CMBI Research Focus List

Our best high conviction ideas

10 Apr 2026

CMBI Focus List – Long and short ideas

Company	Ticker	Sector	Rating	M cap (US$ bn)	3M ADTV (US$ mn)	Price (LC)	TP (LC)	Up/Down -side	P/E (x) FY25A	P/E (x) FY26E	P/B (x) FY25A	ROE (%) FY25A	Yield FY25A	Analyst
Long Ideas														
Geely Automobile	175 HK	Auto	BUY	34.3	175.8	24.9	25.00	0%	9.60	9.00	1.70	18.8	2.9%	Shi Ji/ Wenjing Dou/ Austin Liang
Zenergy	3677 HK	Auto	BUY	3.0	2.1	9.1	18.00	97%	22.80	13.30	N/A	11.6	N/A	Shi Ji/ Wenjing Dou/ Austin Liang
J&T Express	1519 HK	Logistics	BUY	12.4	39.5	10.9	14.70	35%	26.60	18.60	3.60	14.20	0.0%	Wayne Fung
SANY International	631 HK	Capital Goods	BUY	5.4	22.5	12.7	19.50	53%	37.20	17.90	3.40	15.5	2.1%	Wayne Fung
Chuangxin Industries	2788 HK	Materials	BUY	8.4	22.9	31.7	32.00	1%	16.20	12.70	6.20	50.2	2.5%	Wayne Fung
Bosideng	3998 HK	Consumer Discretionary	BUY	6.4	16.1	4.3	5.55	29%	12.10	10.40	2.90	25.1	6.9%	Miao Zhang
Guoquan Food	2517 HK	Consumer Discretionary	BUY	1.5	8.1	4.6	4.80	5%	27.50	21.10	N/A	13.0	3.1%	Miao Zhang
Luckin Coffee	LKNCY US	Consumer Discretionary	BUY	9.4	61.5	32.8	54.68	67%	17.40	13.70	N/A	26.7	0.0%	Miao Zhang
CR Beverage	2460 HK	Consumer Staples	BUY	2.8	4.3	9.2	11.09	21%	19.20	16.10	1.70	8.9	3.2%	Miao Zhang
3Sbio	1530 HK	Healthcare	BUY	7.4	78.1	22.8	34.87	53%	26.70	31.40	N/A	N/A	N/A	Jill Wu/ Cathy Wang
Ping An	2318 HK	Insurance	BUY	151.7	361.0	62.8	90.00	43%	N/A	N/A	1.00	14.0	5.0%	Nika Ma
AIA	1299 HK	Insurance	BUY	119.6	318.3	89.2	112.00	26%	N/A	N/A	2.70	17.0	2.2%	Nika Ma
FUTU Holdings	FUTU US	Brokerage	BUY	21.6	253.6	155.3	228.00	47%	15.20	13.10	4.40	33.3	N/A	Nika Ma
Tencent	700 HK	Internet	BUY	585.4	2014.9	502.5	750.00	49%	15.70	14.80	N/A	N/A	N/A	Saiyi He/ Wentao Lu/ Frank Tao
Alibaba	BABA US	Internet	BUY	304.8	1771.3	127.7	206.10	61%	15.80	22.70	N/A	N/A	N/A	Saiyi He/Frank Tao/Wentao Lu
Meituan	3690 HK	Internet	BUY	69.1	612.8	87.7	141.10	61%	N/A	N/A	N/A	N/A	N/A	Saiyi He/ Wentao Lu/ Frank Tao
Trip.com	TCOM US	Internet	BUY	33.6	238.0	51.3	83.00	62%	7.00	13.40	N/A	N/A	N/A	Saiyi He/Frank Tao/Wentao LU
CR MixC Lifestyle	1209 HK	Property	BUY	13.8	24.0	47.2	53.58	13%	24.30	21.60	6.20	24.8	1.2%	Miao Zhang
Greentown Service	2869 HK	Property	BUY	1.8	1.9	4.4	6.55	50%	13.50	11.50	1.60	11.2	5.6%	Miao Zhang
Luxshare	002475 CH	Technology	BUY	62.8	1034.9	58.9	75.55	28%	21.80	17.30	3.70	16.8	0.0%	Alex Ng/ Hanqing Li
AAC Tech	2018 HK	Technology	BUY	5.4	22.7	36.6	55.27	51%	15.20	13.20	1.90	10.1	0.0%	Alex Ng/ Hanqing Li
FIT Hon Teng	6088 HK	Technology	BUY	7.3	53.4	7.8	7.42	N/A	39.40	19.60	2.30	5.8	0.0%	Alex Ng/ Hanqing Li
Innolight	300308 CH	Semiconductors	BUY	120.3	2735.8	739.5	707.00	N/A	70.20	27.30	N/A	N/A	N/A	Kevin Zhang/Aaron Guo
Shengyi Tech	600183 CH	Semiconductors	BUY	22.0	424.6	61.9	90.00	46%	41.00	22.90	N/A	N/A	N/A	Kevin Zhang/Aaron Guo
Naura	002371 CH	Semiconductors	BUY	51.0	548.8	480.5	460.00	N/A	46.80	36.30	N/A	N/A	N/A	Kevin Zhang/Aaron Guo
Datadog	DDOG US	Software & IT services	BUY	38.6	709.3	109.0	196.90	81%	N/A	N/A	N/A	N/A	N/A	Saiyi He/Frank Tao/Wentao Lu

Source: Bloomberg, CMBIGM. Data as of 10/4/2026 3 pm.

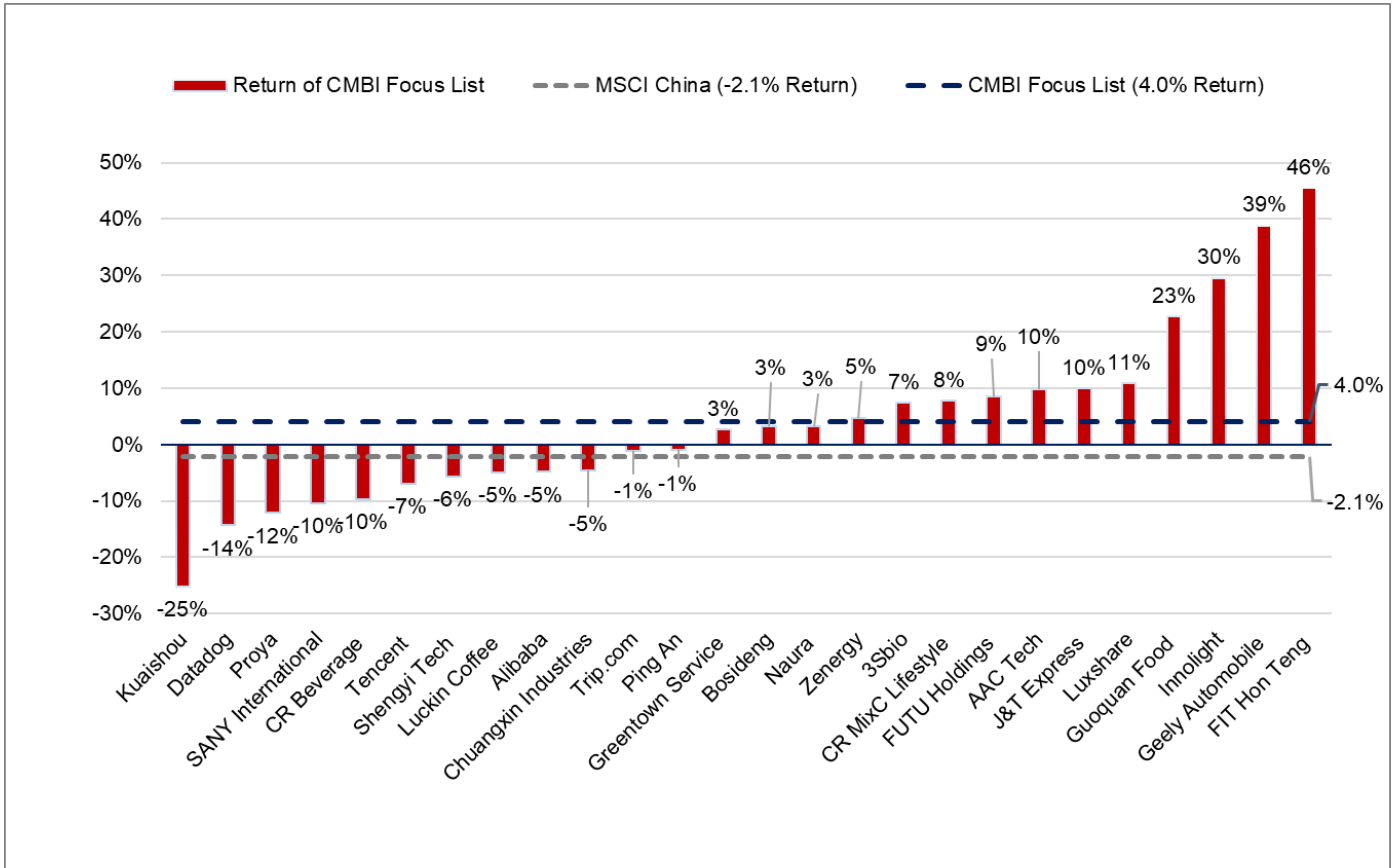
Latest additions/deletions from CMBI Focus List

Company	Ticker	Sector	Rating	Analyst	Rationale
Additions					
Meituan	3690 HK	Internet	BUY	Saiyi He/ Wentao Lu/ F	We add Meituan: The inflection point of earnings recovery has emerged, and we believe the earnings of Meituan's Core Local Commerce (CLC) business are bottoming out, as: 1) regulatory guidance in the food delivery industry is steering the sector toward healthier development; and 2) players in the in-store segment are increasingly focusing on their core competencies and core categories to drive more efficient expansion. Meituan has demonstrated strong consumer mindshare in high-value food delivery (FD) orders, and improved operating efficiency should help sustain its unit economics (UE) advantage over peers in the long term.
Deletions					
Proya	603605 CH	Consumer Staples	BUY	Miao Zhang	1) Slowdown in core business: Proya sees weakening growth momentum in its core business, with its main skincare business and flagship brand stuck in a growth bottleneck and under persistent performance pressure. 2) Profitability pressure: The company's product mix tilts toward lower-priced products, and lingering cost pressures plus a high sales expense ratio lead to a continuous decline in profitability. 3) Fading traffic: Highly dependent on online channels, Proya suffers from fading online traffic dividends, diminishing marginal marketing efficiency and rising customer acquisition costs. 4) Weak new drivers: New growth drivers like the hair care business are small in scale and in the early cultivation stage, failing to make up for the performance gap of the flagship brand and lacking sufficient support. 5)Grim environment: Fierce competition in the beauty industry combined with weak consumer demand deteriorates the external environment, further restraining the company's revenue and performance growth. Given the above-mentioned reasons, we believe the share price has room to decline after upcoming 1Q26 earnings and remove the company from our focus list accordingly.
Kuaishou	1024 HK	Internet	BUY	Saiyi He/ Wentao Lu/ F	We remove Kuaishou as: 1) stepped-up AI investment impacts short-term earnings (FY26E non-IFRS profit -17% YoY); 2) total revenue growth decelerates in FY26E due to the adjustments in the live streaming business, overseas business headwinds, and a slowdown in e-commerce business; 3) intensifying competition in the video model market.

Source: CMBIGM

Performance of our recommendations

- In our last list dated 12 Mar 2026, we highlighted a list of 26 long ideas.
- The basket (equal weighted) of these 26 stocks outperformed MSCI China index by 6.1ppts, delivering 4.0% return (vs MSCI China -2.1%).
- 16 out of the 26 stocks outperformed the benchmark.



Source: Bloomberg, CMBIGM; Note: Stock performance from 12 Mar 2026 to 9 Apr 2026.

Long Ideas

Geely Automobile (175 HK) – We expect more resilient margins than peers

Rating: BUY **| TP:** HK$25.00 (0% upside)

Analysts: SHI Ji/ DOU Wenjing/Austin Liang

- **Maintain BUY.** Geely management's upbeat tone at FY25 analyst briefing conference gives us more confidence in its GPM outlook. We believe that Geely is better positioned than most peers with its sales growth outlook, cost reduction efforts, and overseas sales potential. Unlike some investors, we do not view its synergy with parent company and partnerships with other players as a valuation drag given its track record in the past years.
- **We expect resilient GPM in FY26E despite component price volatility.** We project Geely's GPM in FY26E to rise by 0.8ppts YoY to 17.4%, aided by greater economies of scale, rising exports, improving model mix (Zeekr *9X*, *8X*, *Galaxy M9* etc.) and continued synergies from brand integration. Management believes the margin dent from rising component prices is limited and expects 1Q26 GPM to be no worse than 4Q25 despite a traditional low season, which should be better than most peers. Geely's exports likely beat its target of 0.64mn units in FY26E and we see more room for growth in the medium to long term, as Geely is actively seeking local production in different regions with its partners.
- **Improving earnings quality. Management expects R&D capitalization ratio to continue declining for better earnings quality.** That also implies its confidence in earnings outlook, in our view. We maintain our FY26E sales volume forecast of 3.4mn units with slightly lower GPM projection, higher R&D expenses and forex loss. Accordingly, we revise down our FY26E net profit forecast by 3% to RMB19.4bn, which reflects better earnings quality than FY25. In fact, we raise FY27E net profit forecast by 3% to RMB21.7bn due to continued cost reduction and lower amortization burden from decreased R&D capitalization ratio.
- **Valuation/Key risks.** We maintain our BUY rating and target price of HK$25.00, which is still based on 12x our FY26E P/E. Key risks to our rating and target price include lower sales volume and/or GPM than we expect, especially from NEV models, as well as a sector de-rating.

Link to latest report: Geely Automobile (175 HK) - We expect more resilient margins than peers

Financials and Valuations

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E
Revenue (RMB mn)	240,194	345,232	384,228	407,506
YoY growth (%)	34.0	43.7	11.3	6.1
Net profit (RMB mn)	16,632.4	16,852.2	19,389.8	21,660.3
YoY growth (%)	213.3	1.3	15.1	11.7
EPS (Reported) (RMB)	1.65	1.67	1.77	1.96
P/E (x)	9.6	9.6	9.0	8.1
P/B (x)	1.8	1.7	1.6	1.4
Yield (%)	1.9	2.9	4.5	4.9
ROE (%)	19.9	18.8	19.3	18.7
Net gearing (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Zenergy (3677 HK) – Brighter sales outlook after strong 2H25 earnings

Rating: BUY | **TP:** HK$18.00 (97% upside)

Analysts: SHI Ji/ DOU Wenjing/Austin Liang

- **Maintain BUY.** Zenergy's 2H25 earnings beat on GPM and opex, reflecting its operational efficiency, improving client mix and minimal legacy burden, as we noted in our previous reports. We raise our sales volume forecast for both FY26E and FY27E, following management's more positive guidance for FY26E and more aggressive capacity expansion plans in FY26-27E. We revise up our FY26-27E net profit estimates by 7%/10%, respectively.
- **New orders could be better than expected.** Management turned more positive on its sales volume in FY26E, with a new guidance of 30+GWh, up from 30GWh in Aug 2025, as it secured design wins for 32 new models in FY25. The company also expects energy storage to account for 10-15% of total sales volume this year with new capacity available. Therefore, we revise up our FY26E sales volume forecast from 30GWh to 33GWh. Zenergy is likely to further expand its capacity in FY27E after a planned capacity increase of 35GWh in FY26E, which probably implies more solid order backlog than we had expected. We raise our FY27E sales volume forecast from 45GWh to 50GWh.
- **Superb opex control to offset possible GPM pressure.** We are of the view that battery makers could face more GPM pressure this year amid rising raw-material costs, stiffer competition in China's NEV market and current geopolitical tension. We believe such possible dent could be offset by Zenergy's stringent opex control and greater economies of scale. We project GPM to narrow by 1.5ppts YoY to 16.9% in FY26E and SG&A and R&D combined ratio to drop by 2.7ppts YoY to 8.5% during the same period.
- **Earnings/Valuation.** We revise up our FY26-27E net profit estimates by 7%/10% to RMB1.46bn/2.07bn, respectively. We maintain our BUY rating and target price of HK$18.00, based on 20x our revised FY27E P/E to reflect GPM uncertainties. Key risks to our rating and target price include lower NEV sales volume from major clients, slower expansion into new models, lower margins than we expect, as well as a sector de-rating.

Link to latest report: Zenergy (3677 HK) - Brighter sales outlook after strong 2H25 earnings

Financials and Valuations

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E
Revenue (RMB mn)	5,130	8,101	16,058	22,628
YoY growth (%)	23.3	57.9	98.2	40.9
Gross margin (%)	14.6	18.4	16.9	17.3
Operating profit (RMB mn)	(90.9)	377.2	1,389.6	2,090.7
Net profit (RMB mn)	91.0	808.6	1,454.8	2,066.7
YoY growth (%)	N/A	788.4	79.9	42.1
EPS (Reported) (RMB cents)	3.93	32.57	55.93	79.31
P/S (x)	3.7	2.3	1.2	0.8
P/E (x)	188.8	22.8	13.3	9.4
ROE (%)	1.7	11.6	16.5	19.4
Net gearing (%)	12.8	5.4	(7.3)	(14.0)

Source: Company data, Bloomberg, CMBIGM estimates

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

Rating: BUY | **TP:** HK$14.7 (35% upside)

Analyst: Wayne Fung

- **Investment Thesis:** J&T's express delivery business spans 13 countries, covering seven countries across SEA, including Indonesia, Vietnam, Malaysia, the Philippines, Thailand, Cambodia and Singapore, and China, as well as five countries of New Markets, including Saudi Arabia, UAE, Mexico, Brazil and Egypt. J&T is the largest express delivery operator in Southeast Asia (SEA) with a respectable market share of 34.4% (2025). In China, J&T ranked number five with market share of 11.1% (2025). 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:** Looking into 2026, J&T is confident of achieving parcel volume growth of 50% in SEA, 10% in China and 90% in other markets. We continue to like J&T, due to (1) the unmatched competitive edge and market share gain potential in SEA, and (2) strong potential in other markets such as Brazil and the Middle East.

- **Why do we differ vs consensus:** Our earnings forecast in 2026E/27E is 0%/-2% versus consensus, which we see as normal deviation.

- **Catalysts:** (1) better-than-expected parcel volume growth in SEA; (2) further increase in parcel ASP in China.

- **Valuation:** We apply different EV/EBITDA multiples for different markets to better reflect their respective growth outlook. Our SOTP-based TP is HK$14.7.

- **Link to latest report:** J&T Express (1519 HK) – 2025 earnings beat expectations; Market share further expanded

Financials and Valuations

(YE 31 Dec)	FY25A	FY26E	FY27E	FY28E
Revenue (US$ mn)	12,158	14,117	16,354	18,704
YoY growth (%)	19	16	16	14
Core net income (US$ mn)	425	615	830	990
Core EPS (US$)	0.05	0.07	0.09	0.11
YoY growth (%)	111.6	43.4	34.9	19.3
Consensus EPS (US$)	N/A	0.07	0.10	N/A
EV/EBITDA (x)	11.6	8.3	6.9	6.2
P/E (x)	26.6	18.6	13.8	11.5
P/B (x)	3.6	3.1	2.6	2.2
Yield (%)	0.0	0.0	0.0	0.0
ROE (%)	14.2	17.9	20.4	20.4
Net gearing (%)	9.5	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$mn)	% of total
SEA	EV/EBITDA	EBITDA	897	14	12,563	75%
China	EV/EBITDA	EBITDA	369	6.5	2,399	14%
New markets	EV/EBITDA	EBITDA	94	20	1,882	11%
Total EV					**16,845**	100%
Add: Net cash (end 2025)					-269	
Minus: MI					0	
Equity value					**16,575**	
Target price						
US$					**1.88**	
HK$					**14.7**	

Source: Company data, CMBIGM estimates

招銀国际 CMB INTERNATIONAL

SANY International (631 HK) – Multiple growth drivers ahead

Rating: BUY | TP: HK$19.5 (53% 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 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 to upside potential to mining machinery demand (mainly for open pit). SANYI had ~17% of revenue generated from mining trucks in 2025, which was the highest among the Chinese machinery peers. While we forecast the segment's contribution to the total revenue to maintain at ~17% in 2026E-27E, we expect the large-size mining trucks that carry high value and high margin will maintain a higher growth trajectory.

- **Why do we differ vs consensus:** Our earnings forecast in 2026E/27E is --6%/-1% versus consensus. Our lower estimates are due to more conservative assumptions on road header sales.

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

- **Valuation:** Our TP of HK$19.5 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.

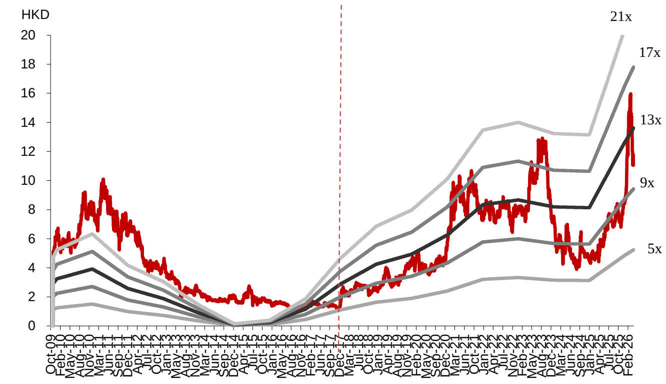
- **Link to latest report:** SANY International (631 HK) – Multiple growth drivers ahead

Financials and Valuations

(YE 31 Dec)	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	24,334	30,043	35,426	41,619
YoY growth (%)	11.1	23.5	17.9	17.5
Core net income (RMB mn)	1,851	2,813	3,694	4,422
Core EPS (RMB)	0.57	0.87	1.14	1.36
YoY growth (%)	(0.8)	51.3	31.0	19.7
Consensus EPS (RMB)	N/A	0.93	1.15	N/A
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 500 kt aluminum project in Saudi Arabia, through forming a JV (33% equity interest for Chuangxin) with different parties. Chuangxin targets to complete the construction in 2Q27E.

- **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 serves as a key growth driver. Sector-wise, we believe the tight supply will lend strong support to the aluminium price.

- **Why do we differ vs consensus:** Our earnings forecast in 2026E/27E is +4%/-9% 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.

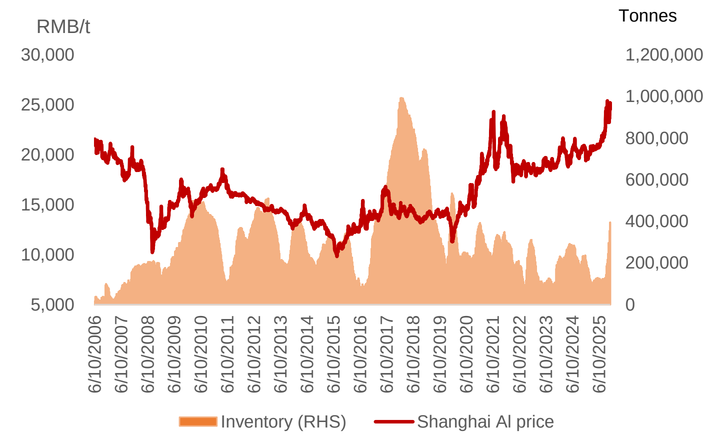
- **Link to latest report:** Chuangxin Industries (2788 HK) – Takeaways from post-results meeting

Financials and Valuations

(YE 31 Dec)	FY25A	FY26E	FY27E	FY28E
Revenue (US$ mn)	18,681	19,670	19,956	20,120
YoY growth (%)	23.2	5.3	1.5	0.8
Core net income (US$ mn)	2,731	4,546	4,845	5,083
Core EPS (US$)	1.76	2.19	2.34	2.45
YoY growth (%)	28.7	24.2	6.6	4.9
Consensus EPS (US$)	N/A	2.12	2.57	N/A
EV/EBITDA (x)	10.3	6.9	6.8	6.8
P/E (x)	16.2	12.7	11.9	11.3
P/B (x)	6.2	4.5	3.4	2.7
Yield (%)	2.5	0.8	0.8	0.9
ROE (%)	50.2	40.7	32.5	26.2
Net gearing (%)	55.6	36.4	Net cash	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 (29% 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 derived our 12m TP of HK$5.55 based on 13x FY26E P/E. We believe successful new product launches, further upgrades around store formats and experience, favourable weather and a late CNY may lead to a further re-rating. The stock is trading at 10.7x FY26E P/E and a 7% yield.

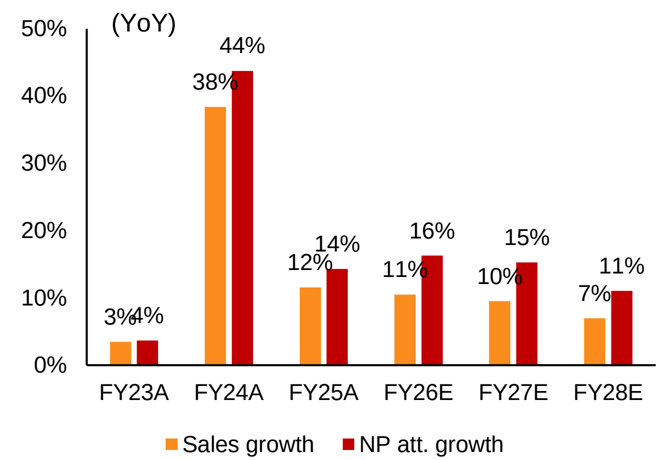
Link to latest report: Bosideng (3998 HK) – Prudent guidance but we are still confident

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)	13.7	12.1	10.4	9.0	8.1
P/B (x)	2.9	2.9	2.7	2.5	2.3
Yield (%)	6.2	6.9	7.7	8.9	9.8
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 Food (2517 HK) – A national at-home food expert to innovate at all fronts

Rating: BUY **| TP:** HK$4.80 (5% 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 (hotpots, barbecue, beverages, single-serve meals, ready-to-cook meal kits, fresh food, Western cuisines, and snacks). Such a great variety can cater for diverse dining scenarios. In 2024, the company reported RMB 6.5bn sales and 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 were LSD/ MSD/ MSD for Jul/ Aug/ Sep 2025), 3) blockbuster products (e.g. various hotpot combos and sauces for meals at home), 4) store revamp (e.g. 3,000 24hours stores now), and 5) better training for store managers, in order to better serve and retain customers, etc.. Margin-wise are also aided by: 1) better product mix, 2) more efficient supply chain, 3) potential increase in self-production mix, 4) economies of scales and 5) operating leverage, etc.. Moreover, the recently announced share buyback programme could be supportive as well.

- **Why 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 derived our 12m TP of HK$4.80 based on a 23x FY26E P/E. In our view, a premium is 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 ~20x FY26E P/E.

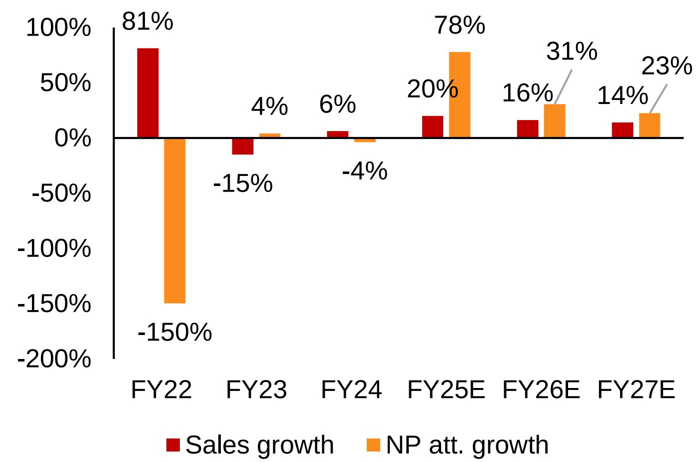
Link to latest report: Guoquan Food (2517 HK) - A national at-home food expert to innovate at all fronts

Financials and Valuations

(YE 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)	45.8	48.8	27.5	21.1	17.2
EV/EBITDA (x)	25.4	29.8	13.2	9.6	0.9
Yield (%)	1.3	1.8	3.1	4.0	4.9
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 (67% upside)

Analyst: Miao Zhang

- **Investment Thesis:** Luckin is the largest and fastest-growing coffee brand in China, with 16,248 stores, sales of RMB 24.9bn, net profit of RMB 2.85bn and a market share of 21.7% in FY23. On top of quality coffee, it also emphasizes digital engagement, convenience, and competitive pricing. Growth drivers include: 1) rapid store opening, 2) rise in ASP and new product launches, 3) further adoption of freshly made coffee and 4) higher purchase frequency from the young/ wealthy/ people in lower tier cities.

- **Our View:** We agree that the high base in FY25E (due to delivery subsides) could be an issue for the tea drink and coffee sector in general in FY26E (for both SSSG and valuation of various listed companies). However, we do think the company is much more well-prepared than the others. For example, on SSSG, while we are conservatively forecasting a 2% in FY26E given we see: 1) category expansion (more non-coffee products like snacks, breakfast or even 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 have potential to improve in FY26E), 3) marketing expenses ratio decreased in 3Q25, but Luckin Coffee could ramp that up if needed; 4) further boosting the sales and purchasing frequency of customer (34.5mn new transacting customers in 9M25, +40%+ YoY). On the margin side: 1) GP margin is able to improve (as we expect efficiency improvement to more than offset overseas coffee bean price inflation), 2) delivery cost is likely to decrease YoY (from delivery platforms and major brands' point of view, we do think massive subsidies are only a short-term measure, with marginally low value to sustain);3) headquarters cost % will continue to improve.

- **Valuation:** We derived our 12m TP of US$54.68 based on 18x FY26E P/E. **Catalysts:** Better-than-expected new products, store expansion, store efficiency and government stimulus.

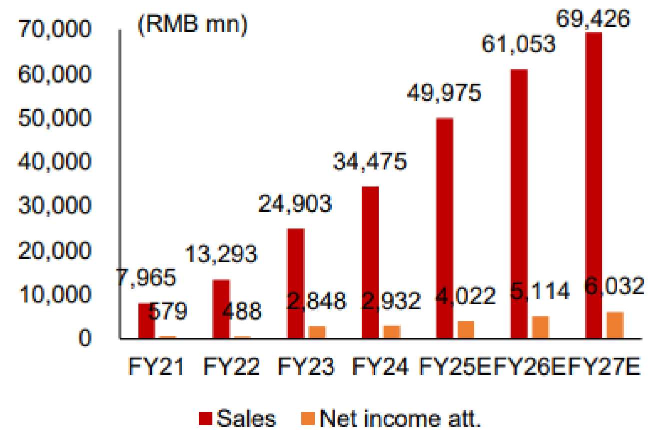
Link to latest report: Luckin Coffee (LKNCY US) – There are still multiple growth drivers in FY26E

Financials and Valuations

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	24,903	34,475	49,975	61,053	69,426
YoY growth (%)	87.3	38.4	45.0	22.2	13.7
EBITDA (RMB mn)	3,630.2	4,728.1	6,808.6	8,674.4	10,202.1
Net profit (RMB mn)	2,847.9	2,931.7	4,021.7	5,113.8	6,032.3
EPS (Reported) (RMB)	1.12	1.15	1.57	1.99	2.33
YoY growth (%)	479.6	2.3	36.5	26.5	17.4
P/E (x)	24.3	23.7	17.4	13.7	11.7
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

CR Beverage (2460 HK) – Leave the worst behind in 2025

Rating: BUY **| TP:** HK$11.09 (21% upside)

Analyst: Miao Zhang

- **Investment Thesis:** FY25 earnings hit a trough as revenue fell 18.6% YoY to RMB11.0bn and net profit dropped 39.8% YoY to RMB990mn, mainly dragged by lackluster packaged water sales and heavy marketing spending. The company is pushing forward deep headquarters restructuring and R&D overhaul, with admin headcount down 8% and R&D headcount up 63% YoY in FY25 to underpin reform delivery. Positive sales growth emerged in 2M26 amid a lighter comparable base, and the company has locked in low PET prices for 1–2 quarters to ease cost pressure. We expect earnings to bottom out in FY26E, making it a high-quality consumer staple target with clear recovery visibility..

- **Our View:** FY26E is expected to deliver 12.7% YoY revenue growth and 19.5% YoY net profit growth, confirming an earnings bottom. The company targets solid packaged water recovery and ~20% beverage growth in FY26E. Peak-season sell-through performance will be the key indicator to verify the recovery trend, while PET price volatility remains a key cost-side variable to watch.

- **Where do we differ vs consensus:** More optimistic on reform delivery and FY26E earnings recovery; more prudent on operating margin rebound amid lingering marketing pressure. Net profit forecast is slightly below consensus with a cautious margin view.

- **Catalysts:** 1) better-than-expected peak-season sell-through; 2) stronger-than-expected reform implementation;3) faster-than-expected PET cost decline; 4) higher-than-expected dividend payout ratio.

- **Valuation:** Maintain BUY. Our TP of HK$11.09 is based on 20x 2026E P/E.

- **Link to latest report:** CR Beverage (2460 HK) - Expect earnings to bottom out in FY26E

Financials and Valuations

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	13,521	11,002	12,402	13,655	14,856
YoY growth (%)	0.0	(18.6)	12.7	10.1	8.8
Net profit (RMB mn)	1,636.7	985.3	1,177.0	1,426.8	1,637.2
YoY growth (%)	23.1	(39.8)	19.5	21.2	14.7
EPS (Reported) (RMB)	0.79	0.41	0.49	0.59	0.68
Consensus EPS (RMB)	N/A	N/A	0.51	0.59	0.62
P/E (x)	10.0	19.2	16.1	13.3	11.6
P/B (x)	1.4	1.7	1.5	1.5	1.4
Yield (%)	6.1	3.2	3.8	4.6	5.3
ROE (%)	18.0	8.9	10.5	11.8	12.9
Net gearing (%)	(50.3)	(10.8)	(13.5)	(14.8)	(17.0)

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Headcount shifts reflect reform underway

No. of employees	2024	2025	change Δ	change %
Sales and Marketing	8,797	8,859	62	1%
Administration	347	320	-27	-8%
R&D	60	98	38	63%
Production	1,766	2,097	331	19%
Total	**10,970**	**11,374**	**404**	**4%**

Source: Company data, CMBIGM

3Sbio (1530 HK) – Pfizer rapidly advancing 707 globally; ASCO2026 in focus

Rating: BUY **| TP:** HK$34.87 (53% upside)

Analysts: Jill Wu/ Cathy Wang

- **Investment Thesis.** 3SBio reported revenue of RMB17.7bn (+94.3% YoY) in 2025, driven by the RMB9.4bn out-licensing income from Pfizer for 707. However, product sales declined by 10.3% YoY to RMB8.0bn amid China's VBP and reimbursement control headwinds. Excluding the licensing income, R&D and administrative expense ratios rose ~4ppts and ~2ppts, respectively, reflecting accelerated clinical investments and one-off share-based compensation. We expect 3SBio will maintain high R&D investment to accelerate pipeline progress. While commercialized products, particularly TPIAO, are likely to remain under pressure in 2026E, we view 707 as the primary valuation anchor, driven by Pfizer's aggressive global development progress.
- **Our View:** (1) Pfizer has registered ten global trials for 707 and started enrollment in seven, including the Phase 3 studies in 1L NSCLC and 1L mCRC. Two additional Phase 3 trials are planned for 2026E, including 1L mUC and 1L EC, according to Pfizer. We expect the rapid clinical progress will trigger near-term milestone payments, significantly driving 3SBio's earnings. Beyond milestones, 3SBio is also benefiting from supplying drug substance for Pfizer's clinical studies, which drove CDMO revenue growth of 46.3% YoY in 2025. Near-term catalysts include the updated China Phase 2 data in NSCLC and EC at ASCO 2026. (2) 3SBio has built a broad pipeline of 27 candidates, with several candidates already obtaining the US FDA INDs, such as SSS67 and SSS68. SSS67 targets both ActRIIA and ActRIIB receptors to regulate fat metabolism and muscle synthesis pathways and thereby achieving the dual effects of reducing fat and increasing muscle mass. SSS68 is a long-acting April/BAFF BsAb targeting IgA nephropathy . We think these candidates with FDA INDs demonstrated 3SBio's global R&D strategy and may support 3SBio's future out-licensing deals. (3) Recent approvals, including NuPIAO (long-acting rhEPO), 608 (IL-17A), and SSS20 (eltrombopag), alongside NRDL inclusion for oral paclitaxel, are expected to generate revenue in 2026E and help partially offset traditional product declines, in our view.
- **Why do we differ vs consensus:** We lowered our near-term product sales forecast to reflect ongoing pressure on traditional products, particularly ahead of TPIAO's final NRDL renewal negotiations in late 2026E. However, given Pfizer's rapid global development progress, we raise our milestone payments forecast in 2026E. We think 707's global blockbuster potential remains the dominant upside driver.
- **Valuation:** Our target price of HK$34.87 (WACC: 10.11%, terminal growth rate: 2.0%) is based on a 10-year DCF.

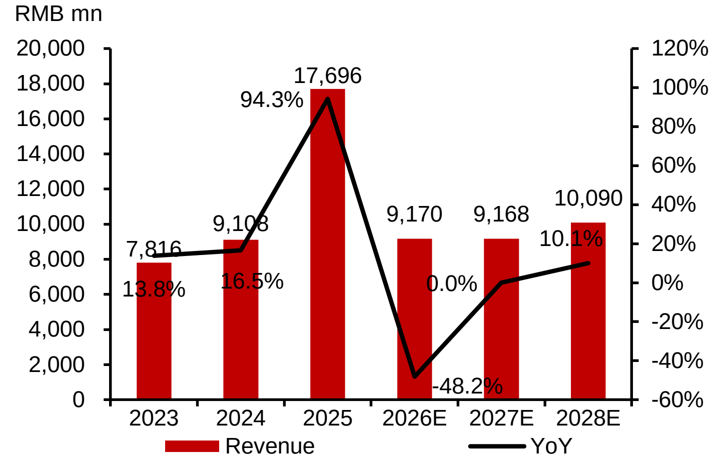
Link to latest report: 3SBio (1530 HK) - Short-term pressure on product sales; ASCO 2026 in focus

Financials and Valuations

(YE 31 Dec)	FY25E	FY26E	FY27E
Revenue (RMB mn)	9,170	9,168	10,090
YoY growth (%)	(48.2)	(0.0)	10.1
Net profit (RMB mn)	1,898	1,616	1,815
YoY growth (%)	(77.6)	(14.8)	12.3
EPS (RMB)	0.75	0.64	0.72
P/E (x)	26.7	31.4	27.9

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Revenue trend



Source: Company data, CMBIGM estimates

Ping An (2318 HK) – Expect Life CSM to return to positive growth trajectory in 2026E

Rating: BUY **| TP:** HK$90.0 (43% upside)

Analyst: Nika MA

- **Investment thesis:** 1) **Group OPAT back to positive double-digit growth** of 10.3% YoY to RMB134.4bn in FY25, with L&H OPAT improving 7.5% YoY to RMB103.3bn amid an eased AM drag (FY25: -RMB3.8bn vs. FY24: -RMB11.9bn). Tech segment OPAT turned positive to a contribution of RMB249mn (FY24: a loss of RMB29mn). We expect Group OPAT upside amid fundamental improvements in each operating segments. **2) expect L&H OPAT to continue to improve** driven by a) CSM balance likely to return to a positive growth trajectory in FY26E underpinned by resilient NBV increase, which will support positive growth of CSM release in 2H26E as we estimate; b) improving operating variances; and c) potential uplift in investment service result. **3) Robust NBV in FY26E with enhanced par sales and a stable margin.** We expect the insurer's NBV to accelerate at double-digit in FY26 on top of a high base, with bancassurance outgrowing that of agency. 4) **P&C COR was best-performed among the industry Top 3.** Ping An P&C CoR was 96.8%, down 1.5pct YoY in FY25, outpacing that of PICC P&C and CPIC P&C at 97.5%. P&C will remain as one of the key drivers of Group OPAT to further benefit from non-auto COR improvement.
- **Our view:** Maintain BUY with TP at HK$90 (unchanged), which corresponds to 0.9x FY26E P/EV and 1.14x FY26E P/B. The stock is trading at 0.62x FY26E P/EV and 0.8x FY26E P/B with a yield of 5.4%, the highest among peers. We think the insurer's fundamental improvements across-the-board could support for its valuation expansion in FY26E and we maintain the outlook on L&H CSM to return to positive growth trajectory in 2H26E to support growth in Life OPAT.
- **Catalysts:** 1) 1Q26 earnings results reflecting momentum in new par sales; 2) A/H equity market rally post near-term fluctuations; 3) a rising bond yield, etc.
- **Key risks:** 1) regulatory tightening; 2) prolonged interest rate downtrends; 3) whipsawed equity market performances; 4) lower-than-expected sales volumes; 5) intensified pricing competitions in P&C, etc.

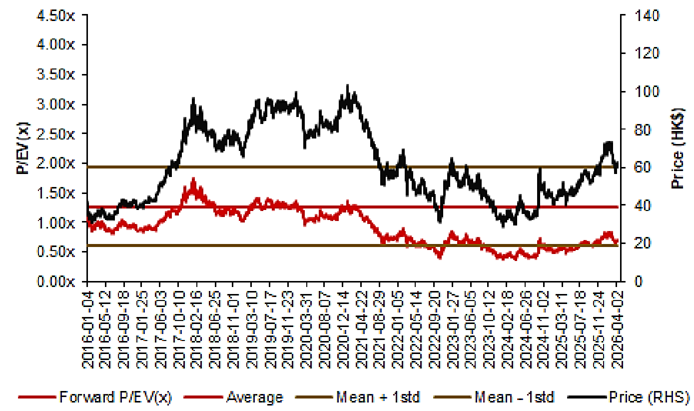
Link to latest report: [Ping An (2318 HK) - Group OPAT back to double-digit rise; expect CSM to return to positive growth in 2026E]

Financials and Valuations

(YE 31 Dec)	FY25A	FY26E	FY27E	FY28E
Net profit (RMB mn)	134,778	144,001	153,046	165,736
EPS (RMB)	7.68	8.20	8.72	9.44
Consensus EPS (RMB)	N/A	8.26	9.02	9.13
P/EV (x)	0.7	0.6	0.6	0.5
P/B (x)	1.0	0.8	0.7	0.7
Dividend yield (%)	5.0	5.4	5.7	6.2
ROE (%)	14.0	12.8	11.0	12.0

Source: Company data, Bloomberg, CMBIGM estimates

Fig: P/EV(x) close to historical average-1std



Source: Bloomberg, CMBIGM estimates

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

Rating: BUY **| TP:** HK$112.0 (26% upside)

Analyst: Nika MA

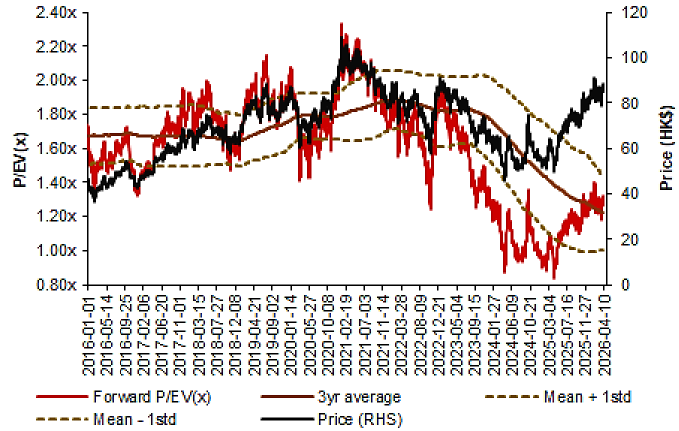
- **Investment Thesis:** 1) We expect strong demands to sustain across APAC markets in 2026E in support for robust VONB growth amid a broad-based margin expansion. VONB rose 15% YoY (CER)/17%(AER) in FY25 with margin up 3.6pct YoY to 58.5%. We forecast Group VONB to maintain a mid-teen rise in FY26E. 2) Group OPAT grew on track to meet the 9%-11% OPAT per share CAGR target in FY23-26E; 3) UFSG remained strong as a valuable addition to Group free surplus balance, and contribute to shareholder returns. In FY25, UFSG ended at US$6.8bn, up 6%/ 11% per share YoY, contributing to net FSG, a key metric for shareholder returns, up by 9% or 14% per share YoY to US$4.4bn. 4) US$4.3bn shareholder returns in 2026E, incl. US$2.6bn dividends and US$1.7bn buyback program, translating to ~4.0% TSR.
- **Catalysts:** 1) AIA China's VONB growth climbed above 20% YoY in Jan-Feb 2026, which showed strong momentum during the jumpstart sales and easing pressure on economic assumption change; 2) regulatory approval on geographic expansion plan in mainland China; 3) updates on AIA Thailand's new Growth Strategy; 4) AIA HK's new business sales momentum on the backdrop of new tax regime (CRS) and cross-border demands for wealth allocation. 5) MCV arrivals and conversion rate; 6) AIA India's VONB contribution and efforts on product mix enhancement, etc.
- **Maintain BUY with TP of HK$112.** The stock is trading at 1.4x FY26E P/EV or 2.5x FY26E P/B, with a yield of 2.4%. We expect the total shareholder return (TSR) to be ~4.0% in FY26E (2.4% dividend + 1.6% buyback). So far, we believe the market has been more convinced by the growth narrative of AIA, rather than viewing it as a high-yield conviction. The China Growth Strategy (40% CAGR of VONB for nine new regions in FY25-30E) and newly announced Thailand Growth Strategy could lead to another growth narrative to boost the insurer's share price.
- **Downside risks:** 1) intensified stock market fluctuations and unexpected shock in interest rates and/or FX movements; 2) prolonged low interest yield environment in mainland China; 3) sluggish sales momentum or margin contraction; 4) significant drawdown in shareholder capital ratio and negative shock in free surplus balance, etc.
- **Link to Latest report:** AIA Group Ltd. (1299 HK) - US$1.7bn buyback a +VE surprise; lift TP to HK$112

Financials and Valuations

(YE 31 Dec)	FY25A	FY26E	FY27E	FY28E
Net profit (US$ mn)	7,136	7,972	8,718	9,549
EPS (US$)	0.68	0.77	0.86	0.95
Consensus EPS (US$)	N/A	0.76	0.85	0.95
P/EV (x)	1.5	1.4	1.2	1.1
P/B (x)	2.7	2.5	2.3	2.1
Dividend yield (%)	2.2	2.4	2.7	2.9
Operating ROE (%)	17.0	17.9	18.3	18.7

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 (47% upside)

Analyst: Nika MA

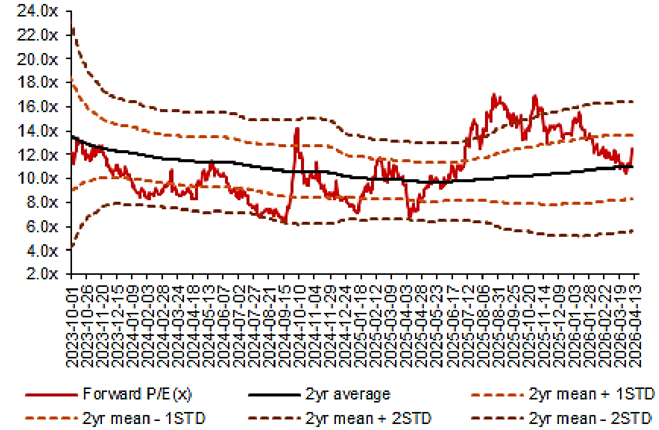
- **Investment Thesis:** Futu is a well-rounded online financial services platform which provides trading, wealth management, market data and information, and corporate services. We rate Futu at BUY rating for its global market exposure, robust client and AUM growth, diversified product suites as well as continuous improvement in technology enablement. Despite turbulent HK/US market sentiments in the last quarter, we think Futu's stock price has priced in the beta headwinds and awaits catalysts to confirm a bottoming rebound. The stock is trading at 13.1x FY26E P/E, a steep discount to global comparable peers. Net asset inflows could hit a historic high in 1Q26 per mgmt. which will support resilient growth of client AUM and trading volume. Mgmt. guided another 800k new funded accounts target in 2026E, same to last year, enhancing the growth clarity. Given a new market entry within the year, we think the target will be met.
- **Our view:** We think the current risk-reward profile of Futu is attractive given its trading multiple of 13x FY26E P/E, at ~40% discount to its major peers, with its 3yr average ROE at 25.6% vs. peers' average of 20.3%. Looking ahead, we expect the geographic diversification to further deepen in 2026E from current 55% of total funded account from ex-Greater China markets led by SG and US, and the full approval of VATP could unleash upside for virtual asset businesses.
- **Catalysts:** 1) updates on progression of new market entry plan; 2) updates on progression of new client acquisition; 3) 1Q26 earnings release; 4) synergies with Airstar Bank; 5) crypto-related business update upon full approval of VATP.
- **Valuation:** The stock is trading at 13x FY26E P/E, close to its 3yr mean-1STD (13.3x), representing a 40% discount to key peers. We estimate Futu is likely to sustain in high-teen earnings growth in 2026E and await catalysts to confirm a bottoming rebound. Maintain BUY with TP at US$228 implying 19x FY26E P/E.
- **Key risks:** 1) weakening HK/US market sentiments amid heightened equity market volatilities; 2) intensified volatilities in cryptocurrencies; 3) slower-than-expected new client acquisition; 4) intensified competitive landscape, etc.
- **Link to latest report**: Futu Holdings (FUTU US) - 4Q robust growth in-line; geographic diversification saw sequential improvement

Financials and Valuations

(YE 31 Dec)	FY25A	FY26E	FY27E	FY28E
Net profit (HK$ mn)	11,645	13,641	15,899	18,040
EPS (HK$)	80.2	94.1	109.6	124.0
Consensus EPS (HK$)	N/A	93.6	107.8	123.3
P/E (x)	15.2	13.1	11.3	10.0
P/B (x)	4.4	3.3	2.6	2.1
ROE (%)	33.3	28.6	25.5	22.7

Source: Company data, Bloomberg, CMBIGM estimates

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



Source: Bloomberg, CMBIGM estimates

Tencent (700 HK) – Increasing AI investment to solidify competitive moat

Rating: BUY | **TP:** HK$750.0 (49% upside) Analyst: Saiyi He/Wentao LU/Frank Tao

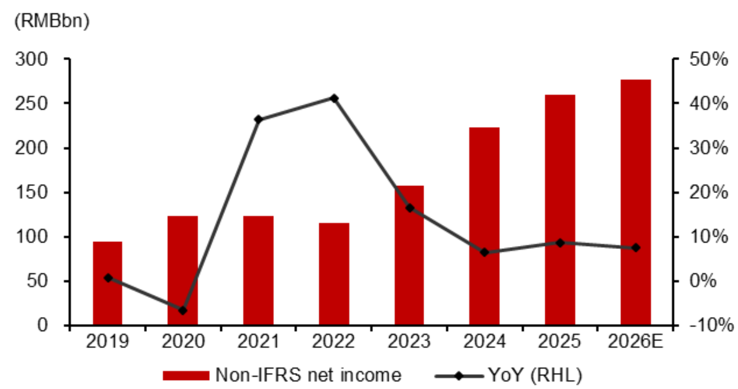
- **Investment Thesis:** Tencent's competitive edges remain solid, and investors over-reacted to the short-term earnings impact of increased AI investment, in our view. We expect Tencent to deliver sustainable earnings growth (+6%/10% YoY in FY26/27E) amid macro uncertainty. We expect several catalysts to support Tencent's fundamental and valuation recovery: 1) agentic applications like WorkBuddy enable Tencent to leverage Weixin+AI to tap into the enormous AI agent market; 2) performance of evergreen titles remains solid, and new titles like Honor of Kings: World and Roco Kingdom: World contribute incremental revenue; 3) AI empowerment and improved monetization drive faster-than-sector marketing revenue growth. Tencent currently trades at 15x FY26E non-GAAP PE, offering attractive risk-reward in our view.
- **Our View:** Tencent's 4Q25 total revenue increased by 13% YoY to RMB194.4bn, and 4Q25 non-IFRS operating income was up by 17% YoY to RMB69.5bn. FY26 will be a key investment year for Tencent AI, and management expected to more than double the investment in new AI products in FY26 (>RMB36bn). Though the AI investment may drag short-term earnings growth, we expect this to strengthen Tencent's core businesses, capture new opportunities like agentic AI, and ease investors' concern that Tencent may lag in the AI competition due to underinvestment.
- **Catalysts:** 1) foundation models: HY 3.0, the first flagship foundation model after the restructuring of Tencent AI team, is now under internal testing and will be available externally in April; 2) Weixin AI: Tencent is building the next-gen agentic services in Weixin, which will boost ecosystem activities and may generate revenue itself; 3) productivity AI: the company is introducing a range of autonomous AI agents like WorkBuddy and Qclaw to its social platforms, creating new monetization opportunities; 4) Launch of major new games like Honor of Kings: World.
- **Valuation:** Our SOTP-derived target price is HK$750.0, consisting of HK$347.4/33.2/148.5/105.8/33.4 for games/SNS/marketing/FBS/cloud and HK$8.7/72.7 for net cash/strategic investment.
- **Link to latest report:** Tencent (700 HK) - Inline 4Q25 results; increasing AI investment to solidify competitive moat

Financials and Valuations

(YE 31 Dec)	FY25	FY26E	FY27E	FY28E
Revenue (RMB mn)	751,766	823,452	883,100	927,138
Gross margin (%)	56.2	56.8	57.4	57.9
Adj net profit (RMB mn)	259,626	276,247	300,102	322,790
EPS (Adjusted) (RMB)	28.55	30.33	33.45	36.53
Consensus EPS (RMB)	28.55	31.70	35.15	40.06
Non-GAAP P/E (x)	15.7	14.8	13.4	12.3

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Non-IFRS net income growth



Source: Company data, CMBIGM estimates

Alibaba (BABA US) – Quick commerce to drive loss reduction business development; prioritizing AI business development

Rating: BUY | **TP:** US$206.1 (61% upside)

Analyst: Saiyi He/Frank Tao/Wentao LU

- **Investment Thesis:** 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". Alibaba has strong growth prospects for cloud computing revenue, driven by rising adoption of AI-related products and growing digitalization demand.

- **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 in FY27E. In addition, the increasing focus on driving for operating efficiency improvement of Quick Commerce business should help support earnings recovery. While Alibaba continues to prioritize market share, we expect total losses in QC to narrow to RMB44bn in FY27E (FY26E: CMBI estimate of RMB88bn), and to be further halved in FY28E, driven by optimization of order mix and user subsidies, as well as improvements in operating efficiency. We believe CIG revenue growth is a key driver of Alibaba's share price, and the narrowing losses of QC could support a recovery in overall net profit.

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

- **Valuation:** Our SOTP-based valuation of US$206.1 translates into 22.8x FY28E non-GAAP PE.

- **Link to latest report**: Alibaba (BABA US) – Quick commerce to drive loss reduction business development; prioritizing AI business development

Financials and Valuations

(YE 31 Mar)	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	996,347	1,021,507	1,128,492	1,253,780
Adjusted net profit (RMB mn)	157,940.0	75,996.6	98,400.0	153,086.5
EPS (Adjusted) (RMB)	67.24	32.77	42.85	67.34
P/E (x)	15.8	22.7	25.4	15.0

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	$/share	Value split
1	Alibaba China E-commerce Group	12x FY28E EV/EBITA; assume 20% tax rate on adjusted EBITA; discount back with 11% WACC		19,359	12.0		1,357,542	188,547	78.5	38%
2	International Digital Commerce Group	1.5x FY26E EV/S	19,954			1.5	215,506	29,931	12.5	6%
3	Cloud Intelligence Group	7.5x FY27E EV/S on revenue before intersegment elimination; discount back with 11% WACC	31,957			7.5	1,554,672	215,927	89.9	44%
4	All others	1.0x FY26E EV/S	34,970			1.0	251,782	34,970	14.6	7%
	Total Alibaba business						**3,379,501**	**469,375**	**195.5**	
INVESTMENTS										
1	Ant Group	Last round share buyback valuation; 33% share holding					187,143	25,992	10.8	
2	Others	Market valuation					75,337	10,463	4.4	
	Total investment (with 30% holding discount)								**10.6**	5%
	Total (US$mn)								**206.1**	
	#s of diluted ADS (mn)								2,401	

Source: Company data, CMBIGM estimates

Meituan (3690 HK) – Bottoming out

Rating: BUY **| TP:** HK$141.1 (61% upside) Analyst: Saiyi He/Wentao LU/Frank Tao

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

- **Our View:** We believe the most intense phase of competition in the local services sector may have passed. While a meaningful earnings recovery may still take time to materialize, as competition remains dynamic and macro headwinds may take time to improve, we remain positive on Meituan's potential to optimize user subsidies and its continued efforts to narrow CLC losses. Meituan narrowed its CLC operating loss by 29% QoQ in 4Q25, and we expect a further 58% QoQ reduction in 1Q26 to RMB4.2bn.

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

- **Valuation:** Our DCF-based valuation of HK$141.1 translates into 22.6x 2027E adjusted PE.

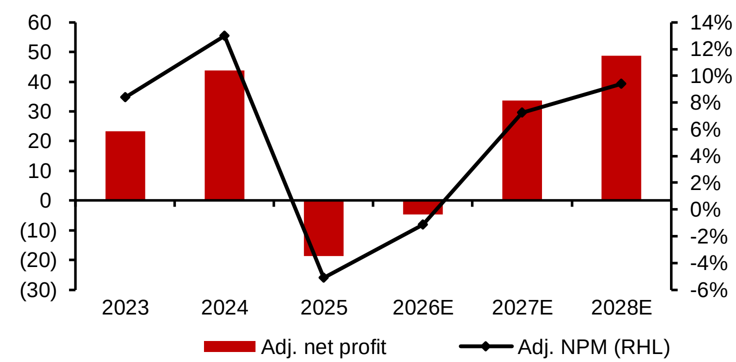
- **Link to latest report**: Meituan (3690 HK) – Bottoming out

Financials and Valuations

(YE 31 Dec)	FY25	FY26E	FY27E	FY28E
Revenue (RMB mn)	365,982	408,564	464,754	517,386
YoY growth (%)	8.4	11.6	13.8	11.3
Net profit (RMB mn)	(23,355.1)	(10,786.5)	27,256.6	42,112.8
Adjusted net profit (RMB mn)	(18,648.0)	(4,703.1)	33,682.8	48,726.3
YoY growth (%)	N/A	N/A	N/A	44.7
P/E (x)	N/A	N/A	17.1	11.0

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Meituan: adjusted net profit



Source: Company data, CMBIGM estimates

Trip.com Group (TCOM US) – Results beat; travel demand remains resilient

Rating: BUY | **TP:** US$83.0 (62% 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 1Q26E 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 to 6 months.

- **Valuation:** Our DCF-based valuation of US$83.0 translates into 20x 2026E PE (non-GAAP).

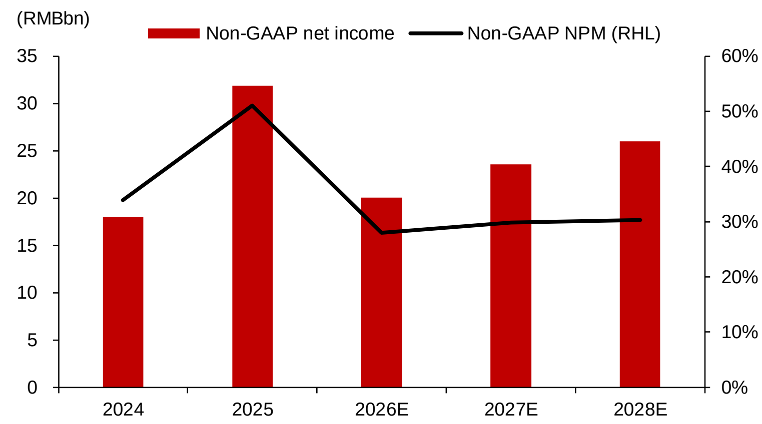
- **Link to latest report**: Trip.com Group (TCOM US) – Results beat; travel demand remains resilient

Financials and Valuations

(YE 31 Dec)	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	62,510	71,577	79,110	85,898
YoY growth (%)	17.1	14.5	10.5	8.6
Net profit (RMB mn)	33,294.0	17,452.2	20,928.9	23,304.7
Adjusted net profit (RMB mn)	31,839.0	20,029.0	23,579.1	26,010.5
YoY growth (%)	76.5	(37.1)	17.7	10.3
EPS (Adjusted) (RMB)	46.23	29.08	34.24	37.77
P/E (x)	7.0	13.4	11.2	10.0

Source: Company data, Bloomberg, CMBIGM estimates

Fig: TCOM: non-GAAP net profit



Source: Company data, CMBIGM estimates

CR MixC Lifestyle (1209 HK) – Commercial biz unfolding new chapter

Rating: BUY **| TP:** HK$53.58 (13% upside)

Analysts: Miao Zhang

- **Investment Thesis:** The company's commercial business stands as the core growth engine, closely riding on the service consumption upgrade trend and driven by high-margin shopping mall operations supported by luxury, trendy toys, gold jewelries and outdoor gears. The residential business keeps showing quality improvement with stable basic property management despite short-term VAS pressure. It features lower dependence on traditional residential business, outstanding shopping mall operation capabilities, sustained 100% dividend payout ratio, strong sector leadership and scarcity premium, as well as dual investment appeal for both property and consumer investors, making it our top pick in the property management sector.

- **Our View:** FY26E is expected to achieve double-digit growth in both revenue and core net profit. We forecast 10-12% commercial revenue growth (2026-28E) and 5-6% residential growth amid fierce third-party competition. The 15th FYP target of 100 new third-party malls is not aggressive and aligns with industry trends in our view, given declining new commercial land supply, few high-quality projects and intense homogenized competition which may facilitate penetration of asset-light operation to improve profitability of existing malls. However, the conservative SSSG outlook reflects the company's view that consumption will normalize with moderating growth through the 15th FYP period.

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

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

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

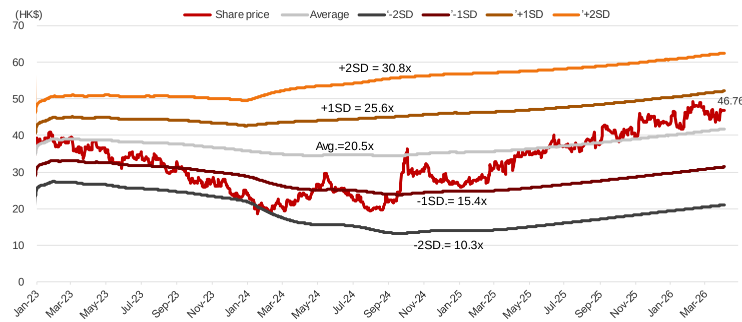
- **Link to latest report:** [CR MixC Lifestyle (1209 HK) - Commercial biz to ride the trend, residential biz to upgrade quality]

Financials and Valuations

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	17,043	18,022	19,661	21,308	22,937
YoY growth (%)	15.4	5.7	9.1	8.4	7.6
Net profit (RMB mn)	3,629.4	3,969.0	4,451.8	4,844.9	5,281.1
YoY growth (%)	1.59	1.74	1.95	2.12	2.31
EPS (Reported) (RMB)	23.9	9.4	12.2	8.8	9.0
Consensus EPS (RMB)	N/A	N/A	1.98	2.21	2.42
P/E (x)	26.5	24.3	21.6	19.9	18.2
P/B (x)	5.8	6.2	6.0	5.8	5.7
Yield (%)	1.5	1.2	4.6	5.0	5.5
ROE (%)	22.4	24.8	28.3	29.7	31.5

Source: Company data, Bloomberg, CMBIGM estimates

Fig: 1-year forward P/E band



Source: Company data, CMBIGM estimates

Greentown Service (2869 HK) – Bearing fruit from efficiency gains

Rating: BUY | **TP:** HK$6.55 (50% upside) Analysts: Miao Zhang

- **Investment Thesis.** The company delivered substantial results due to efficiency improvement : FY25 core OP surged 24.6% YoY, beating 15% guidance by a wide margin, with cost saving of RMB263mn contributing 70% of core OP growth. Basic PM stayed resilient with steady third-party expansion. The company maintains high dividend payout ratio. Despite near-term pressure from elevated new home vacancy rate on fee collection, it remains a high-quality PM target in our view.

- **Our View:** FY25 core OP jumped 24.6% YoY, far exceeding the 15% management guidance. FY26E is guided for >15% core OP growth, plus 0.5ppts gross margin expansion and 0.5ppts SG&A ratio cut. Efficiency gains are sustainable as they come from operational optimization rather than simple layoffs. Elevated new home vacancy will keep fee collection under pressure in the next 1–2 years.

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

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

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

- **Link to latest report:** Greentown Service (2869 HK) - Continue to bear fruit from efficiency gains

Financials and Valuations

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	17,893	19,164	20,733	22,309	23,830
YoY growth (%)	6.4	7.1	8.2	7.6	6.8
Net profit (RMB mn)	785.1	880.2	1,030.2	1,187.3	1,307.7
YoY growth (%)	0.25	0.28	0.33	0.38	0.42
EPS (Reported) (RMB)	31.6	12.7	17.0	15.3	10.1
Consensus EPS (RMB)	N/A	0.29	0.34	0.38	0.38
P/E (x)	15.2	13.5	11.5	10.0	9.1
P/B (x)	1.7	1.6	1.6	1.5	1.4
Yield (%)	4.9	5.6	6.5	7.5	8.3
ROE (%)	10.3	11.2	12.6	13.8	14.6

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Managed GFA termination rate

Managed GFA movement (mn sqm)	2022A	2023A	2024A	2025A	1H24	2H24	1H25	2H25
At the beginning of the period	304.1	381.4	448.4	509.0	448.4	481.7	509.0	536.3
Addition	**83.3**	**83.4**	**79.2**	**79.1**	**40.3**	**38.9**	**39.3**	**39.8**
Termination	(6.0)	(16.4)	(18.6)	(22.1)	(7.0)	(11.6)	(12.0)	(10.1)
At the end of the period	381.4	448.4	509.0	566.0	481.7	509.0	536.3	566.0
Termination rate (=Termination GFA / Beginning GFA)	*-2.0%*	*-4.3%*	*-4.1%*	*-4.3%*	*-1.6%*	*-2.4%*	*-2.4%*	*-1.9%*

Source: Company data, CMBIGM

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

Rating: BUY | **TP:** RMB75.55 (28% 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.

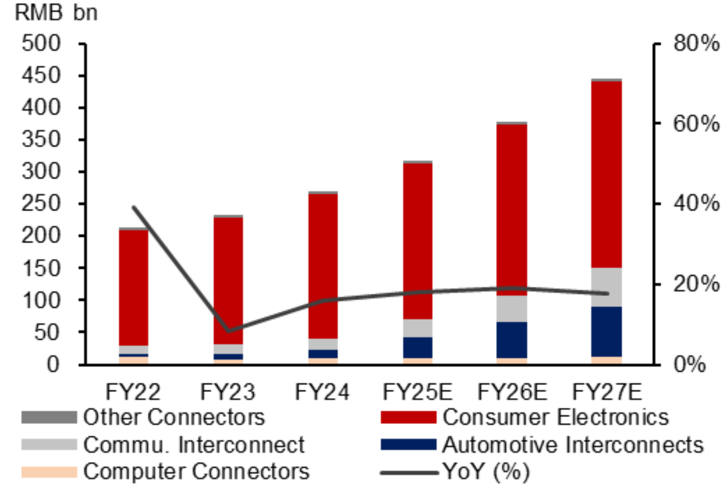
Link to latest report: Luxshare (002475 CH) - Stronger outlook in Apple upgrade cycle and Leoni/ODM synergies; Lift TP to RMB75.55

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
EPS (RMB)	1.86	2.40	3.02	3.87
YoY growth (%)	20.8	29.1	25.9	28.2
Consensus EPS (RMB)	N/A	2.35	2.93	3.57
P/E (x)	28.1	21.8	17.3	13.5
P/B (x)	4.4	3.7	3.0	2.5
Yield (%)	0.0	0.0	0.0	0.0
ROE (%)	15.8	16.8	17.4	18.3
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: Luxshare Revenue trend



Source: Company data, CMBIGM estimates

AAC Tech (2018 HK) – FY25 in-line; auto/thermal/edge AI and margin recovery to drive earnings growth in 2026-27E

Rating: BUY | **TP:** HK$55.27 (51% 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, and mgmt. provided a solid set of guidance across business lines for 2026E: 1) company: revenue +16-17% YoY and stable GPM; 2) Acoustics: revenue +5-10% YoY, better GPM, 3) optics: plastic lens flat shipment with 5-10% ASP hike and module GPM 4-5%, 4) PM: revenue +30% YoY, better GPM , 5) Auto PSS: revenue +15-20% YoY, better GPM, 6) MEMS: revenue +15-20% YoY, better GPM. Overall, we believe AAC is well-positioned to capture emerging AI opportunities with edge AI, AR/VR glasses, AI server and robotics entering a long-term innovation cycle.

- **Why 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$55.27 implies 20.0x FY26E P/E.

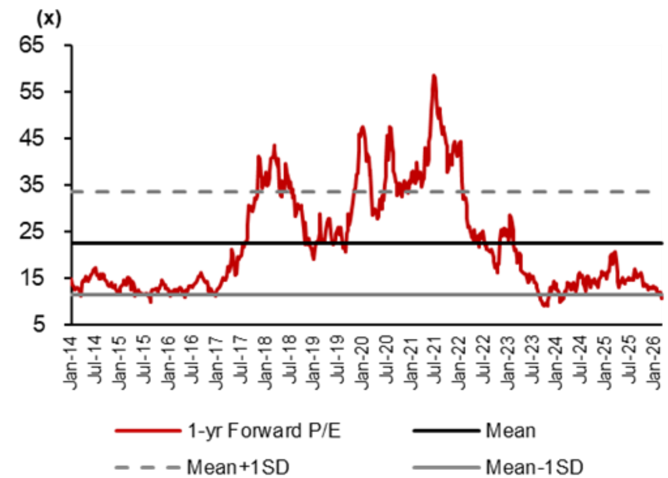
- **Link to latest report:** AAC Tech (2018 HK) - FY25 in-line; auto/thermal/edge AI and margin recovery to drive earnings growth in 2026-27E

Financials and Valuations

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E
Revenue (RMB mn)	27,328	31,817	36,693	41,378
YoY growth (%)	33.8	16.4	15.3	12.8
Net profit(RMB mn)	1,797	2,512	2,900	3,389
EPS (RMB)	1.53	2.18	2.51	2.94
YoY growth (%)	143.8	42.0	15.4	16.9
Consensus EPS (RMB)	N/A	2.09	2.48	2.89
P/E (x)	21.6	15.2	13.2	11.3
P/B (x)	2.0	1.9	1.7	1.5
Yield (%)	0.6	0.0	1.2	1.4
ROE (%)	7.8	10.1	10.7	11.4
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$7.42 (Upside: N/A)

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, computer, 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). During earnings call, mgmt. guided 70% YoY growth for cloud/datacenter revenue in 2026E, and raised FY26-28E cloud/data center revenue mix guidance to mid-20%/high-20%/low-30% in FY26-28E (vs prior low-20%/mid-20%/high-20%).

- **Why 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 AI server product launches, margin expansion and mass production of VR200 products.

- **Valuation:** Our TP of HK$7.42 is based on 21x FY26E P/E. We expect further re-rating on higher AI revenue contribution in FY26-27E.

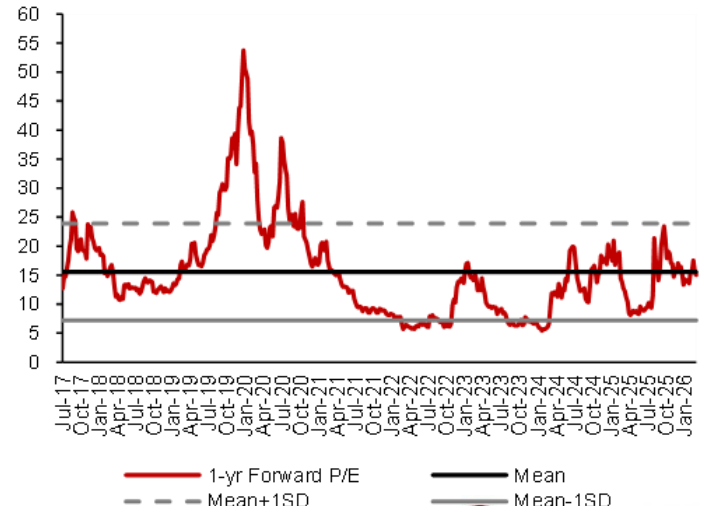
- **Link to latest report:** FIT Hon Teng (6088 HK) - FY25 earnings dragged by higher effective tax strong AI server outlook ; Raise guidance on strong AI server outlook

Financials and Valuations

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E
Revenue (USD mn)	4,451	5,003	5,754	6,688
YoY growth (%)	6.1	12.4	15.0	16.2
Net profit (USD mn)	154	156	314	432
EPS (USD cent)	2.17	2.20	4.43	6.09
YoY growth (%)	19.2	1.5	101.4	37.3
Consensus EPS (USD cent)	N/A	2.46	4.19	5.38
P/E (x)	40.0	39.4	19.6	14.3
P/B (x)	2.5	2.3	2.0	1.8
Yield (%)	0.0	0.0	0.0	0.0
ROE (%)	6.2	5.8	10.5	12.6
Net gearing (%)	Net cash	Net cash	Net cash	Net cash

Source: Company data, Bloomberg, CMBIGM estimates

Fig: FIT 12M forward P/E band



Source: Company data, CMBIGM estimates

Innolight (300308 CH) – Continue to scale the AI supercycle

Rating: BUY | **TP:** RMB707 (Upside: N/A)

Analysts: Kevin Zhang/Aaron Guo

- **Investment thesis:** Innolight's FY25 results confirm its status as a primary AI beneficiary, with net profit surging 109% to RMB10.8bn. Gross margins expanded sharply to 42.6%, driven by the rapid transition to high-speed modules and an increasing mix of Silicon Photonics (SiPh). The company exited the year with strong momentum, as 4Q25 margins reached 44.5%, signaling efficient scaling. The 2026 outlook is underpinned by the commercial ramp of 1.6T modules. While 800G remains the volume foundation, 1.6T is expected to become the core driver of revenue and margin growth as adoption broadens across global cloud service providers. The shift toward SiPh-based solutions provides a structural advantage in cost and performance, strengthening Innolight's competitive moat against traditional EML-based offerings. Operational execution remains top-tier. With 85% utilization and 92% of revenue derived from overseas markets, the company is deeply integrated into the global AI build-out. Management has further de-risked the outlook by securing supply assurance for key materials and advancing a 3.2T roadmap for FY28, in our view.
- **Our view:** Driven by its unrivaled product roadmap and the margin-accretive transition to 1.6T modules and Silicon Photonics, Innolight remains a premier BUY-rated play for capturing the structural earnings growth of the global AI infrastructure super-cycle through 2026.
- **Catalyst:** Accelerated AI infra. capex, increasing adoption of pluggable optical modules, R&D breakthroughs in other optical opportunities like OCS, NPO, CPO, etc.
- **Risks:** 1) escalating trade tariff and geopolitical tension, 2) supply chain disruption, 3) slower-than-expected new product adoption rate.
- **Valuation:** Maintain BUY. Our TP of RMB707 is based on 28x 2026E P/E.
- **Links to relevant reports:**

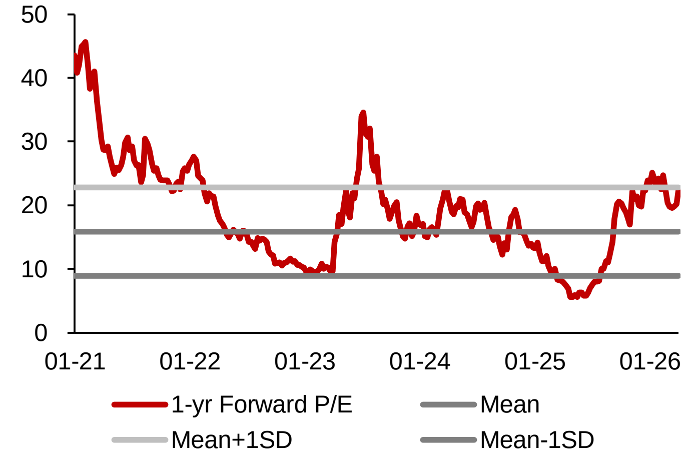
1. Innolight (300308 CH) - Stronger into 2026 on 1.6T ramp and SiPh mix
2. Innolight (300308 CH) - Pluggables first, new architecture later
3. Innolight (300308 CH) - A clear beneficiary of global AI infrastructure capex; remains our top pick in 2026

Financials and Valuations

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	23,862	38,240	84,065	121,495	175,287
YoY growth (%)	122.6	60.3	119.8	44.5	44.3
Gross margin (%)	33.8	42.0	45.6	46.6	48.5
Net profit (RMB mn)	5,171.5	10,797.3	28,040.8	42,888.3	66,064.9
YoY growth (%)	137.9	108.8	159.7	52.9	54.0
EPS (Reported) (RMB)	4.72	9.80	25.24	38.60	59.46
P/E (x)	145.8	70.2	27.3	17.8	11.6

Source: Company data, Bloomberg, CMBIGM estimates

Fig: P/E band



Source: Company data, CMBIGM estimates

Shengyi Tech (600183 CH) – Intact fundamentals, maintain BUY

Rating: BUY | **TP:** RMB90 (46% upside)

Analysts: Kevin Zhang/Aaron Guo

- **Investment thesis:** Shengyi Tech's FY25 earnings preview signals a fundamental breakout, with net profit projected to rise 87%–98% YoY to RMB 32.5–34.5bn. This performance is underpinned by the accelerating AI infrastructure buildout, which has triggered a structural shift toward high-margin, ultra-low-loss CCL materials. Our thesis is anchored by Shengyi's dual-engine leadership in premium laminates and high-layer-count/HDI PCBs. As AI clusters demand increasingly complex specifications, including higher layer counts and tighter tolerances, where Shengyi leverages deep process know-how and capacity advantages to capture superior value. Unlike commodity-focused peers, the company's ongoing mix optimization and efficiency gains provide a clear path for sustained margin expansion. Structurally positioned as a primary beneficiary of intensifying AI hardware requirements, Shengyi remains a high-conviction play on the materials science backbone of the AI super-cycle.
- Its subsidiary **Shengyi Electronics (688183 CH, NR)** has delivered standout momentum, with net profit expected to be RMB1.43bn-1.51bn in 2025, per its earnings preview, 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) 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:** Our TP of RMB90 is based on 35x 2026P/E.
- **Links to relevant reports:**

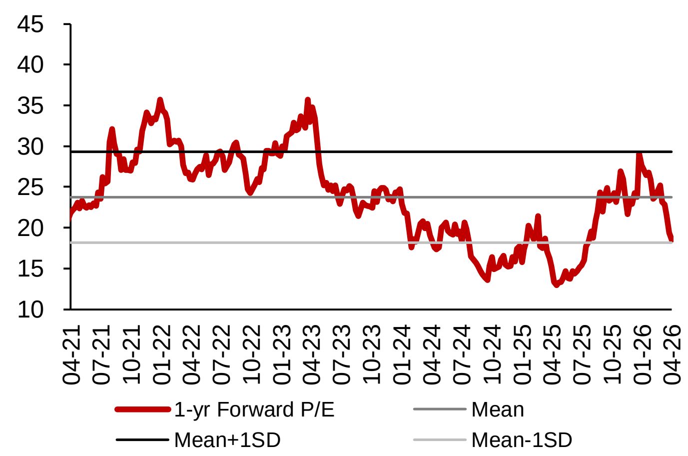
1. Shengyi Tech (600183 CH) - 3Q25 results: AI super-cycle in full swing; Raising TP to RMB90
2. Shengyi Tech (600183 CH) - Strong 1H25 results underscore AI-driven strength
3. Shengyi Tech (600183 CH) - Embracing AI and moving on to a new growth trajectory

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)	118.4	80.0	41.0	22.9	16.4

Source: Company data, Bloomberg, CMBIGM estimates

Fig: 1-year forward P/E band



Source: Company data, CMBIGM estimates

Naura (002371 CH) – Platform leader amid accelerated WFE capex

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

Analysts: Kevin Zhang/Aaron Guo

- **Investment thesis:** Naura stands as the preeminent platform-style champion positioned to monetize China's accelerating semiconductor localization tailwinds. With a dominant core portfolio in etch, deposition, thermal processing, and cleaning—representing over 80% of 2025 sales—the company is the primary beneficiary of capacity expansions from domestic memory and logic producers. Recent strategic moves, including the Kingsemi acquisition and entry into ion implantation, further diversify its offering into coating and bonding, unlocking platform synergies and enhancing customer stickiness. We forecast robust equipment sales growth of 47% and 31% through 2025/26E, respectively, supported by consistent R&D breakthroughs. While near-term margins reflect product mix shifts, Naura's broadening footprint and market share gains secure a resilient growth trajectory with long-term profitability targets ~40% GPM and 20% NPM.
- **Catalysts:** 1) Aggressive capacity re-acceleration at domestic logic and memory titans (SMIC, YMTC, CXMT) to mitigate AI chip shortfalls is driving a structural surge in orders for Naura's core etch and deposition tools. 2) **MATCH Act Tailwinds:** The implementation of the U.S. **MATCH Act**, which closes export control loopholes and restricts foreign servicing at major Chinese fabs, acts as a powerful catalyst, fast-tracking the domestication mandate and cementing Naura's position as the indispensable local alternative for advanced process steps.
- **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.
- **Links to relevant reports:**

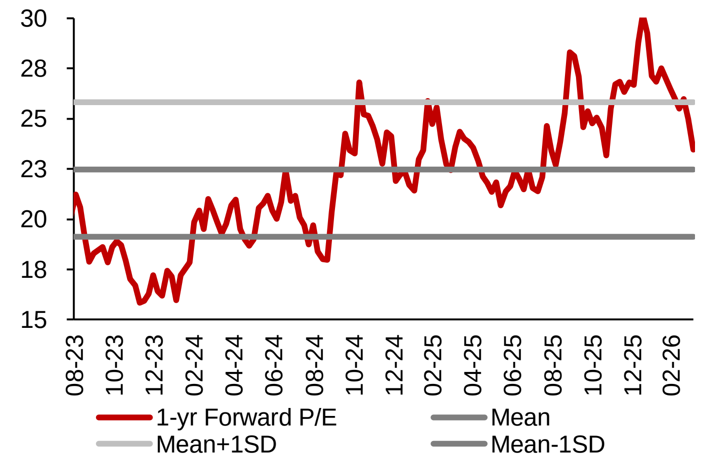
1. Naura Technology (002371 CH) - Intact long-term growth trajectory despite seasonal fluctuations; Maintain BUY
2. Naura Technology (002371 CH) - Solid FY24 earnings amid accelerated semi supply chain domestication
3. Naura Technology (002371 CH) - Solid Q3 earnings signal intact growth trajectory

Financials and Valuations

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	22,079	29,838	39,332	49,432	59,065
YoY growth (%)	50.3	35.1	31.8	25.7	19.5
Gross margin (%)	41.1	42.9	41.8	42.7	43.3
Net profit (RMB mn)	3,899.1	5,621.2	7,292.0	9,400.8	11,507.5
YoY growth (%)	65.7	44.2	29.7	28.9	22.4
EPS (RMB)	5.45	7.83	10.11	13.03	15.95
P/E (x)	86.7	60.4	46.8	36.3	29.6

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 (81% upside)

Analyst: Saiyi He/Frank Tao/Wentao LU

- **Company introduction:** 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 4Q25, 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 of US$196.9 is based on 16.3x FY26E EV/EBITDA, inline with two-year average plus one standard deviation.

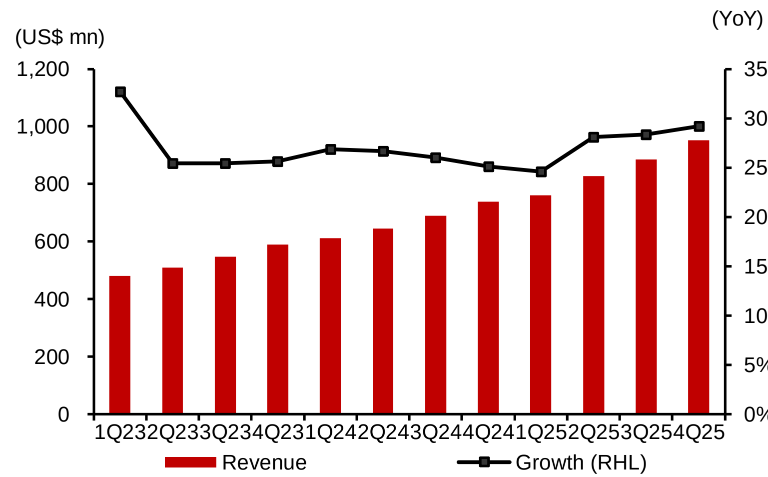
- **Link to latest report:** Datadog (DDOG US) — Robust usage growth to drive solid revenue growth outlook

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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