CMBI Research Focus List

Our best high conviction ideas

27 February 2024

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) FY23E	P/E (x) FY24E	P/B (x) FY23E	ROE (%) FY23E	Yield FY23E	Analyst
Long Ideas														
Li Auto Inc.	LI US	Auto	BUY	36.9	218.4	34.80	45.00	29%	27.30	19.60	4.40	17.9	N/A	Shi Ji/ Dou Wenjing
Geely Automobile	175 HK	Auto	BUY	10.9	38.3	8.50	14.00	65%	16.20	12.30	0.90	6.2	1.3%	Shi Ji/ Dou Wenjing
Weichai Power	2338 HK	Capital Goods	BUY	19.7	15.4	15.72	19.40	23%	14.10	11.90	1.50	11.3	2.5%	Wayne Fung
Zhejiang Dingli	603338 CH	Capital Goods	BUY	4.0	22.2	57.03	70.00	23%	16.80	14.50	3.30	21.7	1.2%	Wayne Fung
CR Power	836 HK	Energy	BUY	10.4	20.5	16.86	23.27	38%	5.40	4.50	0.70	14.6	N/A	Megan Xia
CR Gas	1193 HK	Energy	BUY	7.0	11.7	23.70	34.13	44%	9.00	7.60	1.30	11.0	N/A	Megan Xia
JNBY	3306 HK	Consumer Discretionary	BUY	0.8	0.7	11.86	14.26	20%	8.50	7.40	2.70	33.9	8.6%	Walter Woo
JS Global	1691 HK	Consumer Discretionary	BUY	0.7	1.9	1.48	1.84	24%	2.50	6.30	0.30	8.4	17.4%	Walter Woo
Vesync	2148 HK	Consumer Discretionary	BUY	0.6	0.6	4.30	6.71	56%	9.00	7.30	1.90	23.0	2.8%	Walter Woo
Kweichow Moutai	600519 CH	Consumer Staples	BUY	295.1	692.0	1691.02	2219.00	31%	27.90	22.30	8.20	35.6	1.7%	Joseph Wong
BeiGene	BGNE US	Healthcare	BUY	16.8	46.8	155.10	295.67	91%	N/A	N/A	N/A	N/A	N/A	Jill Wu/ Andy Wang
PICC P&C	2328 HK	Insurance	BUY	30.1	32.5	10.60	11.70	10%	7.47	6.19	0.87	11.9	5.4%	Nika Ma/ Zhang Miao
Tencent	700 HK	Internet	BUY	345.5	852.5	286.60	458.50	60%	N/A	N/A	N/A	N/A	N/A	Saiyi He/ Wentao Lu/ Frank Tao
Alibaba	BABA US	Internet	BUY	193.2	1623.9	75.96	137.10	80%	9.70	9.90	N/A	N/A	N/A	Saiyi He/ Wentao Lu/ Frank Tao
Pinduoduo	PDD US	Internet	BUY	169.6	1106.5	127.69	142.60	12%	15.40	21.20	N/A	32.7	N/A	Saiyi He/ Frank Tao/ Wentao Lu
Amazon	AMZN US	Internet	BUY	1817.7	7636.6	174.99	213.00	22%	41.90	39.50	N/A	N/A	N/A	Saiyi He/ Frank Tao/ Wentao Lu
Netflix	NFLX US	Entertainment	BUY	252.5	2534.0	583.56	613.00	5%	47.60	33.30	N/A	26.1	0.0%	Sophie Huang
Kuaishou	1024 HK	Entertainment	BUY	25.7	104.5	46.10	97.00	110%	19.60	13.50	N/A	N/A	0.0%	Sophie Huang
GigaCloud	GCT US	Entertainment	BUY	1.0	56.3	32.31	30.00	-7%	13.20	10.70	N/A	N/A	N/A	Sophie Huang
CR Land	1109 HK	Property	BUY	23.6	41.5	25.95	45.10	74%	4.70	4.30	0.60	13.3	6.6%	Miao Zhang/ Nika Ma
BYDE	285 HK	Technology	BUY	8.5	18.9	29.65	45.86	55%	14.90	10.90	2.40	13.3	0.3%	Alex Ng/ Hanqing Li
Luxshare	002475 CH	Technology	BUY	27.2	230.3	27.39	46.96	71%	17.50	13.80	1.90	10.9	0.0%	Alex Ng/ Claudia Liu
Innolight	300308 CH	Semi	BUY	16.4	442.0	147.06	136.00	-8%	58.90	32.20	N/A	15.6	N/A	Lily Yang/ Kevin Zhang
Kingdee	268 HK	Software & IT services	BUY	3.7	23.8	8.16	15.10	85%	N/A	N/A	N/A	N/A	N/A	Saiyi He/ Frank Tao/ Wentao Lu

Source: Bloomberg, CMBIGM, Price as of 26/2/2024, 3 p.m.

招銀国际 CMB INTERNATIONAL

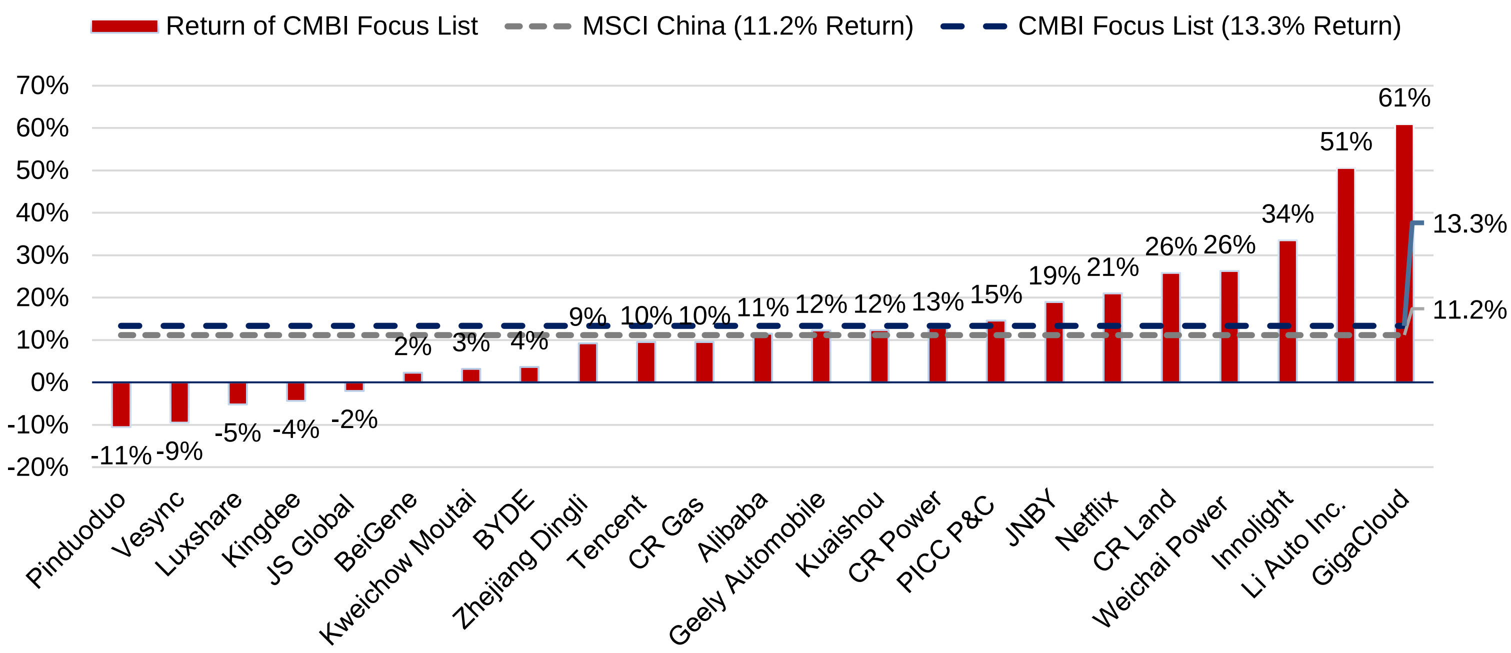
Latest additions/deletions from CMBI Focus List

Company	Ticker	Sector	Rating	Analyst	Rationale
Additions					
Amazon	AMZN US	Internet	BUY	Saiyi He/Frank Tao/Wentao Lu	We are positive on Amazon's EBITDA margin expansion trend, driven by margin expansion across all three business lines (North America, International, and AWS), aided by better-than-expected optimization in cost to serve, as well as operating efficiency improvement. Also, the recovery in revenue growth in AWS driven by the ramp-up in AI cloud revenue generation, as well as the attenuation of cloud spending optimization trend likely to drive a more positive market sentiment in the coming months.

Source: CMBIGM

Performance of our recommendations

- In our last report dated 22 Jan 2024, we highlighted a list of 23 long ideas.
- The basket (equal weighted) of these 23 stocks outperformed MSCI China index by 2.1 ppts, delivering 13.3% return (vs MSCI China 11.2%).
- 6 of these stocks delivered 20% return or more, and 12 of our 23 long ideas outperformed the benchmark.



Source: Bloomberg, CMBIGM; Note: Stock performance from 22 Jan 2024 to 26 Feb 2024

Long Ideas

Li Auto Inc. (LI US) – 4Q23 earnings preview: NP to be flat QoQ

Rating: BUY **| TP:** US$45.00 (29% upside) Analysts: Shi Ji/ Dou Wenjing

- **Investment Thesis.** We expect Li Auto's 4Q23E net profit to rise 2% QoQ to RMB2.9bn, or a net profit of RMB21,850 per vehicle. We lower our FY24E net profit by 14% to RMB12.6bn amid a prolonged price war. We are of the view that its current valuation is attractive given Li Auto's growth potential and profitability.
- **We expect 4Q23E net profit to be RMB2.9bn.** We project Li Auto's vehicle average selling price to fall by about RMB13,000 (or 4%) QoQ to RMB306,000 in 4Q23E amid heavier discounts. We also project its vehicle gross margin to narrow 1 ppt QoQ to 20.2% in 4Q23E, as we estimate that about 75% of the sales incentives in 4Q23 could be absorbed by the automaker's cost reduction efforts amid greater economies of scale and declining raw-material prices. Li Auto increased its number of showrooms by 106 in 4Q23, the fastest pace in history. We project its R&D and SG&A combined to account for 15.1% of 4Q23E revenue.
- **FY24E outlook.** We maintain our FY24E full-year sales volume at 0.61mn units but lower the vehicle ASP by 3% amid rising discounts. We project its gross margin to narrow by 0.7 ppt YoY to 20.7%, reflecting the stiffer competition for Li Auto. We expect such margin deterioration to be offset by a lower ratio for SG&A expenses. Accordingly, we expect Li Auto's net profit to rise by 41% YoY to RMB12.6bn in FY24E, 14% lower than our prior forecast. Our estimates imply a net profit per vehicle of RMB20,600 in FY24E, about RMB 3,200 lower than our forecast for FY23E.
- **Leading brand in the premium segment.** Retail sales volume for SUVs and MPVs priced above RMB300,000 surged 35% YoY to about 3mn units in 2023. Li Auto surpassed BMW and Mercedes to become the best-selling brand in this segment with market share of almost 13% in China in 2023. We expect such segment to continue expanding and Li Auto to continue grabbing share from foreign brands in 2024.
- **Valuation/Risks.** We lower our target price from US$50.00 to US$45.00, still based on 25x our revised FY24E P/E. Key risks to our rating and target price include shower autonomous driving development, lower sales and or/gross margin than our expectation, as well as a sector de-rating.om foreign brands in 2024.

Link to latest report: Li Auto Inc. (LI US) – 4Q23 earnings preview: NP to be flat QoQ

Financials and Valuations

(YE 31 Dec)	FY21A	FY22A	FY23E	FY24E
Revenue (RMB mn)	27,010	45,287	123,635	190,320
YoY growth (%)	186	68	173	54
Net income (RMB mn)	(321)	(2,012)	8,926	12,551
EPS (RMB)	(0.2)	(1.0)	4.6	6.3
YoY growth (%)	N/A	N/A	N/A	40.6
P/S (x)	7.6	5.2	2.0	1.3
P/E (x)	N/A	N/A	27.3	19.6
P/B (x)	5.0	5.2	4.4	3.6
ROE (%)	(0.9)	(4.7)	17.9	20.3
Net gearing (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Geely Automobile (175 HK) – Expect 2H23E net profit to double HoH

Rating: BUY | **TP:** HK$14.00 (65% upside) Analysts: Shi Ji/ Dou Wenjing

- **Investment Thesis.** We project Geely's 2H23E net profit to double HoH to RMB3.2bn amid all-time-high half-year sales volume and declining raw-material prices, probably higher than some investors' expectation. We also project Geely's FY24E sales volume to rise 7% YoY to 1.8mn units, slightly lower than its target of 1.9mn units. We estimate Geely's net profit to rise 32% YoY to RMB6.2bn in FY24E, taking different factors into consideration as elaborated in details below. We are of the view that Geely's current valuation is attractive and new models including the Zeekr 007, Lynk & Co 08 and more Galaxy models could be positive catalysts for its share price.
- **Geely brand's gross margin could be more resilient than expected.** We project the average selling price (ASP) for the Geely brand (including Galaxy and Geometry) to rise 1% HoH amid a better product mix and surging exports in 2H23E. We estimate the Geely brand's gross margin to widen by 0.8ppt HoH to 13.9% in 2H23E, thanks to greater economies of scale and raw-material price drops. We also project the Geely brand's gross margin in FY24E to be 14% amid the ongoing price war.
- **We expect Zeekr's net loss to be around RMB2bn in FY23-24E.** We expect Zeekr's ASP to decline 16% HoH on rising discounts and vehicle gross margin to be 15.8% in 2H23E. Accordingly, we estimate Zeekr's net loss (100%) to be RMB2.2bn under the HKFRS in FY23E, implying a net loss of RMB1.2bn in 2H23E. We project Zeekr's net loss to narrow slightly to RMB2.0bn in FY24E with higher sales volume but lower gross margin and heavier amortization burden from R&D investments.
- **Earnings and Valuation.** We now value Zeekr at 1.3x FY24E core revenue (excluding Viridi's battery pack sales and R&D services), which implies HK$ 70bn for Zeekr's valuation (100%). We think such valuation is justified, as it is 30% lower than its previous round of financing. We value Geely's all other businesses excluding Zeekr at 13x FY24E P/E. We maintain our BUY rating and target price of HK$14.00. Key risks to our rating and target price include lower sales volume, especially NEVs, than we expect and a sector de-rating.

Link to latest report: Geely Automobile (175 HK) – Expect 2H23E net profit to double HoH

Financials and Valuations

(YE 31 Dec)	FY21A	FY22A	FY23E	FY24E
Revenue (RMB mn)	101,611	147,965	177,077	204,275
YoY growth (%)	10.3	45.6	19.7	15.4
Net income (RMB mn)	4,847	5,260	4,738	6,238
EPS (RMB)	0.48	0.50	0.45	0.59
YoY growth (%)	(12.4)	8.5	(9.9)	31.7
P/E (x)	16.1	16.5	16.2	12.3
P/B (x)	1.1	1.1	0.9	0.9
Yield (%)	0.9	1.6	1.3	1.7
ROE (%)	7.3	7.3	6.2	7.6
Net gearing (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Weichai Power (2338 HK) – Natural gas HDT to gain attraction following the decline of LNG price

Rating: BUY | **TP:** HK$19.4 (23% upside)

Analyst: Wayne Fung

- **Investment Thesis:** Weichai is a key beneficiary of the strong demand for gas-fueled HDT, given its >60% market share in the gas HDT engine sector. Besides, we believe Weichai's increasingly diversified product portfolio, including (1) the consolidation of LOVOL Heavy (note: LOVOL has ~25% market share in the agricultural tractor segment), (2) the increase in installation of CVT engines for LOVOL, (3) fast-growing sales of large bore engines, (4) continuous investment in hydrogen fuel cell, will help reduce earnings volatility.

- **Our View:** The gas/diesel price ratio is currently at 0.63x, versus 0.96x in late Dec 2023, following a sharp decline of LNG price. Our payback period analysis suggests that gas HDTs (~2.6 years) have become more attractive than diesel HDTs (~3.3 years) again. Our key assumptions include: (1) purchase price (VAT-included) of RMB468k for a LNG HDT and RMB374k for a diesel HDT; and (2) average daily transportation distance of 500km. For truck buyers, based on the current price of LNG (RMB4.37/kg) and diesel (RMB6.95/litre), the annual net profit of RMB181k generated from a LNG truck is better than that of a diesel truck (RMB113k).

- **Why do we differ vs consensus:** Our earnings forecast in 2024E/25E is -6%/-11% versus consensus. We see upside to our earnings forecast given the continuously strong data.

- **Catalysts:** (1) expansion of gas/diesel price spread; (2) better-than-expected HDT data in 1Q24E.

- **Valuation:** Our SOTP-based TP is HK$19.4. Even after a strong rally over the past two weeks, stock is trading at ~12x 2024E P/E which is still slightly below the historical average of 12.4x.

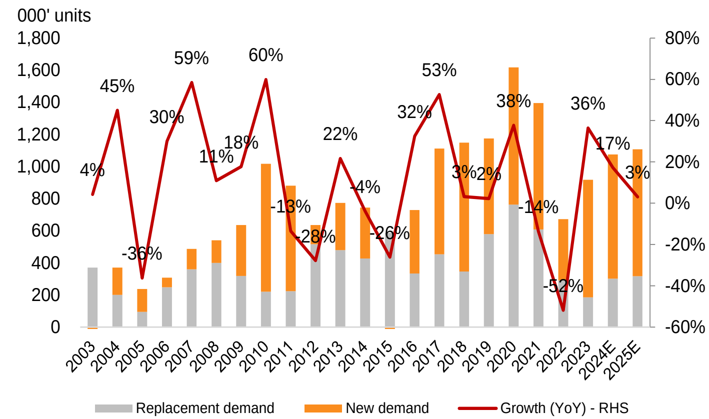
Link to latest report: China Capital Goods Sector – HDT sales volume surged ~64% YoY in Jan on low bases

Financials and Valuations

(YE 31 Dec)	FY22A	FY23E	FY24E	FY25E
Revenue (RMB mn)	175,158	206,901	228,433	242,376
YoY growth (%)	(13.9)	18.1	10.4	6.1
Core net income (RMB mn)	4,906	8,595	10,172	10,908
Core EPS (RMB)	0.56	0.98	1.17	1.25
YoY growth (%)	(47.0)	75.2	18.4	7.2
Consensus EPS (RMB)	N/A	1.01	1.25	1.42
P/E (x)	23.4	14.1	11.9	11.1
EV/EBITDA (x)	7.6	5.3	4.7	4.5
P/B (x)	1.6	1.5	1.4	1.3
Yield (%)	1.9	2.5	2.9	3.1
ROE (%)	6.8	11.3	12.2	12.1
Net gearing (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: CMBIGM HDT sales projection



Source: Wind, Cvworld, CMBIGM

Zhejiang Dingli (603338 CH) – Promising growth in US and emerging countries

Rating: BUY **| TP:** RMB70.0 (23% upside)

Analyst: Wayne Fung

- **Investment Thesis:** Overseas demand for aerial work platform (AWP) is strong at present, driven by solid infrastructure spending, new factory construction and replacement demand. We believe Zhejiang Dingli remains a major beneficiary given its global presence, cost competitiveness, brand recognition and strong management execution.

- **Our View.** We believe wide range of product offerings, together with clear strategies in overseas including the penetration into tier-one leasing companies in the US and the expansion to emerging countries, will help Dingli differentiate itself from peers. Besides, we expect Dingli to deliver accelerating sales volume growth in 2024E upon the commencement of smart factory with annual capacity of 4,000 units of AWP.

- **Why do we differ vs consensus:** Our earnings forecast in 2024E/25E is -4%/-5% versus consensus. We see upside to our forecast driven by stronger-than-expected margin expansion.

- **Catalysts:** (1) Weakness in RMB rate; (2) stabilization of China demand; (3) rising sales of boom lifts in the US.

- **Valuation:** We set our TP at RMB70, based on 18x 2024E P/E (1SD below the historical average of 31x).

Link to latest report:

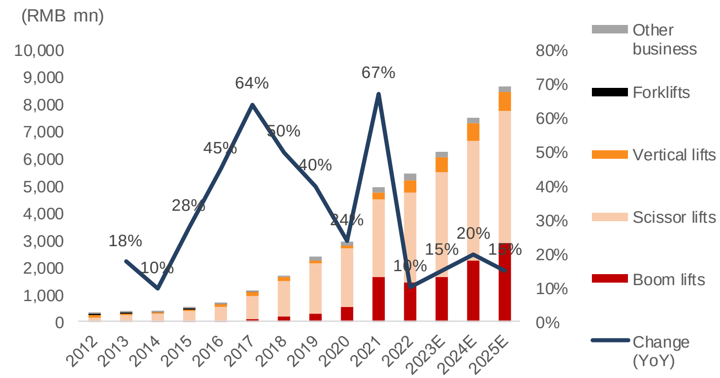
[Zhejiang Dingli (6003338 CH) – 3Q23 earnings +53% YoY; A clean beat on a surprising margin expansion]

Financials and Valuations

(YE 31 Dec)	FY22A	FY23E	FY24E	FY25E
Revenue (RMB mn)	5,445	6,267	7,508	8,646
YoY growth (%)	10.2	15.1	19.8	15.2
Net income (RMB mn)	1,257	1,693	1,963	2,229
EPS (RMB)	2.48	3.34	3.88	4.40
YoY growth (%)	36.3	34.7	16.0	13.6
Consensus EPS (RMB)	N/A	3.45	4.04	4.65
EV/EBIDTA (x)	21.3	14.0	11.6	10.3
P/E (x)	22.7	16.8	14.5	12.8
P/B (x)	4.0	3.3	2.8	2.4
Yield (%)	0.9	1.2	1.4	1.6
ROE (%)	19.3	21.7	21.1	20.2
Net gearing (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Dingli's revenue breakdown



Source: Company data, CMBIGM estimates

CR Power (836 HK) – Solid generation growth and rapid new energy power installation with attractive dividend yield

Rating: BUY | **TP:** HK$23.27 (38% upside)

Analysts: Megan Xia

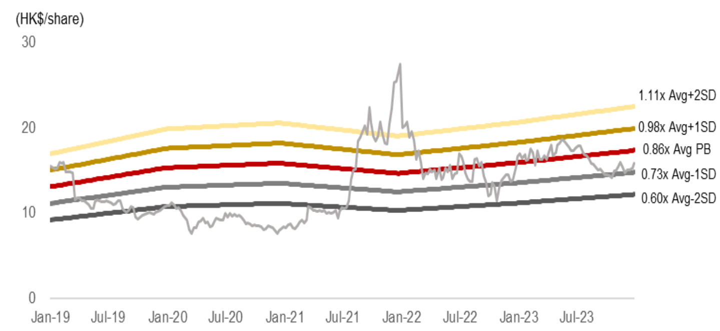
- **Investment Thesis**: CR Power is now trading at around 0.9x FY23E PB and 0.8x FY24E PB, we stay optimistic about CRP's continued profit improvement of the thermal power business and the new energy business, considering: 1) actively securing long-term coal contracts with a higher implementation rate; 2) continually robust wind power and solar power sales growth in FY23/FY24; 3) expected stable and favorable thermal power tariff based on electricity market reforms; 4) resilient growth momentum of CRP's new energy segment, strengthen installation willingness as continued lower upstream cost of wind and solar power; 5) spin-off of its new energy business to A shares will unlock the potential value; 6) attractive dividend yield. **Maintain BUY.**
- **Our View:** We stay optimistic about power operators' stable generation growth, as lower upstream cost of thermal power and new energy power will substantially benefit their profit. For CRP, we think its growth drivers are: 1) new energy business: CRP has a strong belief to reach its targets of 7,000 MW newly-added installed capacity of wind and solar power in 2023 and further speed up to reach the target of 14th Five-Year Plan for the following years; 2) lower upstream cost of wind and solar power enabling CRP to have better installation willingness; 3) CRP's wind power sales and solar power sales likely to increase steadily in FY23E/FY24E based on increased newly-added capacity; 4) thermal power segment: we think thermal coal prices will remain at a rational range at RMB900-1000/tonne due to power supply security requirement and continue to improve the company's thermal power profits and lower cost; 5) CRP's attractive dividend payout ratio.
- **Valuation:** CR Power is trading at 0.9x/0.8x PB for FY23/24E, which is lower than its peer's avg. PB of 1.2x/1.1x. The valuation is attractive, in our view. We have a SOTP-based TP of HK$23.27 with a BUY rating, based on 1.3x FY23E PB of the renewable segment (peers avg. PB of 1.2x in FY23E) and 0.7x FY23 forward PB of the thermal segment (peers avg. PB of around 0.7x in FY23E).
- **Risk:** 1) thermal coal cost slightly raised in the short term; 2) new energy installation progress slower than expected.
- **Link to latest report**: 华润电力 (836.HK) - 发电良好，新能源装机提速容量电价积极影响可期

Financials and Valuations

(YE 31 Dec)	FY21A	FY22A	FY23E	FY24E	FY25E
Revenue (HK$ mn)	89,800	103,305	112,885	120,914	129,326
Net profit (HK$ mn)	1,592.7	7,042.5	12,703.6	15,152.6	17,919.3
EPS (Reported) (HK$)	0.33	1.46	2.64	3.15	3.73
YoY growth (%)	(79.0)	342.2	80.4	19.3	18.3
Consensus EPS (HK$)	N/A	1.46	2.45	2.94	3.31
P/E (x)	42.8	10.5	5.4	4.5	3.8
P/B (x)	0.8	0.9	0.7	0.7	0.6
ROE (%)	1.8	8.3	14.6	15.6	16.6

Source: Company data, Bloomberg, CMBIGM estimates

Fig: CRP's PB band



Source: Company data, CMBIGM

CR Gas (1193 HK) – Stable and inline operating data with attractive valuation

Rating: BUY | **TP:** HK$34.13 (44% upside)

Analysts: Megan Xia

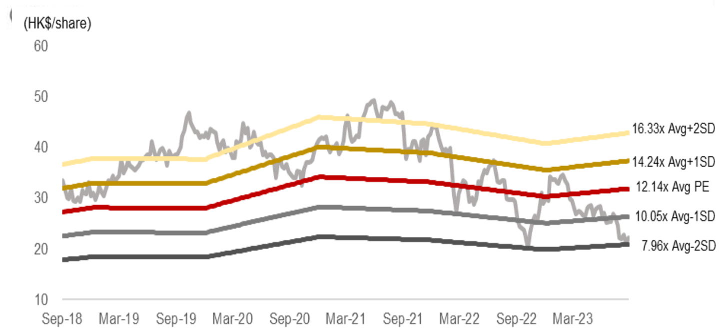
- **Investment Thesis:** CRG is now trading at around 9x FY23E PE and 8x FY24E PE, which is still attractive. We are optimistic about CRG in FY23E and FY24E, considering: 1) steady C&I gas sales growth; 2) positive residential cost-cross policies release successively and expected lower gas cost will be favorable for CRG's dollar margin improvement; 3) robust growth momentum of CRG's value-added services; and4) advanced financial resilience. Maintain BUY.
- **Our View:** CRG has advanced projects quality and resilient financial flexibility with an attractive valuation. The results improvement will attributable to: 1) The retailed gas sales volume up by 7.6%YoY in Jan-Oct2023. In particular, industrial/commercial gas sales are up by 6.7%/8.3%YoY. We regarded CRG's FY24E total gas sales will maintain stable growth at 9%YoY. 2) For dollar margin, the positive residential cost-cross policies are actively releasing, and its dollar margin for 2023 will be RMB0.5cbm and continue to improve in FY24E; 3) Contrary to the market opinion, we expected CRG's new residential users will be 3.22mn/3.1mn in FY23E/FY24E, it is unlikely to experience a rapid drop. 4) The CSB maintains solid surge. Thus, we stay optimistic about CRG and regard the valuation is attractive.
- **Valuation:** For FY23E/FY24E, considering the improved operating data and lower gas cost, we forecast the total gas sales volume will achieve 8%/9%YoY growth and the dollar margin will rebound to RMB0.5/cbm/RMB0.52cbm. Additionally, we expect CRG's CSB to continue a resilient growth and its newly-added residential gas connection users are 3.22mn and 3.17mn. We stayed optimistic about CRG's gas sales and dollar margin in FY23/FY24E. CRG is trading at around 8x PE in FY24E, close to -1SD of its 3-year hist. avg. PE. The valuation is still attractive. Our TP was HK$34.13, based on 11x FY24E PE (~close to 3-year avg.PE) and FY24E EPS of HK$3.19/share. Reiterate a BUY rating.
- **Risk:** 1）the progress of cost-cross measures is slower-than-expected; 2) fluctuation of upstream gas cost; 3) lower gas connection expectation;

Financials and Valuations

(YE 31 Dec)	FY21A	FY22A	FY23E	FY24E	FY25E
Revenue (HK$ mn)	78,175	94,338	95,314	98,485	104,321
Net profit (HK$ mn)	6,395.1	4,733.5	6,067.4	7,234.9	7,713.6
EPS (Reported) (HK$)	2.82	2.09	2.67	3.19	3.40
Consensus EPS (HK$)	N/A	2.77	3.03	3.39	3.61
P/E (x)	15.5	15.2	9.0	7.6	7.1
P/B (x)	2.4	1.8	1.3	1.2	1.1
ROE (%)	12.7	8.9	11.0	12.0	11.6

Source: Company data, Bloomberg, CMBIGM estimates

Fig: CRP's PB band



Source: Company data, CMBIGM

Link to latest report: 华润燃气（1193 HK）– 销气业务稳步增长，财务弹性项目质量占优

JNBY (3306 HK) – An all-rounded beat and an optimistic outlook

Rating: BUY **| TP:** HK$14.26 (20% upside)

Analyst: Walter Woo

- **Investment Thesis:** JNBY is a leading designer brand in China, owning brands like JNBY, CROQUIS, less and jnby by JNBY, etc.. We believe its FY26E target of RMB 6.0bn/ RMB 900mn is robust (10%/ 13% sales/ NP CAGR during FY23-26E) are achievable enough (we only priced in 95%). Growth drivers include: 1) industry consolidation, 2) upgrades in products and branding, 3) store revamps, 4) ramp up of its digital related and e-commerce sales, 5) store expansion and 6) development of new brands.

- **Our View:** We think the 10%+ sales/ net profit growth guidance is highly achievable, thanks to: 1) robust retail sales growth in from Jul to Dec 2023 (20%+), 2) the low base since Sep 2023, 3) various improvements and upgrades in member management and customer services (on both online and offline) which had translated into better brand quality and 4) strong growth momentum on the new social media platforms. Margin-wise, as we expect retail discounts and channel mix to stay healthy and GP margin should be at 65% or above. Also, while we expect JNBY to invest heavily on brand building by spending more on talents and A&P, some leverage could still be there from the continual increase in per store productivity.

- **Why do we differ vs consensus:** For FY23E/24E/25E, our sales forecasts are -3%/ -7%/ -12% vs consensus and our net profit forecasts are +1%/ -1%/ -5% vs street as we are more conservative on sales growth but more optimistic on its OP margin expansion.

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

- **Valuation:** We derived our 12m TP of HK$14.26 based on a 10x FY6/24E P/E. We believe JNBY can re-rate more as the rapid growth sustain in 2023. The stock is trading at ~7x FY6/24E P/E and 10% FY6/24E yield

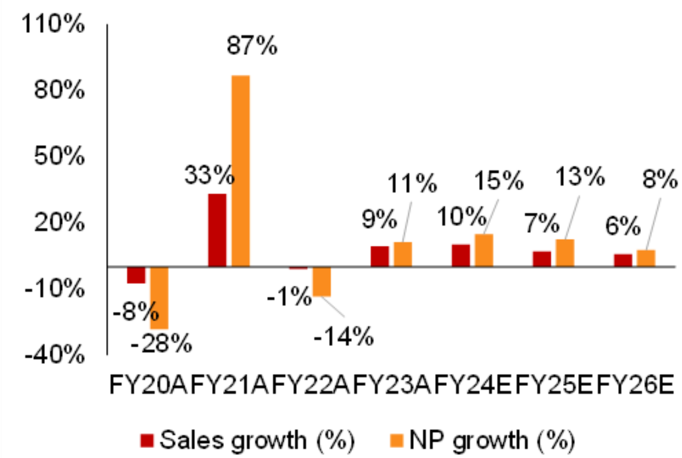
Link to latest report: JNBY Design (3306 HK) – An all-rounded beat and an optimistic outlook

Financials and Valuations

(YE 31 Dec)	FY23A	FY24E	FY25E	FY26E
Sales (RMB mn)	4,465	4,914	5,261	5,559
YoY change (%)	9.3	10.1	7.1	5.7
Adj. net profit (RMB mn)	621	713	803	864
EPS - Fully diluted (RMB)	1.222	1.403	1.579	1.699
YoY change (%)	9.8	14.8	12.5	7.6
Consensus EPS (RMB)	N/A	1.254	1.460	1.63
P/E (x)	8.5	7.4	6.6	6.1
P/B (x)	2.7	2.5	2.2	2.0
Yield (%)	8.6	10.1	11.4	12.2
ROE (%)	33.9	34.1	34.5	33.7
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

JS Global (1691 HK) – Distressed valuation and potential turnaround

Rating: BUY **| TP:** HK$1.84 (24% upside)

Analyst: Walter Woo

- **Investment Thesis:** Shark Ninja has been listed in US successfully on 31 Jul 2023 and the latest market cap is at about US$ 6.6bn, trading at about 28x FY22 P/E, way higher than JS global's 9x in Jun 2023. In FY22, the retained group will only consist of 67% of Joyoung's shares and Shark Ninja's APAC business, where the sales and net profit were at around US$ 1.6bn and US$ 138mn. In addition, Shark Ninja APAC accounted for roughly 6%/6% of sales/ net profit of the retained group in FY22.

- **Our View:** Despite the spin-off of Shark Ninja (ex-APAC), JS global could still be attractive to the investors, because of: 1) potential turnaround of Joyoung, 2) rapid growth from Shark Ninja APAC and 3) rather distressed valuation (even after considering the small cap, holding and A/H discounts). We still give it a BUY rating with TP of HK$ 1.84, based on 8x FY24E P/E, 38% discount to industry average of 12.8x. The current valuation is at 6.3x (or 3.9x ex-cash) FY24E P/E.).

- **Why do we differ vs consensus:** For FY24E/25E, our sales forecasts are -5%/ -4% vs street and net profit forecasts are 19%/ 3% vs street, as some of the sell-side analysts had not fully updated the spin off, but it is true that we are more optimistic on margins and Joyoung's turnaround.

- **Catalysts:** 1) increase in the payout ratio, 2) potential stocks repurchases or privatization, 3) better than expected Joyoung's result.

- **Valuation:** We derived our 12m TP of HK$1.84 based on 8x FY24E P/E, about 38% to industry average of 12.8x. The Company is only trading at 6.3x FY24E P/E, about 51% discount to industry average.

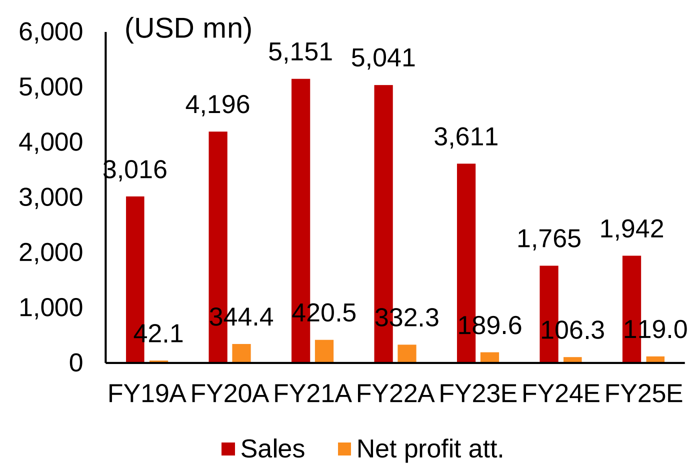
Link to latest report: JS Global Lifestyle (1691 HK) – Distressed valuation and potential turnaround

Financials and Valuations

(YE 31 Dec)	FY22A	FY23E	FY24E	FY25E
Sales (RMB mn)	5,041	3,611	1,765	1,942
YoY change (%)	(2.1)	(28.4)	(51.1)	10.0
Net profit (RMB mn)	394	266	104	116
EPS - Fully diluted (RMB)	0.114	0.076	0.029	0.033
YoY change (%)	(15.8)	(33.8)	(61.0)	12.2
Consensus EPS (RMB)	N/A	0.040	0.028	0.036
P/E (x)	1.6	2.5	6.3	5.6
P/B (x)	0.3	0.3	0.3	0.2
Yield (%)	0.0	17.4	9.8	10.9
ROE (%)	16.1	8.4	4.3	4.4
Net debt/ equity (%)	16.2	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Sales and net profit growth



Source: Company data, CMBIGM estimates

Vesync (2148 HK): An all-rounded beat and a bullish outlook

Rating: BUY **| TP:** HK$6.71 (56% upside)

Analyst: Walter Woo

- **Investment Thesis:** Vesync is a leading small appliance player in online market in US, ranked 3rd/ 5th by sales on Amazon/ all online channels in 2019. It has three major brands (Levoit, Cosori and Etekcity) which focus on home environment, cooking and health monitoring & outdoor appliances. we believe Vesync could continue to outperform, thanks to: 1) its leadership in online channel, 2) its expansion into other categories (e.g. humidifiers) and 3) penetration into the EU and offline channel.

- **Our View:** Vesync reported a 27% gross sales growth in 3Q23, which is similar to 24% sales growth in 1H23. Based on our channel check, home appliance industry was rather promotional during the Black Friday season in US, but Vesync stayed rather conservative, hence we now expect an inline sales growth in 4Q23 but a better GP margin from it and continue to be confident about its FY23E guidance (20%+ sales growth and 10%+ NP margin). For industry in FY24E, a turnaround is expected, as peers like Helen of Troy had already reported further improvement in sales growth and a peak out of inventory days in Nov 2023. We believe Vesync's sales growth could remain fast, boosted by new products, markets and channels, and its margin to rocket, supporting by better ASP and operating leverage.

- **Why do we differ vs consensus:** For FY23E/24E/25E, our net profit forecasts are +7%/ +9%/ +14% vs street as we are more confident in its margins.

- **Catalysts:** 1) better than expected product launches, 2) improvement in efficiency and costs, and 3) strong property market rebound.

- **Valuation:** The TP of HK$ 6.71 is based on 14x FY23E P/E, vs 3 years average of 12x, given the upcycle and 20% sales CAGR in FY22-25E. The stock is fairly cheap at ~9x FY23E P/E.

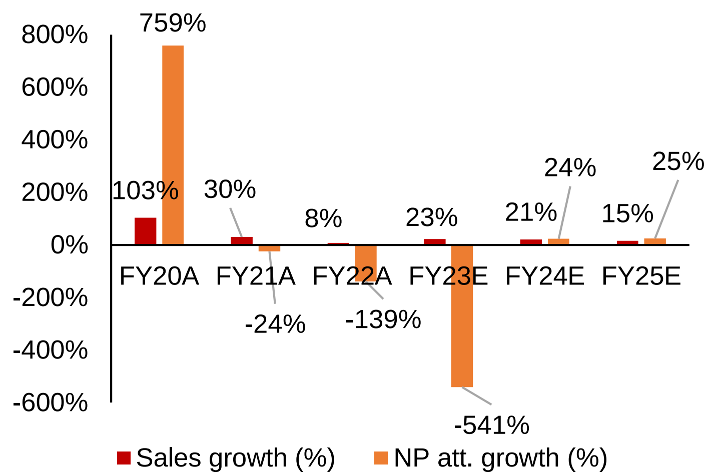
Link to latest report: Vesync (2148 HK) – An all-rounded beat and a bullish outlook

Financials and Valuations

(YE 31 Dec)	FY22A	FY23E	FY24E	FY25E
Sales (US$ k)	490,378	602,523	727,094	839,165
YoY change (%)	8.0	22.9	20.7	15.4
Adj. Net profit (US$ k)	(16,317)	72,039	89,208	111,798
EPS - Fully diluted (US$)	(0.014)	0.062	0.077	0.096
YoY change (%)	(138.6)	(541.5)	23.8	25.3
Consensus EPS (US$)	N/A	0.045	0.060	0.078
P/E (x)	(39.4)	9.0	7.3	5.8
P/B (x)	2.3	1.9	1.5	1.2
Yield (%)	0.0	2.8	3.4	4.3
ROE (%)	(5.5)	23.0	22.6	22.6
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

Kweichow Moutai (600519 CH) – Our 2024 top pick among F&B names

Rating: BUY **| TP:** RMB2,219 (31% upside)

Analyst: Joseph Wong

- We view Moutai's recent price hike positively, as it not only represents a supportive stance from policy-maker to foster a more balanced profits distribution along the value chain, but also a renewed driver to rejuvenate growth to the company itself when that of Series wine alone might not be able to sustain. Compared to the last price hike in 2018 that led to an 11%+ retail price surge, the latter has only gone up by 0.7% this time, according to our survey, and we believe the timing of the adjustment (amid slow season) and migration of direct sales channel, explained our observation. Given the fact that retail price for Feitian (~RMB2,900) has been well above the ex-factory price (~RMB969), the initiative unlikely comes in a total surprise to the market, and is likely very welcomed by the investment community. We are positive on Moutai and believe the initiative enables the company to deliver high-teen revenue/net profits growth for 2024 that comes in above its peer average. We are Buy-rated.
- **Moutai's price hike is the blockbuster.** Sector-wise, we think the move could break the price ceiling faced by mid-end brands and pave way for brand upgrade among tiers. Before that happens, however, we believe mid-end brands would have to eliminate excess channel inventory to ensure an effective pass-through. Of note, other bellwethers like Wuliangye and Liaojiao have already followed suits, and levied a 10-20%/4-5% price increase on "Wuliangye 8th Generation"/ "60th Edition Tequ", respectively.
- **Special dividend as a sweetener.** Moutai also announced to a special dividend of Rmb19.11 per share, equivalent to 37.7% of our 2023E EPS. Together with its final dividend, we estimate that Moutai will pay-out 76.1% of its 2023E earnings to reward investors and align shareholders' interest.
- **Valuation.** Our TP is based on 38.0x 2023E P/E that still represents 5-year average since 2018.

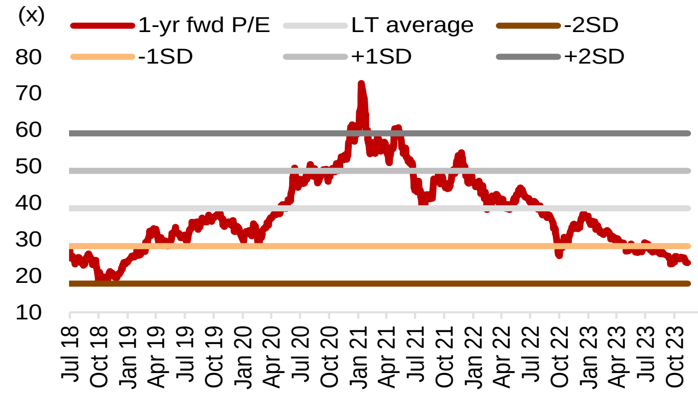
Link to latest report: Kweichow Moutai (600519 CH) – Our 2024 top pick among F&B names

Financials and Valuations

(YE 31 Dec)	FY21A	FY22A	FY23E	FY24E
Revenue (RMB mn)	109,464	127,554	147,435	179,647
YoY growth (%)	11.7	16.5	15.6	21.8
Net income (RMB mn)	52,460	62,716	73,346	90,831
EPS (RMB)	41.76	49.93	58.39	72.31
YoY growth (%)	12.3	19.6	17.0	23.8
Consensus EPS (RMB)	N/A	N/A	59.05	70.36
P/E (x)	39.2	32.6	27.9	22.3
P/B (x)	11.1	9.4	8.2	6.8
Div Yield (%)	1.3	1.4	1.7	2.0
ROE (%)	29.9	32.4	35.6	37.7
Net gearing (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: 1-year forward P/E



Source: Company data, CMBIGM estimates

BeiGene (BGNE US) – Three synergistic haematology BIC/FIC molecules showing promising data

Rating: BUY **| TP:** US$295.67 (91% upside)

Analysts: Jill Wu/ Andy Wang

- **Investment Thesis:** Strong sales of zanubrutinib (zanu) continued. In 3Q23, zanu maintained a strong sales momentum, with revenue increasing 16% QoQ or 130% YoY to US$358mn, mainly driven by sales growth in the US. In 3Q23, zanu sales in the US increased 21% QoQ to US$270mn (vs +61% QoQ in 2Q23), thanks to the continuous adoption among CLL/SLL patients. During 9M23, total sales of zanu reached US$877mn (+126% YoY), representing 74% of our previous full-year estimate. We expect zanu to continue the sales growth momentum and gain share in the global BTK market. Additionally, zanu continued to show PFS superiority vs ibrutinib with longer follow-up. In the ALPINE study, the 36-month PFS rate of zanu reached 64.9% vs ibrutinib's 54.8% (HR=0.68, p=0.001, remained statistically significant). The CR/CRi rate continued to improve with longer follow-up and reached 10.4% in the zanu arm at month 48 (vs 7.1% with ibrutinib). Moreover, additional studies indicated that zanu provided meaningful benefits for acalabrutinib-intolerant patients and for patients switching from ibrutinib, which could lead to zanu's global market share gain, in our view.
- **Our View:** Sonrotoclax (BCL2i) could be a game changer. Sonrotoclax + zanu (S+Z) showed higher blood uMRD rate (78% by week 24, 100% by week 48) in a Ph1/2 study for TN CLL patients, in cross-trial comparison vs venetoclax + ibrutinib (V+I)'s 55-57% at month 15, which may lead to better PFS benefit, in our view. S+Z was well-tolerated, with no TLS and no cardiac toxicity observed. BeiGene has initiated a global Ph3 study to of S+Z in TN CLL. Once successful, the oral combo of S+Z could be a game changer for the CLL first-line treatment. With full global rights in the S+Z combo, BeiGene could maximize its income from the two blockbuster drugs.
- **Why do we differ:** We see the BIC potential of sonrotoclax (BCL2i) and look forward to the clinical progress of BGB11673 (BTK-CDAC). We expect tislelizumab to continue gaining market share in the China PD-(L)1 market and to receive FDA approval for 2L ESCC in 1H2024.
- **Valuation:** We derive our target price of US$295.67 based on DCF valuation (WACC: 10.4%, terminal growth rate: 2.0%).

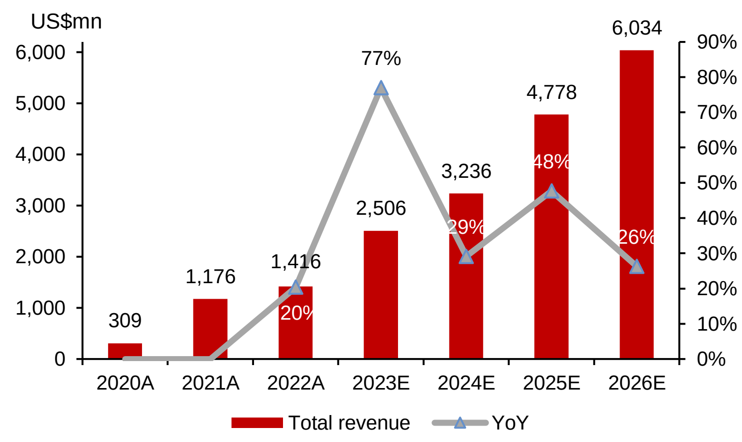
Link to latest report: BeiGene (BGNE US) – ASH takeaways: Three synergistic haematology BIC/FIC molecules showing promising data

Financials and valuations

(YE 31 Dec)	FY23E	FY24E	FY25E
Revenue (US$ mn)	2,506	3,236	4,778
YoY growth (%)	77%	29%	48%
Net loss (US$ mn)	(749)	(741)	393
EPS (US$)	(7.27)	(7.19)	3.82
Consensus EPS (US$)	(7.06)	(6.84)	(1.41)
R&D expenses (US$ mn)	(1,755)	(1,843)	(1,843)
SG&A expenses (US$ mn)	(1,470)	(1,616)	(1,697)
Capex (US$ mn)	(500)	(200)	(100)

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Revenue trend



Source: Company data, CMBIGM estimates

PICC P&C (2328 HK) – High-yield defensive play, positive on FY24 performance

Rating: BUY | **TP:** HK$11.7 (10% upside) Analysts: Nika Ma/ Zhang Miao

- **Investment Thesis:** Driven by steady demands of auto premiums (est.~6% YoY in FY24E) and accretive non-auto business lines, we see incremental room for China's P&C insurers to scale up and improve structure mix within more benign competitive landscape after stringent regulatory scrutiny in FY23. We maintain our positive outlook on P&C sector, given 1) the counter-cyclical business nature of P&C insurance; 2) shorter duration on liability (mainly in one-year) than life peers, and thus less asset-liability management pressure in low interest rate environment; 3) strong solvency in support of attractive dividend yields. PICC P&C, as the sector pioneer, enjoys better-than-peers pricing capability derived from advanced risk mitigation models and inclusive data on top of the abovementioned sector privileges. We expect the insurer's underwriting profit to increase by 9% to RMB9.4bn in FY24E, with CoR slightly down to 98.0% to sustain a ~40% payout ratio with stable dividend yields (~7%).
- **Auto:** We expect auto premiums to maintain growth at 5%-6% in FY24E, underpinned by steady demands released from new car sales and rising penetrations of NEVs. In the long run, we think the average premiums per case will stay flat subdued to tightened regulations and market-oriented product pricing. In FY23E, despite claims mounted in 3Q23 weighing on full-year underwriting profit, we forecast the auto CoR to reach 96.9%, below 97.0% as of the management guidance given at the beginning of year 2023.
- **Non-auto:** For non-auto lines, we expect improved underwriting margin in FY24E for: 1) the insurer proactively contracted lines of high loss ratio, i.e. employer liability insurance, and 2) relatively high base of non-auto CoR in 3Q23 resulted from rising NAT CAT claims. That said, with innovative supply of new products and an optimized structure of existing lines, we project the non-auto CoR down to 99.8% in FY24E, gaining tractions to UW profitability.
- **Valuation:** The stock is now trading at 0.8x FY24E P/B, with an est. 3-year ROE at 12-13% in FY23E-FY25E. Given a good track record on approx. 40% dividend payout, we regard the stock an appealing defensive target in the context of low-risk appetite. Reiterate BUY, with target price at HK$11.70.

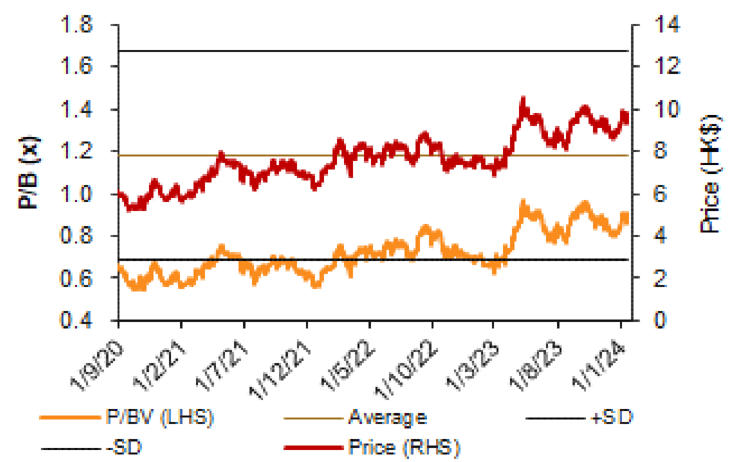
Link to latest report: PICC P&C (2328 HK) - Expect FY23E CoR guidance met; underwriting of NEVs and individual A&H to drive new growth

Financials and Valuations

(YE 31 Dec)	FY22A	FY23E	FY24E	FY25E
Underwriting profit (RMB mn)	10,329	8,568	9,372	10,178
Net profit (RMB mn)	26,653	25,582	30,889	33,435
EPS	1.20	1.16	1.39	1.51
Consensus EPS	N/A	1.15	1.42	1.58
Combined ratio (%)	97.6	98.1	98.0	98.0
P/E (x)	7.19	7.47	6.19	5.72
P/B (x)	0.92	0.87	0.80	0.73
Dividend yield (%)	5.5	5.4	6.5	7.0
ROE (%)	12.9	11.9	13.4	13.3

Source: Company data, Bloomberg, CMBIGM estimates

Fig: PICC P&C: share price and P/B herald price growth



Source: CMBIGM estimates

Tencent (700 HK) – Focus on quality earnings growth

Rating: BUY | **TP:** HK$458.50 (60% upside) Analyst: 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 and intensifying competition. Looking in 2024, we expect: 1) higher-margin businesses like Video Account and Mini Games will bring incremental monetization opportunities and support GPM expansion; 2) the company will expand into new game genres such as causal games and content-driven games to drive steady growth of games business; 3) AI will empower business lines, elevates ad ROI, improve games business efficiency and create incremental revenue stream for cloud business.
- **Our View:** We expect Tencent will continue to deliver quality earnings growth in 4Q23E and 2024E, supported by its operating leverage capacity, improving competitive positions in core business segments and incremental contribution from Weixin ecosystem innovation. We expect non-IFRS NPM to rise from 21% in FY22 to 28% in FY25E, on favourable revenue mix shift to higher margin business (e.g. Weixin Video Account and mini games) and opex control. Despite the potential slowdown in games revenue growth due to seasonality of monetization (especially in 4Q23), we are upbeat on Tencent's long-term leadership in domestic games market and capability to address overseas games market. Tencent's current valuation (14x FY24E PE) offers attractive risk reward given its solid earnings growth outlook (FY23-25E CAGR of 20%). BUY.
- **Catalysts:** 1) enhanced Video Account monetization supports better-than-expected revenue growth and GPM expansion of ad/FBS business; 2) approval of DnF Mobile drives stronger-than-expected game revenue growth in FY24; 3) increasing share repurchase and dividend to enhance shareholder return.
- **Valuation:** Our SOTP-derived TP is HK$458.5, comprising HK$183.1/19.5/58.1/107.8/19.0 for games/SNS/ads/Fintech/ cloud business and HK$6.7/64.3 for net cash/strategic investments.

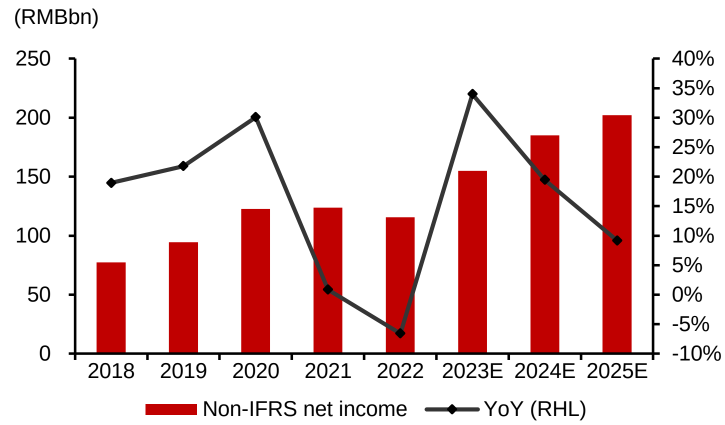
Link to latest report: Tencent (700 HK) - Weixin monetization shows continuous progression

Financials and Valuations

(YE 31 Dec)	FY22	FY23E	FY24E	FY25E
Revenue (RMB mn)	554,552	609,945	662,713	714,863
YoY growth (%)	(1.0)	10.0	8.7	7.9
Gross margin (%)	43.1	47.8	48.8	49.0
Adj. net profit (RMB mn)	115,649	154,961	185,120	202,109
YoY growth (%)	(6.6)	34.0	19.5	9.2
EPS (Adjusted) (RMB)	12.13	16.00	19.12	20.87
Consensus EPS (RMB)	12.13	16.07	18.76	21.25
Non-GAAP P/E (x)	22.4	16.7	14.0	12.8

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Non-IFRS net income growth



Source: Company data, CMBIGM estimates

Alibaba (BABA US) – Enhancing shareholder return while remains ambitious on investment to drive for growth

Rating: BUY **| TP:** US$137.1 (80% upside) Analyst: Saiyi He/Frank Tao/Wentao LU

- **Investment Thesis:** 1) Alibaba's fundamental is on improvement track, evidenced by solid user growth and user engagement improvement, as well as solid footprint in international expansion; 2) Alibaba is enhancing shareholder return through a holistic approach (ie, share buyback, dividend payout, support strategically important new business growth to drive long-term shareholder value improvement), and valuation is not demanding; 3) Alibaba is likely to benefit from potential consumption recovery.

- **Our View:** Management remains committed in investment to drive for top-line growth and market share gain for core businesses, while guided to drive for continuous loss reduction and to exit non-core business when market conditions improve. Although business transition likely still takes time, with an upsizing of share repurchase program to US$35.3bn and guidance of at least 3% in annual reduction in total shares outstanding through Mar 2027, management's determination in enhancing shareholder return remains on track.. The strategic move to drive an integrated group strategy should enhance long-term value, in our view. We remain positive on Alibaba's long-term growth potential, supported by international expansion and cloud business growth.

- **Where do we differ vs consensus:** We believe Alibaba is able to improve its ROIC in an efficient and effective way, and enhance shareholder return in a holistic view, which should help drive valuation rerating.

- **Catalysts:** 1) better than expected consumption recovery; 2) positive regulatory update regarding fintech business.

- **Valuation:** SOTP based valuation of US$137.1, which translates into 15.6x FY24E PE.

Link to latest report: Alibaba (BABA US) – Enhancing shareholder return while remains ambitious on investment to drive for growth

Financials and Valuations

(YE 31 Dec)	FY23	FY24E	FY25E	FY26E
Revenue (RMB mn)	868,687	941,726	1,043,745	1,142,744
Adjusted net profit (RMB mn)	143,991.0	157,901.1	172,515.5	190,998.2
EPS (Adjusted) (RMB)	54.91	61.94	67.61	74.78
Consensus EPS (RMB)	N/A	63.63	67.43	74.93
P/E (x)	9.7	9.9	9.1	8.4

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Alibaba: SOTP valuation

#	Segment (US$mn)	Valuation method	FY24E Rev (US$mn)	Adj. EBITA post tax	P/E (x)	EV/S (x)	Val. RMB mn	Val. US$m	$/share	Value split
1	Taobao and Tmall Group	7.0x FY24E P/E; 20% tax rate on adjusted EBITA	60,180	21,645	7.0		1,090,910	151,515	59.2	43%
2	International Digital Commerce Group	3.0x FY24E EV/S	14,293			3.0	308,723	42,878	16.7	12%
3	Local Services Group	1.7x FY24 EV/S	8,194			1.7	100,291	13,929	5.4	4%
4	Cainiao Smart Logistics Network Limited	Last round transaction value; 63% shareholding	13,573				135,024	18,753	7.3	5%
5	Cloud Intelligence Group	4.2x FY24 EV/S on revenue before intersegment elimination	14,777			4.2	450,053	62,507	24.4	18%
6	Digital Media and Entertainment Group	1.7x FY24 EV/S, inline with iQIYI target EV/S	3,033			1.7	37,124	5,156	2.0	1%
7	All others	1.0x FY24 EV/PS	26,529			1.0	191,012	26,529	10.3	8%
	Total Alibaba business						**2,313,135**	**321,269**	**125.2**	
INVESTMENTS										
1	Ant Group	Last round share buyback valuation; 33% share holding					187,143	25,992	10.1	
2	Others	Market valuation					124,900	17,347	6.8	
	Total investment (with 30% holding discount)									**11.8**
	Total (US$mn)								**137.1**	
	#s of diluted ADS (mn)								2,565	

Source: Company data, CMBIGM estimates

Pinduoduo (PDD US) – Rapid overseas business expansion

Rating: BUY **| TP:** US$142.6 (12% upside)

Analysts: Saiyi He/ Frank Tao/ Wentao Lu

- **Investment Thesis:** 1) leveraging strong domestic supply chain, overseas expansion is on track to support PDD's long-term revenue and earnings growth; 2) PDD has established strong consumer mindshare in FMCG and fresh grocery categories, and is expanding its branded products pool, which could drive resilient GMV growth in 2024.

- **Our View:** We remain positive on PDD Holdings' (PDD) long-term growth prospect, mainly given: 1) Temu, the overseas e-commerce business operated under the "fully-entrusted" model, leveraging strong domestic supply chain and PDD's strong execution capability, has seen robust GMV and revenue growth, which is on track to support PDD's long-term revenue and earnings growth, and will likely propel a further valuation rerating; 2) domestic business could maintain healthy revenue and earnings growth in 2024, aided by the incorporation of more branded products and high ASP products, as well as the increase in monetization, aided by the increase in percentage of paid traffic volume.

- **Catalysts:** 1) better than expected 4Q23 results in the coming March; 2) more rapid than expected international business development.

- **Valuation:** DCF based valuation of US$142.6.

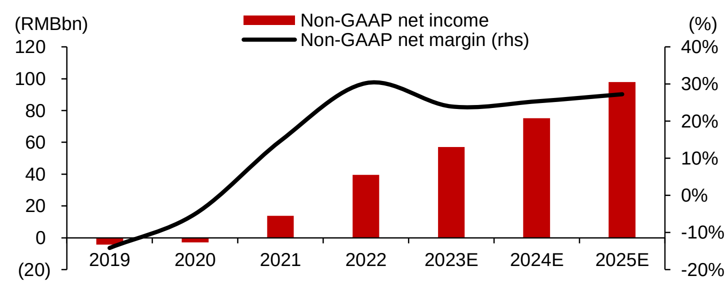
Link to latest report: Pinduoduo (PDD US): International expansion drove a strong beat for 3Q results

Financials and Valuations

(YE 31 Dec)	FY22A	FY23E	FY24E	FY25E
Revenue (RMB mn)	93,950	130,558	234,881	292,687
YoY growth (%)	57.9	39.0	79.9	24.6
Net profit (RMB mn)	7,768.7	31,538.1	61,082.0	74,942.1
Adjusted net profit (RMB mn)	13,829.5	39,529.7	57,165.6	75,241.4
EPS (Adjusted) (RMB)	9.56	27.45	39.31	51.74
Consensus EPS (RMB)	9.56	27.45	35.60	43.11
P/E (x)	123.0	15.4	21.2	17.3
ROE (%)	11.5	32.7	41.4	34.9

Source: Company data, Bloomberg, CMBIGM estimates

Fig: PDD's adjusted net profit and adjusted NPM



Source: Company data, CMBIGM estimates

Amazon (AMZN US) – Steady ship heading for new growth stage

Rating: BUY **| TP:** US$213.0 (22% upside) Analyst: Saiyi He/Wentao LU/Frank Tao

- **Investment Thesis:** 1) E-commerce business still has abundant growth potential in global market; 2) AWS revenue growth reaccelerated on ramp up of AI cloud and attenuation of cloud optimization trend; 3) Margin expansion on a steady track, aided by margin improvement of both international business and North American business, as well as increase in revenue contribution from relatively high margin AWS business.

- **Our View:** In terms of further growth potential, we believe Amazon's e-commerce business still has ample potential in both the US and global markets. AWS is backed by strong technological capability and generative AI opens more opportunities. The continuous increase in retail business efficiency and improvement in economies of scale will help boost profitability in our view, backed by regionalization strategy, reduction in cost to serve, and rising revenue contribution from platform business. Increase in revenue mix of relatively high-margin AWS business is likely to drive margin expansion for Amazon in the long run.

- **Where do we differ vs consensus:** we are expecting more rapid than market expected EBITDA margin expansion for Amazon, driven by margin expansion across three business lines, aided by better than expected optimization in cost to serve, as well as operating efficiency improvement.

- **Catalysts:** 1) better than expected margin expansion; 2) better than expected recovery in AWS revenue growth.

- **Valuation:** US$213.0 based on 18.8x 2024E EV/EBITDA, in line with one-year mean.

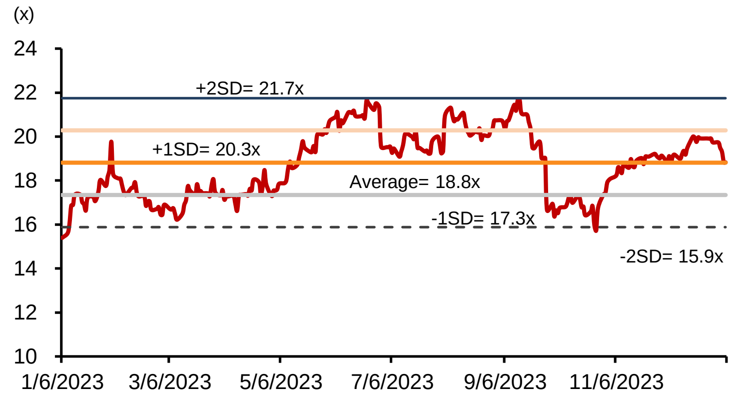
Link to latest report: Amazon (AMZN US): Steady ship heading for new growth stage

Financials and Valuations

(YE 31 Dec)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue (US$ mn)	513,983	574,785	642,931	716,153	790,018
YoY growth (%)	9.4	11.8	11.9	11.4	10.3
Net profit (US$ mn)	(2,722.0)	30,425.0	44,816.8	60,892.3	79,187.5
YoY growth (%)	N/A	N/A	47.3	35.9	30.0
EPS (Reported) (US$)	(0.27)	2.90	4.23	5.66	7.24
Consensus EPS (US$)	N/A	2.83	4.05	5.36	6.88
P/E (x)	N/A	41.9	39.5	29.5	23.1

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Amazon: one-year EV/EBITDA band



Source: Company data, CMBIGM estimates

Netflix (NFLX US) – Bullish on margin expansion and subs upside

Rating: BUY **| TP:** US$613 (TP under review, 5% upside) Analyst: Sophie Huang

- **Investment Thesis:** We turn more positive on Netflix's long-term subs trend, AVOD expansion, paid-sharing rollout and margin expansion, backed by its vibrant original content pipeline and efficient investment. After its eye-catching 4Q23 results, Netflix demonstrated stronger net adds and better margin guidance (raised OPM in FY24E to 24%), in which AVOD +70% QoQ. We expect its strong momentum to continue, backed by: 1) deeper AVOD penetration, with basic plan to eliminate in Canada and the UK in 2Q24E; 2) paid sharing to tap into a larger household base; 3) content to pick up.

- **Our View:** Netflix prides itself on exclusive high-quality original content, further enhancing its leadership and price hike (seven times in 2011-23, forecasting ARM at 3.7% CAGR in FY24-26E). We are bullish on Netflix's AVOD expansion, and expect positive impact on both net adds and ARPU. With TAM of 380mn AVOD subs worldwide, we expect Netflix's AVOD subs to rise to 32mn in FY25E (11% subs mix), at 51% CAGR. Moreover, we expect paid-sharing initiatives to bring ~30mn extra subs by 2025E (6% rev mix) , with >100mn password-sharing users in Netflix.

- **Why do we differ vs consensus:** Market concern lies on competition, strike impact, and potential rising content cost. We think competition has pulled back as peers prioritize cost control. With strike to settle, content would pick up from 4Q23, and Netflix is more resilient for its extensive content library and globalization. We think the industrial wave of price increases and globalization would offset rising content cost.

- **Catalysts:** 1) content to pick up after strikes; 2) resilient net adds from paid-sharing and AVODs penetration; and 3) margin improvement.

- **Valuation:** Maintain BUY with DCF-based TP of US$613, implying 35.6x FY24E P/E, still below historical P/E mean of 38.8x.

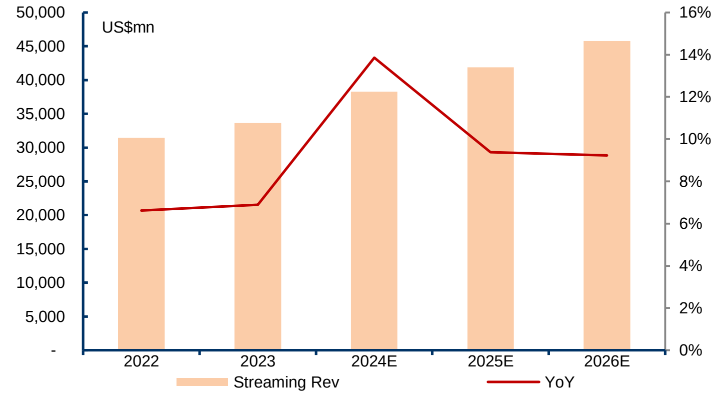
Link to latest report: Netflix (NFLX US) – Bullish on margin expansion and subs upside

Financials and Valuations

(YE 31 Dec)	FY23A	FY24E	FY25E	FY26E
Revenue (US$ mn)	33,723	38,302	41,897	45,766
YoY growth (%)	6.7	13.6	9.4	9.2
Net income (US$ mn)	5,408.0	7,536.4	9,178.0	11,050.1
EPS (US$)	12.0	17.2	21.3	25.7
YoY growth (%)	21.0	43.2	23.3	21.0
Consensus EPS (US$)	N/A	16.3	20.1	23.5
P/E (x)	47.6	33.3	27.0	22.3
P/S (x)	7.4	6.5	5.9	5.4
Yield (%)	0.0	0.0	0.0	0.0
ROE (%)	26.1	32.7	31.8	29.1

Source: Company data, Bloomberg, CMBIGM estimates

Fig: NFLX's revenue growth estimates



Source: Company data, CMBIGM estimates

Kuaishou (1024 HK) – Resilient 4Q23E with better margin outlook

Rating: BUY **| TP:** HK$97 (110% upside)

Analyst: Sophie Huang

- **Investment Thesis:** We are confident on KS's ads recovery, share gain in ecommerce and better margin outlook. Looking into 4Q23E, we expect resilient momentum to continue (forecasting rev +15% YoY), supported by: 1) resilient ads (+20% YoY) with external ads acceleration; and 2) strong ecommerce (GMV/rev +30%/35% YoY). Margin would see further upside, backed by cost discipline, ROI-driven S&M and narrowing loss of overseas market. We think the market is overreacted to HoK livestreaming on Douyin, which pose limited impact on KS. Suggest to buy on dips.

- **Our View:** We forecast 4Q23E rev +15% YoY (in line), and bottom line at RMB3.5bn (22% above consensus). We are positive on its long-term ecommerce upside, boosted by deeper MAC penetration, higher traffic efficiency, and shelf-based mall expansion. Thanks to 11.11 outperformance, we expect its ecommerce GMV/others rev +30%/35% YoY in 4Q23E. Ads would see above-industry growth in 4Q23E (forecasting +20% YoY). For 2024E, we forecast ads +17% YoY, benefiting from ramping verticals (e.g. mini drama and mini game).

- **Why do we differ vs consensus:** Market concern lies on competitor threat on ads and potential selling from PE investor. We think short-term impact from Video Accounts would be limited, as KS focus more on performance-based ads with high ROI, while Video Accounts prioritize on brands ads. Ecommerce momentum would be resilient, and might see upside from shopping mall function.

- **Catalysts:** 1) upside from shopping mall, 2) strong 4Q23E result, and 3) better margin outlook.

- **Valuation:** Maintain BUY with SOTP-based TP at HK$97 (implying 28x FY24E P/E), by assigning 1x/2x FY23E EV/sales to livestreaming/ad biz, and 0.16x P/GMV to ecommerce biz. Valuation is not demanding.

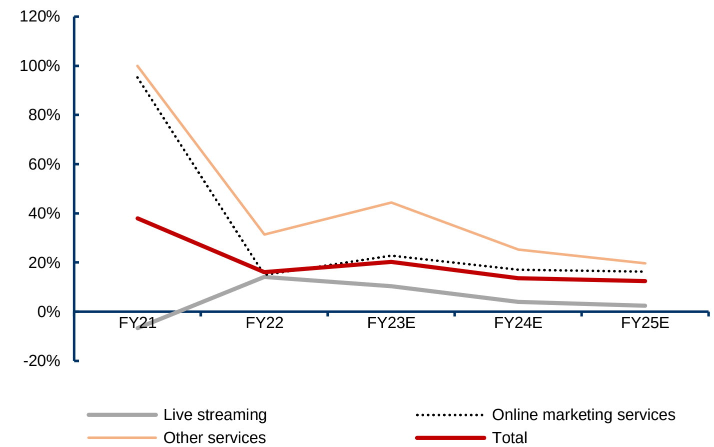
Link to latest report: Kuaishou (1024 HK) – Resilient 4Q23E with better margin outlook

Financials and Valuations

(YE 31 Dec)	FY22A	FY23E	FY24E	FY25E
Revenue (RMB mn)	94,183	113,321	128,742	144,729
YoY growth (%)	16.2	20.3	13.6	12.4
Net income (RMB mn)	(5,751)	9,378	13,562	21,545
EPS (RMB)	(1.3)	2.1	2.9	4.6
YoY growth (%)	N/A	N/A	45	59
Consensus EPS (RMB)	N/A	1.9	3.2	4.9
P/E (x)	N/A	19.6	13.5	8.5
P/S (x)	2.0	1.6	1.4	1.3
Yield (%)	0.0	0.0	0.0	0.0
Net gearing (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: KS's revenue growth estimates



Source: Company data, CMBIGM estimates

GigaCloud (GCT US): More surprises to come

Rating: BUY | **TP:** US$30 (TP under review, 7% downside)

Analyst: Sophie Huang

- **Investment Thesis:** We are more bullish on GigaCloud (GCT)'s organic growth and Noble House (NH)'s margin improvement. We reiterate GCT as one of our top picks, for its high barrier, attractive valuation and clear earnings growth (36%/26% rev/earnings CAGR in FY23-25E). In Jan 2024, we noticed booming demand from sellers shipping products in GCT US/Europe warehouse before CNY, for upcoming CNY promotion and potential freight fee increase. We think such strong momentum would support a good start in 2024. Apart from industry tailwinds, we are more confident on GCT's share gain, with higher ROI of seller expansion, buyer engagement, improving warehouse utilization and M&A synergies.

- **Our View:** We expect GCT to deliver another eye-catching quarter results in 4Q23E, with estimated rev +81.8% YoY (vs. prior +75%, 4%/2% above consensus/high-end guidance) and adj. net profit +112% YoY (vs. prior +57%, 11% above consensus). Excluding NH's consolidation, we forecast core biz rev +58% YoY in 4Q23E, accelerating from +39% YoY in 3Q23. Such stronger topline growth was mainly boosted by effective 3P seller expansion and Black Friday performance. We forecast its adj. NPM at 11.6% in 4Q23E, in which core biz margin kept stable QoQ.

- **Why do we differ vs consensus:** Market concerns lies on freight fee increase with recent red sea shipping disruption and tariff issue. We expect red sea disruption to pose limited financial impact on 1P margin, and recent three-week freight fee stabilization would alleviate the concern.

- **Catalysts:** 1) upcoming upbeat 4Q23E with strong seasonality; and 2) more synergies from NH with narrowing loss.

- **Valuation:** Maintain BUY with SOTP-based TP at US$30 (implying 11.6x FY24E P/E), still below industry average of 16x.

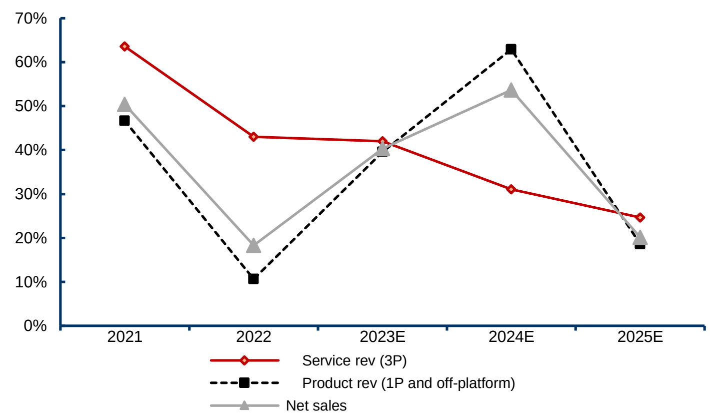
Link to latest report: GigaCloud (GCT US) – More surprises to come

Financials and Valuations

(YE 31 Dec)	FY22A	FY23E	FY24E	FY25E
Revenue (US$ mn)	490	687	1,056	1,269
YoY growth (%)	18.3	40.3	53.7	20.1
Net income (US$ mn)	24	85	104	134
EPS (US$)	0.98	2.08	2.55	3.29
YoY growth (%)	(65.6)	111.5	22.9	28.8
Consensus EPS (US$)	N/A	1.97	2.29	NA
P/E (x)	27.9	13.2	10.7	8.3
P/S (x)	1.4	1.6	1.1	0.9
Net gearing (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: GigaCloud's revenue growth estimates



Source: Company data, Bloomberg, CMBIGM estimates

CR Land (1109 HK) – Promising FY23E and not-far-fetching FY25E target

Rating: BUY **| TP:** HK$45.10 (74% upside)

Analysts: Miao Zhang/ Nika Ma

- **Investment Thesis:** We like CR Land as its visible earnings growth (8-15% YoY in 2023-25E) driven by robust rental income (20-30% CAGR) and solid sales growth in 2023E. This would help not only widen its gap with others (FY22 -20% YoY on average), but also make its 14th Five Year target closer to reach on the contracted sales side (+15% 2020-2025E CAGR), especially with the continue policy relaxation in more high tier cities. If so, it may further drive its valuation to 8-10x long-term PE range as the clear winner of this crisis.

- **Our View:** We expect CR Land to deliver a robust 2023 sales: CR Land finished 1H23 with +41% sales YoY growth, the second best among all major developers. It is mainly attributed to 90% of its sellable resources in Tier 1-2 cities and +18% YoY ASP hike. Looking into 2023E, we expect 10-15% YoY gross sales growth to reach RMB330-350bn due to 1) strong land acquisitions in 1H23 with land/sales at 60%, one of the highest in the industry to provide enough sellable resources in high-tier cities (93% in tier 1/2); 2) gradually recovering market sentiment; 3) potential policy relaxation in more Tier 1 cities to benefit CR Land the most.

- **How do we differ:** ST Risks include:1) liability/asset ratio is slightly over SASAC's redline of 70%; 2) oversea traveling and Daigo to bring impacts on high-end malls development.

- **Valuation:** The company currently trades at 4.7x 2023E P/E vs. historical 5-YR average of 8x. Our TP stay unchanged at HK$45.10, reflecting 50% discount to NAV.

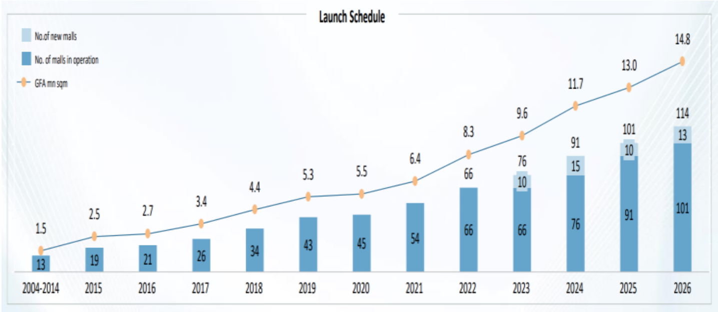
Link to latest report: CR Land (1109 HK) – Outperforming FY22E, promising FY23E and not-far-fetching FY25E target

Financials and Valuations

(YE 31 Dec)	FY21A	FY22A	FY23E	FY24E
Revenue (RMB mn)	212,108	207,061	227,400	252,488
YoY growth (%)	18.1	(2.4)	9.8	11.0
Net income (RMB mn)	32,401	28,092	32,199	35,462
EPS (RMB)	4.54	3.94	4.52	4.97
YoY growth (%)	8.69	(13.30)	14.62	10.13
Consensus EPS (RMB)	N/A	N/A	4.2	4.5
P/E (x)	4.7	5.4	4.7	4.3
P/B (x)	0.7	0.6	0.6	0.6
Yield (%)	6.5	6.5	6.6	7.6
ROE (%)	14.3	11.5	13.3	13.8
Net gearing (%)	24.4	35.0	38.6	47.3

Source: Company data, Bloomberg, CMBIGM estimates

Fig: CR Land's malls opening plan



Source: Company data, CMBIGM

BYDE (285 HK) – Positive on margin recovery and Jabil mobility's synergies

Rating: BUY | **TP:** HK$45.86 (55% upside)

Analyst: 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 OEM industry consolidation, Apple supplier diversification, acquisition of Jabil's mobile business and fast-growing NEV/new intelligent products in 2023-25E.

- **Our View:** BYDE is our top pick for H-share tech sector, as we are positive on high-end Android recovery, new NEV products and Android/US clients' share gain/upgrade, and Jabil's iPhone casing synergies in 2024/25E. We believe recent stock correction was mainly due to concerns on slower smartphone recovery in 1Q24, NEV biz price pressure and Jabil's casing earnings uncertainties. We believe market concern is overdone given 1) Huawei's high-end model comeback likely to boost shipments and ASP hikes on titanium upgrade, 2) solid growth for NEV biz on new product ramp-up, parentco orders and new orders wins, and 3) sales synergies from Jabil's acquisition.

- **Why do we differ vs consensus:** We are more positive on earnings synergies from recent Jabil's acquisition and Huawei's high-end casing business.

- **Catalysts:** Near-term catalysts include Jabil's business synergies, better margins and Huawei/Xiaomi/Apple product launches.

- **Valuation:** Our SOTP-based TP of HK$45.86 implies 17.5x FY24E P/E, which reflect BYDE's business diversification with different growth profiles and visibility.

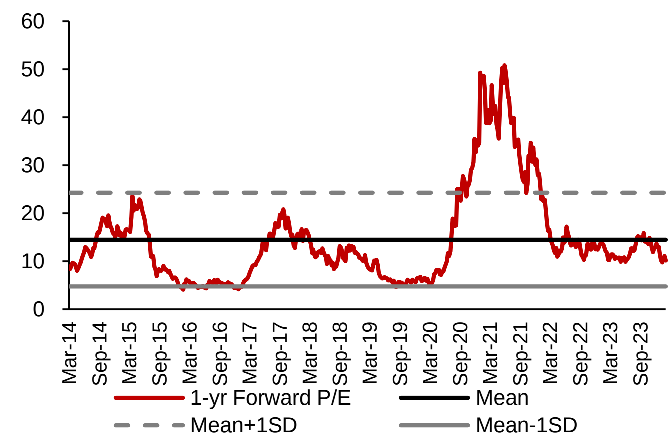
Link to latest report: BYDE (285 HK) - FY23 positive profit alert above expectations; Reiterate BUY on strong FY24E outlook

Financials and Valuations

(YE 31 Dec)	FY22A	FY23E	FY24E	FY25E
Revenue (RMB mn)	107,186	130,841	182,796	212,744
YoY growth (%)	20.4	22.1	39.7	16.4
Net profit(RMB mn)	1,858	3,937	5,379	7,443
EPS (RMB)	0.82	1.75	2.39	3.30
YoY growth (%)	(19.6)	111.9	36.6	38.4
Consensus EPS (RMB)	N/A	1.73	2.28	2.96
P/E (x)	31.6	14.9	10.9	7.9
P/B (x)	2.8	2.4	2.1	1.7
Yield (%)	0.6	0.3	0.9	1.3
ROE (%)	7.2	13.3	15.7	18.1
Net gearing (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: BYDE 12M forward P/E band



Source: Company data, CMBIGM estimates

Luxshare (002475 CH) – More acquisitions to boost iPhone assembly share gain

Rating: BUY | **TP:** RMB46.96 (71% upside)

Analyst: Alex Ng/ Claudia Liu

- **Investment Thesis:** We believe that Luxshare is well-positioned to benefit from gain share in iPhone/MacBook/iPad/Watch OEM/components, and capture opportunities in automobile tier-1 and comm. businesses. Despite recent macro headwinds and iPhone's pressure from Huawei's comeback, we are positive on Luxshare's synergy with recent acquisitions, fast-growing auto/comm. business and better operating efficiency in FY24/25E. We also believe recent investment into Wistron and Pegatron's iPhone assembly plant will boost Luxshare's LT synergy with Apple ecosystem.

- **Our View:** Luxshare is our top pick for A-share tech sector, due to strong execution, high earnings visibility and beneficiary of 5G cycle. We believe stronger earnings in 4Q23 was a result of Luxshare's share gain in top module/smartphone OEM biz and higher share allocation of high-end models, and we are positive on further iPhone OEM business upside in FY24/25E post Kunshan plant acquisition. In addition, we are positive on its business opportunity in Apple's Vision Pro as the major OEM supplier.

- **Why do we differ vs consensus:** We believe market concerns on 1Q24 slower earnings and overseas expansion slowdown are overdone, as we are more positive on earnings upside from AirPods share gain and Vision Pro demand in 2024.

- **Catalysts:** Near-term catalysts include stronger Vision Pro shipment and more share gain in Apple supply chain.

- **Valuation:** We derived our 12m TP of RMB49.96 based on 24x FY24E P/E. We believe this is justified as Luxshare continues to deliver resilient earnings growth, market share gain and product expansion to capture multiple business opportunities in next 3-5 years.

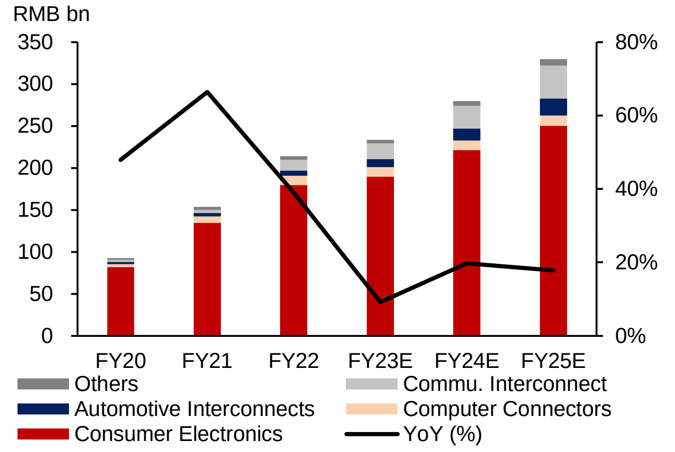
Link to latest report: Luxshare (002475 CH) – Acquisition of Pegatron's Kunshan plant to further boost iPhone assembly share gain

Financials and Valuations

(YE 31 Dec)	FY22A	FY23E	FY24E	FY25E
Revenue (RMB mn)	214,028	233,706	279,882	329,714
YoY growth (%)	39.0	9.2	19.8	17.8
Net profit(RMB mn)	9,163	10,990	13,899	17,283
EPS (RMB)	1.29	1.55	1.96	2.43
YoY growth (%)	28.6	19.9	26.5	24.3
Consensus EPS (RMB)	N/A	1.55	1.98	2.42
P/E (x)	21.0	17.5	13.8	11.1
P/B (x)	3.3	1.9	1.7	1.5
Yield (%)	0.0	0.0	0.0	0.0
ROE (%)	15.6	10.9	12.2	13.4
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Luxshare Revenue Trend



Source: Company data, CMBIGM estimates

Innolight (300308 CH) – True AI beneficiary has more to offer

Rating: BUY **| TP:** RMB136.0 (8% downside)

Analysts: Lily Yang/ Kevin Zhang

- **Investment Thesis:** Innolight posted strong 3Q23 results with revenue/NP growth at 14.9%/89.5% YoY and 39.7%/88.4% QoQ, respectively. The robust growth was mainly contributed by the heightened industry-wide demand for the Company's 400G/800G optical transceivers. Additionally, the Company's gross margin showed consistent improvement across the first three quarters of 2023, climbing from 29.5%/31.1% in 1Q/2Q to 33.5% in 3Q. The Company is well-positioned to deliver a full year of promising growth, with backlog orders for its high performance optical transceivers stretching into early-2024 as AI tech developments continue to accelerate.
- **Our View:** We consider Innolight to be a major beneficiary of the ongoing surge in AI tech. The company stands out as one of the few domestic suppliers capable of meeting the increasing demand. The current stock price is becoming appealing due to several factors: 1) transceivers are essential in AI data centers, and there's a robust global demand for AI infrastructure that is expected to continue into 2024; 2) the recent US restrictions are anticipated to have minimal effects on the Company's revenue in the short-to-medium term.
- **Catalysts:** 1) faster-than-expected ramp-up of 800G optical transceivers, and 2) slower-than-expected decline of non-AI revenue.
- **Valuation:** Our TP is RMB136.0, corresponding to 29.2x 2024E P/E. close to its 5-year historical average of 30.9x.

Link to relevant reports:

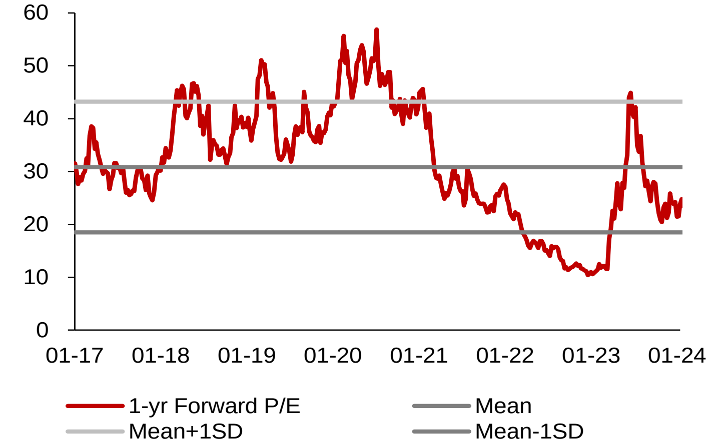
1. Semi sector research - Hyperscalers' FY23 results review (link)
2. Innolight (300308 CH, BUY) – Expect higher contribution from AI revenue in 3Q; Upgrade to Buy (link)
3. Innolight (300308 CH, BUY) – Strong 3Q results on accelerating AI revenue (link)

Financials and Valuations

(YE 31 Dec)	FY21A	FY22A	FY23E	FY24E	FY25E
Revenue (RMB mn)	7,695	9,642	11,188	18,681	21,342
YoY growth (%)	9.2	25.3	16.0	67.0	14.2
Gross margin (%)	25.6	29.3	32.6	33.9	32.9
Operating profit (RMB mn)	963	1,327	2,313	4,193	4,608
YoY growth (%)	(2.7)	37.9	74.2	81.3	9.9
Net profit (RMB mn)	877	1,224	2,045	3,740	4,100
YoY growth (%)	1.3	39.6	67.1	82.9	9.6
P/E (x)	32.6	20.6	58.9	32.2	29.4
ROE (%)	9.1	10.4	15.6	23.2	20.8

Source: Company data, Bloomberg, CMBIGM estimates

Fig: 1-year forward P/E band



Source: Company data, CMBIGM estimates

Kingdee (268 HK) – Domestic ERP SaaS leader

Rating: BUY **| TP:** HK$15.10 (85% upside)

Analyst: Saiyi He/Frank Tao/Wentao Lu

- **Investment Thesis:** Kingdee is the largest enterprise resource management (ERM) vendor in China. We like Kingdee for its continuous SaaS transition in SME market while new opportunities in large enterprise market are emerging with domestic substitution trend. We expect Kingdee to deliver 17% revenue CAGR in FY22-25E reaching RMB7.8bn.
- **Our View:** Kingdee's preliminary 2023 indicated a slightly slower than market expected revenue growth but better than expected loss reduction. Although we expect demand recovery will take time amid current macro backdrop, digitalization and domestic substitution remains a vital long-term trend, and Kingdee is well-positioned to benefit from the trend, in our view. With greater revenue generation from subscription services than peers, Kingdee will likely enjoy greater visibility on revenue growth in 2024.
- **Why do we differ vs consensus:** Huawei's self-developed ERP (MetaERP) could be negative to the China ERP market as competition heats up but the impacts to Yonyou and Inspur will be larger than Kingdee as the formers are more large-enterprises/ SOEs focused. Also, Huawei has to consider the potential implications to its Cloud business as Kingdee/ Yonyou/ Inspur may scale down their cloud resources usage with Huawei Cloud given direct competition in ERP.
- **Catalysts:** Winning large SOEs Xinchuang bidding. Supportive policies related to "Xinchuang" implementation.
- **Valuation:** We maintain BUY with new TP of HK$15.1, based on 7.5x 2023E EV/Sales, in line with one-year mean.

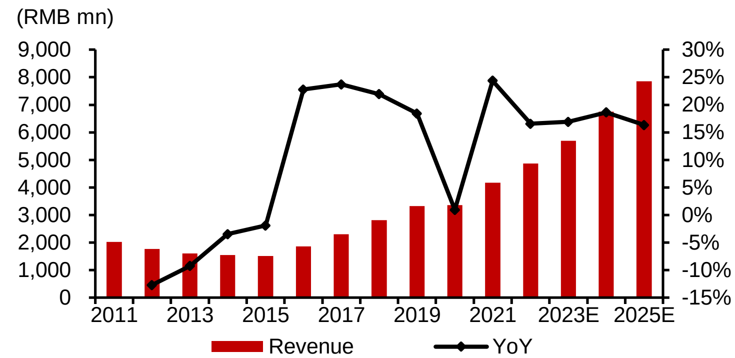
Link to latest report: Kingdee (268 HK) – Resilient performance amid macro headwinds

Financials and Valuations

(YE 31 Dec)	FY22	FY23E	FY24E	FY25E
Revenue (RMB mn)	4,174	4,866	5,688	6,747
YoY growth (%)	24.4	16.6	16.9	18.6
Net profit (RMB mn)	(302.3)	(389.2)	(211.2)	(37.3)
EPS (Reported) (RMB cents)	(9.23)	(11.21)	(6.08)	(1.07)
EV/Sales (x)	N/A	N/A	(7.37)	(1.94)

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Kingdee revenue and YoY



Source: Company data, CMBIGM estimates

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