8%
Adj net profit (RMB mn)	33,511	37,344	40,557	46,379	51,046
EPS (Adjusted) (RMB)	52.35	58.83	62.92	71.95	79.19
Consensus EPS (RMB)	52.35	58.83	60.86	70.95	76.88
Non-GAAP P/E (x)	16.2	14.4	13.5	11.8	10.7

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Operating income growth



Source: Company data, CMBIGM estimates

Meituan (3690 HK) – UE improved as expected amid more benign industry competition

Rating: BUY | **TP:** HK$138.0 (89% upside) Analysts: Saiyi He/Frank Tao/Wentao LU/Shuyin Guo

- **Investment Thesis:** Earnings of Meituan's Core Local Commerce (CLC) business are bottoming out, in our view, as: 1) regulatory guidance in the food delivery industry is steering the sector toward healthier development; and 2) players in the in-store segment are increasingly focusing on their core competencies and categories to drive more efficient expansion. Meituan has demonstrated strong consumer mindshare in high-value food delivery (FD) orders, and improved operating efficiency should help sustain its unit economics (UE) advantage over peers in the long term.

- **Our View:** 2Q26 results further demonstrated Meituan's ability to defend its leadership in the mid-to-high average order value (AOV) segment of the FD market, and we also believe the in-store business has the potential to recover toward a 30% OPM over the long term as industry competition becomes more rational and stabilizes.

- **Catalysts:** 1) Better-than-expected UE recovery in the FD business, driven by greater-than-expected improvement in industry competition; 2) better-than-expected recovery in the OPM of the in-store business, driven by more benign-than-expected industry competition.

- **Valuation:** DCF-based valuation of HK$138.0, which translates into 17x 2028E adjusted PE.

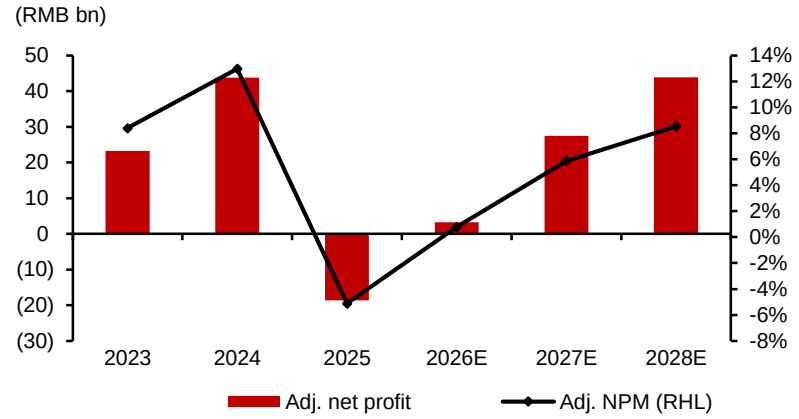
Link to latest report: Meituan (3690 HK) – UE improved as expected amid more benign industry competition

Financials and Valuations

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	337,592	364,855	419,518	467,914	513,661
YoY growth (%)	22.0	8.1	15.0	11.5	9.8
Net profit (RMB mn)	35,807	(23,355)	(1,848)	21,187	37,754
Adj. net profit (RMB mn)	43,772	(18,648)	3,265	27,471	43,858
YoY growth (%)	88.2	N/A	N/A	741.3	59.6
P/E (x)	11.4	N/A	N/A	19.1	10.7

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Meituan: adjusted net profit



Source: Company data, CMBIGM estimates

Alibaba (BABA US) – Strong cloud growth prospects with clear ROIC visibility

Rating: BUY **| TP:** US$220.1 (117% upside) Analysts: Saiyi He/Frank Tao/Wentao LU/Shuyin GUO

- **Investment Thesis:** 1) Strong growth prospects for cloud computing revenue, driven by rising adoption of AI-related products and growing digitalization demand; 2) on-track loss reduction of quick commerce could support earnings recovery and create more room for Alibaba to invest in AI business deployment. Endowed with strong technological capabilities and abundant AI application scenarios, Alibaba is poised to drive its long-term revenue and profit growth through its two strategic business pillars: "Consumption" and "AI + Cloud".

- **Our View:** We remain positive on Alibaba as one of the key beneficiaries of the AI theme within our coverage universe. In our view, the stable cash flow generated by Alibaba E-commerce Group (AEG) and Alibaba's strong balance sheet should support continued investment to capture opportunities in the AI era, while a clear path to attractive ROIC should underpin long-term shareholder returns.

- **Catalysts:** Better-than-expected cloud revenue growth and margin expansion.

- **Valuation:** SOTP-based valuation of US$220.1.

Link to latest report: Alibaba (BABA US) – Strong cloud growth prospects with clear ROIC visibility

CR MixC Lifestyle (1209 HK) – Broadening drivers to ease residential PM reliance

Rating: BUY **| TP:** HK$53.58 (29% upside)

Analysts: Miao Zhang/Yiwen Xu

- **Investment Thesis:** CR MixC is broadening its growth drivers beyond residential PM, supported by strong shopping mall operations, steady urban space expansion and fast-growing ecosystem businesses. Given its lower residential exposure, leading mall operating capabilities, 100% payout ratio, and appeal to both property and consumer investors on the service consumption theme, we maintain BUY and our top pick call.

- **Our View:1)Steady earnings growth:**1H26 core net profit rose 10.8% YoY, meeting double-digit guidance, while revenue grew 8.1%, slightly below target, pressured by weak basic PM growth. Shopping mall biz revenue grew 15.2% YoY and retail sales at malls in operation rose 21.7% with SSSG of 10.2%, far outpacing national retail sales (ex-auto) growth of 2.8%—reaffirming its distinct operational alpha. **2) Resilient retail operations:** Shopping mall retail sales grew at a double-digit rate in Jan–Sep, with mid-single-digit SSSG. **3) Scarcity exposure to two investment themes:** Its combination of asset-light commercial property management and consumer services makes it a core pick for both a property-sector recovery and resilient consumption. **4) Attractive shareholder returns:** A dividend payout of 100% of core net profit is sustainable, implying a dividend yield of c. 6%.

- **Where do we differ vs consensus:** More optimistic on commercial segment growth; cautious on residential third-party expansion. Net profit forecast is slightly below consensus, with a more prudent view on margin trends.

- **Catalysts:** 1) Better-than-expected monthly retail sales growth; 2) faster-than-expected third-party mall expansion; 3) stronger-than-expected recovery of VAS biz.

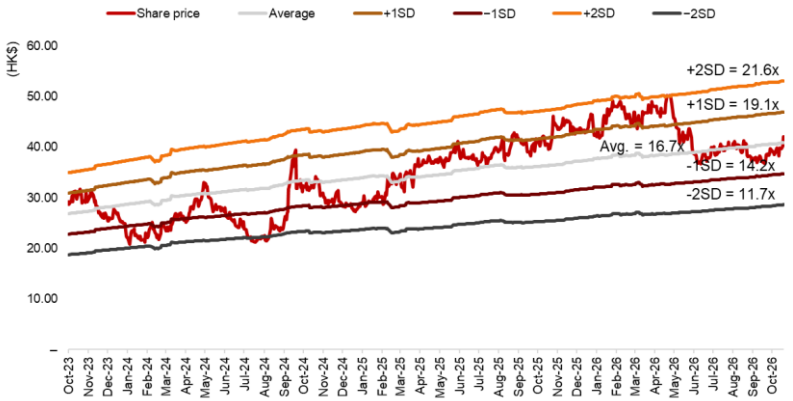
- **Valuation:** Maintain BUY. TP at HK$53.58 based on 25x 2026E P/E.

Financials and Valuations

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	17,043	18,022	19,661	21,308	22,937
YoY growth (%)	15.4	5.7	9.1	8.4	7.6
Net profit (RMB mn)	3,629.4	3,969.0	4,451.8	4,844.9	5,281.1
EPS (Reported) (RMB)	1.59	1.74	1.95	2.12	2.31
YoY growth (%)	23.9	9.4	12.2	8.8	9.0
Consensus EPS (RMB)	N/A	N/A	1.93	2.13	2.37
P/E (x)	22.5	20.6	18.4	16.9	15.5
P/B (x)	5.0	5.3	5.1	4.9	4.8
Yield (%)	4.3	4.8	5.4	5.9	6.4
ROE (%)	22.4	24.8	28.3	29.7	31.5

Source: Company data, Bloomberg, CMBIGM estimates

Fig.: 1-year forward P/E band



Source: Company data, Wind, CMBIGM estimates (data as of 5 Nov 2026 close)

Link to latest report: CR MixC Lifestyle (1209 HK) - Broadening drivers to ease residential PM reliance; Maintain BUY

Greentown Service (2869 HK) – Trading scale for quality in 1H26

Rating: BUY **| TP:** HK$6.55 (57% upside)

Analysts: Miao Zhang/Yiwen Xu

- **Investment Thesis:** Greentown Service is shifting basic PM growth from scale to quality by exiting low-quality projects, which should support collection rates and project margins. Resilient basic PM, improving operating efficiency and high shareholder returns underpin the investment case, while community VAS remains constrained by the macro backdrop.

- **Our View:** 1H26 revenue rose 6.3% YoY, driven by resilient basic PM and offset by weak community VAS. Core operating profit (GP–SG&A) and attributable NP grew 16.3%/15.2% YoY respectively, beating the “>15% core OP growth” full-year guidance. Basic PM revenue growth held at 10% in 1H26 (vs 10.2% in 1H25), supported by better project quality. The company stepped up terminations of low-quality projects, which will keep lifting the overall collection rates and project margins in the long run. FY26 guidance was unchanged with core OP growth of >15%, +0.5ppt gross margin, -0.5ppt admin ratio, cash collections ratio at or above that in FY25, and operating cash flow above 1x net profit. The company has delivered these targets for four consecutive years.

- **Where do we differ vs consensus:** More optimistic on the sustainability of efficiency improvement; more prudent on medium-term fee collection pressure amid high new home vacancy. Net profit forecasts are slightly below Bloomberg consensus, with a more cautious target P/E multiple.

- **Catalysts:** 1) Better-than-expected collection rate recovery; 2) faster-than-expected margin improvement; 3) stronger-than-expected profitability of VAS biz; 4) higher-than-expected dividend payout ratio.

- **Valuation:** Maintain BUY. TP at HK$6.55 based on 18x 2026E P/E.

Link to latest report: Greentown Service (2869 HK) - Trading scale for quality in 1H26; maintain BUY

Financials and Valuations

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	17,893	19,164	20,733	22,309	23,830
YoY growth (%)	6.4	7.1	8.2	7.6	6.8
Net profit (RMB mn)	785.1	880.2	1,030.1	1,159.4	1,253.4
EPS (Reported) (RMB)	0.25	0.28	0.33	0.37	0.40
YoY growth (%)	31.6	12.7	17.0	12.6	8.1
Consensus EPS (RMB)	N/A	N/A	0.33	0.37	0.42
P/E (x)	14.6	13.0	11.1	9.8	9.1
P/B (x)	1.6	1.6	1.5	1.4	1.4
Yield (%)	5.1	5.8	6.8	7.6	8.2
ROE (%)	10.3	11.2	12.6	13.5	14.0

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Managed GFA termination rate

Managed GFA movement (mn sqm)	2022A	2023A	2024A	2025A	1H24	1H25	1H26
At the beginning of the period	304.1	381.4	448.4	509.0	448.4	509.0	566.0
Addition	83.3	83.4	79.2	79.1	40.3	39.3	31.9
Termination	(6.0)	(16.4)	(18.6)	(22.1)	(7.0)	(12.0)	(17.6)
At the end of the period	381.4	448.4	509.0	566.0	481.7	536.3	580.3
Termination rate (=Termination/beginning GFA)	*-2.0%*	*-4.3%*	*-4.1%*	*-4.3%*	*-1.6%*	*-2.4%*	*-3.1%*

Source: Company data, CMBIGM

NAURA (002371 CH) – Temporary supply bottlenecks mask robust order momentum and localization tailwinds; Maintain BUY

Rating: BUY | **TP:** RMB750 (37% upside)

Analysts: Zhou Zhimin/Kevin Zhang/Aaron Guo

- **Investment Thesis:** NAURA Technology (NAURA) remains a high-conviction BUY as China's leading platform-based semiconductor equipment supplier, uniquely positioned to benefit from the structural localization of the sector and resilient AI-driven domestic demand. While 3Q26 revenue deceleration (+1.3% YoY to RMB11.3bn, vs 2Q26: +24% YoY) and margin contraction (GPM down 2.0ppts YoY to 38.3%) reflect temporary supply-chain delivery bottlenecks and higher technical validation costs rather than demand weakness, underlying fundamental momentum remains robust.
- Firm order growth and a significant increase in shipments are validated by an 11.1% QoQ inventory build to RMB33.9bn, which positions the company strongly for future revenue conversion as material shortages ease. Despite a slight trim to the target price to RMB750 (reflecting a 50x 2027E P/E) due to tactical R&D expansion and short-term operating leverage constraints, NAURA's continuous market-share gains across key equipment categories should cement its long-term growth trajectory, in our view.
- **Valuation:** Maintain BUY, with TP of RMB750, based on 50x 2027 P/E.
- **Risks:** 1) Lower-than-expected domestic foundry capex; 2) slower-than expected R&D progress; 3) higher raw material costs, etc.
- **Link to relevant reports:**

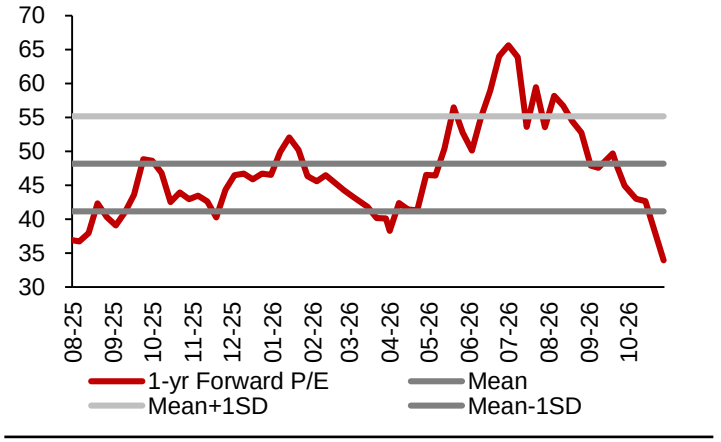
1. Naura Technology (002371 CH) - 3Q earnings: Strong orders, supply constrained (link)
2. Naura Technology (002371 CH) - Platform strength drives solid growth; Maintain BUY (link)
3. Naura Technology (002371 CH) - Building for the next leg of WFE growth (link)
4. Naura Technology (002371 CH) - Intact long-term growth trajectory despite seasonal fluctuations; Maintain BUY (link)

Financials and Valuations

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	30,075	39,353	48,621	62,766	79,535
YoY growth (%)	36.2	30.9	23.6	29.1	26.7
Gross margin (%)	42.9	40.1	39.7	41.3	42.6
Net profit (RMB mn)	5,621.8	5,522.0	7,160.5	10,887.8	15,417.1
YoY growth (%)	44.2	(1.8)	29.7	52.1	41.6
EPS (RMB)	7.83	7.64	9.87	15.00	21.24
P/E (x)	71.5	73.3	56.8	37.3	26.4

Source: Company data, Bloomberg, CMBIGM estimates

Fig: 1-year forward P/E band



Source: Company data, CMBIGM estimates

Lumentum (LITE US) – 1QFY27 beat and US$5bn+ CPO wins supercharge standalone value amid all-stock Marvell merger; Maintain BUY

Rating: BUY **| TP:** US$1,212 (87% upside)

Analysts: Saiyi He/Kevin Zhang/Aaron Guo

- **Investment Thesis:** Lumentum delivered a strong financial beat in 1QFY27, with revenue growing 25.5% QoQ and 136.5% YoY to US$1.263bn, matched by non-GAAP EPS surging 315.5% YoY to US$4.57 on robust operating leverage. Standalone growth is structurally accelerating via massive market success in AI-focused architectures, led by optical circuit switches (OCS) and a milestone second NPO/CPO win carrying over US$5bn in customer commitments. Near-term fundamental momentum remains clear, evidenced by an aggressive 2Q guidance indicating revenue scaling to US$1.575–1.625bn and non-GAAP OPM expanding further to 45–46%.
- However, the equity landscape is completely redefined by Marvell Technology's (MRVL US) upcoming historic all-stock acquisition of Lumentum at a fixed exchange ratio of one Lumentum share for 4.5 MRVL shares. This structural tie-up creates a dominant silicon-photonic and AI connectivity powerhouse, but the collar-free stock conversion directly links Lumentum's immediate market pricing to Marvell's post-announcement equity rotation. Reflecting general investor cooling toward pure AI multiples, the target standalone multiple is appropriately moderated to 29x FY28E P/E (from 35x), adjusting our target price for Lumentum to US$1,212.
- **Valuation:** TP of US$1,212, based on 29x FY28E P/E on non-GAAP EPS of US$41.79.
- **Key risks:** Weaker AI capex, regulatory risks, geopolitical uncertainties, etc..

Link to relevant reports:

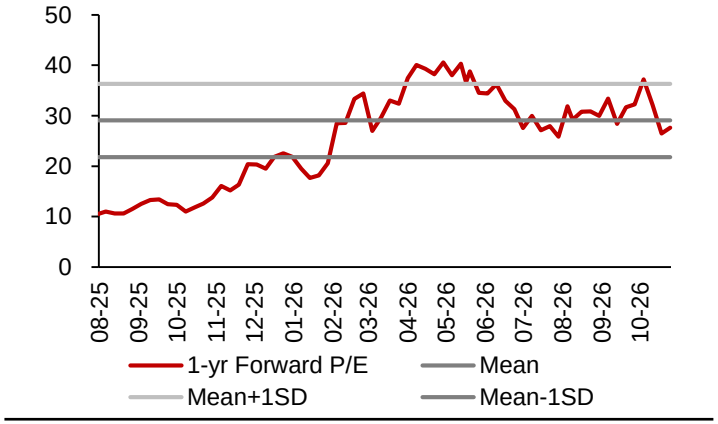
1. Lumentum (LITE US) - 1QFY27 earnings: Optical & margin growth drive earnings; MRVL deal reshapes outlook (link)
2. Lumentum (LITE US) - 4Q earnings beat; optical momentum continues across multiple architecture (link)
3. Lumentum (LITE US) - Scaling AI through light; initiate at BUY (link)

Financials and Valuations

(YE 28 Jun)	FY25A	FY26A	FY27E	FY28E	FY29E
Revenue (US$ mn)	1,645	3,014	6,799	11,652	14,652
YoY growth (%)	21.0	83.2	125.6	71.4	25.8
Gross margin (%)	34.7	46.0	55.0	55.0	53.3
Op. profit (US$ mn)	160.1	897.0	3,110.3	4,913.7	5,882.8
YoY growth (%)	323.5	460.3	246.7	58.0	19.7
Adj. net profit (US$ mn)	146.4	782.3	2,657.0	4,193.6	5,055.1
YoY growth (%)	94.7	434.4	239.6	57.8	20.5
P/E (Adjusted) (x)	261.9	62.1	20.5	12.9	10.5

Source: Company data, Bloomberg, CMBIGM estimates

Fig: P/E chart



Source: Company data, CMBIGM estimates

SMIC (981 HK) – The bedrock of domestic silicon

Rating: BUY **| TP:** HK$119 (143% upside) Analysts: Zhou Zhimin/Kevin Zhang/Aaron Guo

- **Investment Thesis:** SMIC's record 2Q26 beat underscores a durable earnings recovery driven by an ASP pricing inflection (+5.7% QoQ) and elevated utilization (93.7%), rather than wafer-size mix alone, in our view. While one-off non-operating gains materially inflated headline net profit, core operating momentum remains robust, supporting strong 3Q26 margin guidance (GPM 26–28%). Strategically, SMIC is deepening localization, with China revenue reaching 90.2%, and rotating its mix away from smartphones toward industrial, automotive, and AI-adjacent demand, alongside an expanding 12-inch manufacturing footprint. We maintain a BUY rating with TP of HK$119 (on 5.0x FY27E P/B). We believe SMIC warrants a valuation premium over peers given its indispensable strategic leadership in China's domestic semiconductor ecosystem, sustained pricing power, and capacity monetization, which sufficiently offset near-term depreciation headwinds.
- **Catalyst:** 1) Core localization anchor; 2) capex-to-revenue conversion; 3) AI-driven demand resilience; 4) strategic infra. scarcity
- **Valuation:** Maintain BUY with TP of HK$119, based on 5.0x 2027E P/B.
- **Risks:** Weaker pricing, slower capacity ramp and geopolitical uncertainties.

Link to relevant reports:

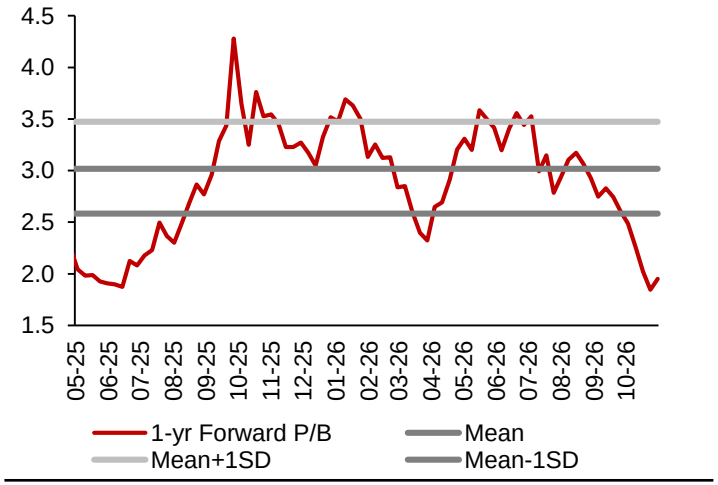
1. SMIC (981 HK) - SMIC (981 HK) - 2Q earnings beat on pricing turn and earnings recovery (link)
2. SMIC (981 HK) - Scaling through cycles, strengthening through constraints; initiate at BUY (link)

Financials and Valuations

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (US$ mn)	8,030	9,327	12,018	14,248	15,786
YoY growth (%)	27.0	16.2	28.9	18.6	10.8
Gross margin (%)	18.0	21.0	24.9	25.6	26.4
Net profit (US$ mn)	492.7	685.1	1,927.4	2,574.8	2,953.2
YoY growth (%)	(45.4)	39.0	181.3	33.6	14.7
EPS (Adj.) (US$ cents)	5.99	8.39	22.55	30.08	31.35
P/B (x)	2.2	2.2	2.1	1.9	1.7

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Forward P/B chart



Source: Company data, CMBIGM estimates

SICC (2631 HK) – The 8-inch SiC inflection point

Rating: BUY **| TP:** HK$82.5 (80% upside)

Analysts: Zhou Zhimin/Kevin Zhang/Aaron Guo

- **Investment Thesis:** SICC has reached a critical structural inflection point, successfully transitioning from a high-capex **capacity expansion phase to an accelerated earnings delivery phase**.
- Driven by the rapid, highly profitable scaling of next-generation 8-inch silicon carbide (SiC) substrates, the company delivered a record-breaking 3Q26 performance. With revenue doubling YoY to RMB646mn and net margins staging a massive turnaround to 13.3%, SICC offers investors high-conviction exposure to global power semiconductor demand across EVs, AI data centers, and renewable energy.
- **Valuation:** We maintain our BUY rating with target price of HK$82.5 based on 10.0x 2027E P/S.
- **Key risks:** Weaker-than-expected pricing, slower downstream demand, aggressive industry capacity additions, etc..

Link to relevant reports:

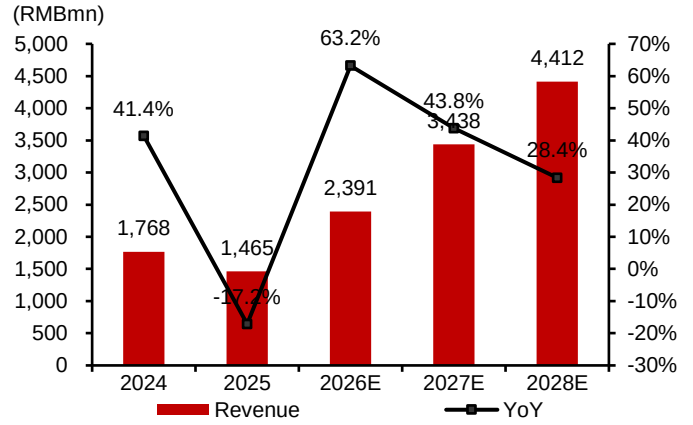
1. SICC (2631 HK) - 3Q26 earnings: Inflection confirmed (link)
2. SICC (2631 HK) - 全球SiC衬底龙头：8英寸切换叠加涨价周期，盈利拐点已现，进入量价齐升阶段；首予买入 (link)

Financials and Valuations

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	1,768	1,465	2,391	3,438	4,412
YoY growth (%)	41.4	(17.2)	63.2	43.8	28.4
Gross margin (%)	25.9	13.1	25.8	29.9	32.5
Op. profit (RMB mn)	98.9	(205.3)	167.8	405.8	709.9
YoY growth (%)	274.5	N/A	N/A	141.8	75.0
Net profit (RMB mn)	179.0	(208.3)	92.2	409.7	724.4
YoY growth (%)	N/A	N/A	N/A	344.2	76.8
P/S (x)	9.7	11.7	7.2	5.0	3.9
P/E (x)	84.1	ns	185.6	41.8	23.6

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Revenue and growth



Source: Company data, CMBIGM estimates

Microsoft (MSFT US) – Stronger cloud monetization supports capex returns

Rating: BUY **| TP:** US$641.8 (23% upside) Analysts: Saiyi He/Frank Tao/Wentao LU/Shuyin Guo

- **Investment Thesis:** Microsoft is one of the key beneficiaries of the Gen-AI era, in our view. Its cohesive product portfolio, large consumer and enterprise customer bases, and R&D leadership present significant new business opportunities amid the AI wave. We remain constructive on Microsoft's long-term growth potential across both its first-party applications, supported by AI integration, and its Intelligent Cloud business, aided by strengthening digitalization demand. On a FY26-29E (Jun year-end) revenue CAGR of 20%, we forecast operating profit to grow at a 20% CAGR. Microsoft currently trades at 27x FY27E P/E, versus its five-year average of 30x, offering an attractive risk-reward profile, in our view.
- **Our View:** The tangible ROI on capex investment is becoming increasingly evident across both Microsoft's cloud business and first-party applications, as evidenced by: 1) revenue growth of Azure came in at 48.2% YoY in 1QFY27, ahead of previous company guidance at 44-45% on a constant currency basis, driven by Foundry and improved CPU monetization, and management noted that customer demand continues to exceed available supply for Azure, and guided for 49-50% revenue growth in constant currency in 2QFY27 despite facing delivery delays in some third-party GPU as a service contracts; and 2) M365 commercial cloud grew 18% in constant currency in 1QFY27, primarily driven by ARPU expansion, and management guided a further acceleration in commercial cloud revenue growth to c.19% in constant currency in 2QFY27. We expect both trends to sustain, potentially supporting a further valuation rerating for Microsoft.
- **Catalysts:** 1) Stronger-than-expected Azure revenue growth; and 2) better-than-expected moetization and penetration of Microsoft 365 Copilot.
- **Valuation:** Our DCF-based target price is US$641.8 (WACC of 7.9%; terminal growth of 3%), translating into 32x FY27E PE.

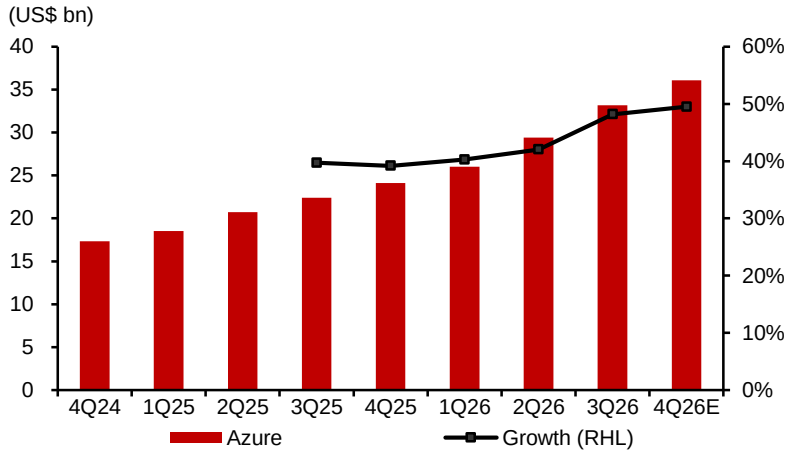
Link to latest report: Microsoft (MSFT US) — Stronger cloud monetization supports capex returns

Financials and Valuations

(YE 30 Jun)	FY25A	FY26A	FY27E	FY28E	FY29E
Revenue (US$ mn)	281,724	331,839	395,660	478,696	572,428
YoY growth (%)	14.9	17.8	19.2	21.0	19.6
Net profit (US$ mn)	101,832.0	133,749.0	148,067.1	178,868.8	213,220.2
YoY growth (%)	15.5	31.3	10.7	20.8	19.2
EPS (Reported) (US$)	13.70	18.00	19.94	24.10	28.75
P/E (x)	38.8	29.5	26.6	22.0	18.5

Source: Company data, CMBIGM estimates

Fig: Microsoft: Azure revenue and YoY growth



Source: Company data, CMBIGM estimates
Note: fiscal periods are presented on a calendar-year basis; 3Q26 corresponds to 1QFY27.

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