CMBI Research Focus List

Our best high conviction ideas

12 Mar 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) FY24A	P/E (x) FY25E	P/B (x) FY24A	ROE (%) FY24A	Yield FY24A	Analyst
Long Ideas														
Geely Automobile	175 HK	Auto	BUY	24.4	102.9	17.7	25.00	41%	9.70	9.00	1.80	19.9	3.3%	Shi Ji/ Wenjing Dou/ Austin Liang
Zenergy	3677 HK	Auto	BUY	2.8	1.5	8.6	18.00	109%	200.20	34.10	N/A	1.7	N/A	Shi Ji/ Wenjing Dou/ Austin Liang
J&T Express	1519 HK	Logistics	BUY	11.1	37.0	9.8	13.40	37%	54.20	31.20	3.80	7.20	0.0%	Wayne Fung
SANY International	631 HK	Capital Goods	BUY	5.9	19.9	14.1	20.60	46%	37.20	17.90	3.40	15.5	2.1%	Wayne Fung
Chuangxin Industries	2788 HK	Materials	BUY	8.4	17.3	31.6	32.00	1%	17.60	14.30	28.90	97.8	0.9%	Wayne Fung
Bosideng	3998 HK	Consumer Discretionary	BUY	6.1	17.3	4.1	5.55	36%	14.10	12.50	3.00	23.7	6.1%	Miao Zhang
Guoquan Food	2517 HK	Consumer Discretionary	BUY	1.3	6.5	3.8	4.80	26%	39.30	22.20	N/A	7.5	2.2%	Miao Zhang
Luckin Coffee	LKNCY US	Consumer Discretionary	BUY	10.0	68.6	35.2	54.68	55%	28.50	20.90	N/A	25.8	0.0%	Miao Zhang
Proya	603605 CH	Consumer Staples	BUY	3.9	48.9	68.0	129.83	91%	17.10	15.40	4.30	31.7	2.3%	Miao Zhang
CR Beverage	2460 HK	Consumer Staples	BUY	3.0	3.9	9.8	11.87	21%	11.30	17.50	1.60	18.0	5.4%	Miao Zhang
3Sbio	1530 HK	Healthcare	BUY	6.9	68.7	21.4	37.43	75%	N/A	5.60	N/A	N/A	N/A	Jill Wu/ Cathy Wang
Ping An	2318 HK	Insurance	BUY	156.6	377.5	63.4	90.00	42%	N/A	N/A	1.30	13.9	4.0%	Nika Ma
AIA	1299 HK	Insurance	BUY	115.0	288.0	85.6	89.00	4%	N/A	N/A	2.90	16.2	2.1%	Nika Ma
FUTU Holdings	FUTU US	Brokerage	BUY	21.3	236.6	152.6	228.00	49%	28.70	14.00	5.70	20.7	N/A	Nika Ma
Tencent	700 HK	Internet	BUY	641.3	1856.5	551.0	760.00	38%	19.20	16.60	N/A	N/A	N/A	Saiyi He/ Wentao Lu/ Frank Tao
Kuaishou	1024 HK	Internet	BUY	33.3	323.1	59.9	88.00	47%	13.40	11.50	N/A	N/A	N/A	Saiyi He/ Wentao Lu/ Frank Tao
Alibaba	BABA US	Internet	BUY	325.4	1767.0	136.3	206.40	51%	N/A	20.20	N/A	N/A	N/A	Saiyi He/Frank Tao/Wentao Lu
Trip.com	TCOM US	Internet	BUY	35.9	233.7	52.1	83.00	59%	19.40	10.60	N/A	N/A	N/A	Saiyi He/Frank Tao/Wentao LU
CR MixC Lifestyle	1209 HK	Property	BUY	13.0	22.5	44.7	53.96	21%	26.80	24.20	5.90	22.4	1.5%	Miao Zhang
Greentown Service	2869 HK	Property	BUY	1.7	1.9	4.2	6.61	59%	16.40	14.70	1.80	10.3	4.5%	Miao Zhang
Luxshare	002475 CH	Technology	BUY	52.9	955.8	49.9	75.55	51%	26.60	20.60	4.10	15.8	0.0%	Alex Ng/ Hanqing Li
AAC Tech	2018 HK	Technology	BUY	4.9	20.7	33.1	60.55	83%	20.00	14.10	1.60	7.8	0.8%	Alex Ng/ Hanqing Li
FIT Hon Teng	6088 HK	Technology	BUY	5.3	34.2	5.6	7.33	30%	34.00	30.70	2.10	6.2	0.0%	Alex Ng/ Hanqing Li
Innolight	300308 CH	Semiconductors	BUY	88.6	2671.1	548.3	707.00	29%	115.90	55.00	N/A	N/A	N/A	Kevin Zhang/Aaron Guo
Shengyi Tech	600183 CH	Semiconductors	BUY	22.6	428.9	63.9	90.00	41%	12.00	21.60	N/A	N/A	N/A	Kevin Zhang/Aaron Guo
Naura	002371 CH	Semiconductors	BUY	48.2	581.5	457.3	460.00	1%	20.30	21.20	N/A	N/A	N/A	Kevin Zhang/Aaron Guo
Datadog	DDOG US	Software & IT services	BUY	45.1	704.1	127.5	196.90	54%	N/A	N/A	N/A	N/A	N/A	Saiyi He/Frank Tao/Wentao Lu

Source: Bloomberg, CMBIGM. Data as of 12/3/2026 10:10 a.m.

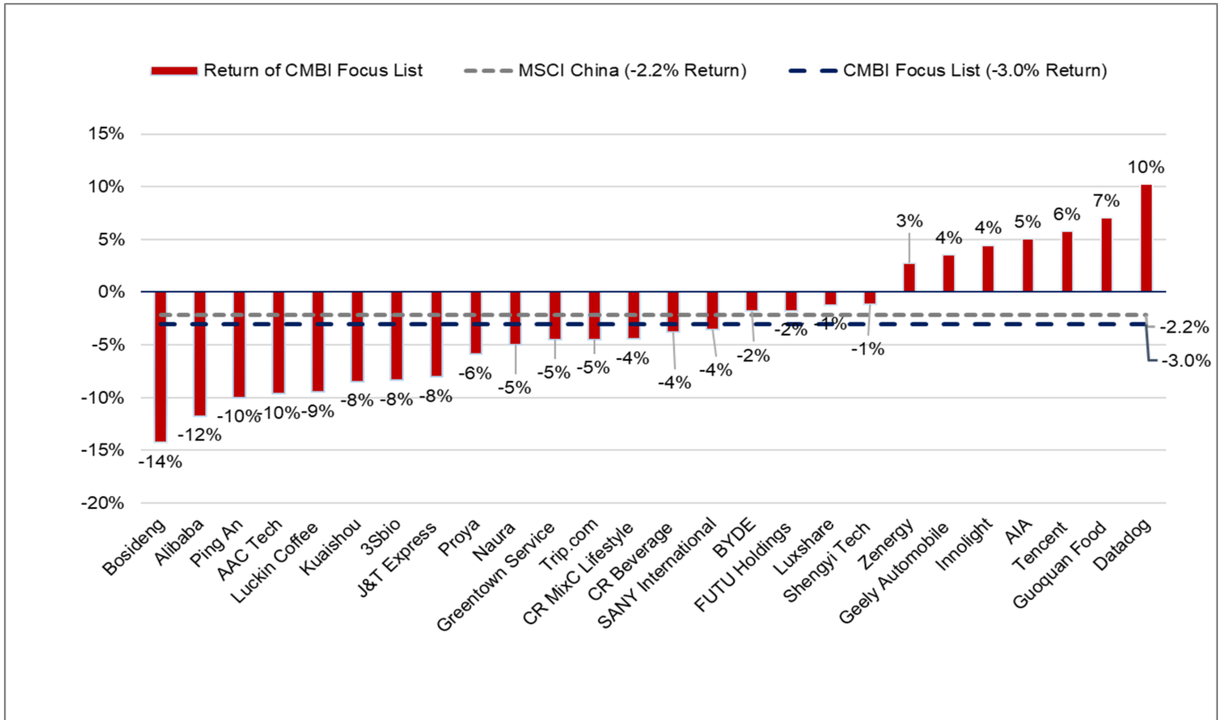
Latest additions/deletions from CMBI Focus List

Company	Ticker	Sector	Rating	Analyst	Rationale
Additions					
Chuangxin Industries	2788 HK	Materials	BUY	Wayne Fung	We expect the tight global supply of aluminium will offer upside to the aluminium price. We like Chuangxin's strong capacity growth and substantial cost reduction in 2026E-27E.
FIT Hon Teng	6088 HK	Technology	BUY	Alex Ng/Hanqing Li	Looking into 2026, we believe FIT is well-positioned to benefit from architecture upgrade in GB300/VR200 servers and strong product pipeline in interconnect (MCIO, cable cartridge, midplane connector), power (busbar, power whip), liquid cooling (UQD, LC busbar) and CPOs (LGA-to-LGA socket, PLS I/O cage). We expect GTC and OFC 2026 in mid-March will be major upcoming catalysts for the stock, as market will focus on updates on scale-up interconnect and CPO solutions.
Deletions					
BYDE	285 HK	Technology	BUY	Alex Ng/Hanqing Li	We believe the stock will remain range-bound in the near term given overhangs on Android weakness and auto business outlook.

Source: CMBIGM

Performance of our recommendations

- In our last list dated 20 Feb 2026, we highlighted a list of 26 long ideas.
- The basket (equal weighted) of these 26 stocks underperformed MSCI China index by 0.8ppt, delivering -3.0% return (vs MSCI China -2.2%).
- 11 out of the 26 stocks outperformed the benchmark.



Source: Bloomberg, CMBIGM; Note: Stock performance from 20 Feb 2026 to 11 Mar 2026.

Long Ideas

Geely Automobile (175 HK) – We see margin lift potential in FY26E; share repurchase as positive catalyst

Rating: BUY | **TP:** HK$25.00 (41% upside)

Analysts: SHI Ji/ DOU Wenjing/Austin Liang

- **Maintain BUY.** We are of the opinion that Geely's sales volume growth could continue at least throughout FY26E, 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 FY26E. We believe Geely is well positioned among its peers with attractive valuation. Its recent share repurchase should be a positive catalyst.

- **Still has room for new models, especially for medium-size SUVs.** We believe Geely has found the key to NEVs' successful 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 and rising NEV exports to lift margins in 4Q25E and FY26E**. 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 FY26E with a gross margin range of 20-31%. Therefore, we expect GPMs in both 4Q25E and FY26E to be 17.7%. We expect Geely's NEV exports to almost triple YoY to 0.3mn units in FY26E, as more models are set to be sold abroad. These exports could also contribute a higher GPM.

- **Earnings/Valuation.** We project Geely's FY26E sales volume to rise from 3.0mn units in FY25 to 3.4mn units, with about half of growth from exports. We project its net profits to be RMB17.4bn/20.0bn/21.0bn in FY25-27E, respectively. We maintain our BUY rating and target price of HK$25.00, based on 12x our FY26E P/E.

Link to latest report: Geely Automobile (175 HK) - We see margin lift potential in FY26E

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	240,194	344,026	385,463	409,176
YoY growth (%)	34.0	43.2	12.0	6.2
Net profit (RMB mn)	16,632	17,408	20,015	20,999
YoY growth (%)	213.3	4.7	15.0	4.9
EPS (Reported) (RMB)	1.64	1.72	1.96	2.04
P/E (x)	9.7	9.0	7.9	7.6
P/B (x)	1.8	1.7	1.5	1.4
Yield (%)	3.3	3.0	3.4	3.6
ROE (%)	19.9	19.6	20.5	18.8
Net gearing (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Zenergy (3677 HK) – Higher earnings visibility amid better client mix, possible battery price hike

Rating: BUY | **TP:** HK$18.00 (109% upside)

Analysts: SHI Ji/ DOU Wenjing/Austin Liang

- **Maintain BUY.** Zenergy announced a net profit range of RMB680-820mn for FY25E on 26 Feb 2026, higher than our prior forecast of RMB591mn. We believe improving product mix would continue in FY26E and benefit Zenergy's revenue and gross margin. We expect GAC Toyota to surpass Leapmotor (9863 HK, BUY) to be Zenergy's largest revenue contributor this year. That, along with battery price hikes could lead to doubled net profit YoY in FY26E.

- **FY26E outlook.** Recent new models, including the VW *ID. ERA 9X* EREV, Leapmotor *A10* EV and Hongqi *HQ9* PHEV have chosen Zenergy as their battery supplier. We maintain our FY26E sales volume forecast of 30GWh for Zenergy, balancing sales volume contributions from VW against estimates for SAIC-GM-Wuling. We maintain our FY26E revenue forecast at RMB14.6bn amid better client mix and possible battery price hike. We also project FY26E gross margin to widen by 0.5ppts YoY to 18.5% due to the same reasons.

- **Valuation/Key risks.** We maintain our BUY rating and target price of HK$18.00, still based on 22x our FY27E P/E. We believe such valuation is justified given its peers' median FY27E P/E of 15x and Zenergy's higher profit growth outlook. Key risks to our rating and target price include lower NEV sales volume from major clients, slower expansion into new models, lower gross margin than we expect, as well as a sector de-rating.

Link to latest report: Zenergy (3677 HK) - Higher earnings visibility amid better client mix, possible battery price hike

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	5,130	8,200	14,564	20,803
YoY growth (%)	23.3	59.8	77.6	42.8
Operating profit (RMB mn)	(90.9)	423.1	1,174.1	1,955.2
Net profit (RMB mn)	91.0	590.9	1,357.3	1,883.4
YoY growth (%)	na	549.3	129.7	38.8
EPS (Reported) (RMB)	3.93	23.12	52.18	72.27
P/S (x)	3.9	2.5	1.4	1.0
P/E (x)	200.2	34.1	15.1	10.9
ROE (%)	1.7	8.5	15.6	18.2
Net gearing (%)	12.8	Net cash	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 (37% upside)

Analyst: Wayne Fung

- **Investment Thesis:** J&T's express delivery business spans 13 countries, covering seven countries across Southeast Asia (SEA) , including Indonesia, Vietnam, Malaysia, the Philippines, Thailand, Cambodia and Singapore, and China, as well as five countries of New Markets, 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. five 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) its 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 5% below Bloomberg consensus.

- **Catalysts:** (1) better-than-expected parcel volume growth in SEA; (2) further increases 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) - Takeaways from Bangkok investor call; 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)	14.9	11.3	8.8	7.3
P/E (x)	54.2	31.2	18.6	14.3
P/B (x)	3.8	3.5	3.0	2.5
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

招銀国际 CMB INTERNATIONAL

SANY International (631 HK) – Mining truck remains a key market focus

Rating: BUY | **TP:** HK$20.6 (46% upside)

Analyst: Wayne Fung

- **Investment Thesis:** We expect SANYI to maintain growth momentum in 2026E/27E, driven by strong growth of large-size port equipment (with solid backlog) and upside potential in overseas mining trucks, which will 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 will likely serve as new growth drivers.

- **Our View:** Global miners' capex is expected to maintain an upcycle on the back of strong metal price, which will likely translate into upside potential for mining machinery demand (mainly for open pit). SANYI had ~15% of revenue generated from mining trucks in 1H25, which was the highest among the Chinese machinery peers. While we forecast the segment's contribution to total revenue to stay at 15-16% in 2026E-27E, we expect the large-size mining trucks that carry high value and high margins will maintain a higher growth trajectory.

- **Where do we differ vs consensus:** Our earnings forecast in 2025E/26E is -3%/0% versus Bloomberg consensus. We see potential upside to our forecast driven by further increases in mining truck demand.

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

- **Valuation:** Our TP of HK$20.6 is based on 20x 2026E P/E. Our target multiple, based on the peak level since 2017, is to reflect the rising earnings visibility driven by the commodity upcycle.

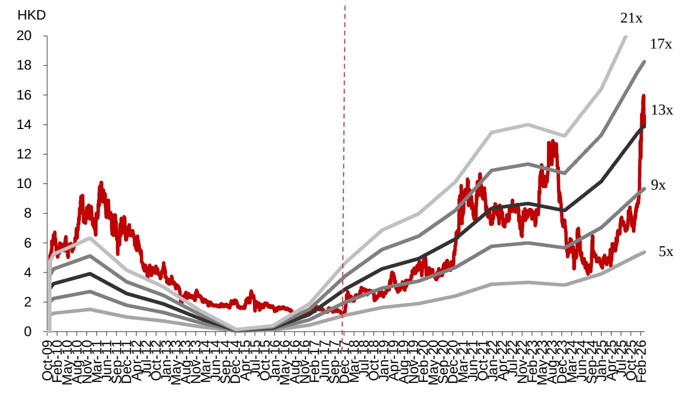
Link to latest report: SANY International (631 HK) - Mining truck gaining traction; Higher earnings forecast and TP

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	21,910	24,571	29,752	34,792
YoY growth (%)	8.0	12.1	21.1	16.9
Core net income (RMB mn)	1,850	2,286	2,990	3,686
Core EPS (RMB)	0.58	0.71	0.92	1.13
YoY growth (%)	-4.6	22.7	30.1	23.0
Consensus EPS (RMB)	N/A	0.73	0.93	1.15
EV/EBITDA (x)	18.5	10.6	8.4	7.0
P/E (x)	37.2	17.9	13.4	10.9
P/B (x)	3.4	3.0	2.6	2.2
Yield (%)	2.1	2.2	3.0	3.7
ROE (%)	15.5	17.7	20.4	21.7
Net gearing (%)	17.5	12.4	6.8	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: SANYI's P/E band



Source: Company data, Bloomberg, CMBIGM estimates

Chuangxin Industries (2788 HK) – Capacity growth in Saudi Arabia + superb cost advantage on low green energy cost in China

Rating: BUY | **TP:** HK$32 (1% upside)

Analyst: Wayne Fung

- **Investment Thesis:** Founded in 2012 and listed on the HKEX in Nov 2025, Chuangxin is primarily engaged in electrolytic aluminum smelting (capacity by end-2025: 788kt, 100% stake) and alumina refining (1.2mt, 58.5% stake). To further expand capacity against the backdrop of capacity cap in China, Chuangxin has initiated a 500kt aluminum project in Saudi Arabia, through forming a JV (25.2% equity interest for Chuangxin) with different parties, including Public Investment Fund (PIF, the sovereign wealth fund of Saudi Arabia). Chuangxin targets to complete the construction in 2Q27E. Chuangxin was just included in Stock Connect on 9 Mar.
- **Our View:** We believe Chuangxin offers unique growth story in the aluminium sector. On the cost side, the on-going commencement of wind & solar captive power source will further push the cost down in 2026E-27E, from the already low cost of electricity. On the growth side, Chuangxin's aluminium capacity construction in Saudi Arabia, with the new round of investment from PIF, offers confidence in project execution. Sector-wise, we believe the tight supply will lend strong support to the aluminium price.
- **Where do we differ vs consensus:** Our earnings forecast in 2025E/26E is -7%/+3% versus consensus. We see further upside to our 2026E forecast on the back of supply disruption in the Middle East.
- **Catalysts:** (1) Slower-than-expected progress of new supply addition in Indonesia; (2) further supply disruption in the Middle East.
- **Valuation:** We derive the valuation for Chuangxin based on P/E ratio (2026E), due to the cyclical nature of the commodity sector. We assign 13x target multiple, which is based on ~20% premium over our target multiple for China Hongqiao (1378 HK, BUY) as we see higher volume growth and cost reduction potential for Chuangxin.

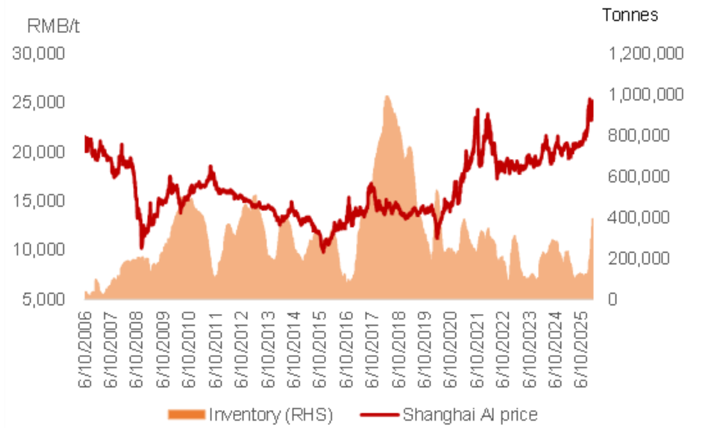
Link to latest report: Chuangxin Industries (2788 HK) - Capacity growth in Saudi Arabia + superb cost advantage on low green energy cost in China

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Revenue (US$ mn)	15,163	15,321	19,784	20,091
YoY growth (%)	9.8	1.0	29.1	1.6
Core net income (US$ mn)	2,056	2,592	4,504	4,819
Core EPS (US$)	1.37	1.67	2.17	2.32
YoY growth (%)	104.9	22.1	29.6	7.0
Consensus EPS (US$)	N/A	1.80	2.12	2.57
EV/EBITDA (x)	10.1	9.3	6.2	6.2
P/E (x)	17.6	14.3	10.7	10.0
P/B (x)	28.9	6.7	4.0	3.0
Yield (%)	0.9	0.0	0.9	1.0
ROE (%)	97.8	59.6	46.4	34.1
Net gearing (%)	466.0	76.3	18.8	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Shanghai aluminium price and inventory



Source: Bloomberg, CMBIGM

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

Rating: BUY **| TP:** HK$5.55 (36% upside)

Analyst: Miao Zhang

- **Investment Thesis:** Bosideng with superior fashion, digital capability and efficiency 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.. 1H25 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 derive 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 a late CNY may lead to a further re-rating. The stock is trading at 10.7x FY26E P/E and a 7% yield.

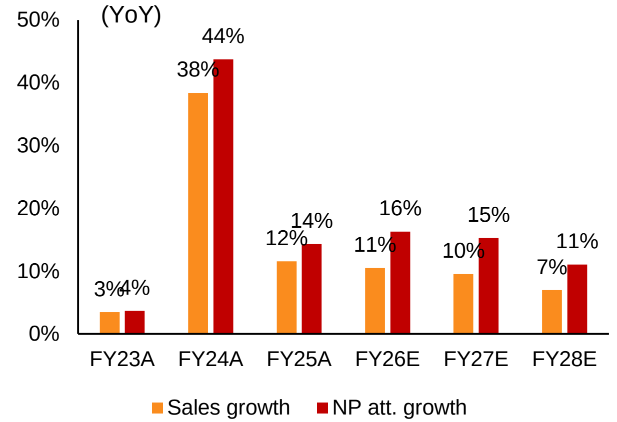
Link to latest report: Bosideng (3998 HK) – Prudent guidance but we are still confident

Financials and Valuations

(YE 31 Mar)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	23,214	25,902	28,624	31,351	33,535
YoY growth (%)	38.4	11.6	10.5	9.5	7.0
OP (RMB mn)	4,397.6	4,966.9	5,516.0	6,255.4	6,831.9
Net profit (RMB mn)	3,120.1	3,552.7	4,128.8	4,756.4	5,279.7
EPS (Reported) (RMB)	0.27	0.30	0.35	0.41	0.45
YoY growth (%)	43.9	13.2	16.3	15.3	11.0
P/E (x)	14.1	12.5	10.7	9.3	8.4
P/B (x)	3.0	3.0	2.8	2.6	2.4
Yield (%)	6.1	6.7	7.4	8.6	9.5
ROE (%)	23.7	25.1	27.3	29.1	29.8
Net gearing (%)	46.7	51.5	54.9	57.7	59.3

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Sales and net profit growth



Source: Company data, CMBIGM estimates

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

Rating: BUY | **TP:** HK$4.80 (26% 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 has 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 of consumption trade-down, 2) relatively low base hence SSSG may still improve further (SSSG was 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 24hours 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 street 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 derive our 12m TP of HK$4.80 based on a 23x FY26E P/E. We think a premium are justified, due to: 1) its vertically integrated business model, 2) massive store network, 3) strong brand equity (in both products and channels). The stock is trading at ~17x FY26E P/E.

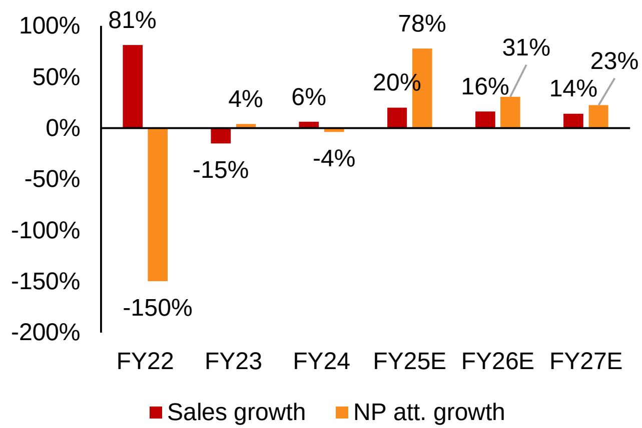
Link to latest report: Guoquan Food (2517 HK) - A national at-home food expert to innovate at all fronts

Financials and Valuations

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	6,094	6,470	7,764	9,036	10,301
YoY growth (%)	(15.0)	6.2	20.0	16.4	14.0
EBITDA (RMB mn)	339.4	284.3	613.0	831.5	9,183.9
Net profit (RMB mn)	263.4	241.2	423.7	553.5	679.1
EPS (Reported) (RMB cents)	8.94	8.37	14.85	19.40	23.81
YoY growth (%)	0.6	(6.3)	77.4	30.6	22.7
P/E (x)	36.8	39.3	22.2	17.0	13.8
EV/EBITDA (x)	25.4	29.8	13.2	9.6	0.9
Yield (%)	1.6	2.2	3.8	5.0	6.1
ROE (%)	9.0	7.5	13.0	16.1	18.6

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 (55% upside)

Analyst: Miao Zhang

- **Investment Thesis:** It is the largest and fastest-growing coffee brand in China, with 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/ the 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, 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 decreased 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 derive 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.

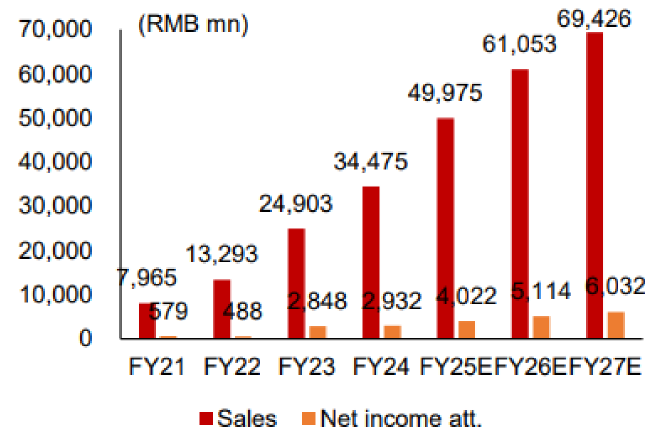
Link to latest report: Luckin Coffee (LKNCY US) – There are still multiple growth drivers in FY26E

Financials and Valuations

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	24,903	34,475	49,975	61,053	69,426
YoY growth (%)	87.3	38.4	45.0	22.2	13.7
EBITDA (RMB mn)	3,630.2	4,728.1	6,808.6	8,674.4	10,202.1
Net profit (RMB mn)	2,847.9	2,931.7	4,021.7	5,113.8	6,032.3
EPS (Reported) (RMB)	1.12	1.15	1.57	1.99	2.33
YoY growth (%)	479.6	2.3	36.5	26.5	17.4
P/E (x)	27.1	26.5	19.4	15.3	13.1
EV/EBITDA (x)	3.4	2.6	1.8	1.3	1.1
Yield (%)	0.0	0.0	0.0	0.0	0.0
ROE (%)	34.9	25.8	26.7	26.0	23.9

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Sales and net profit



Source: Company data, CMBIGM estimates

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

Rating: BUY **| TP:** RMB129.83 (91% upside)

Analyst: Miao Zhang

- **Investment Thesis: 1) 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, with their 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 Southeast Asia. The proposed HK listing should also provide capital and branding support to scale overseas and consolidate the company's multi-brand advantages. **2) 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%. **3) 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 will likely remain elevated around 11.11 shopping festival, we expect the full-year selling expense ratio to trend higher.
- **Our View:** Proya delivered 1H25 revenue and attributable NP growth of +7.2% and +13.8% YoY respectively, missing BBG consensus by 3%/4% primarily driven by 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-brands marketing. The company announced HK listing plan to accelerate overseas expansion. We have trimmed our TP by 3% to RMB129.83 to reflect lower earnings forecast, based on 30x 2025E P/E.
- **Valuation:** We maintain our BUY rating, 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)	22.2	17.1	15.4	14.5	13.9
P/B (x)	6.0	4.8	4.1	3.5	3.0
Yield (%)	2.1	2.3	2.6	2.8	2.9
ROE (%)	30.3	31.7	28.9	26.0	23.6
Net gearing (%)	(87.6)	(75.1)	(74.7)	(74.5)	(74.5)

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

招银国际 CMB INTERNATIONAL

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

Rating: BUY **| TP:** HK$11.87 (21% upside)

Analyst: Miao Zhang

- **Investment Thesis: 1) Packaged water market share is stabilizing.** The company's internal data shows its packaged water market share edged up at end-Q3 from end-Q2, aligned with third-party data (Mashangying) trends we tracked. **2) FY2025E self-owned capacity ratio >60%.** The ratio is slightly above 60%, meeting the target but progress is slower than we expected due to: 1) Longer ramp-up at the Wuyishan factory; 2) The Wenzhou Wencheng "lights-out" factory (1.05mn tons) commenced production on Jan 1, 2026, later than the planned 2H25; 3) The Danjiangkou plant (1.5mn tons) is delayed due to land acquisition and is now expected to start production in Oct 2026. We think the positive impact of capacity expansion will materialize over the longer term. **3) Channel reform is on track.** The flattening reform (4 tiers to 3 tiers) in tier 1 cities is expected to conclude in Q2 2026. For emerging channels, most catering and household channel deployment was completed in 2025, with the remaining to be finished in 2026E.
- **Our View:** We forecast CR Beverage's FY25E net profit to decline 35.5% to RMB1.06bn, with a steeper drop in 2H25E due to concentrated signing of large marketing contracts and increased supply chain investments. Capacity expansion is slightly slower than market expectations, while channel reform is progressing faster. Beyond the stabilization of packaged water market share, we see more positives: 1) The new Chairman has comprehensive experience and is expected to implement significant reforms, particularly at sales end; 2) Frontline sales staff may receive more positive incentives; 3) The company may consider raising dividend payout ratio. In summary, we see 2025 as the year of pressure release. We expect the company to demonstrate better growth during the 15th Five-Year Plan period, with a recovery anticipated as early as 2026.
- **Valuation:** We maintain BUY with TP of HK$11.87, corresponding to 18x 2026E P/E (reflecting 1.0x PEG over the next two years). We suggest investors keep a closer watch given the upcoming earnings release may provide a good entry point. Risks: 1) Economic downturn exceeding expectations; 2) Slower-than-expected capacity expansion; 3) Channel reform falling short of expectations; 4) Food safety incidents; 5) Rising raw material prices etc.

Link to latest report: CR Beverage (2460 HK) - Leave the worst behind in 2025

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	1,056.1	1,294.1	1,493.2
YoY growth (%)	34.3	23.1	(35.5)	22.5	15.4
EPS (Reported) (RMB)	0.66	0.79	0.51	0.62	0.72
Consensus EPS (RMB)	na	na	0.48	0.59	0.69
P/E (x)	13.4	11.3	17.5	14.2	12.3
P/B (x)	2.4	1.6	1.5	1.4	1.4
Yield (%)	0.0	5.4	2.9	3.5	4.1
ROE (%)	21.3	18.0	9.3	11.0	11.9
Net gearing (%)	(30.1)	(50.4)	(41.8)	(39.4)	(40.0)

Source: Company data, Bloomberg, CMBIGM estimates

3Sbio (1530 HK) – Pfizer accelerates global clinical development of 707; ADC combination poised to launch

Rating: BUY | **TP:** RMB37.43 (75% upside)

Analysts: Jill Wu/ Cathy Wang

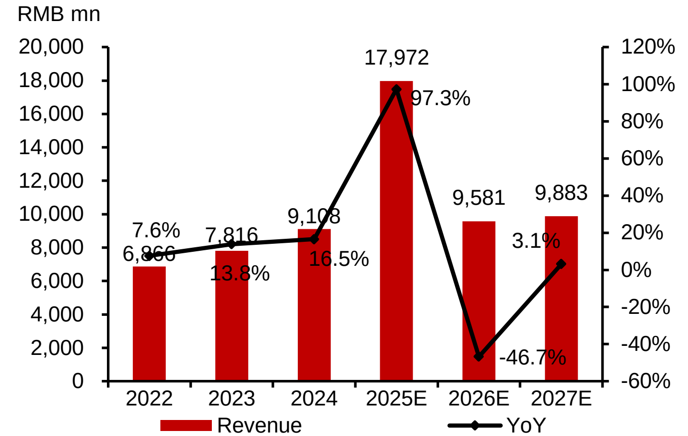
- **Investment Thesis.** Pfizer (PFE US) initiated a new global Ph2/3 study for 707/PF-4404' (PD-1/VEGF), a co-developed asset with 3SBio, in 1L GC. Pfizer also planned to initiate two additional global Ph3 trials in 2026E across 1L indications. Notably, this includes its first Ph3 study evaluating the PD-1/VEGF bispecific in combination with an ADC. In total, Pfizer now has eight global trials underway for 707/PF-4404', four of which are Phase 3 or Phase 2/3. The speed and breadth of its development plans exceeded our expectations. We believe PD-(L)1/VEGF bispecifics are increasingly viewed as potential backbones of future IO regimens. Leveraging internal synergies from its "IO + ADC" portfolios and superior clinical execution, Pfizer is well-positioned in this competitive landscape. As such, we view the advancing development of 707/PF-4404' as a key near- to mid-term catalyst for 3SBio, with the potential to unlock significant global value.
- **Our View: (1)** Four major MNCs, Pfizer (w/ 3SBio), BMS (w/ BioNTech), Merck (w/ LaNova), and AbbVie (w/ RemeGen), have entered the PD-(L)1/VEGF arena. We view clinical execution as the decisive factor, with Pfizer positioned to lead. While Summit has filed a BLA for ivonescimab, approval remains uncertain given limited OS data in *Harmoni* and its niche 2L EGFRm NSCLC inidcation. BMS is currently lagging Pfizer in core 1L indications such as NSCLC and mCRC. Pfizer is aggressively advancing 707/PF'4404, with four global Phase 3 or Ph2/3 trials being initiated, including 1L sq/nsq NSCLC, mCRC, ES-SCLC and GC. First patient in (FPI) has already been achieved for NSCLC, Mcrc and ES-SCLC studies. Notably, Pfizer plans a Phase 3 trial combining 707 with Padcev for 1L urothelial cancer. This internal "Next-Gen IO + ADC" synergy creates a unique competitive moat. **(2)** Beyond 707, 3SBio is advancing a rich pipeline, including 705 (PD-1/HER2) and 706 (PD-1/PD-L1) in Phase 2, offering future business development (BD) potential. Fundamentals remain solid. Subsidiary 3S-Guojian (688336 CH) reported 2025 revenue of RMB4.2bn. Excluding the RMB 2.9bn upfront payment for 707, organic revenue grew ~10% YoY. Moreover, we expected solid *TPIAO* performance and continued growth in *Mandi*.
- **Where do we differ vs consensus:** We estimate 3Sbio to hold a net cash of ~RMB13bn. Given Pfizer's stronger-than-expected clinical plans, we reiterate our high conviction in 707's potential to become a global blockbuster.
- **Valuation:** We derive our target price of HK$37.43 based on a 10-year DCF model (WACC: 10.11%, terminal growth rate: 2.0%) .

Financials and Valuations

(YE 31 Dec)	FY25E	FY26E	FY27E
Revenue (RMB mn)	17,972	9,581	9,883
YoY growth (%)	97.3	(46.7)	3.1
Net profit (RMB mn)	9,741	2,134	2,287
YoY growth (%)	366.0	(78.1)	7.2
EPS (RMB)	3.84	0.84	0.90
P/E (x)	5.6	25.6	23.8

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Revenue trend



Source: Company data, CMBIGM estimates

Link to latest report: 三生制药 (1530 HK) - 辉瑞全速推进707全球临床，ADC联用蓄势待发

Ping An (2318 HK) – Expect fundamental improvements to drive valuation expansion

Rating: BUY | **TP:** HK$90.0 (42% upside)

Analyst: Nika MA

- **Investment thesis: 1) Group OPAT:** expect to scale up by 12% YoY in FY25E to RMB136bn, which implies ~46% YoY increase in 4Q25 (vs.3Q25: +15.2%). The 4Q acceleration could be driven by a) robust L&H OPAT growth underpinned by improving operating variance and investment service result; b) asset management on a YoY drop of impairment loss thanks to capital market recovery and c) P&C's robust underwriting profit. **2) Group NPAT:** we forecast a 5.1% YoY increase in FY25E to RMB133bn. That said, non-operating items (i.e. NPAT-OPAT) could fall in 4Q due to a) weaker equity market performances (i.e. CSI300/SHCOMP: -0.2%/ +2.2% in 4Q25, vs. 3Q25: +18%/+13%); b) an uplifting bond yield to 1.85% as of year-end and flattened in 4Q25, which likely reduced bond fair value gains; and c) revaluation losses on higher value of H-share convertible bonds (Ping An-H share price up by 22.8% (vs. 3Q25/2Q25/1Q25: +6.4%/+7.7%/+0.5%). **3) Resilient NBV growth expected in FY26E.** We expect the insurer's FY26E NBV to accelerate at a double-digit against a high base in FY25 with bancassurance outgrowing agency.
- **Increasing stakes in high-yield H-share banks and China Life-H.** Ping An owns a lower mix of TPL stocks (vs. OCI) compared to peers, for which as of 1H25, the insurer's OCI/TPL stock composition was 65%/35% vs. China Life's 23%/77% and NCI's 20%/80%. The insurer consistently increased stakes in H-share SOE banks and insurance peers, i.e. China Life-H/CPIC-H, with the latest disclosure of share-holding in ABC-H (1288 HK)/PSBC(1658 HK) at 26.11%/17.03% and the stakes in China Life-H (2628 HK)/CPIC-H (2601 HK) at 10.06%/9.05% per HKEx. We regard the high-yield strategy will remain the core of the insurer's strategic asset allocation (SAA) in FY26E.
- **Risk-reward profile still attractive.** The stock is trading at 0.73x FY26E P/EV and 1.0x FY26E P/B with avg. 3yr forward ROE at 13% and a yield of 4.5%, the highest among peers. We think the insurer's fundamental improvements across-the-board could support a valuation expansion cycle in FY26E, and we maintain the view that the CSM release could return to positive growth trajectory in 2H26E. Maintain BUY.
- **Key risks:** 1) regulatory tightening on life insurance or financial conglomerates; 2) prolonged interest rate downtrends; 3) whipsawed equity market performances; 4) lower-than-expected sales volumes; 5) intensified pricing competitions in P&C, etc.

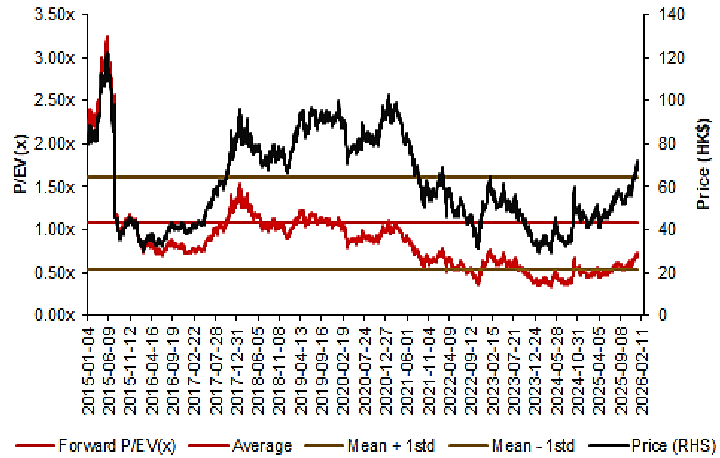
Link to latest report: Ping An (2318 HK) - Banca fuelling NBV growth in jumpstart sales; 4Q earnings could ease on growth stock corrections

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Net profit (RMB mn)	126,607	133,050	140,264	150,344
EPS (RMB)	7.16	7.52	7.93	8.50
Consensus EPS (RMB)	n.a	8.12	8.71	9.34
P/EV (x)	0.8	0.8	0.7	0.7
P/B (x)	1.3	1.1	1.0	0.9
Dividend yield (%)	4.0	4.3	4.5	4.8
ROE (%)	13.9	13.3	12.4	12.0

Source: Company data, Bloomberg, CMBIGM estimates

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



Source: Bloomberg, CMBIGM estimates

AIA (1299 HK) – Rising momentum driven by strong cross-border UW demands

Rating: BUY | **TP:** HK$89.0 (4% upside)

Analyst: Nika MA

- **Investment Thesis:** We expect strong demands to sustain across APAC markets in 2026E. AIA's VONB rose 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 (+5.7pct) on top of the strength in 1H25 (+3.9pct), driven by a favorable shift in product mix. In 1H25, AIA announced the 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 doubled with the share of 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 AIA China's 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 VONB upticks, in our view.
- **Catalysts:** 1) 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 and sustained momentum from cross-border demands. In FY25, MCV arrivals reached 37.8mn in total rising 11.1% YoY against a high base, and we expect the underwriting momentum to remain robust in 2026E given solid MCV arrivals; 3) AIA India's VONB contribution and potential efforts on product mix enhancement; and 4) new buyback program to be announced in mid-March.
- **Maintain BUY.** The stock is trading at 1.3x FY26E P/EV or 2.3x FY26E P/B, with dividend yield at 2.5%. 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 March 2026 during full-year 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 to another growth narrative and boost the share price.
- **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.

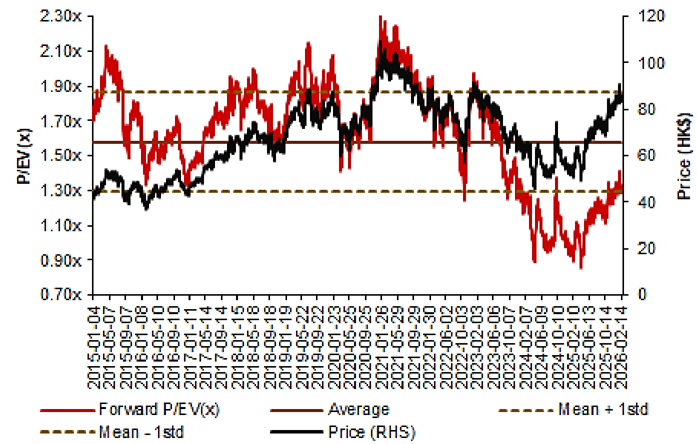
Link to Latest report: AIA Group Ltd. (1299 HK) - 1H25 review: Resilient VONB uptrend with optimistic outlook on China Growth Strategy

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	1.2
P/B (x)	2.9	2.6	2.3	2.1
Dividend yield (%)	2.1	2.3	2.5	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-rewards reinforcing a long-term conviction

Rating: BUY | **TP:** US$228 (49% upside) Analyst: Nika MA

- **Investment Thesis:** Futu is scheduled to release 4Q25 results on March 12 (Thu), pre-market. Despite turbulent HK/US stock markets over the last quarter, we think Futu's stock price has priced in the beta headwinds and is awaiting catalysts to confirm a bottoming rebound. Futu's share price fell 13% YTD, tracking KWEB while underperforming NASDAQ by 9ppts, translating into a trading multiple of 12x FY26E P/E, a steep discount to its global peers. We expect resilient net asset inflows and client acquisitions albeit with softer sequential growth in 4Q25. We forecast the new funded accounts to decline 13% QoQ but rise 3% YoY to 220k in 4Q, leading to a full-year addition of 940k, up by 34% YoY, well ahead of mgmt. FY25 target of 800k. Total client assets remained stable QoQ, with robust net client asset inflows largely offset by the MTM fair value losses (i.e. HSTECH/KWEB down 14.7%/14.0% in 4Q25). We anticipate 4Q25 topline to reach HK$6.3bn, down 2% QoQ, with the QoQ change in brokerage commission and interest income slightly trending down by 2%/1%; and GAAP/non-GAAP bottom-line at HK$3.2/3.3bn, up 73%/70% YoY but flat/flat QoQ.
- **Key Catalysts:** 1) New market entry plan in 2026E. 2) Mgmt. guidance on new client acquisition. 3) Latest progress and synergies with Airstar Bank. 4) Progress in the evaluation phase II for Futu's VATP license.
- **Attractive risk-reward profile.** The stock is now trading at 12x FY26E P/E, representing a steep discount (-50%) to its key peers. We expect Futu to sustain high-teens earnings growth in 2026E (CMBI est: 19%) and await catalysts to confirm a stock price bottoming rebound. Maintain BUY with our TP at HK$228 (unchanged), which corresponds to 19x FY26E 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.

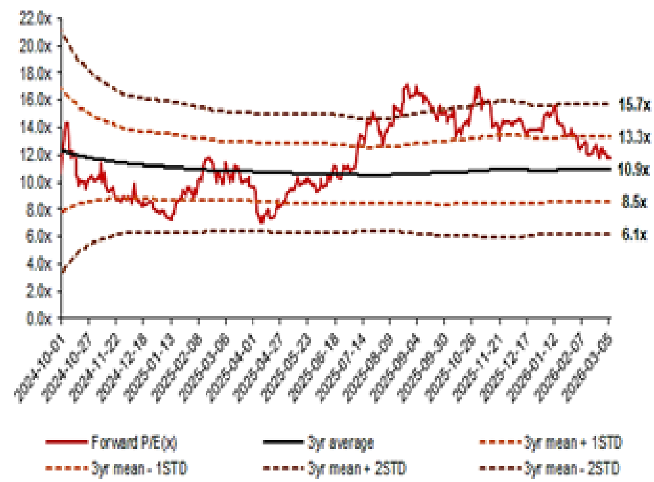
Link to latest report: Futu Holdings (FUTU US) - 4Q25 Preview: Resilient key metrics with modest sequential growth amid market turbulence

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Net profit (HK$ mn)	5,768	11,520	13,651	15,723
EPS (HK$)	38.9	79.3	94.0	108.2
Consensus EPS (HK$)	n.a	79.2	91.2	108.8
P/E (x)	28.7	14.0	11.9	10.4
P/B (x)	5.7	4.1	3.1	2.4
ROE (%)	20.7	33.1	28.7	25.3

Source: Company data, Bloomberg, CMBIGM estimates

Fig.: Share price and P/E(x) valuation



Source: Bloomberg, CMBIGM estimates

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

Rating: BUY | **TP:** HK$760.0 (38% 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. 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) stepped-up AI investment will drive marketing and cloud business revenue growth.
- **Our View:** Tencent's 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 WorkBuddy, 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.

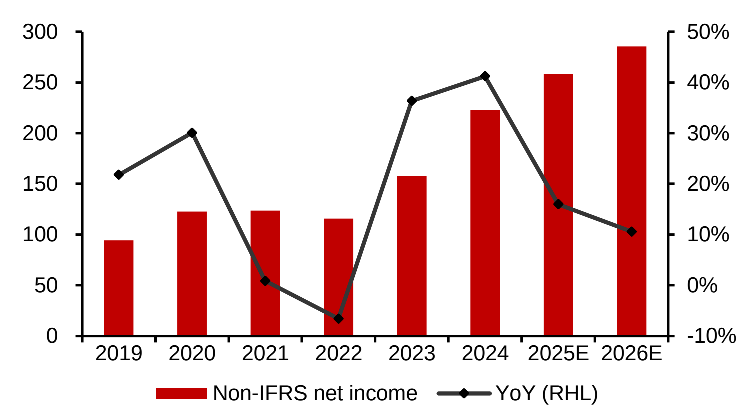
Link to latest report: Tencent (700 HK) - 3Q25 results: solid growth across business lines; upbeat on long-term AI opportunities

Financials and Valuations

(YE 31 Dec)	FY23	FY24	FY25E	FY26E
Revenue (RMB mn)	609,015	660,257	751,126	816,768
Gross margin (%)	48.1	52.9	56.5	57.1
Adj net profit (RMB mn)	157,688	222,703	258,252	285,557
EPS (Adjusted) (RMB)	16.66	23.96	27.82	31.23
Consensus EPS (RMB)	16.66	23.96	27.02	30.35
Non-IFRS P/E (x)	27.1	19.2	16.6	15.0

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 (47% 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 leverages 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:** Our SOTP-derived TP is HK$88.0, including HK$8.2/29.3/44.3 for live streaming/online marketing/e-commerce, and HK$6.1 for net cash. Maintain BUY.

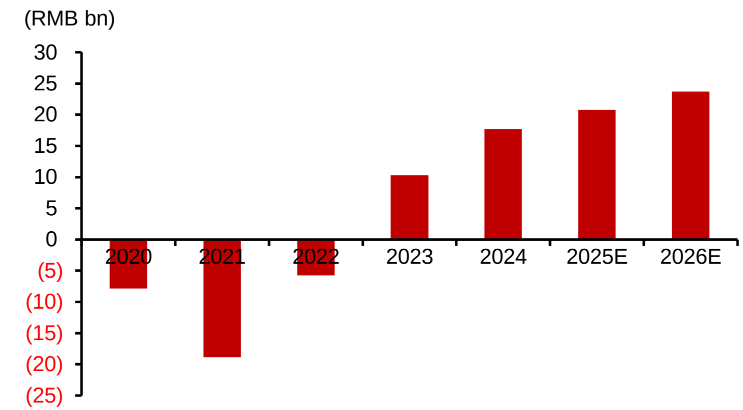
Link to latest report: Kuaishou (1024 HK) - 3Q25 results: AI empowers all business lines

Financials and Valuations

(YE 31 Dec)	FY23	FY24	FY25E	FY26E
Revenue (RMB mn)	113,470	126,898	142,060	153,692
Adj net profit (RMB mn)	10,271	17,716	20,778	23,731
EPS (Adjusted) (RMB)	2.38	4.12	4.85	5.54
Consensus EPS (RMB)	2.38	4.12	4.72	5.53
Non-IFRS P/E (x)	23.2	13.4	11.5	10.0

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 (51% upside)   Analyst: 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 TP of US$206.4, 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 Group (TCOM US) – 3Q results beat; travel demand remains solid

Rating: BUY | **TP:** US$83.0 (59% upside)

Analyst: 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).

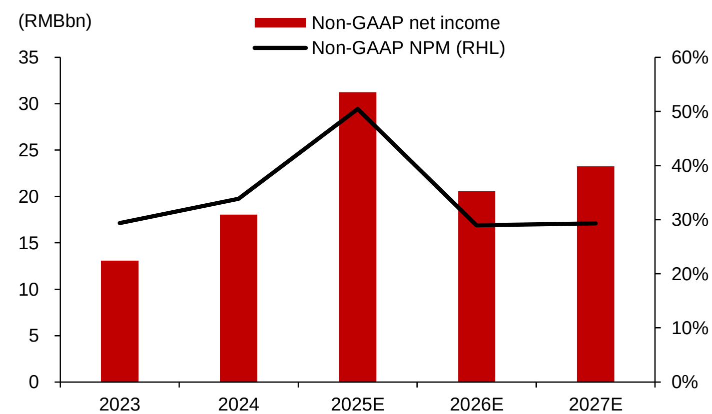
Link to latest report: Trip.com Group (TCOM US) – 3Q results beat; travel demand remains solid

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) – Commercial segment is accelerating growth

Rating: BUY **| TP:** HK$53.96 (21% upside)   Analysts: Miao Zhang

- **Investment Thesis: 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 & jewelleries, 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.
- **Our View:** 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. Overall, we maintain FY25-27E revenue forecasts unchanged, but cut core NP forecasts by 4% to reflect a more reasonable margin expansion pace. We raise our target P/E multiple by 9% to 25x, reflecting reduced reliance on residential biz, strengthened sector leadership, and enhanced scarcity premium amid capital allocation demand.
- **Valuation:** Our TP is HK$53.96, equivalent to 25x 2026E PE. 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.

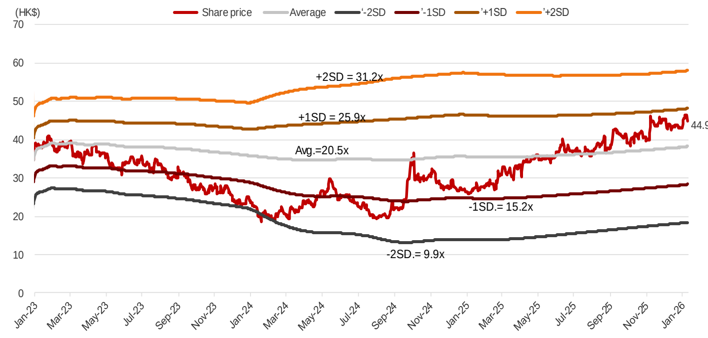
Link to latest report: CR MixC Lifestyle (1209 HK) - FY25 preview: core NP growth trimmed to low teens

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 (%)	1.28	1.59	1.76	1.96	2.17
EPS (Reported) (RMB)	32.8	23.9	10.4	11.8	10.5
Consensus EPS (RMB)	N/A	N/A	1.78	2.03	2.27
P/E (x)	31.6	25.5	23.1	20.6	18.7
P/B (x)	5.8	5.6	6.5	6.2	6.0
Yield (%)	1.2	1.6	4.2	4.7	5.2
ROE (%)	19.4	22.4	26.0	30.8	32.8

Source: Company data, Bloomberg, CMBIGM estimates

Fig: 1-year forward P/E band



Source: Company data, CMBIGM estimates

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

Rating: BUY | **TP:** HK$6.61 (59% upside)

Analysts: Miao Zhang

- **Investment Thesis:** Greentown Service's 1H25 NP rose 22.6% YoY and core operating profit (=GP-SG&A) lifted 25.3% YoY, far exceeding the 15% full-year guidance set by management earlier. During the period, revenue grew 6.1% YoY, with resilient core PM biz (+10.2% YoY) driven by strong third-party expansion (especially non-residential projects). Non-owner VAS flat 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 +0.5/1.8 ppts 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 up 12% YoY and non-residential projects up 16% YoY; 2) Avg. PM fee increased to RMB 3.21/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 0.4 ppts 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.** The company's 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.
- **Our View: 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 >RMB 4.0 bn. We see pressure in new contract wins (only RMB 1.52 bn, 38% secured in 1H25), while we think core OP growth may exceed guidance by maintaining 1H25's momentum.
- **Valuation:** Maintain BUY with TP of HK$6.61 (22x 2025E P/E), reflecting earnings upgrades partially offset by 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 payment). Risks: 1) weak third-party expansion; 2) greater-than-expected gross margin pressure; and 3) decline in developer-related business.

Link to latest report: Greentown Service (2869 HK) - Solid growth driven by notable efficiency gains

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 (%)	0.19	0.25	0.28	0.32	0.35
EPS (Reported) (RMB)	11.7	31.6	11.4	14.4	10.0
Consensus EPS (RMB)	N/A	N/A	0.29	0.34	0.38
P/E (x)	19.8	15.0	13.5	11.8	10.7
P/B (x)	1.9	1.7	1.6	1.6	1.6
Yield (%)	3.6	5.0	5.6	6.4	7.0
ROE (%)	8.3	10.3	11.0	12.2	13.2

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:** HK$75.55 (51% upside)

Analyst: 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), 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. We believe 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 shipments, auto client wins, and AI server component ramp-up.

- **Valuation:** Our TP of RMB75.55 is based on 25x FY26E P/E, in-line with the past 10-yr hist. fwd. P/E, backed by share gains and product expansion to capture AI server, Apple and NEV opportunities in the next 3-5 years.

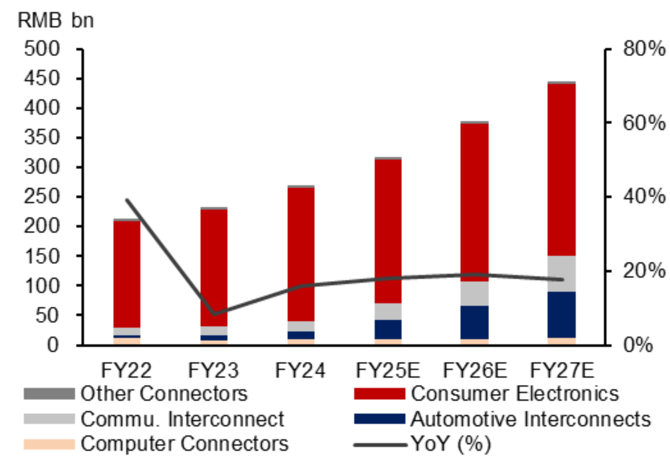
Link to latest report: Luxshare (002475 CH) - Stronger outlook in Apple upgrade cycle and Leoni/ODM synergies; Lift TP to RMB75.55

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
YoY growth (%)	1.86	2.40	3.02	3.87
EPS (RMB)	20.8	29.1	25.9	28.2
Consensus EPS (RMB)	N/A	2.35	2.93	3.57
P/E (x)	26.6	20.6	16.3	12.7
P/B (x)	4.1	3.5	2.8	2.3
Yield (%)	0.0	0.0	0.0	0.0
ROE (%)	15.8	16.8	17.4	18.3
Net gearing (%)	268,795	317,450	378,416	444,880

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Luxshare 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 (83% 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 AAC's business outlook in 2026/27. 1) Optics: solid sales growth with stable margin, with 20mn WLG shipments in FY26E and HCM GPM at 4-6%. 2) ED & PM: haptics upgrade, robotics order wins, VC adoption in AI phones, and NB/casing share gains. 3) Automotive acoustics: share gains in overseas OEMs and Chinese EV brands (Li, Xiaomi, Geely, etc), and expanding product portfolio (speaker, microphone, algorithm). 4) Acoustics: spec upgrade (master-level SLS/ Combo) and an improving mix to drive margin expansion.

- **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 AI glasses, acoustics/haptics/optics spec upgrade, auto client wins and GPM expansion.

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

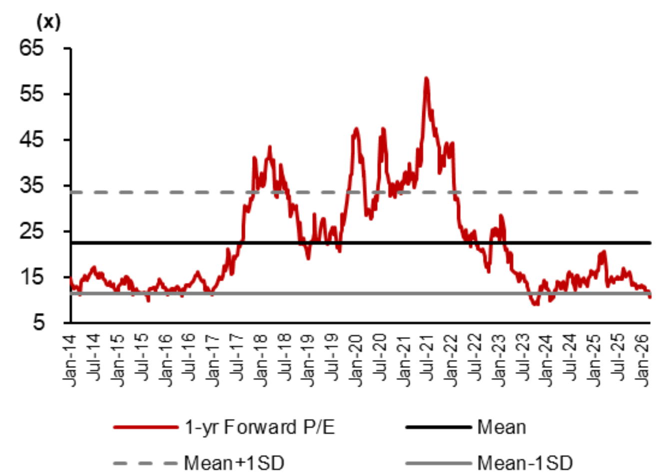
Link to latest report: AAC Tech (2018 HK) - 1H25 in-line despite GPM dip; Solid outlook intact on AI-driven upgrade cycle in 2H25E

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	2.05	2.45	2.82
P/E (x)	20.0	14.1	11.2	9.5
P/B (x)	1.6	1.4	1.3	1.2
Yield (%)	0.8	1.1	1.7	2.0
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

FIT Hon Teng (6088 HK) – Strong 2026 outlook with AI interconnect/ power/thermal upgrades as key growth drivers

Rating: BUY | **TP:** HK$7.33 (30% upside) Analyst: Alex Ng/ Hanqing Li

- **Investment Thesis:** FIT Hon Teng is a global leader in precision interconnect solutions specialized in connectors, cables, optics, wireless components, covering consumer electronics/smartphones, computers, EVs, cloud/data centers and wearables. FIT has undergone a multi-year strategic pivot under “3+3 Strategy”, focusing on three industries “EV mobility, 5G AIoT and audio” and three core technologies “components, modules and system products”.

- **Our View:** Looking into 2026, we believe FIT is well-positioned to benefit from architecture upgrade in GB300/VR200 servers and strong product pipeline in interconnect (MCIO, cable cartridge, midplane connector), power (busbar, power whip), liquid cooling (UQD, LC busbar) and CPOs (LGA-to-LGA socket, PLS I/O cage). We forecast FIT’s AI-related revenue to grow at 95% CAGR in FY25-27E, accounting for 18% of revenue in FY27E (vs 6% in FY25E). For 4Q25/FY25E, we estimate FY25E revenue/net profit growth of 11%/11% YoY, implying 4Q25E revenue/net profit growth of 6%/21% YoY. We expect GTC and OFC 2026 in mid-March will be major upcoming catalysts for the stock, as market will focus on updates on scale-up interconnect and CPO solutions.

- **Where do we differ vs consensus:** We are more positive on AI server business upside and margin expansion in FY26-27E.

- **Catalysts:** Near-term catalysts include GTS 2026, OFC 2026 and 2025 earnings in mid-March.

- **Valuation:** Our TP of HK$7.33 is based on 21x FY26E P/E. The stock trades at 17.5x/12.6x FY26/27E (vs 24x for 1-sd above 8-yr avg. P/E), and we expect further re-rating on higher AI revenue contribution in FY26-27E.

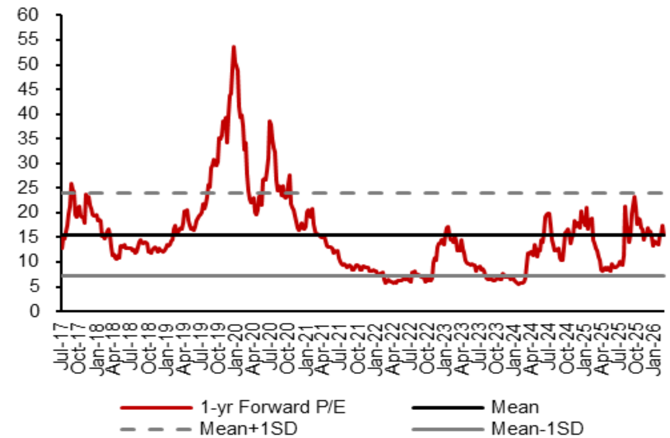
Link to latest report: FIT Hon Teng (6088 HK) - Strong 2026 outlook with AI interconnect/ power/thermal upgrades as key growth drivers

Financials and Valuations

(YE 31 Dec)	FY24A	FY25E	FY26E	FY27E
Revenue (USD mn)	4,451	4,917	5,620	6,696
YoY growth (%)	6.1	10.5	14.3	19.2
Net profit (USD mn)	154	170	311	433
EPS (USD cent)	2.17	2.40	4.38	6.12
YoY growth (%)	19.2	10.7	82.5	39.5
Consensus EPS (USD cent)	N/A	2.54	4.14	5.37
P/E (x)	34.0	30.7	16.8	12.1
P/B (x)	2.1	2.0	1.8	1.5
Yield (%)	0.0	0.0	0.0	0.0
ROE (%)	6.2	6.4	10.5	12.7
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

Innolight (300308 CH) – The strong gets stronger

Rating: BUY | **TP:** RMB707 (29% upside)

Analysts: Kevin Zhang/Aaron Guo

- **2025 preliminary results:** The Company reported RMB38.2bn (60.3% YoY) in revenue and RMB10.8bn (+109% YoY) in net profit for FY2025 on strong hyperscaler/AI infra. capex and improved product mix.
- **Our View:** Innolight's share price saw heightened volatility recently, driven by a cluster of market concerns, NPO/CPO adoption timing, hyperscaler network roadmap evolution, and upstream suppliers' capacity expansion. We view this drawdown as sentiment-driven rather than fundamentals-driven. The core investment theme remains intact: pluggable optical transceivers will continue to dominate hyperscaler scale-out/scale-across deployments through 2026–27E, and Innolight retains a structurally irreplaceable position in high-speed pluggables. Recent earnings from Lumentum (LITE US, NR) and Coherent (COHR US, NR) further reinforce a demand-driven industry backdrop, while practical constraints (reliability validation, serviceability, ecosystem readiness) suggest meaningful CPO adoption is unlikely before late-2027, not a 2026 displacement risk. Reiterate BUY on Innolight with TP unchanged at RMB707. Suggest to follow OFC 2026 starting on 15 March.
- **Risks:** 1) Escalating trade tariffs and geopolitical tensions, 2) supply chain disruption, and 3) slower-than-expected new product adoption rate.
- **Valuation:** Maintain BUY, with TP of RMB707, based on 28x 2026E P/E.

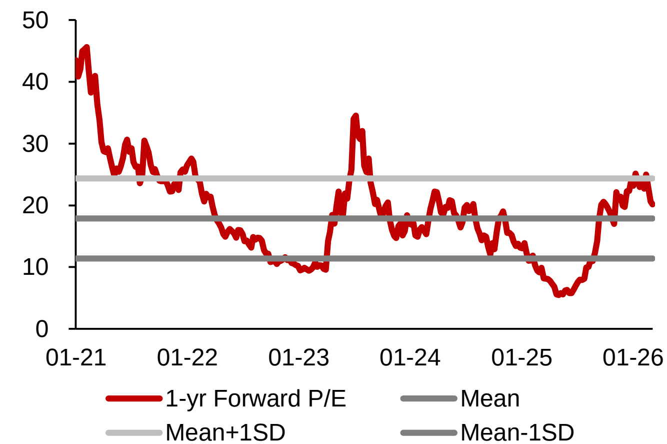
Link to latest reports: Innolight (300308 CH) - Pluggables first, new architecture later

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)	273.5	115.9	55.0	21.7	15.7

Source: Company data, Bloomberg, CMBIGM estimates

Fig: P/E band



Source: Company data, CMBIGM estimates

Shengyi Tech (600183 CH) – Structural AI beneficiary powered by dual-engine growth

Rating: BUY | **TP:** RMB90 (41% upside)

Analysts: Kevin Zhang/Aaron Guo

- **2025 earnings preview:** Shengyi Tech released its 2025 profit alert, with net profit expected at RMB 32.5–34.5bn (up 87%–98% YoY). The strong performance was driven by rising shipment volume and product-mix upgrades that lifted margins, supported by robust demand for high-end CCL (ultra-low-loss / extremely-low-loss) amid accelerating AI infrastructure buildout. Management highlighted ongoing mix optimization and efficiency improvements as key contributors to profitability.
- **Our view:** Shengyi Tech is structurally positioned as one of China's most direct beneficiaries of the AI server buildout, anchored by a dual-engine model spanning premium CCL materials and high-layer-count / HDI PCB. As AI clusters scale, PCB requirements are intensifying: higher layer counts, tighter line/space, greater HDI penetration, and materially higher usage of ultra-/extremely-low-loss laminates, all of which are areas that Shengyi combines deep process know-how with meaningful capacity and execution advantages.
- Its subsidiary Shengyi Electronics (688183 CH, NR) has delivered standout momentum, with net profit in 2025 expected to be RMB1.43bn-1.51bn, per its profit alert, accelerating the company's earnings mix shift toward higher-value, higher-margin products. Meanwhile, CCL continues to provide a resilient base: cost pressures appear manageable, pricing discipline is improving, and demand-driven tightness supports pass-through. We see structural gross margin upside from (1) a mix shift toward advanced PCB/HDI, (2) stronger absorption as utilization improves, and (3) continued CCL margin recovery, with incremental raw-material inflation increasingly transferable to customers given sustained end-market strength.
- **Key risks:** slower-than-expected capacity ramp-up, intensified competition, geopolitical uncertainties, etc.
- **Valuation:** TP is RMB90, based on 35x 2026E P/E.

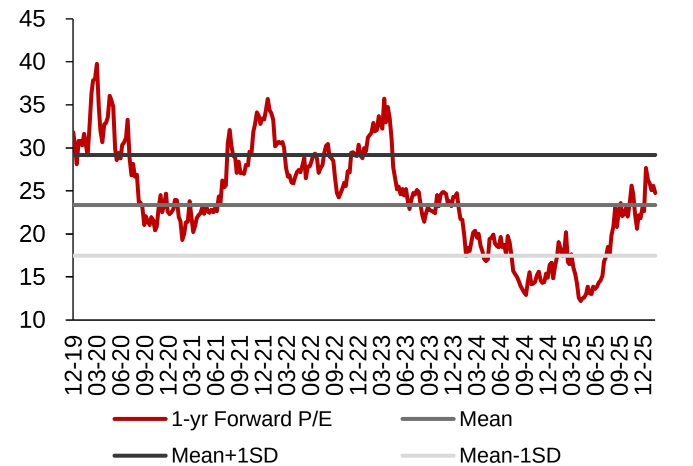
Link to latest report: Shengyi Tech (600183 CH) - 3Q25 results: AI super-cycle in full swing; Raising TP to RMB90

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)	8.5	12.0	21.6	32.6	38.8

Source: Company data, Bloomberg, CMBIGM estimates

Fig: 1-year forward P/E band



Source: Company data, CMBIGM estimates

Naura (002371 CH) – Platform leader to capture China's SME localization upside

Rating: BUY **| TP:** RMB460 (1% upside)

Analysts: Kevin Zhang/Aaron Guo

- **Our view:** China's semiconductor equipment sector remains one of our top investment themes for 2026E, as localization momentum continues to accelerate and meaningful R&D breakthroughs look increasingly attainable. Naura is, in our view, the best-positioned platform-style domestic semicap champion to monetize these tailwinds, accelerated by a strong portfolio in etch, deposition, thermal processing and cleaning (collectively >80% of sales in 2025E, per our est.). With capacity expansion plans from China's major memory producers alongside steady foundry capex from leading logic players, we expect Naura to deliver resilient mid-to-long-term growth with improving share gains. In addition, the company's push into ion implantation and the Kingsemi acquisition further broaden its product offering (e.g., coating, bonding and cleaning) and should unlock cross-selling opportunities, platform synergies and stronger customer stickiness over time.
- 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 strengthen its long-term growth trajectory.
- **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 set at RMB460, based on 35x FY26E P/E.

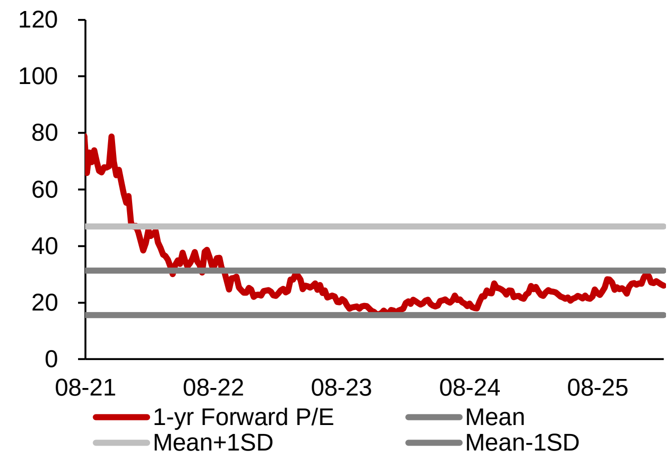
Link to latest report: Naura Technology (002371 CH) - Intact long-term growth trajectory despite seasonal fluctuations; Maintain BUY

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)	17.7	20.3	21.2	22.3	22.3

Source: Company data, Bloomberg, CMBIGM estimates

Fig: 1-year forward P/E band



Source: Company data, CMBIGM estimates

Datadog (DDOG US) – Robust usage growth to drive solid revenue growth outlook

Rating: BUY | **TP**: US$196.90 (54% upside)

Analyst: Saiyi He/Frank Tao/Wentao LU

- **Company overview:** Datadog is a modern observability and security tools provider, starting with infrastructure monitoring and expanding to Application Performance Monitor (APM), Log Management, Network Performance Monitoring (NPM), Real User Monitoring (RUM), User Experience (UX), and cloud security on the unified platform. For 2025, Datadog's total revenue grew 27.7% YoY to US$3.4bn, and non-GAAP OPM reached 22.4%.
- **Investment thesis and our view:** We are positive on DDOG's long-term business development potential, driven by the secular trend of digital transformation and cloud migration, as well as DDOG's strong cross selling and upselling capability, and potential for international expansion. Our positive view is based on: 1) Datadog has strong cross-sell and upsell capability: as of 4Q25, c. 84/55/33/18/9% of customers used more than 2/4/6/8/10 products of the company, up by 1/5/7/6/4ppts YoY respectively; net dollar-based retention rate was about 120% in 4Q25, flat QoQ and up from high-110% in 4Q24; 2) Strong revenue growth trajectory was seen in both AI and non-AI customers: management highlighted that DDOG has accumulated more than 650 AI-native companies in its customer base in 4Q25 (3Q25: 500), among which 19 are spending more than US$1mn annually (3Q25: 15); revenue excluding AI-native customer group was up 23% YoY in 3Q25, accelerating from 18%/20% YoY in 2Q25/3Q25.
- **Catalysts:** 1) further acceleration in revenue growth from non-AI customers; 2) increase in ARR contribution from AI-native customers; 3) better-than-expected FCF growth aided by solid revenue growth and unleashing of operating leverage.
- **Valuation:** Our target price is US$196.9 based on 16.3x FY26E EV/EBITDA, inline with two-year average plus one standard deviation.

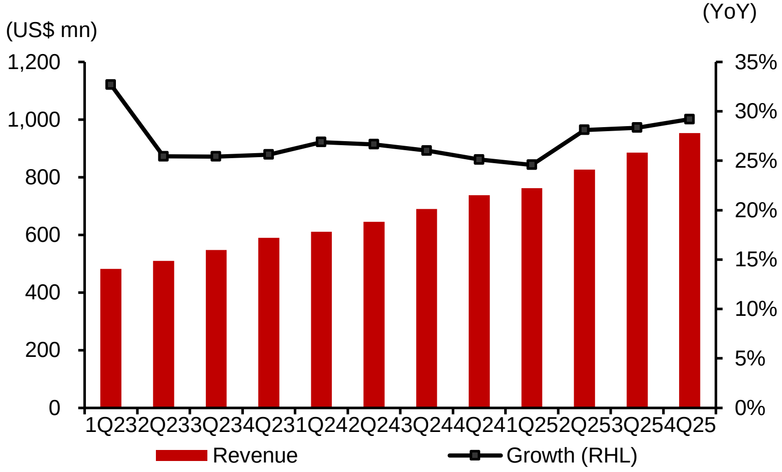
Link to latest report: Datadog (DDOG US) — Robust usage growth to drive solid revenue growth outlook

Financials and Valuations

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (US$ mn)	2,684	3,427	4,098	4,925	5,876
YoY growth (%)	26.1	27.7	19.6	20.2	19.3
Net profit (US$ mn)	183.7	107.7	97.0	168.8	262.6
Adjusted net profit (US$ mn)	653.8	746.6	779.2	992.7	1,232.5
YoY growth (%)	40.9	14.2	4.4	27.4	24.2
EPS (Adjusted) (US$)	1.83	2.06	2.09	2.57	3.06

Source: Company data, CMBIGM estimates

Fig: Datadog: revenue and YoY growth



Source: Company data, CMBIGM estimates

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