招银国际
CMB INTERNATIONAL

CMBI Research Focus List

Our best high conviction ideas

19 Jan 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) 2024A	P/E (x) 2025E	P/B (x) 2024A	ROE (%) 2024A	Yield 2024A	Analyst
Long Ideas														
Geely Automobile	175 HK	Auto	BUY	23.7	114.5	17.0	25.00	47%	9.50	9.10	1.80	19.9	2.0%	Shi Ji/ Wenjing Dou/ Austin Liang
Zenergy	3677 HK	Auto	BUY	2.9	3.3	8.9	18.00	102%	3.93	22.60	5.40	1.7	N/A	Shi Ji/ Wenjing Dou/ Austin Liang
J&T Express	1519 HK	Logistics	BUY	12.9	30.0	11.3	13.40	19%	65.80	37.90	4.70	7.20	0.0%	Wayne Fung
SANY International	631 HK	Capital Goods	BUY	4.2	6.9	10.1	8.90	N/A	25.60	12.20	2.30	15.5	3.1%	Wayne Fung
Bosideng	3998 HK	Consumer Discretionary	BUY	6.9	18.8	4.6	5.55	21%	N/A	14.50	N/A	N/A	N/A	Miao Zhang
Guoquan Food	2517 HK	Consumer Discretionary	BUY	1.3	7.9	3.9	4.80	22%	44.10	24.90	3.10	7.5	2.0%	Miao Zhang
Luckin Coffee	LKNCY US	Consumer Discretionary	BUY	9.6	75.6	34.0	54.68	61%	26.20	19.20	5.90	25.8	0.0%	Miao Zhang
Proya	603605 CH	Consumer Staples	BUY	4.0	43.1	69.6	129.83	87%	17.80	16.10	5.00	31.7	2.3%	Miao Zhang
CR Beverage	2460 HK	Consumer Staples	BUY	3.2	3.7	10.3	12.85	24%	11.80	16.00	1.60	18.0	5.2%	Miao Zhang
3Sbio	1530 HK	Healthcare	BUY	8.2	98.7	25.2	37.58	49%	N/A	7.20	N/A	N/A	N/A	Jill Wu/ Cathy Wang
Ping An	2318 HK	Insurance	BUY	166.1	334.3	67.9	75.00	10%	N/A	N/A	1.20	13.9	4.2%	Nika Ma
AIA	1299 HK	Insurance	BUY	110.9	240.0	82.3	89.00	8%	N/A	N/A	2.80	16.2	2.1%	Nika Ma
FUTU Holdings	FUTU US	Financials	BUY	23.9	256.9	171.8	228.00	33%	34.80	17.80	7.00	20.7	N/A	Nika Ma
Tencent	700 HK	Internet	BUY	714.4	1284.7	610.5	760.00	24%	20.10	18.20	N/A	N/A	N/A	Saiyi He/ Wentao Lu/ Frank Tao
Kuaishou	1024 HK	Internet	BUY	42.7	301.3	76.3	88.00	15%	15.40	13.50	N/A	N/A	N/A	Saiyi He/ Wentao Lu/ Frank Tao
Alibaba	BABA US	Internet	BUY	394.9	2005.7	165.4	206.40	25%	20.20	22.20	N/A	N/A	N/A	Saiyi He/Frank Tao/Wentao Lu
Trip.com	TCOM US	Internet	BUY	42.6	165.7	61.8	83.00	34%	19.40	10.60	N/A	N/A	N/A	Saiyi He/Frank Tao/Wentao LU
CR MixC Lifestyle	1209 HK	Property	BUY	12.3	27.6	41.9	53.96	29%	25.30	22.90	5.60	22.4	1.6%	Miao Zhang
Greentown Service	2869 HK	Property	BUY	1.8	2.0	4.4	6.61	51%	16.10	14.50	1.80	10.3	4.6%	Miao Zhang
Luxshare	002475 CH	Technology	BUY	61.5	1097.4	58.8	75.55	29%	30.40	23.50	4.70	15.8	0.0%	Alex Ng/ Hanqing Li
AAC Tech	2018 HK	Technology	BUY	5.8	22.6	39.1	60.55	55%	23.60	16.60	1.80	7.8	0.7%	Alex Ng/ Hanqing Li
BYDE	285 HK	Technology	BUY	10.0	55.1	34.5	43.54	26%	16.60	16.50	2.60	13.2	1.6%	Alex Ng/ Hanqing Li
Innolight	300308 CH	Semi	BUY	97.1	2634.5	608.4	707.00	16%	131.10	62.20	N/A	N/A	N/A	Lily Yang/ Kevin Zhang
Shengyi Tech	600183 CH	Semi	BUY	24.1	379.9	69.0	90.00	30%	93.20	47.80	N/A	N/A	N/A	Lily Yang/ Kevin Zhang
Naura	002371 CH	Semi	BUY	54.9	510.3	527.9	460.00	N/A	66.90	55.20	N/A	N/A	N/A	Lily Yang/ Kevin Zhang
Salesforce	CRM US	Software & IT services	BUY	212.8	1934.5	227.1	392.00	73%	23.60	20.50	N/A	N/A	N/A	Saiyi He/ Wentao Lu/ Frank Tao

Source: Bloomberg, CMBIGM. Data as of 19/1/2026 11:40 a.m.

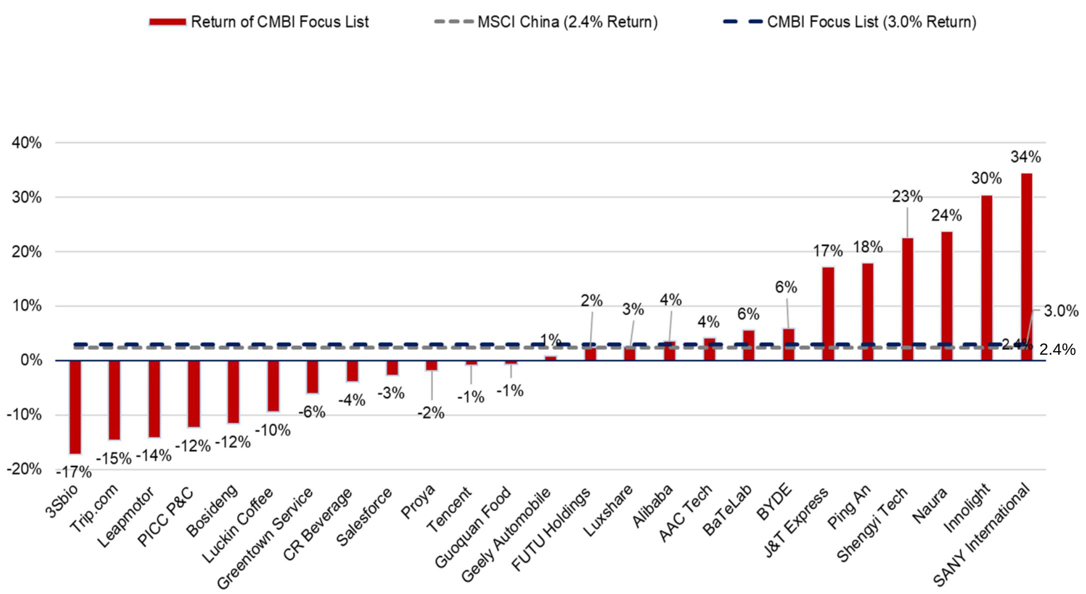
Latest additions/deletions from CMBI Focus List

Company	Ticker	Sector	Rating	Analyst	Rationale
Additions					
Zenergy	3677 HK	Auto	BUY	Shi Ji/ Wenjing Dou/ Austin Liang	The lithium battery sector is experiencing improved supply-demand dynamics, strengthening battery makers' bargaining power. With its minimal legacy burden, superior platformization capabilities, as well as improving client mix, we believe Zenergy is poised to deliver faster-than-peer earnings growth.
Kuaishou	1024 HK	Internet	BUY	Saiyi He/ Wentao Lu/ Frank Tao	We expect several catalysts to support the rerating of Kling AI and Kuaishou: 1) successful launch of Kling AI 2.6 driving solid growth of overseas revenue; 2) ARR hits US$240mn in Dec 2025; 3) improving investor sentiment on AI applications.
AIA	1299 HK	Insurance	BUY	Nika Ma	The insurer's China Growth Strategy progresses on track, which turns the stock's narrative into a long-run sustainable growth target rather than a high-yield stock. Combined with the Group's consistent shareholder returns supported by an increase of net free surplus generation, we think the solid fundamental shall gain market tractions to drive a share price uptrend.
CR MixC Lifestyle	1209 HK	Property	BUY	Miao Zhang	1) The company's profit contribution structure is skewed toward shopping mall business, which showed significant operational alpha, with 140 shopping mall posting 20-25% retail sales growth, far outpacing the industry's single-digit growth; 2) 100% dividend payout offers attractive yield; 3) As "service consumption" becomes a core allocation theme in 2026, the company's dual alpha in consumption and property management positions it to capture a scarcity premium amid rising capital allocation demand; 4) recent pullbacks create a compelling entry point, and we see material upside of share price.
Deletions					
Leapmotor	9863 HK	Auto	BUY	Shi Ji/ Wenjing Dou/ Austin Liang	The auto sector's beta may be pressured in 1Q26 due to the phase-out of trade-in subsidies and a 50% cut in purchase tax incentives for NEVs.
PICC P&C	2328 HK	Insurance	BUY	Nika Ma	We removed PICC P&C (2328 HK) from our top picks as 1) auto premium growth could remain at a low-single-digit in 2026E as domestic automotive sales momentum remaining weak; 2) non-auto premium growth would still likely to depend on health and accident policies. We expect the non-auto COR improvement to take effect within the year, and yet the progress should rely more on a sector-wise progress update or catalyst.
BaTeLab	2149 HK	Semi	BUY	Lily Yang/ Kevin Zhang	We remove Batelab as it lacks near term catalyst and liquidity despite attractive valuation.

Source: CMBIGM

Performance of our recommendations

- In our last list dated 18 Nov 2025, we highlighted a list of 25 long ideas.
- The basket (equal weighted) of these 25 stocks outperformed MSCI China index by 0.6 ppts, delivering 3.0% return (vs MSCI China 2.4%).
- 11 out of the 25 stocks outperformed the benchmark.



Source: Bloomberg, CMBIGM; Note: Stock performance from 18 Nov 2025 to 16 Jan 2026

Long Ideas

Geely Automobile (175 HK) – We see margin lift potential in FY26E

Rating: BUY **|** TP: HK$25.00 (47% upside) Analysts: Shi JI/ Wenjing Dou/Austin Liang

- **Maintain BUY.** We are of the opinion that Geely's sales volume growth could continue at least throughout FY26, given its current incomprehensive NEV model line-up and well-received new models including the Galaxy *M9*, *A7* and Zeekr *9X*. We also expect these new models, along with rising NEV exports, to lift its margins in FY26. We believe Geely is well positioned among its peers with attractive valuation.
- **Still has room for new models, especially for medium-size SUVs.** Geely has found the key to successful NEV launches with almost all the recent new models being well received. Yet, it still has room for new models in 2026 to complete a comprehensive NEV model line-up, including a small BEV SUV, a compact BEV car, a medium-size BEV/PHEV SUV and a large-size PHEV SUV. We believe most of Geely's new models in 2026 would be focused on these subsegments.
- **Better product mix to lift margins in 4Q25 and FY26**. We project the sales volume of the three high-margin models (Zeekr *9X*, Lynk & Co *900* and Galaxy *M9*) combined to more than double YoY to 285,000 units in FY26 with a gross margin range of 20-31%. Therefore, we expect GPMs in 4Q25 and FY26 to be 17.1% and 17.8%, respectively.
- **Rising NEV exports to fuel sales volume, margins in FY26**. Geely's NEV exports accelerated from Aug 2025, with an average monthly volume of 13,700 units in Aug-Oct 2025, doubled from the average in Jan-Jul 2025, aided by the Galaxy *Starship 7* and Zeekr *7X*. We expect Geely's NEV exports to almost triple YoY to 0.3mn units in FY26, as more models are set to be sold abroad. These exports could also contribute a higher GPM.
- **Earnings/Valuation.** We project Geely's sales volume in FY25-26 to be 3.08mn/3.42mn units, with about half of growth in FY26 being from exports. We project its net profits to be RMB17.4bn/20.0bn/21.3bn in FY25-27E, respectively. We maintain our BUY rating and target price of HK$25.00, based on 12x FY26E P/E.

Link to latest report: Geely Automobile (175 HK) - We see margin lift potential on a solid 3Q25

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	240,194	346,288	385,418	410,136
YoY growth (%)	34.0	44.2	11.3	6.4
Net profit (RMB mn)	16,632.4	17,441.9	20,025.4	21,311.1
YoY growth (%)	213.3	4.9	14.8	6.4
EPS (Reported) (RMB)	1.65	1.72	1.96	2.07
P/E (x)	9.5	9.1	8.0	7.6
P/B (x)	1.8	1.8	1.5	1.4
Yield (%)	2.0	4.4	5.0	5.3
ROE (%)	19.9	19.7	20.5	19.1
Net gearing (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Zenergy (3677 HK) – Minimal legacy burden, operational efficiency, improving client mix to drive sales, profit

Rating: BUY **| TP:** HK$18.00 (102% upside)

Analysts: SHI Ji/ DOU Wenjing/Austin Liang

- **Maintain BUY.** Zenergy has a much lower legacy burden than most of its peers as a latecomer in lithium-ion battery manufacturing. That, along with management's priority to enhance manufacturing efficiency through standardized cells and platform-based packs, has become its competitive edge. We believe a possible battery price hike in 2026 could also be a positive catalyst for Zenergy.
- **Battery sales outlook still solid with enough growth room for Zenergy given its low base.** The lingering overcapacity issue in China's battery market may dent Zenergy's margins less than peers, as its flexible manufacturing lines with standardized cells and diversified electrochemistry help it better meet EV makers' demand. Although CATL and BYD combined account for about 70% of China's EV battery market, we are of the view that such industry landscape is not a big concern for Zenergy now. We project a CAGR of 48.3% for Zenergy's EV battery sales volume in 2024-2027E, which would only translate into a market share of 2.2%/2.8%/3.2% in 2025-2027E, respectively.
- **Diversified and improving client mix to lift sales, margins in FY25-27E.** Zenergy has turned profitable since 2H24 and achieved industry-leading gross margins (17.2% in 2H24 and 17.9% in 1H25). While greater economies of scale and high capacity utilization rate are likely to extend to at least FY26E based on the current model pipeline, new clients including GAC Toyota, VW and SAIC Motor will not only fuel Zenergy's sales, but also lift its margins. We project foreign brands to account for about half of Zenergy's revenue in FY27E.
- **Earnings/Valuation.** We project Zenergy's revenue to rise 50%/76%/48% YoY with gross margins of 18.2%/18.9%/19.0% in FY25-27E, respectively, which could lead to net profits of RMB569mn/1,307mn/1,880mn in FY25-27E. We maintain our BUY rating and target price of HK$18.00, based on 22x our FY27E P/E. We believe such valuation is justified given its peers median FY27E P/E of 17.4x and Zenergy's higher profit growth outlook.

Link to latest report: Zenergy (3677 HK) - Minimal legacy burden, operational efficiency, improving client mix to drive sales, profit

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	5,130	7,668	13,491	19,986
YoY growth (%)	23.3	49.5	75.9	48.1
Operating profit (RMB mn)	14.6	18.2	18.9	19.0
Net profit (RMB mn)	(90.9)	401.5	1,123.5	1,954.1
YoY growth (%)	91.0	569.2	1,306.7	1,879.8
EPS (Reported) (RMB)	na	525.4	129.5	43.9
P/E (x)	3.93	22.60	51.14	73.43
P/B (x)	5.4	3.6	2.1	1.4
Yield (%)	283.0	49.3	21.8	15.2
ROE (%)	1.7	8.5	16.0	19.2
Net gearing (%)	12.8	8.1	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

J&T Express (1519 HK) – Unique growth play for emerging market express delivery

Rating: BUY | **TP:** HK$13.4 (19% upside)

Analyst: Wayne Fung

- **Investment Thesis:** J&T's express delivery business spans 13 countries, covering seven countries across SEA, including Indonesia, Vietnam, Malaysia, the Philippines, Thailand, Cambodia and Singapore, and China, as well as five new-market countries, including Saudi Arabia, UAE, Mexico, Brazil and Egypt. J&T is the largest express delivery operator in SEA with a respectable market share of 32.8% (1H25). In China, J&T ranked No.5 with market share of 11.1% (1H25). We think J&T offers a unique growth story that can rarely be found in the sector. The latest share-swap agreement with SF (6936 HK / 002352 CH, NR) will likely help J&T expand product offerings, further expand in SEA market as well as open up opportunities in Europe and the US.
- **Our View:** J&T's parcel volume growth in 4Q25 was 15% YoY, driven by outstanding growth of 74% in SEA but offset by -0.4% YoY decline of parcel volume in China. While the volume in China was unexciting, it was due to the "anti-involution" campaign which will likely boost a rebound of ASP. For the full year in 2025, the parcel volume grew 22% YoY to 30bn units. We continue to like J&T, due to (1) the unmatched competitive edge and market share gain potential in SEA (32.8% in 1H25), and (2) strong potential in new markets such as Brazil and the Middle East.
- **Where do we differ vs consensus:** Our earnings forecast in 2025E/26E is 4% below consensus, which we see as normal deviation.
- **Catalysts:** (1) better-than-expected parcel volume growth in SEA; (2) further increase in parcel ASP in China.
- **Valuation:** We apply different EV/EBITDA multiples for different markets to better reflect their respective growth outlook. Our SOTP-based TP is HK$13.4.

Link to latest report: J&T Express (1519 HK) - Share swap with SF to help expand new markets

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Revenue (US$ mn)	10,259	12,161	14,110	16,162
YoY growth (%)	16	19	16	15
Core net income (US$ mn)	200	348	583	761
Core EPS (US$)	0.02	0.04	0.07	0.09
YoY growth (%)	n/a	73.5	67.8	30.5
Consensus EPS (US$)	N/A	0.04	0.07	0.10
EV/EBITDA (x)	18.3	13.8	10.8	9.0
P/E (x)	65.8	37.9	22.6	17.3
P/B (x)	4.7	4.3	3.7	3.1
Yield (%)	0.0	0.0	0.0	0.0
ROE (%)	7.2	11.8	17.4	19.3
Net gearing (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: SOTP valuation for J&T Express

Breakdown	Methodology		2026E (US$ mn)	Multiple (x)	Value (US$mn)	% of total
SEA	EV/EBITDA	EBITDA	875	14	12,252	82%
China	EV/EBITDA	EBITDA	323	6.5	2,097	14%
New markets	EV/EBITDA	EBITDA	34	20	682	5%
Total EV					**15,031**	100%
Add: Net cash (end 2024)					55	
Minus: MI					0	
Equity value					**15,086**	
Target price						
US$					**1.71**	
HK$					**13.4**	

Source: Company data, CMBIGM estimates

SANY International (631 HK) – Earnings growth driven by diversified revenue sources

Rating: BUY **| TP:** HK$8.9 (upside: N/A)

Analyst: Wayne Fung

- **Investment Thesis:** SANYI has been expanding into new business segments, including lithium battery, intelligent coal mining, hydrogen and solar segments. Besides, the expansion of overseas mining trucks will help SANYI further reduce the cyclical nature from the traditional coal mining equipment in the domestic market, in our view.

- **Our View:** We expect SANYI to maintain growth momentum in 2026E, driven by strong growth of large-size port equipment and improvement in overseas mining trucks, which could offset the relatively weak sales of combined coal mining units (CCMUs) and road headers domestically. Besides, the rising contribution of lithium battery and the recovery of oil & gas equipment could serve as new growth drivers.

- **Where do we differ vs consensus:** Our earnings forecast in 2025E/26E is 1%/4% above consensus, as the consensus forecast was revised down recently.

- **Catalysts:** (1) breakthrough of mining trucks overseas; (2) better-than-expected lithium battery demand; (3) improvement of coal mining capex.

- **Valuation:** Our TP of HK$8.9 is based on 11x 2025E P/E, equivalent to the historical average P/E since 2017. We see further upside potential thanks to the strong-than-expected commodity upcycle.

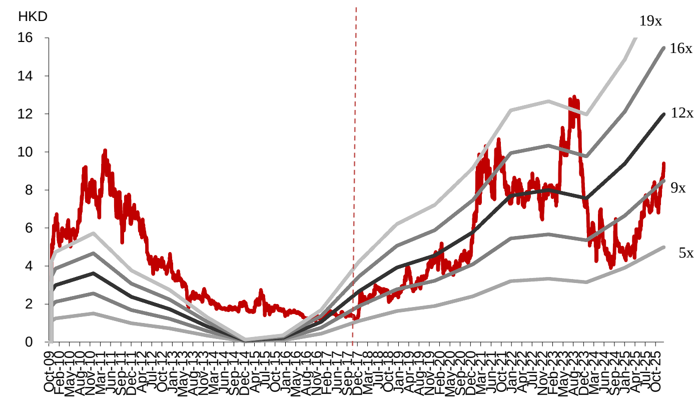
Link to latest report: Capital Goods – Key themes in 2026: Focus on Mining Equipment + Power for data centres + Replacement cycle

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	21,910	25,576	29,971	34,442
YoY growth (%)	8.0	16.7	17.2	14.9
Core net income (RMB mn)	1,850	2,290	2,910	3,385
Core EPS (RMB)	0.58	0.72	0.91	1.06
YoY growth (%)	(4.6)	23.8	27.1	16.3
Consensus EPS (RMB)	N/A	0.77	0.93	1.20
EV/EBITDA (x)	13.0	7.3	6.0	5.3
P/E (x)	25.6	12.2	9.6	8.2
P/B (x)	2.3	2.1	1.8	1.6
Yield (%)	3.1	3.3	4.2	4.9
ROE (%)	15.5	17.7	19.9	20.2
Net gearing (%)	17.5	15.0	8.8	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: SANYI's P/E band



Source: Company data, Bloomberg, CMBIGM estimates

Bosideng (3998 HK) – Prudent guidance but we are still confident

Rating: BUY | **TP:** HK$5.55 (21% upside)

Analyst: Miao Zhang

- **Investment Thesis:** With superior fashion, digital capability and efficiency, we believe Bosideng should gain more market share in the long run. Bosideng is not only the largest down apparel brand in China, but also a leading manufacturer in the world. It owns the BOSIDENG, SNOWFLYING brands, etc. and has over 5,300 offline stores. Growth drivers include: 1) sales per store growth (both ASP and volume), 2) more online and direct retail sales, and 3) gradual penetration of down apparel in China.

- **Our View:** We are more positive on the 2025-2026 winter, thanks to: industry reasons such as 1) favourable weather, temperature was warmer than last year during Sep and early Oct 2025, but got much colder in late Oct and Nov 2025, and chances of having a La Nina is higher than 50%, 2) the late CNY in 2026; and company-specific reasons like: 1) product upgrades around functionality, trendiness and diversity, 2) improvement on the youthfulness, including many crossovers (e.g. Kim jones), 3) continual restructuring of offline stores and 4) further enhancement of customer and membership experiences, etc.. 1H25E results may be subdued (flattish sales growth and mild net profit growth) but should be priced in already.

- **Where do we differ vs consensus:** For FY26E/ 27E/ 28E, our net profit forecasts are +1%/ +3%/ +0% vs street as we are cautious on sales growth, but more positive on OP margin improvement, by solid operating leverage.

- **Catalysts:** 1) better-than-expected government stimulus, 2) positive feedback on new products, and 3) favorable weather.

- **Valuation:** We derived our 12m TP of HK$5.55 based on 13x FY26E P/E. We believe successful new product launches, further upgrades around store formats and experience, favourable weather and late CNY may lead to a further re-rating. The stock is trading at 12x FY26E P/E and a 7% yield.

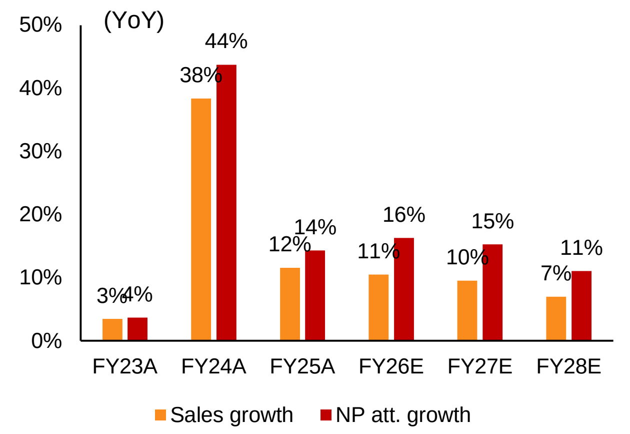
Link to latest report: Bosideng (3998 HK) – Prudent guidance but we are still confident

Financials and Valuations

(YE 30 Jun)	FY25A	FY26E	FY27E	FY28E
Sales (RMB mn)	25,902	28,624	31,351	33,535
YoY change (%)	11.6	10.5	9.5	7.0
Net profit (RMB mn)	3,514	4,086	4,709	5,229
EPS - Fully diluted (RMB)	0.305	0.354	0.408	0.453
YoY change (%)	13.2	16.3	15.3	11.0
Consensus EPS (RMB)	N/A	0.365	0.410	0.466
P/E (x)	14.9	13.2	11.4	9.9
P/B (x)	3.2	3.2	3.0	2.7
Yield (%)	5.7	6.4	7.0	8.1
ROE (%)	23.7	25.1	27.3	29.1
Net debt/ equity (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Sales and net profit growth



Source: Company data, CMBIGM estimates

Guoquan Food (2517 HK) – A national at-home food expert to innovate at all fronts

Rating: BUY | **TP:** HK$4.80 (22% upside)

Analyst: Miao Zhang

- **Investment Thesis:** Guoquan achieved retail sales of RMB11.1bn with 3% market share in 2022. The company offers a diversified product portfolio of eight major categories (hotpot, barbecue, beverages, single-serve meals, ready-to-cook meal kits, fresh food, Western cuisines, and snacks). Such a great variety can cater to diverse dining scenarios. In 2024, it achieved RMB 6.5bn sales, RMB 230mn profit with 10,150 stores in China.

- **Our View:** We are still positive about 4Q25E, boosted by: 1) rising demand from consumption trade-down, 2) a relatively low base hence SSSG may still improve further (SSSG were LSD/ MSD/ MSD for Jul/ Aug/ Sep 2025), 3) blockbuster products (e.g. various hotpot combos and sauces for meals at home), 4) store revamp (e.g. there are 3,000 24-hour stores now), and 5) better training for store managers, in order to better serve and retain customers, etc.. Margins are also aided by: 1) a better product mix, 2) more efficient supply chain, 3) potential increases in self-production mix, 4) economies of scale, and 5) operating leverage, etc.. Moreover, the recently announced share buyback programme could be supportive as well.

- **Where do we differ vs consensus:** For FY25E/ 26E/ 27E, our sales forecasts are 3%/ 3%/ 1% higher than consensus while our net profit forecasts are 1%/ 4%/ 7% higher than the street's as we are more optimistic both on its SSSG, store openings and OP margin expansion.

- **Catalysts:** 1) better-than-expected SSSG, 2) better-than-expected product and branding upgrades, and 3) faster-than-expected store expansion.

- **Valuation:** We derived our 12m TP of HK$4.80 based on a 23x FY26E P/E. We think a premium is justified, due to: 1) its vertically-integrated business model, 2) massive store network, and 3) strong brand equity (in both products and channels). The stock is trading at ~20x FY26E P/E.

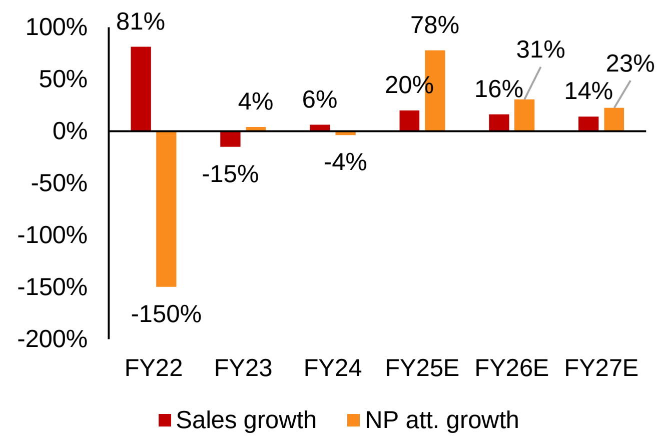
Link to latest report: Guoquan Food (2517 HK) - A national at-home food expert to innovate at all fronts

Financials and Valuations

(YE 30 Jun)	FY24A	FY25E	FY26E	FY27E
Sales (RMB mn)	6,470	7,764	9,036	10,301
YoY change (%)	6.2	20.0	16.4	14.0
Adj. Net profit (RMB mn)	231	410	535	657
EPS - Fully diluted (RMB)	0.084	0.149	0.194	0.238
YoY change (%)	(8.4)	77.4	30.6	22.7
Consensus EPS (RMB)	n/a	0.155	0.195	0.240
P/E (x)	44.1	24.9	19.0	15.5
P/B (x)	3.1	2.9	2.8	2.6
Yield (%)	2.0	3.4	4.5	5.5
ROE (%)	7.5	13.0	16.1	18.6
Net debt/ equity (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Sales and net profit growth, yearly



Source: Company data, CMBIGM estimates

Luckin Coffee (LKNCY US) – There are still multiple growth drivers in FY26E

Rating: BUY | **TP:** US$54.68 (61% upside)

Analyst: Miao Zhang

- **Investment Thesis:** Luckin is the largest and fastest-growing coffee brand in China. It has 16,248 stores, sales of RMB 24.9bn and net profit of RMB 2.85bn 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 include: 1) rapid store opening, 2) rise 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:** We agree that 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 the company is much more well-prepared than the others. For example, on SSSG, while we are conservatively forecasting a 2% in FY26E given that we see: 1) category expansion (more non-coffee products like snacks and breakfast did increase to 30 different types of food), 2) greater push on the star products (more new SKUs in 3Q25 than in 3Q24, with less popularity than star products but potential to improve in FY26E), 3) marketing expense ratio decrease in 3Q25, but Luckin Coffee could ramp that up if needed; 4) further boosting of sales and purchasing frequency (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); 3) headquarters cost % will continue to improve.
- **Valuation:** We derived our 12m TP of US$54.68 based on 18x FY26E P/E.
- **Catalysts:** Better-than-expected new products, store expansion, store efficiency and government stimulus.

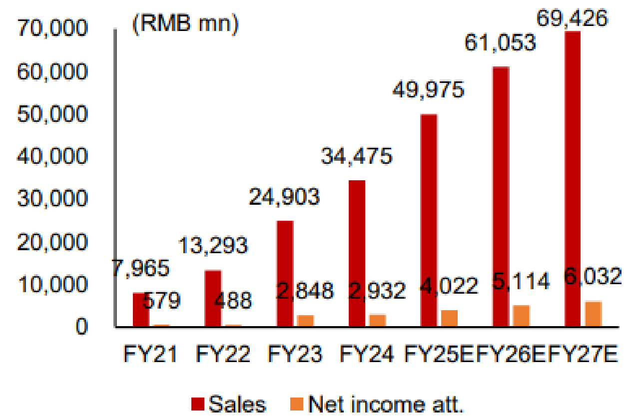
Link to latest report: Luckin Coffee (LKNCY US) – There are still multiple growth drivers in FY26E

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Sales (RMBmn)	34,475	49,975	61,053	69,426
YoY change (%)	38.4	45.0	22.2	13.7
Net profit (RMBmn)	2,931.7	4,021.7	5,113.8	6,032.3
EPS - Fully diluted (RMB)	1.15	1.57	1.99	2.33
YoY change (%)	2.3	36.5	26.5	17.4
Consensus EPS (RMB)	n/a	1.666	2.140	2.502
P/E (x)	26.2	19.2	15.2	12.9
P/B (x)	5.9	4.6	3.5	2.8
Yield (%)	0.0	0.0	0.0	0.0
ROE (%)	25.8	26.7	26.0	23.9
Net debt/ equity (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Sales and net profit



Source: Company data, CMBIGM estimates

Proya (603605 CH) – 1H25 earnings saved by sub-brands; Maintain BUY

Rating: BUY **| TP:** RMB129.83 (87% upside)

Analysts: Miao Zhang

- Proya delivered 1H25 revenue and attributable NP growth of +7.2% and +13.8% YoY, missing BBG consensus by 3%/4% primarily due to sustained momentum across sub-brands and continued pressure on core brand Proya. GP margin improvement was partly offset by heavier selling expenses on 618 promotion and sub-brand marketing. The company announced HK listing plan to accelerate overseas expansion.
- **Sub-brands' growth cushioned pressure of core brand.** Rev. of core brand Proya dropped 0.1% YoY in 1H25 on a high base and fiercer competition. Sub-brands TIMAGE/OR/ INSBAHA sustained high growth with revenue up 21/102/80% YoY, and combined revenue contribution lifted to 20.2% in 1H25, up 4.7ppts YoY. Looking forward, management has laid out a clear plan to enrich the product matrices across sub-brands: TIMAGE will iterate base-makeup technologies; OR will focus on anti-hair-loss solutions with aromatherapy concepts; and INSBAHA will deepen niche color cosmetics. International expansion is set to accelerate, with OR launches planned in Hong Kong and Japan and Hapsode rollout in SEA. The proposed HK listing should also provide capital and branding support to scale overseas and consolidate the company's multi-brand advantages.
- **7M25 sales largely in line with the industry.** In 1H25, offline sales dropped 21.3% YoY while online sales grew steadily at 9.2% YoY (self-operated +4.2% / distribution +25.9%). Based on our tracked cosmetics database, Proya's GMV (covered Proya/Timage/OR) on Taobao & Douyin combined grew 4% YoY in 7M25, slightly slower than industry's 5%.
- **Cost savings outcome partly offset by rising marketing expenses.** Gross margin expanded by 3.6ppt YoY to 73.4% in 1H25 thanks to cost control efforts such us shifting freebies from "mini" to "mid-size" to reduce packaging & unit marketing costs. SG&A ratio rose by 2.6ppt YoY given heavier 618 promotions cost and celebrity endorsements for sub-brands. With 2H marketing likely remain elevated around 11.11 shopping festival, we expect full-year selling expense ratio to trend higher.
- **Maintain BUY with TP of RMB 129.83, on 30x 2025E P/E**. Risks: worse-than-expected consumption sentiment, intensifying competition, and raw material price hike etc.

Link to latest report: Proya Cosmetics (603605 CH) - 1H25 earnings saved by sub-brands; Maintain BUY

Financials and Valuations

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	8,905	10,778	11,402	12,158	12,792
YoY growth (%)	39.5	21.0	5.8	6.6	5.2
Net profit (RMB mn)	1,193.9	1,552.0	1,717.7	1,822.3	1,912.6
YoY growth (%)	46.1	30.0	10.7	6.1	5.0
EPS (Reported) (RMB)	3.01	3.92	4.34	4.60	4.83
Consensus EPS (RMB)	N/A	N/A	4.58	5.31	6.07
P/E (x)	23.2	17.8	16.1	15.1	14.4
P/B (x)	6.3	5.0	4.2	3.6	3.1
Yield (%)	2.0	2.3	2.5	2.6	2.8
ROE (%)	30.3	31.7	28.9	26.0	23.6
Net gearing (%)	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Quarterly results

RMB mn	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	3Q25 YoY	3Q25 QoQ
Revenue	**2,182**	**2,820**	**1,965**	**3,812**	**2,359**	**3,003**	**1,736**	**-11.6%**	**-42.2%**
Gross Profit	**1,530**	**1,962**	**1,766**	**2,437**	**1,717**	**2,217**	**1,296**	**-27%**	**-42%**
Selling expenses	1,022	1,318	892	1,929	1,077	1,582	866	**-3%**	-45%
Administrative expenses (exl.R&D)	97	80	96	93	99	78	113	**18%**	44%
Research and development expenses	47	48	48	68	43	52	47	**-2%**	-10%
Net profit	**303**	**399**	**298**	**553**	**390**	**408**	**227**	**-24%**	**-44%**
Gross Profit Margin	**70.1%**	**69.6%**	**89.9%**	**63.9%**	**72.8%**	**73.8%**	**74.7%**	**-15.2 ppt**	**0.8 ppt**
Selling expenses ratio	*46.8%*	*46.7%*	*45.4%*	*50.6%*	*45.6%*	*52.7%*	*49.9%*	**4.5 ppt**	*-2.8 ppt*
Administrative expenses ratio	*4.5%*	*2.8%*	*4.9%*	*2.4%*	*4.2%*	*2.6%*	*6.5%*	**1.6 ppt**	*3.9 ppt*
R&D ratio	*2.2%*	*1.7%*	*2.4%*	*1.8%*	*1.8%*	*1.7%*	*2.7%*	**0.3 ppt**	*1.0 ppt*
Net Margin	**13.9%**	**14.1%**	**15.1%**	**14.5%**	**16.5%**	**13.6%**	**13.1%**	**-2.1 ppt**	**-0.5 ppt**

Source: Company data, CMBIGM

CR Beverage (2460 HK) – 1H25 earnings under ST pressure, LT gains from capacity expansion and channel reform

Rating: BUY **| TP:** HK$12.85 (24% upside)

Analysts: Miao Zhang

- The Company's 1H25 revenue/NP dropped 18.5/29% YoY, in line with the profit warning. The weakness was attributable to a 23% YoY decline in the water biz (hit by weak demand, fierce competition and channel reform) and moderated beverage growth (+21% YoY) driven by volume growth but price decline. We expect full-year revenue decline to narrow given low 2H24 base and positive sales in Jul-Aug.
- **Capacity expansion on track, payback period may extend.** The Company is executing its capacity expansion plan as scheduled: Wuyishan large-size production line commenced operations in 1H25, with two factories to come online in 2H25. The 2025 target of 60% self-owned capacity remains unchanged. We previously calculated that a 10% higher self-owned capacity ratio could drive a 1.5-2ppt GP margin improvement, but this benefit was muted by soft sales in 1H25. We believe that as consumption sentiment recovers and capacity expansion is implemented on track, positive impacts will gradually emerge over a longer horizon.
- **Channel reform weighs on ST earnings, benefits to emerge post FY26.** The Company has launched in-depth channel reforms, including: 1) flattening distribution channels in tier-1 cities from 4 to 3 levels; 2) adding over 100 distributors dedicated to beverage products; 3) setting specialized distributors for e-commerce, careering, and emerging channels; and 4) dedicated distributors for lower-tier markets (counties/towns/ villages). These initiatives, scheduled for completion by FY26, will deliver compounded benefits alongside ongoing capacity expansion, in our view.
- **Maintain BUY.** Our TP of HK$12.85 is to reflect earnings pressure. The TP is equivalent to 18x 2026E P/E, as we view 2026 as the year when the company's reform impacts could gradually ease with operations shifting from transformation to a steady state. Risks: 1) greater-than-expected economic downturn; 2) slower-than-planned capacity expansion; 3) underwhelming channel reform results; 4) food safety incidents; 5) raw material price hikes, etc..

Link to latest report: CR Beverage (2460 HK) - 1H25 earnings under ST pressure, LT gains from capacity expansion and channel reform

Financials and Valuations

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	13,515	13,521	11,460	12,417	13,841
YoY growth (%)	7.1	0.0	(15.2)	8.3	11.5
Net profit (RMB mn)	1,329.3	1,636.7	1,201.9	1,400.0	1,580.5
YoY growth (%)	34.3	23.1	(26.6)	16.5	12.9
EPS (Reported) (RMB)	0.66	0.79	0.58	0.68	0.76
Consensus EPS (RMB)	na	na	0.70	0.82	0.93
P/E (x)	14.0	11.8	16.0	13.8	12.2
P/B (x)	2.5	1.6	1.6	1.5	1.4
Yield (%)	0.0	5.2	2.2	2.5	2.9
ROE (%)	21.3	18.0	10.5	11.7	12.1
Net gearing (%)	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

3Sbio (1530 HK) – The journey of globalization has just begun

Rating: BUY **| TP:** HK$37.58 (49% upside)

Analysts: Jill Wu/ Cathy Wang

- **Investment Thesis:** We believe 707 (PD-1/VEGF) has the potential to become a global blockbuster. Pfizer has initiated two global Phase 3 trials and a Ph2/3 trial evaluating 707 in combination with chemotherapy, targeting 1L NSCLC and 1L mCRC and 1L SCLC, respectively. In addition, Pfizer has launched the first Phase 1/2 trial of 707 in combination with an ADC—specifically, 707+SV (the IB6 ADC)—for the treatment of solid tumors. Pfizer planed to initiate clinical studies for over 10 additional indications and 10 novel combinations by the end of 2026E. In our view, the global advancement of 707 represents a key near-term catalyst for 3SBio's growth.
- **Our View: (1) Pfizer accelerates global development of 707.** Pfizer is positioning 707 as a leading PD-1/VEGF bispecific antibody and aims to establish it as a backbone therapy across multiple tumor types. Management emphasized a focused strategy centered on speed, breadth, and depth in 707's development. In addition to the studies noted above, Pfizer also initiated three new Ph1/2 clinical trials across various indications, including la/mHCC, la/mUC and la/mRCC. A key differentiator of 707's development strategy is the speed at which Pfizer can advance 707 through clinical development. We think Pfizer's global scale in clinical operations and supply provides agility for worldwide clinical development. **(2) More innovative pipelines entering global development stage.** 1) 705 (PD-1/HER2) entered Ph2 in HER2+ solid tumor in China. 2) 706 (PD-1/PD-L1) initiated Ph2 trials in GI cancers and NSCLC in China. 3) SPGL008 (B7-H3 Ab/ IL-15 fusion protein) and SSS59 (MUC17/CD3/CD28) entered Ph1 in solid tumors in China. We expect further clinical readouts across these pipelines.
- **Where do we differ vs consensus:** We believe 707 has potential to outpace key competitors in global clinical timelines. Based on trial initiation dates, 707 lagged Ivonescimab by ~25 months in 1L sq-NSCLC and by 9–11 months in 1L nsq-NSCLC, and had similar initiation timelines for 1L mCRC. Given Pfizer's strong clinical capabilities, we expect 707 to catch up or even take the lead in nsq-NSCLC and mCRC. Additionally, BioNTech initiated several Ph1/2 trials of BNT327 in combination with ADCs in early 2025, while 707 initiated its Ph1/2 trial with SV in Nov 2025. Despite the later start, we think Pfizer's extensive experience in combining ADCs with I/Os such as Keytruda positions 707 well to potentially lead in the ADC-combination landscape.
- **Valuation:** We derive our target price of HK$37.58 based on a 11-year DCF model (WACC: 9.77%, terminal growth rate: 3.0%) .

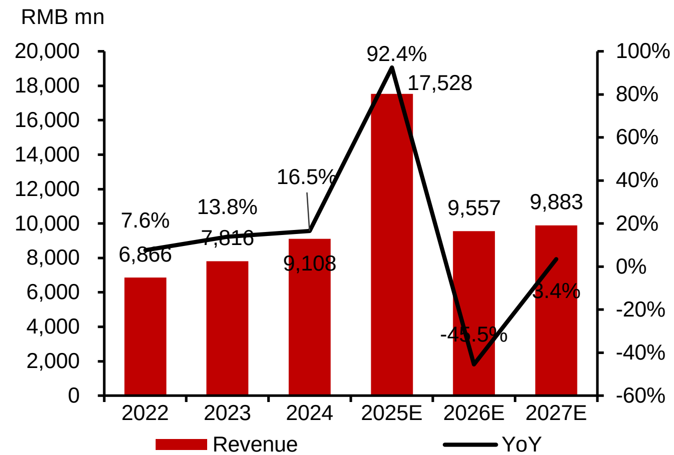
Link to latest report: 3SBio (1530 HK) - The journey of globalization has just begun

Financials and valuations

(YE 31 Dec)	FY25E	FY26E	FY27E
Revenue (RMB mn)	17,528	9,557	9,883
YoY growth (%)	92.4	(45.5)	3.4
Net profit (RMB mn)	9,295	2,700	2,831
YoY growth (%)	319.2	(71.0)	4.9
EPS (RMB	3.80	1.09	1.14
P/E (x)	7.2	25.2	24.1

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Revenue trend



Source: Company data, CMBIGM estimates

Ping An (2318 HK) – Fundamental improvement to drive valuation expansion in 2026E

Rating: BUY | **TP:** HK$75.0 (10% upside)

Analyst: Nika MA

- **Investment thesis: 1) Resilient NBV growth in** FY26E. We expect FY26E NBV to rise in a high-teen following a strong rally in 2025, with strengths in both agency and bancassurance channels amid product mix enhancement through par-policies. Our NBV forecasts are RMB 44.8bn/52.6bn/62.0bn in FY25E-27E, +57%/18%/18% YoY. Given strong demands seen in 2026 jumpstart sales, we anticipate the robust NBV growth to be supported by strong sales volumes and NBV margin likely to stabilize in FY26E. **2) L&H business making a comeback**. L&H OPAT edged up 1.9%/0.6% YoY in 9M/3Q25, at RMB78.8bn in 9M25 (68% mix), and we anticipate the turnaround to sustain in full-year leading to a 2.9% YoY lift in FY25E to RMB100bn. CSM release could turn back to a positive growth trajectory in 1H26E, driven by solid NBV upticks and improving operating variances in our view. **3) 2H25 investment performance to drive earnings' upward revision**. We think current net earnings consensus has not yet factored in the strong investment result in 2H25, during which SHCOMP/CSI 300 indices rose 15.2%/17.6% HoH, and China's 10-year bond yield turned back to 1.85% as of year-end. For FY26E, we think the downside risk of bond yield could be limited on back of supportive policies and economic recovery, which could further ease the balance sheet concerns for life insurers over the long run. **4) De-risking process continued.** The de-risking process bears fruit on Ping An's investment portfolio with exposure to property reduced to 3.2% of AUM as of 1H25. **5) Earnings recovery in Fintech and AM segments** amid intra-group synergies.
- **Consistent stock allocation strategy focusing on OCI.** Ping An owns a lower share of TPL stocks (vs. OCI) compared to peers; as of 1H25, the insurer's OCI/TPL mix was 65%/35% vs. NCI's 20%/80%. We expect the high-dividend strategy to maintain in FY26E, supporting long-term investment returns.
- **Risk-reward profile remains attractive.** The stock is trading at 0.7x FY26E P/EV and 0.9x FY26E P/B with avg. 3yr forward ROE at 14% and 4.5% yield. We expect the insurer's fundamental improvements across the board to support a valuation expansion cycle in 2026E. Maintain BUY.
- **Key risks:** 1) prolonged interest rate downturn; 2) heightened equity market volatilities; 3) lower-than-expected sales volumes; and 4) decline in agent scale.

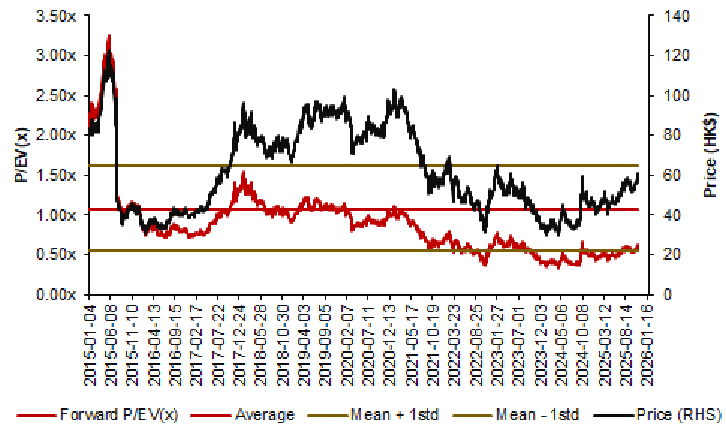
Link to latest report: Ping An (2318 HK) - 3Q earnings beat; improving business quality with catalysts across-the-board worth to expect

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Net profit (RMB mn)	126,607	148,159	158,724	175,090
EPS (RMB)	7.16	8.43	9.03	9.96
Consensus EPS (RMB)	N/A	8.25	8.70	9.27
P/EV (x)	0.8	0.7	0.7	0.6
P/B (x)	1.2	1.0	0.9	0.9
Dividend yield (%)	4.2%	4.4%	4.5%	4.8%
ROE (%)	13.9%	14.4%	13.7%	14.0%

Source: Company data, Bloomberg, CMBIGM estimates

Fig: P/EV(x) just above historical average-1std



Source: Bloomberg, CMBIGM estimates

AIA (1299 HK) – China Growth Strategy develops on track to support a growth narrative

Rating: BUY | **TP:** HK$89.0 (8% upside)

Analyst: Nika MA

- **Investment Thesis:** We expect strong demands to sustain across APAC markets in 2026E. AIA's VONB outperformed by rising 25% YoY (CER) to US$ 1,476mn in 3Q25 with key operating markets incl. HK, Mainland China, ASEAN and India all achieving double-digit VONB upticks. Margin expansion sustained in 3Q (+5.7 pct) on top of the strength in 1H25 (+3.9pct), driven by a favorable shift in product mix. In 1H25, AIA announced the highlighted China Growth Strategy, for which the company targets a 40% CAGR of VONB in FY25-30E for the new regions entered post-2019 (current: 9 regions) alongside a target to expand 1-2 regions per year. In 3Q25, VONB of the nine regions was doubled with the mix to AIA China VONB rising to 11% (1H25: 8%). If excl. the four new regions that launched operations in 1H25, the five developing geographies grew VONB by 35% YoY in 3Q, outpacing that of AIA China by 27% YoY (CER basis). AIA HK's VONB was up by 40% YoY, supported by strong momentum of both the domestic market and MCV. This China Growth Strategy could help gain tractions to investors on VONB uptick in our view.
- **Catalysts/concerns:** 1) the regulatory approvals on AIA China's geographical expansion plans; 2) AIA HK's new business sales momentum against the backdrop of the new tax regime under the CRS for domestic residents' overseas income; 3) AIA India's VONB contribution and potential efforts on product mix enhancement; 4) rising appeal from the Southbound to focus on the long-run China growth story. 5) new buyback program to be announced in mid-March during the full-year results call.
- **Maintain BUY.** The stock is trading at 1.3x FY26E P/EV or 2.3x FY26E P/B, with dividend yield at 2.6%. We expect the total shareholder return to arrive at 4.5% in FY26E (2.5% dividend + 2.0% buyback), with the next round of buyback program to be announced in Mar 2026 during the earnings call. So far, we believe the market has been more convinced by the growth narrative of AIA rather than viewing it as a high-yield target. The China Growth Strategy (40% CAGR of VONB in FY25-30E) could lead in another growth story to boost the share price uptrend, in our view.
- **Downside risks:** 1) heightened stock market fluctuations and unexpected shock to interest rates and FX movements; 2) prolonged low interest rate in mainland China; 3) sluggish sales momentum and margin retreats; 4) significant drop in shareholder capital ratio and free surplus balance, etc.

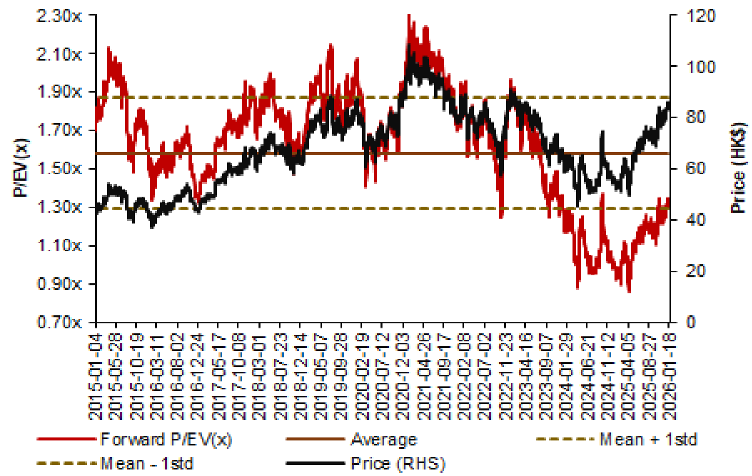
Link to Latest report: [AIA Group Ltd. (1299 HK) - 1H25 review: Resilient VONB uptrend with optimistic outlook on China Growth Strategy]

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Net profit (US$ mn)	6,836	6,630	6,351	7,006
EPS (US$)	0.60	0.67	0.75	0.84
Consensus EPS (US$)	N/A	0.66	0.74	0.82
P/EV (x)	1.7	1.5	1.3	1.1
P/B (x)	2.8	2.5	2.3	2.0
Dividend yield (%)	2.1	2.3	2.6	2.8
Operating ROE (%)	16.2	16.7	16.8	16.8

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Share price and P/EV(x) valuation band



Source: Bloomberg, CMBIGM estimates

FUTU Holdings (FUTU US) – Attractive risk-reward to reinforce long-term conviction

Rating: BUY **| TP:** US$228 (33% upside)

Analyst: Nika Ma

- **Investment Thesis:** Strong market turnover sustained. HK and US stock markets sustained strong turnover momentum in 3Q/4Q25 which could benefit Futu's net asset inflows and a MTM appreciation on clients' holdings. We expect the broker's new paying clients to be on track in FY25, meeting the mgmt. annual target of 800k with net asset inflows sequentially lifting despite a high base in 2Q. Trading volumes could rise quarter-by-quarter driven by robust client AUM growth and trading velocity enhancement. The 3M HIBOR rebounded back to above 3.5% in 2H25, which alleviated concerns to the broker's net interest income. We project NII to sequentially drop in 2H25, partly due to the impact of the Fed's pivot. Cost per new client acquisition (CAC) could remain below the guidance of HK2.5k-3k. We see earnings upside in FY25E driven by 1) a higher trading velocity, 2) more strengthened interest income from our current forecast and 3) a robust client AUM.
- **Key Catalysts:** 1) FY25 earnings release in late Mar 2026; 2) the pace of Fed pivot in 2026E (current market expectation of two rate cuts with 25bps by each); 3) crypto-related campaigns across markets and updates on the VATP license in HK.
- **Attractive risk-reward profiles.** Futu's ADR is trading at 17x/15x FY26/27E P/E, buoyed by improving market liquidity and price volatilities of crypto assets. Even if the market factors in an upward earnings revision in FY25-26E, we see current valuation as undemanding. The broker's average 3yr forward ROE in FY26-28E is at 23%, compared to the peer averages of >30x 26E P/E and less than 20% ROE. Reiterate BUY with our TP at US$228, which implies 23x/20x FY26E/27E P/E.
- **Downside risks:** 1) heightened HK/US stock market fluctuations; 2) intensified interest rate uncertainties amid Sino-US tariff tensions and Fed rate policy; 3) high price volatility of cryptocurrencies; 4) surging risk-off sentiment that could drag the trading momentum, etc.

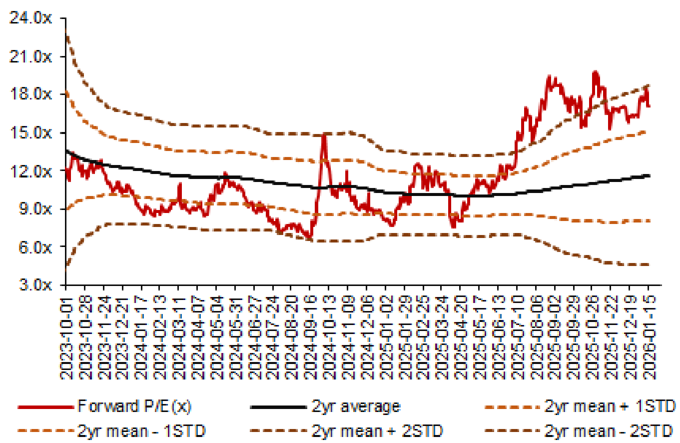
Links to latest report: Futu Holdings (FUTU US) - 3Q earnings a strong beat, driven by resilient net asset inflows and NII recovery

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Net profit (HK$ mn)	5,768	11,016	11,554	13,060
EPS (HK$)	38.9	75.8	79.1	89.3
Consensus EPS (HK$)	N/A	74.7	87.5	103.6
P/E (x)	34.8	17.8	17.2	15.2
P/B (x)	7.0	5.0	3.9	3.1
ROE (%)	20.7	31.9	25.0	22.3

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Share price and P/B(x) valuation band



Source: Bloomberg, CMBIGM estimates

Tencent (700 HK) – Solid growth across business lines; upbeat on long-term AI opportunities

Rating: BUY | **TP:** HK$760 (24% upside)　　Analysts: Saiyi He/Wentao Lu/Frank Tao

- **Investment Thesis:** Tencent's competitive edges remain solid. We expect Tencent to deliver sustainable earnings growth amid macro uncertainty. We expect: 1) higher-margin businesses like marketing, games and e-commerce services will bring incremental monetization opportunities and support GPM expansion; 2) games revenue growth to maintain solid growth in FY25E, backed by monetization revamp of key legacy titles and incremental contribution of new games; 3) step-up AI investment will drive marketing and cloud business revenue growth. .

- **Our View:** Tencent 3Q25 total revenue/non-IFRS operating income grew by 15%/18% YoY to RMB184.5/69.2bn, 2%/1% ahead of Bloomberg consensus estimate, driven by solid growth across business lines. Higher-margin games and marketing businesses continued to maintain strong momentum (+23% and 21% YoY respectively), driving quality growth and further margin expansion. We are positive on Tencent's short-term earnings visibility, supported by its strong competitive moat. And we remain constructive on Tencent's long-term opportunities in AI, given its diversified use cases and massive user base.

- **Catalysts:** 1) Continued AI empowerment of core businesses to drive revenue growth in advertising, cloud and gaming; AI-native applications such as Yuanbao and ima are experiencing rapid user expansion through the Weixin ecosystem and gradually exploring potential monetization opportunities. 2) Launch of major new games including Honor of Kings: World and Ni Zhan: Future and Roco Kingdom: World to drive gaming revenue growth. 3) Rapid development of Weixin commercial ecosystem, with sustained strong growth in Weixin Video Account advertising and e-commerce.

- **Valuation:** Our SOTP-derived target price is HK$760.0, consisting of HK$335.3/38.6/150.4/103.4/30.9 for games/SNS/marketing/FBS/cloud and HK$19.1/82.2 for net cash/strategic investment.

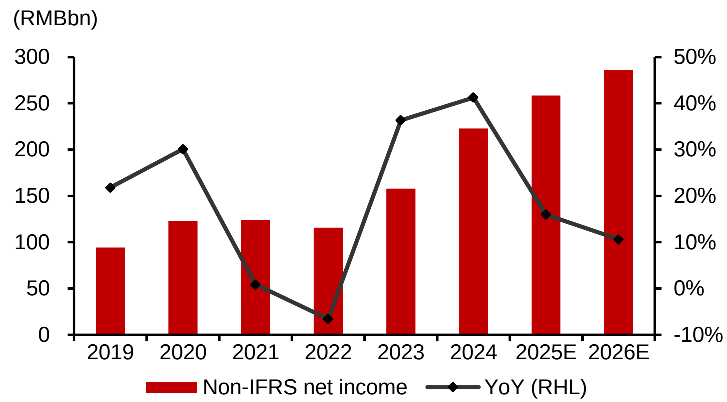
Link to latest report: Tencent (700 HK) - 3Q25 results: solid growth across business lines; upbeat on long-term AI opportunities

Financials and Valuations

(YE 31 Dec)	FY24	FY25E	FY26E	FY27E
Revenue (RMB mn)	660,257	751,126	816,768	872,160
Gross margin (%)	52.9	56.5	57.1	57.2
Adj net profit (RMB mn)	222,703	258,252	285,557	306,628
EPS (Adjusted) (RMB)	23.96	27.82	31.23	34.05
Consensus EPS (RMB)	23.96	27.02	30.35	33.72
Non-GAAP P/E (x)	23.3	20.1	18.2	16.7

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Non-IFRS net income growth



Source: Company data, CMBIGM estimates

Kuaishou (1024 HK) – AI empowers all business lines

Rating: BUY **| TP:** HK$88.0 (15% upside)   Analyst: Saiyi He/Wentao LU/Frank Tao

- **Investment Thesis:** The company benefits from the development of AI applications across segments: 1) Kling AI ARR reached US$240mn in Dec 2025, and we expect its strong growth momentum to persist in FY26E; 2) Online marketing business leverage AI models like OneRec to drive an incremental 4–5% growth in domestic online marketing services revenue in 3Q25; 3) E-commerce: the launch of the generative retrieval architecture OneSearch has enabled more accurate product matching, boosting 5% growth in shopping mall search order volume. We are upbeat on the company's sustained gains from AI empowerment and resilient profit growth, and forecast a 14% YoY increase in its adjusted net profit for FY26E.
- **Our View:** We forecast Kuaishou's total revenue to grow 8% YoY in FY26E, supported by: 1) Online marketing revenue to grow by 9% YoY, driven by continuous upgrades to content recommendation and advertising models. Additionally, the local services and content consumption sectors are poised to contribute incremental ad budgets. 2) Other revenue to grow by 13% YoY, primarily supported by healthy e-commerce GMV growth and incremental contributions from Kling AI revenue. 3) Live streaming revenue to increase by 3% YoY. On the earnings front, we expect FY26 adjusted net profit margin to expand by c.1 ppt YoY, mainly benefiting from operating leverage and optimized customer acquisition costs, partially offset by increased investments in AI-related initiatives.
- **Catalysts:** 1) Continuous upgrade of Kling AI, alongside enhanced PUGC- and B-end monetization, will drive incremental AI application revenue. 2) Ongoing optimization of content recommendation and advertising models will boost traffic and improve the ROI of ad solutions. 3) Expansion of e-commerce product supply and scenario will increase user repurchase frequency, driving e-commerce GMV growth.
- **Valuation:** HK$8.2/29.3/44.3 for live streaming/online marketing/e-commerce, and HK$6.1 for net cash.

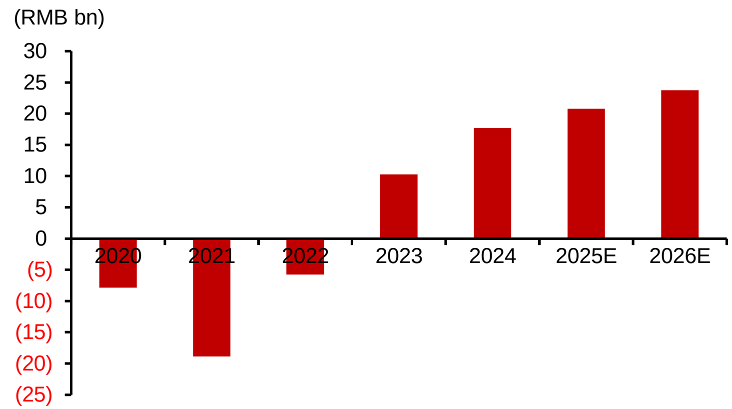
Link to latest report: Kuaishou (1024 HK) - 3Q25 results: AI empowers all business lines

Financials and Valuations

(YE 31 Dec)	FY24	FY25E	FY26E	FY27E
Revenue (RMB mn)	126,898	142,060	153,692	164,578
Adj net profit (RMB mn)	17,716	20,778	23,731	26,741
EPS (Adjusted) (RMB)	4.12	4.85	5.54	6.24
Consensus EPS (RMB)	4.12	4.72	5.53	6.45
Non-GAAP P/E (x)	18.1	15.4	13.5	12.0

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Non-IFRS net income growth



Source: Company data, CMBIGM estimates

Alibaba (BABA US) – Strong cloud revenue growth; still eyeing on from quick commerce synergy generated from quick commerce

Rating: BUY | **TP:** US$206.4 (25% upside)

Analysts: Saiyi He/Frank Tao/Wentao Lu

- **Investment Thesis:** 1) strong growth prospects for cloud computing revenue, driven by rising adoption of AI-related products and growing digitalization demand; 2) the rapid growth of instant retail is expected to enhance user stickiness and drive better customer management revenue (CMR) prospects in the medium to long term. 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:** Alibaba remains one of the key beneficiaries of the AI investment theme. We are positive that Alibaba could sustain its robust cloud revenue growth, drive for more synergies between e-commerce and quick commerce, and unlock more potentials in AI and agent related business in 2026E.

- **Catalysts:** 1) better than expected cloud revenue growth aided by increase in inference demand, which should propel an expansion in cloud valuation; 2) more update regarding AI related business initiatives and monetization; 3) positive update regarding fintech business investees.

- **Valuation:** SOTP based valuation of USD206.4, which translates into 23/18x FY27/28E PE..

Link to latest report: Alibaba (BABA US) – Strong cloud revenue growth; still eyeing on from quick commerce synergy generated from quick commerce

Financials and Valuations

(YE 31 Mar)	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	996,347	1,036,665	1,162,388	1,287,557
Adjusted net profit (RMB mn)	158,095.0	106,432.1	150,523.1	192,427.5
EPS (Adjusted) (RMB)	67.31	45.89	65.55	84.65
P/E (x)	20.2	22.2	19.3	14.5

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Alibaba: SOTP valuation

#	Segment (USDmn)	Valuation method	Rev (USDmn)	Adj. EBITA post tax (USDmn)	P/E (x)	EV/S (x)	Val. Rmb mn	Val. US$m	$/ADS	Value split
1	Alibaba China E-commerce Group	12x FY28E EV/EBITA; assume 20% tax rate on adjusted EBITA; discounted back with 11% WACC		21,273	12.0		1,491,753	207,188	86.7	42%
2	International Digital Commerce Group	1.5x FY26E EV/S	20,573			1.5	222,192	30,860	12.9	6%
3	Cloud Intelligence Group	7.5x FY27E EV/S on revenue before intersegment elimination; discounted back with 11% WACC	28,819			7.5	1,402,028	194,726	81.5	39%
4	All others	1.0x FY26E EV/S	34,906			1.0	251,323	34,906	14.6	7%
	Total Alibaba business						**3,367,296**	**467,680**	**195.7**	
INVESTMENTS										
1	Ant Group	Last round share buyback valuation; 33% share holding					187,143	25,992	10.9	
2	Others	Market valuation					75,325	10,462	4.4	
	Total investment (with 30% holding discount)								**10.7**	5%
	Total (US$mn)								**206.4**	
	#s of diluted ADS (mn)								2,390	

Source: Company data, CMBIGM estimates

Trip.com (TCOM US) – 3Q results beat; travel demand remains solid

Rating: BUY **| TP:** US$83.0 (34% upside) Analysts: Saiyi He/Frank Tao/Wentao LU

- **Investment Thesis**: 1) both domestic and outbound travel are seeing resilient volume growth, and Trip.com Group could sustain higher than industry average revenue growth driven by its strong customer services and supply chain capability, in our view; 2) we are constructive on Trip.com's global expansion potential, especially in the Asian market, as the current online penetration remains low, and TCOM has established strong supply chain and customer services capabilities to aid business expansion.
- **Our View:** We are positive that TCOM can deliver upbeat financial results in 4Q25E aided by its continuously enhanced supply chain capabilities, as well as operating efficiency gains from domestic and outbound business.
- **Catalysts:** 1) better than expected outbound travel revenue growth; 2) better than expected earnings growth driven by both better-than-expected operating efficiency gains from domestic and outbound travel business aided by solid revenue growth; 3) shoe-drop on the anti-monopoly investigation, although this likely takes 3-6 month's time.
- **Valuation:** DCF-based valuation of US$83.0, which translates into 20x 2026E PE (non-GAAP).

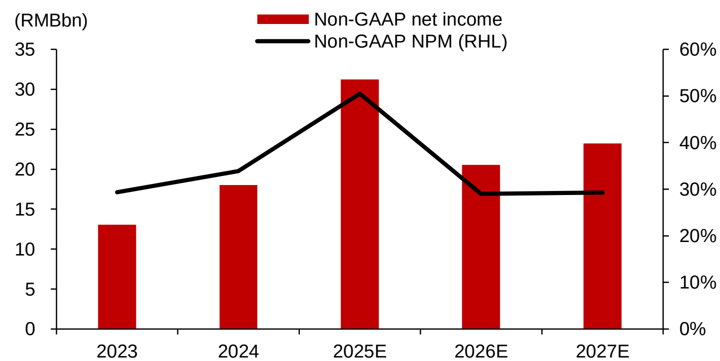
Link to latest report: Trip.com Group (TCOM US) – 3Q results beat; travel demand remains solid

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	53,377	61,948	71,050	79,434
YoY growth (%)	19.8	16.1	14.7	11.8
Net profit (RMB mn)	17,067.0	31,336.5	18,266.2	20,880.8
Adjusted net profit (RMB mn)	18,041.0	31,228.3	20,561.1	23,248.0
YoY growth (%)	38.0	73.1	(34.2)	13.1
EPS (Adjusted) (RMB)	25.84	44.79	29.49	33.34
P/E (x)	19.4	10.6	18.2	15.9

Source: Company data, Bloomberg, CMBIGM estimates

Fig: TCOM: non-GAAP net profit



Source: Company data, CMBIGM estimates

CR MixC Lifestyle (1209 HK) – FY25 preview: core NP growth trimmed to low teens

Rating: BUY **| TP:** HK$53.96 (29% upside)

Analysts: Miao Zhang

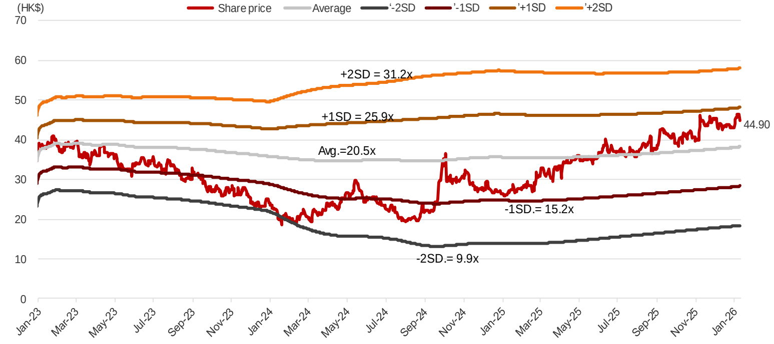
- We forecast CR MixC's FY25E revenue to increase by 6.5% YoY to RMB 18.2bn, where the residential segment is flat YoY, dragged by VAS biz. During the period, we expect the commercial segment to grow 13.8% YoY, mainly because revenue growth of shopping mall slowed to 18% on a high base (30% in FY24 driven by one-off factors). We expect core NP to rise 10.8% YoY to RMB 3.9bn in FY25E, underpinned by stable GP margin in basic PM, continued improvement in GP margin of shopping mall, and lower SG&A ratio. Our TP is HK$53.96 based on 25x 2026E P/E, reflecting reduced reliance on residential biz, strengthened sector leadership, and enhanced scarcity premium amid capital allocation demand. Given the long-term investment value of the Company, FY25 results at the lower end of guidance range may trigger share price pullback, and thus we advise investors to build positions proactively.
- **Shopping mall biz:** FY25E retail sales growth is expected to lie in the 20-25% range, with 14 luxury malls growing faster, mainly benefiting from new consumption formats such as trendy toys, gold & jewelries, and outdoor gears etc. We expect related consumption to continue to outperform peers in 2026 amid ongoing geopolitical turbulence and domestic asset price pressure. We estimate the segment’s FY25E revenue to increase 18% YoY (vs. 30% in FY24), primarily due to a high base (one-off). On third-party expansion, the company secured 11 projects by end-Nov, exceeding the full-year target of 10, and completed the target of 14 new openings. We expect the GP contribution from shopping mall biz to reach 60% in FY25E, lifting the entire GP contribution of commercial operations segment to above 70%.
- **Residential biz:** We expect segment revenue to be broadly flat (+1.3% YoY) in FY25E, with basic PM remaining stable amid sector headwinds, up 8.7% YoY. Non-owner VAS and community VAS revenues each declined 30%+ YoY, dragged by shrinking new home market and accounting method changes. Segment GP margin remained stable. Third-party expansion reached RMB 940mn by end-Nov, largely on track to meet the full-year target of RMB 1.0bn.
- **100% payout can be expected.** We see a high likelihood that the company will maintain a 100% payout ratio (60% ordinary + 40% special), based on: 1) no clear plan for large-scale capital deployment at present; and 2) according to recent PM sector practice, when results land at or below guidance, firms tend to use a higher payout ratio to stabilize market sentiment

Financials and Valuations

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	14,767	17,043	18,154	19,698	21,172
YoY growth (%)	22.9	15.4	6.5	8.5	7.5
Net profit (RMB mn)	2,928.7	3,629.4	4,008.4	4,483.1	4,951.9
YoY growth (%)	32.8	23.9	10.4	11.8	10.5
EPS (RMB)	1.28	1.59	1.76	1.96	2.17
Consensus EPS (RMB)	N/A	N/A	1.78	2.03	2.27
P/E (x)	31.3	25.3	22.9	20.4	18.5
P/B (x)	5.7	5.6	6.4	6.2	6.0
Yield (%)	1.2	1.6	4.2	4.8	5.3
ROE (%)	19.4	22.4	26.0	30.8	32.8
Net gearing (%)	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: 1-year forward P/E band



Source: Company data, CMBIGM estimate (data as of 13 Jan 2026)

Greentown Service (2869 HK) – Solid growth driven by notable efficiency gains

Rating: BUY **| TP:** HK$6.61 (51% upside)

Analysts: Miao Zhang

- Greentown Service's 1H25 net profit (NP) rose 22.6% YoY and core operating profit (=GP-SG&A) rose 25.3% YoY, far exceeding the 15% full-year guidance set by mgmt earlier. Revenue grew 6.1% YoY in 1H, with resilient core PM biz (+10.2% YoY) driven by strong third-party expansion (especially non-residential projects). Non-owner VAS grew 0.6% YoY, while owner VAS dipped 6% YoY on partial business deconsolidation. The company's efforts on optimizing project portfolio and improving efficiency led to decent margin improvement (GP/core OP margin +0.5/1.8ppts YoY), and the trend is likely to sustain in the full year, in our view.
- **Basic PM delivered solid growth with margin improvement**. Segment revenue increased 10% YoY, mainly driven by: 1) 11% YoY managed-GFA growth despite higher termination rate (1H25: 2.4% vs. 1H24: 1.6%); GFA of third-party projects was up 12% YoY and non-residential projects up 16% YoY; 2) Avg. PM fee increased to RMB3.21/sqm/month in 1H25 (vs. RMB3.20 in 1H24), benefiting from continuous pulling out of low-quality projects (avg. termination rate of 4% in 2023-24) and higher fee rates for newly contracted projects. These efforts brought 0.4ppts YoY GP margin improvement in 1H25 despite industry-wide margin pressure. We believe these factors will partially offset the negative impacts from intensifying competition and PM fee caps, supporting margin outlook of the segment.
- **Improving efficiency yields strong results.** Ongoing efficiency initiatives delivered notable results in 1H25, with SG&A ratio declining 1.3ppts YoY to 7.9% (from 9.2% in 1H24). This drove 25.3% YoY growth in core OP and a 1.8ppt improvement in core OP margin to 11.6%. Despite heavy impairment of receivables (+34% YoY), NP still grew 22.6% YoY, with NP margin expanding 0.8ppts to 6.6% in 1H25.
- **FY25 guidance unchanged.** FY25 targets: 1) core OP growth >15%; 2) double-digit basic PM revenue growth; 3) 0.5ppts GP margin expansion; 4) annualized revenue of new contract >RMB4.0bn. We see pressure in new contract wins (only RMB1.52bn, 38% secured in 1H25), while we think core OP growth may exceed guidance by maintaining 1H25's momentum.
- **Maintain BUY.** Our TP of HK$6.61 (22x 2025E P/E) reflects earnings upgrades partially offset by a lower valuation multiple. Target multiple was reduced from 25x to 22x to reflect deteriorating industry conditions (intensified competition, PM fee caps and potential mandatory social security payments). Risks: 1) weak third-party expansion; 2) greater-than-expected gross margin pressure; and 3) decline in developer-related business.

Financials and Valuations

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	16,812	17,893	19,192	20,550	21,971
YoY growth (%)	13.2	6.4	7.3	7.1	6.9
Net profit (RMB mn)	605.4	785.1	874.5	1,000.5	1,100.8
YoY growth (%)	11.7	31.6	11.4	14.4	10.0
EPS (RMB)	0.19	0.25	0.28	0.32	0.35
Consensus EPS (RMB)	N/A	N/A	0.29	0.34	0.38
P/E (x)	21.2	16.1	14.5	12.7	11.5
P/B (x)	2.1	1.8	1.8	1.7	1.7
Yield (%)	3.4	4.6	5.2	5.9	6.5
ROE (%)	8.3	10.3	11.0	12.2	13.2
Net gearing (%)	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Managed GFA termination rate

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

Source: Company data, CMBIGM

Luxshare (002475 CH) – Stronger outlook in Apple upgrade cycle and Leoni/ODM synergies

Rating: BUY | **TP:** RMB 75.55 (29% upside)

Analysts: Alex Ng/ Hanqing Li

- **Investment Thesis:** Luxshare is a leading technology solutions supplier in China, with a strong product portfolio (connectors/cables, acoustics/ haptics, precision components) and vertical integration capability, covering consumer electronics, computer, automotive and datacenter segments. Its key customers include Apple (iPhone/AirPods/Watch/iPad/Mac) and Android OEMs (Xiaomi, Huawei, Oppo, Vivo, etc) and PC brands (Lenovo, Dell, HP, etc).

- **Our View:** We expect Luxshare to deliver 27% earnings CAGR over 2025-27E, driven by 9%/54%/47% FY25-27E revenue CAGR from consumer electronics/automotive/communication segments. 1) For CE, with a full coverage of Apple's products (iPhone/Watch/AirPods/Mac/VisionPro), we believe Luxshare will benefit from share gains and Apple's product cycle in iPhone 17/foldable/20th anniversary edition and smart home/AI glasses during 2026-27E. 2) For Auto/ODM biz, the integration process has exceeded expectations. Original targets for Leoni will be achieved at least one year earlier, and vertical integration with Wingtech ODM will enhance competitiveness and boost exposure to non-Apple biz. 3) For AI server, we believe Luxshare is making progress with design wins and share gains with core AI server products (high-speed connectivity/power/thermal).

- **Where do we differ vs consensus:** We are more positive on Luxshare's AI server progress, Apple new product cycle and margin expansion.

- **Catalysts:** Near-term catalysts include iPhone 17 shipment, auto client wins, and AI server component ramp-up.

- **Valuation:** Our TP of RMB 75.55 based on 25x FY26E P/E, in-line with the past 10-yr hist. fwd. P/E, back by share gains and product expansion to capture AI server, Apple and NEV opportunities in next 3-5 years. .

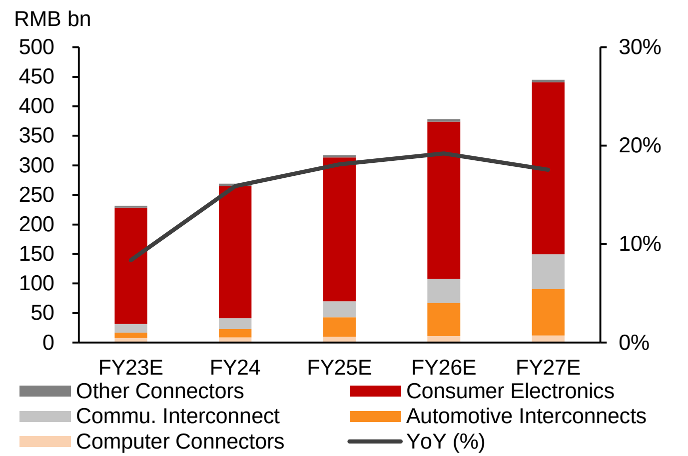
Link to latest report: Luxshare (002475 CH) - Stronger outlook in Apple upgrade cycle and Leoni/ODM synergies; Lift TP to RMB75.55

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	268,795	317,450	378,416	444,880
YoY growth (%)	15.9	18.1	19.2	17.6
Net profit(RMB mn)	13,366	17,075	21,493	27,555
EPS (RMB)	1.86	2.40	3.02	3.87
YoY growth (%)	20.8	29.1	25.9	28.2
Consensus EPS (RMB)	N/A	2.35	2.93	3.57
P/E (x)	30.8	23.5	19.0	14.8
P/B (x)	4.8	4.0	3.3	2.7
Yield (%)	0.0	0.0	0.0	0.0
ROE (%)	15.8	16.8	17.4	18.3
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Luxshare's revenue trend



Source: Company data, CMBIGM estimates

AAC Tech (2018 HK) – Solid outlook intact on AI-driven upgrade cycle in 2H25E

Rating: BUY | **TP:** HK$60.55 (55% upside) Analyst: Alex Ng/ Hanqing Li

- **Investment Thesis:** AAC Technologies is a global leading provider of sensory experience solutions with a strong product portfolio in acoustics, optics, haptics, sensor and semiconductor, and precision manufacturing. Key segments include smartphones, intelligent vehicles, VR/AR and smart homes. We believe AAC is well-positioned to capture multiple trends in AI smartphones (optics/VC/MEMs), foldable phones (hinges/casing), auto acoustics (speakers/MEMs) and robotics (actuators/ EM) in FY25-27E.

- **Our View:** We are positive on mgmt.'s upbeat guidance for 2025, which should ease market concerns on 2H GPM/demand. 1) Acoustics: new product MP will boost GPM rebound in 2H25E. 2) ED & PM: ED sales will grow 18-20% YoY in FY25E (VC up 3-4 times, NB/casing stable share), and EM will grow 15-20% YoY with GPM of 30%+. 3) Optics: sales to grow 20% YoY with GPM at 10-15% in FY25E, with plastic HLS GPM at 30%+, WLG shipment of 10-15mn/20mn in FY25/26E and HCM GPM at 4-6%; 4) MEMS & sensors: FY25E sales grew 100% YoY with GPM at 15-20%.

- **Where do we differ vs consensus:** We are more positive on AAC's margin upside, WLG ramp-up and auto biz momentum.

- **Catalysts:** Near-term catalysts include product launches (AI/foldable/ultra-thin phones/AI glasses), robotics orders and optics margin expansion.

- **Valuation:** Our SOTP-based TP of HK$60.55 implies 25.3x FY25E P/E.

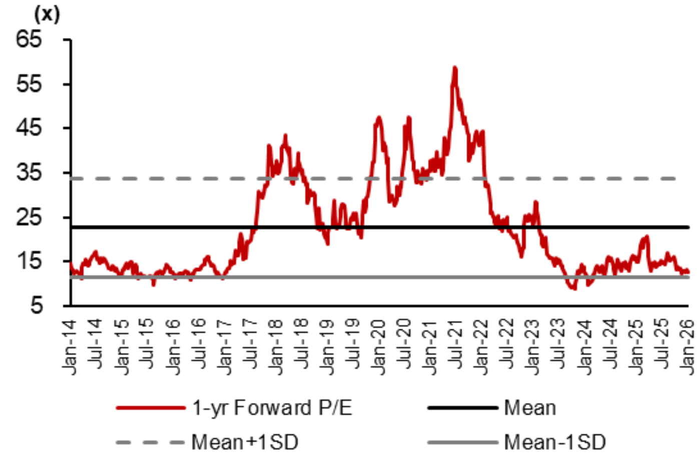
Link to latest report: AAC Tech (2018 HK) - 1H25 upgrade cycle in 2H25E in-line despite GPM dip; Solid outlook intact on AI-driven upgrade cycle in 2H25E

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	27,328	32,848	37,596	41,623
YoY growth (%)	33.8	20.2	14.5	10.7
Net profit(RMB mn)	1,797	2,515	3,187	3,735
EPS (RMB)	1.53	2.17	2.75	3.22
YoY growth (%)	143.8	41.6	26.7	17.2
Consensus EPS (RMB)	N/A	2.08	2.49	2.89
P/E (x)	23.5	16.6	13.1	11.2
P/B (x)	1.8	1.7	1.5	1.4
Yield (%)	0.7	0.9	1.4	1.7
ROE (%)	7.8	10.0	11.5	12.2
Net gearing (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: AAC 12M forward P/E band



Source: Company data, CMBIGM estimates

BYDE (285 HK) – Apple order win, rapid auto ramp-up and AI server biz expansion

Rating: BUY | **TP:** HK$43.54 (26% upside)

Analysts: Alex Ng/ Hanqing Li

- **Investment Thesis:** BYDE is a global leader in platform-based high-end manufacturing, focusing on smartphone/NB, new intelligent product, auto intelligent system and medical devices. Its major clients include Apple, Xiaomi, Huawei/Honor, BYD and other OEM brands. We believe BYDE will benefit from iPhone AI cycle, stable Android flagship demand, high-end NEV products and AI server momentum in FY25E.

- **Our View:** Mgmt. is positive on 2026 revenue growth with improving GPM, driven by 1) US client's foldable phone spec upgrade (+50% YoY sales) with content value increase (RMB1,000+), 2) automotive expansion (+20% YoY sales) with rising penetration (smart driving, suspension) and overseas client wins (Europe/Japan), and 3) AI server biz (RMB5bn sales target) in domestic ODM and GB200/300 components. Rubin projects and HGX liquid cooling component target to start mass production in 2H26E, and 400G/800G optical module capacity (5kk/month) are ready by 2025.

- **Where do we differ vs consensus:** We are more positive on margin recovery, Jabil's synergies, NEV biz momentum and AI server biz outlook..

- **Catalysts:** Near-term catalysts include iPhone shipment upside, AI server product ramp-up and GPM improvement.

- **Valuation:** Our SOTP-based TP of HK$43.54 implies 16.2x FY26E P/E. We reiterate BUY given our positive view on BYDE's outlook and improving revenue mix to drive GPM recovery in FY26-27E.

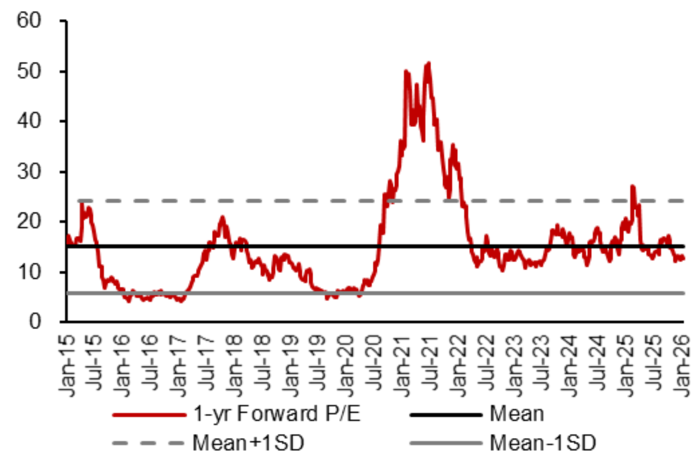
Link to latest report: BYDE (285 HK) - NDR takeaways: Apple/AI server/auto to accelerate revenue growth in 2026

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	177,306	178,254	208,668	224,812
YoY growth (%)	36%	1%	17%	8%
Net profit(RMB mn)	4,266	4,302	5,503	6,920
EPS (RMB)	1.89	1.91	2.44	3.07
YoY growth (%)	6%	1%	28%	26%
Consensus EPS (RMB)	-	2.20	2.85	3.54
P/E (x)	17.0	16.8	13.2	10.5
P/B (x)	2.7	2.5	2.2	2.0
Yield (%)	1.6	1.6	2.1	2.6
ROE (%)	13.2	12.1	14.0	15.7
Net gearing (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: BYDE's 12M forward P/E band



Source: Company data, CMBIGM estimates

Innolight (300308 CH) – AI capex visibility improves; 1.6T cycle supports continued mix/margin upside

Rating: BUY | **TP:** RMB707 (16% upside)

Analysts: Lily Yang/ Kevin Zhang

- **2025 review:** Innolight capped a standout 2025 for AI-exposed optical transceivers, posting strong 9M25 results (revenue +44% YoY, net profit +90% YoY) and sharp margin expansion (3Q25 GPM +9ppt YoY to 43%), alongside a 400% share price rally (as of Dec 31, 2025). Into 2026, the investment narrative remains anchored on an ongoing global AI infrastructure buildout and a sustained product mix shift to higher-speed optics (e.g., 1.6T). Hyperscaler capex expectations continue to trend upward, and supply-chain dynamics (EML tightness, gradual capacity additions, rising SiPho adoption) should keep demand strong while supporting profitability for leaders. A potential China compute upcycle (reported H200 exports allowed on Dec 8) could further lift networking intensity and optical demand.
- **Our view:** We remain positive on Innolight as a key beneficiary of the AI capex cycle and the industry's shift to higher-speed optics. Upside drivers include continued hyperscaler capex upgrades, accelerating 1.6T penetration (supporting ASPs and margin), and leadership advantages under persistent component constraints (notably EMLs), where scale and supply security matter. Improving upstream capacity and rising SiPho adoption may ease bottlenecks but still favor top-tier vendors with qualification depth and customer stickiness. Additional China-side compute acceleration (via reported H200 export approval) could raise networking requirements and incremental optical demand. A premium valuation multiple can be justified if capex revisions and high-end mix continue.
- **Risks:** 1) escalating trade tariffs and geopolitical tension, 2) supply chain disruption, 3) slower-than-expected new product adoption rate.
- **Valuation:** Maintain BUY with TP at RMB707, based on 28x 2026E P/E.

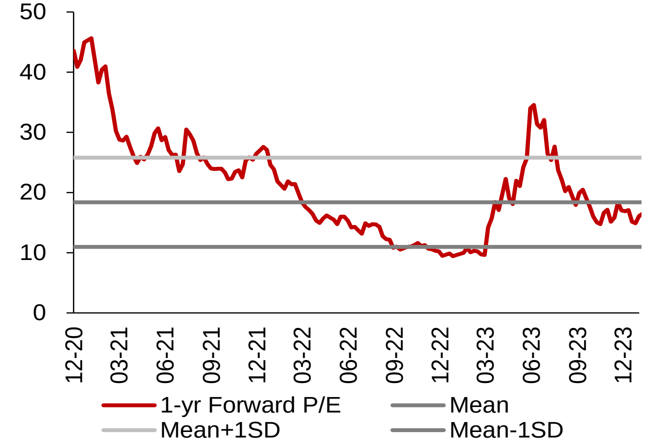
Link to latest report: Innolight (300308 CH) - A clear beneficiary of global AI infrastructure capex; remains our top pick in 2026

Financials and Valuations

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	10,718	23,862	38,054	83,794	112,154
YoY growth (%)	11.2	122.6	59.5	120.2	33.8
Gross margin (%)	33.0	33.8	42.0	46.2	46.3
Net profit (RMB mn)	2,174	5,171	10,950	27,774	38,357
YoY growth (%)	77.6	137.9	111.7	153.6	38.1
EPS (Reported) (RMB)	2.00	4.72	9.95	25.23	34.85
P/E (x)	309.5	131.1	62.2	24.5	17.8

Source: Company data, Bloomberg, CMBIGM estimates

Fig: P/E band



Source: Company data, CMBIGM estimates

Shengyi Tech (600183 CH) – HDI & High-layer PCB deepens exposure to the AI infra. buildout cycle

Rating: BUY **| TP:** RMB90 (30% upside)

Analysts: Lily Yang/ Kevin Zhang

- **3Q earnings review:** Shengyi reported strong 3Q25 results that highlight its deepening leverage on the global AI server cycle. Revenue reached RMB7.9bn (+55% YoY / +12% QoQ), supported by exceptional PCB growth and resilient CCL demand. GPM expanded to 28.1% (vs. 22.9% in 3Q24), driven by richer PCB mix and improving manufacturing efficiency. Net profit surged +131% YoY / +18% QoQ to RMB1.0bn, lifting net margin to 12.8%, reflecting strong operating leverage from the PCB segment. Subsidiary Shengyi Electronics (688183 CH, NR) delivered another record quarter, with PCB revenue hitting RMB3.1bn (+154%/+40% YoY/QoQ), nearly matching its full-year 2023 revenue. Demand for high-layer-count HDI boards remains strong as hyperscalers expand AI server capacity. Meanwhile, CCL revenue remained stable at RMB4.9bn (+23% YoY) despite copper cost headwinds; management expects ASP adjustments to mitigate margin pressure.
- **Our view:** Shengyi is structurally positioned as one of China's most direct beneficiaries of the AI server buildout, with a dual-engine model in high-layer-count PCB and premium CCL materials. The rapid scale-up of AI server deployments is driving a significant increase in PCB layer count, HDI usage, and material intensity, areas where Shengyi holds both technological depth and capacity advantages. Subsidiary Shengyi Electronics has shown exceptional growth with PCB revenue set to reach RMB10bn in 2025E, reshaping the company's earnings mix toward higher-margin, higher-value products. CCL remains a stable foundation, with manageable cost pressures and improving pricing discipline. Structural GPM upside is supported by 1) mix shift toward HDI and advanced PCB, 2) better absorption from utilization improvement, and 3) ongoing margin recovery in CCL.
- **Key risks:** slower-than-expected capacity ramp-up, intensified competition, geopolitical uncertainties, etc.
- **Valuation:** TP is RMB90, based on 35x 2026P/E.

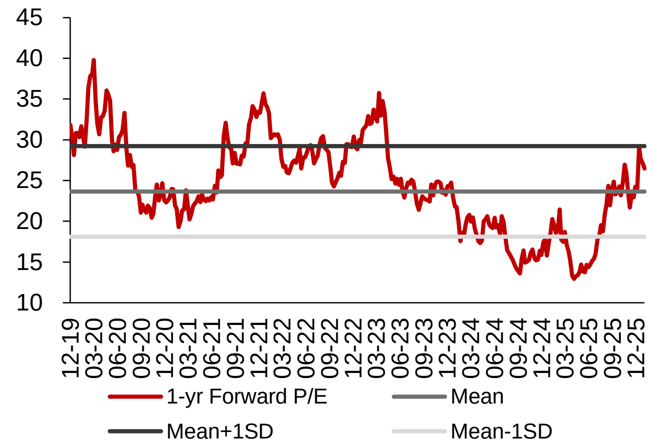
Link to latest report: [Shengyi Tech (600183 CH) - 3Q25 results: AI super-cycle in full swing; Raising TP to RMB90]

Financials and Valuations

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	16,586	20,388	28,775	39,631	50,221
YoY growth (%)	(7.9)	22.9	41.1	37.7	26.7
Gross margin (%)	19.2	22.0	27.3	30.5	32.3
Net profit (RMB mn)	1,164.0	1,738.7	3,508.5	6,272.3	8,786.4
YoY growth (%)	(24.0)	49.4	101.8	78.8	40.1
EPS (Reported) (RMB)	0.50	0.74	1.44	2.58	3.62
P/E (x)	137.9	93.2	47.8	26.7	19.1

Source: Company data, Bloomberg, CMBIGM estimates

Fig: 1-year forward P/E band



Source: Company data, CMBIGM estimates

Naura (002371 CH) – Intact long-term growth trajectory despite seasonal margin pressure

Rating: BUY | **TP:** RMB460 (upside: N/A)

Analysts: Lily Yang/ Kevin Zhang

- **9M25 earnings review:** Naura delivered robust top-line growth and steady earnings expansion in 9M25. The company reported revenue of RMB27.3bn (+34.1% YoY) and net profit of RMB5.1bn (+14.7% YoY). In 3Q25 alone, revenue reached RMB11.2bn (+39.2% YoY) while net profit rose to RMB1.92bn (+13.6% YoY). Looking ahead, we see Naura well positioned to benefit from: 1) accelerating localization across China's semiconductor equipment supply chain, 2) continued product portfolio broadening via targeted M&A and intensifying R&D efforts, and 3) structurally higher domestic capex driven by sustained demand for logic and memory capacity.
- **Our view:** Naura is the best-positioned Chinese semicap player to capture localization tailwinds, supported by strength in etching, deposition, thermal, and cleaning (80%+ of sales). Expansion into ion implantation and the Kingsemi (688037 CH, NR) acquisition enhance product breadth (coating, bonding, cleaning) and improve long-term synergies. We forecast equipment sales to grow 47%/31% in 2025/26E, driving revenue CAGR of 29% and stable long-term profitability (>40% GPM, >20% NPM). While near-term margins face mix pressure, the company's broad portfolio, localization policy support, and expanding market share should strengthen its long-term growth trajectory, in our view.
- **Risks:** 1) Lower-than-expected domestic foundry capex plan; 2) slower-than expected R&D progress; 3) higher raw material costs, etc.
- **Valuation:** Maintain BUY, with TP at RMB460, based on 35x FY26E P/E.

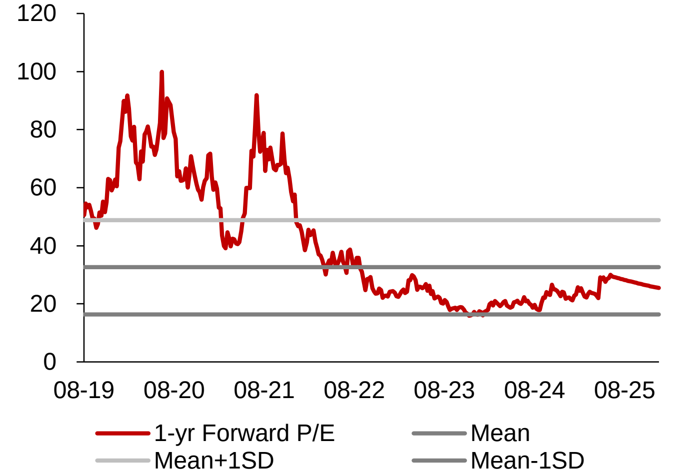
Link to latest report: Naura Technology (002371 CH) - Intact long-term growth trajectory despite seasonal fluctuations; Maintain BUY

Financials and Valuations

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	22,079	29,838	39,473	49,588	59,236
YoY growth (%)	50.3	35.1	32.3	25.6	19.5
Gross margin (%)	41.1	42.9	41.8	42.7	43.3
Net profit (RMB mn)	3,899.1	5,621.2	7,297.0	9,398.5	11,502.0
YoY growth (%)	65.7	44.2	29.8	28.8	22.4
EPS (RMB)	5.45	7.83	10.11	13.03	15.95
P/E (x)	96.1	66.9	55.2	40.6	33.1

Source: Company data, Bloomberg, CMBIGM estimates

Fig: 1-year forward P/E band



Source: Company data, CMBIGM estimates

Salesforce (CRM US) – Robust Agentforce and Data 360 momentum

Rating: BUY **|** **TP:** US$392.0 (73% upside) Analysts: Saiyi He/Wentao Lu/Frank Tao

- **Investment Thesis:** Supported by Agentforce 360 platform, Salesforce is now one of the largest suppliers of enterprise AI in the world. We expect AI application to remain as the key investment theme in 2026 and Salesforce to be one of the key beneficiaries. The company's current valuation is attractive at 13x FY26E EV/EBITDA versus its peers and solid earnings growth outlook.
- **Our View:** We are upbeat on Salesforce's AI monetization momentum, supported by its differentiated Agentforce solution and Data Cloud foundation. Agentforce and Data 360 ARR grew by 114% YoY to c.US$1.4bn in 3QFY26, within which Agentforce ARR increased by 330% YoY to US$500mn. The company has closed 9,500 paid Agentforce deals since its launch, up by 50% QoQ. Agentforce accounts in production grew by 70% QoQ in 3QFY26. Driving by the agentic growth opportunity, management guide: 1) total revenue to surpass US$60bn in FY30E, representing an organic growth CAGR of >10% over FY26-30E; 2) "rule of 50" (subs & support CC growth + non-GAAP OPM = 50%) .
- **Catalysts:** 1) Improved monetization of Agentic AI solutions and solid sales momentum of AgentForce; 2) enhanced margin outlook on efficiency improvement; 3) deepened cooperation with leading LLM providers.
- **Valuation:** Our target price is US$392.0, based on 21x FY26E EV/EBITDA. Our target EV/EBITDA is at a discount to the sector average (27x), ,

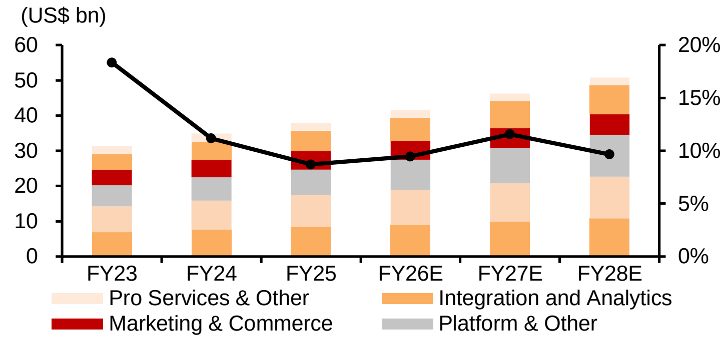
Link to latest report: Salesforce (CRM US) – Solid 3QFY26 results; robust Agentforce and Data 360 momentum

Financials and Valuations

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (US$ mn)	34,857	37,895	41,481	46,279	50,748
Adjusted NP (US$ mn)	8,087	9,930	11,275	13,033	14,821
EPS (Adjusted) (US$)	8.22	10.20	11.76	13.59	15.45
Consensus EPS (US$)	8.22	10.20	11.37	12.71	14.52
Non-GAAP P/E (x)	29.3	23.6	20.5	17.7	15.6

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Salesforce: revenue and YoY



Source: Company data, CMBIGM estimates

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