UOBKayHian

Country Daily Greater China

Thursday, 06 August 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	54349.1	0.5	5.3	2.7	13.1
S&P 500	7723.6	(0.2)	5.6	3.2	12.8
FTSE 100	10888.3	0.1	(0.2)	2.0	9.6
AS30	9405.4	1.0	2.2	4.1	4.3
CSI 300	4658.2	1.2	1.3	(3.8)	0.6
FSSTI	5581.4	(0.6)	(2.3)	6.1	20.1
HSCEI	8603.7	0.3	(0.2)	10.1	(3.5)
HSI	25915.8	0.2	0.4	11.0	1.1
JCI	6351.1	0.5	4.3	7.4	(26.6)
KLCI	1748.2	0.9	1.9	3.8	4.1
KOSPI	6598.3	3.8	16.5	(18.0)	56.6
Nikkei 225	66300.4	3.7	7.9	(4.9)	31.7
SET	1609.8	(0.5)	(0.9)	(0.4)	27.8
TWSE	44611.6	2.9	11.4	(4.2)	54.0
BDI	3063	4.3	16.4	12.7	63.2
CPO (RM/mt)	4517	0.3	0.4	1.6	14.8
Brent Crude (US$/bbl)	79	0.1	(12.4)	10.2	30.6

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Meeting with UOB-Kay Hian Holdings Ltd (UOBK SP)	Singapore	11 Aug	11 Aug
Hybrid Meeting with UltraGreen.ai Ltd (UGAI SP)	Singapore	13 Aug	13 Aug
Virtual Meeting on Indonesia Economic Outlook by Mr. Enrico Tanuwidjaja	Indonesia	19 Aug	19 Aug
Analyst Marketing by Julia Pan on Greater China Internet Sector	Singapore	07 Sep	08 Sep

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
Jul Foreign Reserves	China	07 Aug
Jul Trade Balance, Exports, Imports	China	07 Aug
Jul Foreign Reserves	Hong Kong	07 Aug
Jul Inflation (PPI, CPI)	China	09 Aug
Jul Money Supply (M2, M1, M0)	China	9-15 Aug
Jul FDI YTD YoY CNY	China	11-17 Aug

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Company Results | BeOne Medicines (6160 HK/**BUY**/HK$198.70/Target: HK$265.00) Page 2

BeOne's 1H26 revenue rose 32.3% yoy to US$3.22b and adjusted net profit rose 110.7% yoy to US$820m, ahead of our and consensus expectations. Management further raised 2026 revenue guidance by US$300m to US$6.6b-6.8b and GAAP operating income guidance to US$1.0b-1.1b, on BRUKINSA's momentum and improving operating leverage. Driven by smooth R&D progress, BeOne is well positioned for sustained long-term growth. Maintain BUY and raise target price to HK$265.00.

Technical Analysis

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Support levels: HK$8.24/HK$7.73
Resistance levels: HK$10.82/HK$11.96

Zhaojin Mining Industry | 1818 Page 5

Support levels: HK$20.42/HK$19.62
Resistance levels: HK$25.96/HK$30.20

UOBKayHian

BeOne Medicines (6160 HK)

1H26: Results Outperform, Further Lifting 2026 Outlook

Highlights

- BeOne Medicines' 1H26 revenue rose 32.3% yoy to US$3.22b and adjusted net profit rose 110.7% yoy to US$820m, ahead of our and consensus expectations.
- Management further raised 2026 revenue guidance by US$300m to US$6.6b-6.8b and GAAP operating income guidance to US$1.0b-1.1b, on BRUKINSA's momentum and improving operating leverage. Driven by smooth R&D progress, BeOne Medicines is well positioned for sustained long-term growth.
- Maintain BUY and raise target price to HK$265.00.

1H26 Results

Year to 31 Dec (US$m)	2Q25	2Q26	yoy % chg	1H25	1H26	yoy % chg
Revenue	1,315	1,705	29.6%	2,433	3,219	32.3%
Product revenue	1,302	1,680	29.0%	2,411	3,167	31.4%
Other revenue	13	25	91.1%	22	51	133.9%
Gross profit	1,151	1,531	33.0%	2,103	2,877	36.8%
SG&A expense	(538)	(593)	10.3%	(997)	(1,148)	15.2%
R&D expense	*(525)*	*(612)*	16.6%	(1,007)	(1,154)	14.6%
EBIT	88	325	269.9%	99	575	480.8%
Net profit	94	237	151.3%	96	464	385.8%
Adj. net profit	253	444	75.8%	389	820	110.7%
% of sales	2Q25	2Q26	yoy ppt chg	1H25	1H26	yoy ppt chg
Gross profit	87.5%	89.8%	2.3	86.5%	89.4%	2.9
SG&A expense	40.9%	34.8%	(6.1)	41.0%	35.7%	(5.3)
R&D expense	39.9%	35.9%	(4.0)	41.4%	35.8%	(5.5)
EBIT	6.7%	19.1%	12.4	4.1%	17.9%	13.8
Net profit	7.2%	13.9%	6.7	3.9%	14.4%	10.5
Adjusted net profit	19.2%	26.1%	6.8	16.0%	25.5%	9.5

Source: BeOne Medicines, UOB Kay Hian

Analysis

- **2Q26 results beat.** BeOne Medicines' (BeOne) 2Q26 revenue reached US$1,705m, up 29.6% yoy, while adjusted net profit rose 75.8% to US$444m and reported net profit rose 151.3% yoy to US$237m. 1H26 revenue of US$3,219m (up 32.3% yoy) and 1H26 adjusted net profit of US$820m (up 110.7% yoy) represent 49.7% and 59.7% of our full-year forecasts respectively, running ahead of both our and consensus estimates.

Key Financials

Year to 31 Dec (US$m)	2024	2025	2026F	2027F	2028F
Net turnover	3,810.2	5,343.0	6,853.2	8,203.1	9,849.0
EBITDA	(382.0)	621.2	1,343.0	1,929.6	2,636.7
Operating profit	(568.2)	447.1	1,152.0	1,721.6	2,411.8
Net profit (rep./act.)	(644.8)	286.9	945.7	1,408.4	1,969.0
Net profit (adj.)	(54.9)	917.6	1,647.0	2,126.6	2,704.2
EPS (US$ cent)	(4.0)	62.2	111.7	144.2	183.4
PE (x)	n.a.	40.7	22.7	17.6	13.8
P/B (x)	10.4	8.2	6.8	5.3	4.1
EV/EBITDA (x)	n.a.	509.3	235.6	164.0	120.0
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
Net margin (%)	(1.4)	17.2	24.0	25.9	27.5
Net debt/(cash) to equity (%)	(48.6)	(82.3)	(89.0)	(90.2)	(90.3)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.	n.a.
ROE (%)	(18.8)	7.5	19.6	23.4	25.6
Consensus net profit	-	-	735	1,078	1,609
UOBKH/Consensus (x)	-	-	1.29	1.31	1.22

Source: BeOne Medicines, Bloomberg, UOB Kay Hian

BUY (Maintained)

Share Price	HK$198.70
Target Price	HK$265.00
Upside	+33.4%
Previous TP	HK$257.00

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Stock Data

GICS sector	Health Care
Bloomberg ticker:	6160 HK
Shares issued (m):	1,427.2
Market cap (HK$m):	321,103.5
Market cap (US$m):	40,938.8
3-mth avg daily t'over (US$m):	115.0

Price Performance (%)

52-week high/low: HK$229.40/HK$153.00

1mth	3mth	6mth	1yr	YTD
8.5	12.4	(5.2)	6.7	10.8

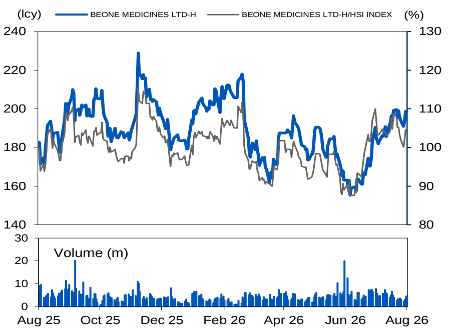
Major Shareholders

	%
Amgen	17.05
Baker Brothers	8.01

Balance Sheet Metrics

FY26 NAV/Share (US$)	3.74
FY26 Net Cash/ Share (US$)	3.31

Price Chart



Source: Bloomberg

Company Description

BeOne Medicines is a global oncology company, which engages in the development and commercialisation of innovative molecularly targeted and immuno oncology.

- Total revenue grew 29.6% yoy and 12.7% qoq to US$1,705m in 2Q26. 2Q26 product revenue rose 29.0% yoy to US$1,680m, driven by BRUKINSA's robust global sales of 31.4% yoy to US$1,248m (about 73.2% of total); US BRUKINSA sales grew 31% yoy to US$893m in 2Q26. TEVIMBRA sales rose 18.1% yoy to US$229m and the products in-licensed from Amgen grew 25% yoy to US$157m in 2Q26. By region, US revenue rose 31.6% yoy to US$914m and made up 53.6% of total revenue in 2Q26, Europe rose 37.0% yoy to US$209m, the rest of the world more than doubled to US$76m, and China grew 16.9% yoy to US$506m.
- Margin expansion continued. Gross margin improved to 89.4% in 1H26, up 2.9ppt yoy, on a richer BRUKINSA sales mix and productivity gains in both BRUKINSA and TEVIMBRA. The R&D/revenue ratio fell 5.3ppt yoy to 35.7% and the SG&A/revenue ratio fell 5.5ppt yoy to 35.8% in 1H26. Operating margin therefore widened 13.8ppt yoy to 17.9% and adjusted net margin widened 9.5ppt yoy to 25.5% in 1H26.
- Management raised 2026 revenue guidance again, by US$300m to US$6.6b-6.8b, backed by TBRUKINSA's leadership position in the US and its continued growth momentum in the rest of the world. The new range implies growth of 23-27% yoy, while gross margin guidance was kept at the high-80% range. Management also lifted guidance for GAAP operating income to US$1.0b-1.1b (from US$750m-850m) and for non-GAAP operating income to US$1.7b-1.8b (from US$1.45b-1.55b), on combined R&D and SG&A expenses of US$4.8b-5.0b. The upgrade underlines BeOne's strong global commercial execution and potentials in further improving operating efficiency.
- Pipeline progress supports long-term value. BEQALZI (Sonrotoclax) received US FDA accelerated approval for 3L relapsed/refractory mantle cell lymphoma (r/r MCL), and BRUKINSA delivered positive top-line results in 1L MCL, which management will take into regulatory submissions in the US, Europe, China and Japan in 2H26. TEVIMBRA won Japanese approval in 1L gastric cancer. Tacabrutideg (BGB-16673, a bruton tyrosine kinase degrader) completed enrolment for its China Phase 3 study in post-BTKi r/r chronic lymphocytic leukaemia. BeOne also announced a US$300m expansion of its Princeton West campus in New Jersey to add small-molecule manufacturing.

Valuation/Recommendation

- **Maintain BUY and raise target price to HK$265.00** (ONC US/BUY/ Target: US$439.41/ADS; 688235 CH/BUY/Target: Rmb354.10), based on our DCF model with WACC of 10.5% and terminal growth rate of 3.5%. The strong 1H26 results and improved guidance underpin further share price appreciation.

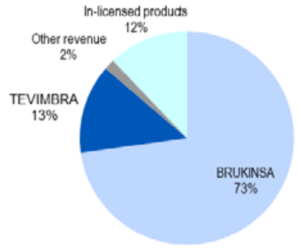
Earnings Revision/Risk

- We raised our revenue and adjusted earnings growth estimates for 2026/27/28 by 5.8%/5.9%/5.9% and 19.9%/12.0%/3.8%, respectively to reflect BeOne Medicines' brighter growth outlook.
- **Risks**: a) policy risks in the US, eg Most-Favoured-Nation drug pricing and Part-D re-design; b) intensifying market competition; c) risks in R&D, product approval, and business collaborations etc.

Share Price Catalyst

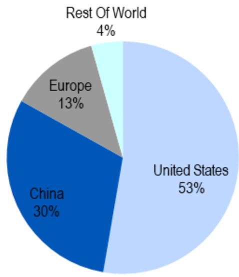
- Smooth R&D and market approvals, eg, regulatory submissions for BRUKINSA in 1L MCL in the US, Europe, China and Japan; and US FDA regulatory action on TEVIMBRA with ZIIHERA in 1L HER2-positive GEA in 2H26.
- A strong BEQALZI launch and robust 2026 financial results.

Segmental Revenue (1H26)



Source: BeOne Medicines, UOB Kay Hian

Regional Revenue (1H26)



Source: BeOne Medicines, UOB Kay Hian

Near-Term Product/Indication Approvals

	Expected Indication/ Market Approvals	Market	Estimated time of approval
TEVIMBRA	2L ESCC Q6W	US	Approved in Dec 25
	1L GC	US	Approved in Dec 25
	2L ESCC	CA	Approved in 1Q26
	1L NPC	UK	Approved in 1Q26
	1L ES-SCLC, Neo/adj NSCLC	UK	Approved in 1Q26
	1L GC	JP	Approved in 2Q26
	Alt Dosing Q6W	CN	Approved in 2Q26
	1L NPC	JP	2026
	1L HER2+ GEA	US	2H26
	1L HER2+ GEA	CN	1H27
BRUKINSA	Tablet formulation	UK	Approved in 1Q26
	R/R MZL	JP	2026
	Tablet formulation	JP	2026
Sonrotoclax	R/R MCL	CN	Approved in Dec 25
	R/R CLL	CN	Approved in Dec 25
	R/R MCL	US	Approved in May 26
	R/R MCL	EU	2026
Tarlatamab	3L+ SCLC	CN	Approved in Apr 26
	2L SCLC	CN	Approved in 2Q26
Zanidatamab	1L HER2+ GEA	CN	1H27

Note: ESCC: Esophageal Squamous Cell Carcinoma; NPC: Nasopharyngeal Carcinoma; GC: Gastric Cancer; ES-SCLC: Extensive-Stage Small Cell Lung Cancer; Neo/adj: Neoadjuvant or adjuvant chemotherapy; NSCLC: Non-Small Cell Lung Cancer, GEA: gastroesophageal adenocarcinoma. Dosing frequency: Q2W:bi-weekly, Q4W: monthly, and Q6W: dose every six weeks.

Source: BeOne Medicines, UOB Kay Hian

Profit & Loss

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Net turnover	5,343.0	6,853.2	8,203.1	9,849.0
EBITDA	621.2	1,343.0	1,929.6	2,636.7
Deprec. & amort.	174.0	191.0	208.0	224.9
EBIT	447.1	1,152.0	1,721.6	2,411.8
Total other non-operating income	(42.6)	0.0	0.0	0.0
Net interest income/(expense)	12.3	12.3	12.3	12.3
Pre-tax profit	416.9	1,164.3	1,733.9	2,424.1
Tax	(129.9)	(218.5)	(325.5)	(455.0)
Minorities	0.0	0.0	0.0	0.0
Net profit	286.9	945.7	1,408.4	1,969.0
Net profit (adj.)	917.6	1,647.0	2,126.6	2,704.2

Balance Sheet

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Fixed assets	1,641.7	1,643.5	1,628.4	1,596.3
Other LT assets	313.3	316.5	316.5	316.5
Cash/ST investment	4,609.6	5,794.4	7,133.4	8,917.7
Other current assets	1,623.9	1,733.6	1,900.2	2,211.6
Total assets	8,188.6	9,488.1	10,978.5	13,042.1
ST debt	57.3	190.9	190.9	190.9
Other current liabilities	1,771.5	2,023.3	2,105.3	2,199.9
LT debt	961.9	882.2	882.2	882.2
Other LT liabilities	1,036.6	1,084.8	1,084.8	1,084.8
Shareholders' equity	4,361.2	5,306.9	6,715.3	8,684.4
Minority interest	0.0	0.0	0.0	0.0
Total liabilities & equity	8,188.6	9,488.1	10,978.5	13,042.1

Cash Flow

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Operating	1,127.6	1,262.5	1,525.9	1,971.2
Pre-tax profit	286.9	945.7	1,408.4	1,969.0
Tax	0.0	0.0	0.0	0.0
Deprec. & amort.	141.7	191.0	208.0	224.9
Working capital changes	(178.3)	(23.4)	(84.6)	(216.8)
Other operating cashflows	877.3	149.2	(6.0)	(6.0)
Investing	(276.2)	(125.6)	(122.3)	(122.3)
Capex (growth)	(185.8)	(192.8)	(192.8)	(192.8)
Investments	(9.6)	0.0	0.0	0.0
Proceeds from sale of assets	70.5	70.5	70.5	70.5
Others	(151.2)	(3.2)	0.0	0.0
Financing	1,059.5	47.8	(64.6)	(64.6)
Dividend payments	0.0	0.0	0.0	0.0
Proceeds from borrowings	(58.2)	(64.6)	(64.6)	(64.6)
Loan repayment	0.0	0.0	0.0	0.0
Others/interest paid	1,117.7	112.4	0.0	0.0
Net cash inflow (outflow)	1,910.9	1,184.8	1,339.0	1,784.3
Beginning cash & cash equivalent	2,638.7	4,609.6	5,794.4	7,133.4
Changes due to forex impact	60.0	0.0	0.0	0.0
Ending cash & cash equivalent	4,609.6	5,794.4	7,133.4	8,917.7

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
Gross margin	87.5	88.5	89.0	89.5
Pre-tax margin	7.8	17.0	21.1	24.6
Net margin	5.4	13.8	17.2	20.0
ROA	4.1	10.7	13.8	16.4
ROE	7.5	19.6	23.4	25.6
Growth				
Turnover	40.2	28.3	19.7	20.1
Gross profit	45.3	29.7	20.4	20.7
Pre-tax profit	n.a.	179.3	48.9	39.8
Net profit	n.a.	229.6	48.9	39.8
Net profit (adj.)	n.a.	79.5	29.1	27.2
EPS	n.a.	79.5	29.1	27.2
Leverage				
Debt to total capital	18.9	16.8	13.8	11.0
Debt to equity	23.4	20.2	16.0	12.4
Net debt/(cash) to equity	(82.3)	(89.0)	(90.2)	(90.3)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.

Source: TradingView

MMG (1208 HK)

Last price: HK$9.06
Support levels: HK$8.24/HK$7.73
Resistance levels: HK$10.82/HK$11.96

Technical View:

Price has staged a high-conviction continuation move, successfully penetrating its recent price high following a rebound off the gap support zone. The RSI is actively rising above its neutral 50-midline to confirm accelerating upward velocity. This implies a further upward price trajectory toward open-air target zones as long as the broken high and underlying gap support remain defended.

Average timeframe: Around two weeks.

Source: TradingView

Zhaojin Mining Industry (1818 HK)

Last price: HK$22.76
Support levels: HK$20.42/HK$19.62
Resistance levels: HK$25.96/HK$30.20

Technical View:

Price has demonstrated a robust structural follow-through, expanding higher after validating the resistance-turned-support zone as a new support floor. The RSI is actively rising above its neutral 50-midline. This signals further upward expansion toward higher overhead targets as long as this structural support shelf remains intact.

Average timeframe: Around two weeks.

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