## Key Indices

| | Prev Close | 1D % | 1W % | 1M % | YTD % |
|---|---|---|---|---|---|
| DJIA | 53459.8 | (0.5) | (1.0) | 2.5 | 11.2 |
| S&P 500 | 7745.1 | (0.5) | (0.1) | 3.9 | 13.1 |
| FTSE 100 | 10720.3 | (0.3) | (1.3) | 1.1 | 7.9 |
| AS30 | 9279.0 | (0.4) | (1.5) | 3.3 | 2.9 |
| CSI 300 | 4741.1 | 1.6 | 0.8 | 4.7 | 2.4 |
| FSSTI | 5768.5 | 0.4 | 1.2 | 4.7 | 24.2 |
| HSCEI | 8440.0 | 1.2 | (2.1) | 3.7 | (5.3) |
| HSI | 25453.2 | 1.3 | (1.9) | 3.6 | (0.7) |
| JCI | 6401.9 | 1.6 | (0.1) | 3.7 | (26.0) |
| KLCI | 1725.9 | (0.1) | (0.5) | (0.3) | 2.7 |
| KOSPI | 6977.9 | 2.4 | 11.5 | 2.3 | 65.6 |
| Nikkei 225 | 69220.3 | 0.7 | 5.5 | 7.9 | 37.5 |
| SET | 1626.4 | 1.1 | 0.9 | (0.8) | 29.1 |
| TWSE | 45857.3 | 0.1 | 2.1 | 7.5 | 58.3 |
| BDI | 2878 | 0.5 | (6.6) | 4.6 | 53.3 |
| CPO (RM/mt) | 4525 | 0.1 | 0.3 | 0.5 | 15.0 |
| Brent Crude (US$/bbl) | 91 | 2.7 | 3.6 | 3.1 | 49.3 |

*Source: Bloomberg*

## Corporate Events

| | Venue | Begin | Close |
|---|---|---|---|
| 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 |
| Analyst Marketing by Julia Pan on Greater China Internet Sector | Malaysia | 09 Sep | 11 Sep |

## Corporate and Macro Calendar

| Economic Indicator/Event | Country/Region | Date |
|---|---|---|
| Jul Unemployment Rate 3Mths | Hong Kong | 20 Aug |
| Jul CPI Composite | Hong Kong | 20 Aug |
| Jul Trade Balance, Exports, Imports | Hong Kong | 25 Aug |
| Jul Industrial Profits | China | 27 Aug |
| Aug PMI (Composite, Manufacturing, Non-manufacturing) | China | 31 Aug |
| Jul Retail Sales (Value, Volume) | Hong Kong | 31 Aug |
| Jul Money Supply (M1, M2, M3) | Hong Kong | 31 Aug |

## Top Stories

**Economics** | Economic Activity Page 3 →

- July's data was weak across the board. Industrial production growth slowed to 4.5% yoy (-0.8ppt mom), missing Bloomberg's consensus estimate of 5.0% yoy, despite continued strength in high-tech manufacturing. FAI ytd growth fell further to -6.7% yoy, dragged by property FAI ytd (-19.2% yoy), with infrastructure and manufacturing FAI also now contracting. Retail sales growth slowed to 0.6% yoy, below consensus estimates of 1.5% yoy, while the unemployment rate edged up to 5.2%.

**Sector Update** | China Property Page 5 →

- NBS data showed Jul 26 property investment declined 28.7% yoy, while Tier 1 new-home price momentum faded. High frequency data for 1-16 Aug 26 saw demand concentrated in Tier 1 cities, with new-home sales up 16% yoy against Tier 2's 11% drop. Beijing lagged the other Tier 1 cities in both sales and prices. Weak consumption is also weighing on the sentiment of Consumer C-REITs, which currently has an average yield of 4.3%. Maintain UNDERWEIGHT on China's property sector.

**Company Results** | Cowell E Holdings Inc (1415 HK/**BUY**/HK$22.96/Target: HK$48.00) Page 8 →

- Cowell's 1H26 results delivered a strong bottom line performance, driven by better-than-expected margins. Revenue stood at US$1.6b with GPM, OPM and NPM coming in at 11.2%, 6.8% and 5.6% respectively, driving net profit to US$90b which is 37.6% above consensus estimates. Maintain BUY; target price: HK$48.00.

**Company Results** | Geely Auto (175 HK/**BUY**/HK$18.67/Target: HK$29.00) Page 11 →

- Geely's 2Q26 adjusted net profit of Rmb5.12b (+61% yoy) beat consensus estimates by 4%, driven by ASP and margin expansion. Gross margin expanded 1.6ppt to 17.9% in 1H26, with overseas margins commanding a 10ppt premium over domestic. We raise our 2026-28 net profit forecasts by 5%/7%/9% to Rmb19.89b/Rmb27.265b/ Rmb35.09b on higher ASP and margins. Maintain BUY and raise target price to HK$29.00 target (10x 2026F PE).

# Technical Analysis

**Trip.com Group | 9961 HK** Page 14 →

- Support levels: HK$342.60/HK$334.00
- Resistance levels: HK$390.00/HK$415.80

**Innovent Biologics | 1801 HK** Page 14 →

- Support levels: HK$92.20/HK$89.55
- Resistance levels: HK$105.00/HK$109.00

# Economics

Economic Activity

## Weak July Data; Investment Drop Broadens Beyond Property

- Industrial production growth slowed to 4.5% yoy (-0.8ppt mom) in July, missing Bloomberg's consensus estimate of 5.0% yoy, despite continued strength in high-tech manufacturing industry. FAI ytd growth fell further to -6.7% yoy (-1.0ppt mom), below consensus estimates of -6.2% yoy, dragged by property FAI ytd (-19.2% yoy), with infrastructure and manufacturing FAI also now contracting.
- Retail sales growth slowed to 0.6% yoy, down from June's 1.0% yoy and missing consensus forecasts of 1.5% yoy. The unemployment rate edged up to 5.2% (+0.2ppt mom).
- July's data was weak across all major indicators, with the investment contraction broadening beyond property.

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## What's New

### Economic Activity Data (Monthly)

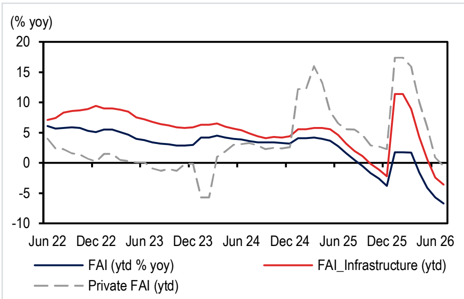
| (yoy % chg) | Jul 26 | Consensus | Jun 26 |
|---|---|---|---|
| FAI YTD | -6.7 | -6.2 | -5.7 |
| FAI* | -12.7 | - | -13.7 |
| Property FAI YTD | -19.2 | -18.9 | -18.0 |
| Industrial Production | 4.5 | 5.0 | 5.3 |
| Surveyed Unemployment Rate (%) | 5.2 | 5.1 | 5.0 |
| Retail Sales | 0.6 | 1.5 | 1.0 |

** UOB Kay Hian estimates*

*Source: NBS, CEIC, UOB Kay Hian*

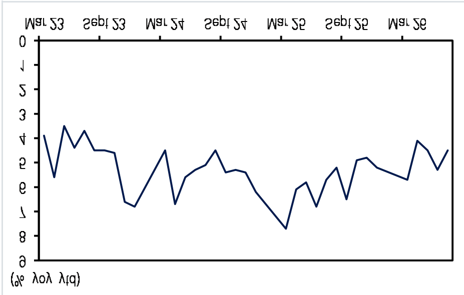
- **Industrial production growth slowed to 4.5% yoy in July (-0.8ppt mom),** below Bloomberg's consensus estimate of 5.0% yoy. In July, 25 of 41 major industries maintained yoy growth in output value (vs 29 in June), with manufacturing IP slowing slightly to 5.5% yoy despite high-tech manufacturing industry IP growth held up at 16.9% yoy (vs 13.8% ytd in June). The gains again came from a narrow set of new quality productive forces: Computer, communication and other electronic equipment (+19.1% yoy), railway and shipbuilding (+13.6% yoy), special equipment (+12.6% yoy) and general equipment (+9.5% yoy) led, while electrical machinery slowed to +5.3% yoy. On the other hand, mining output contracted 4.2% yoy after a 2.2% decline in June.
- **July's retail sales growth slowed to 0.6% yoy,** down from June's 1.0% yoy and below Bloomberg's consensus estimate of 1.5% yoy. By consumption type, catering revenue grew 1.4% yoy (+0.2ppt mom) while retail sales of goods rose only 0.5% yoy (-0.4ppt mom). Policy-supported durable-goods categories remained the key drag, with automobiles down 17.0% yoy, building and decoration materials down 14.2% yoy, furniture down 8.8% yoy and petroleum products down 7.6% yoy; communication equipment (+20.4% yoy), cosmetics (+6.8% yoy), tobacco and alcohol (+6.0% yoy) and food (+5.3% yoy) were the main positives. June's rebound therefore appears to be temporary rather than the start of a sustained recovery.
- **FAI ytd growth fell further to -6.7% yoy in July (-1.0ppt mom),** below Bloomberg's consensus estimate of -6.2% yoy. Property FAI ytd deepened to -19.2% yoy (-1.2ppt mom), missing consensus estimates of -18.9% yoy and hitting fresh multi-year lows. Notably, the weakness has broadened beyond property: infrastructure and manufacturing FAI ytd contracted 3.6% yoy and 1.7% yoy respectively, respectively, deteriorating by 1.2ppt and 0.5ppt from June.

### Fixed Asset Investment Growth



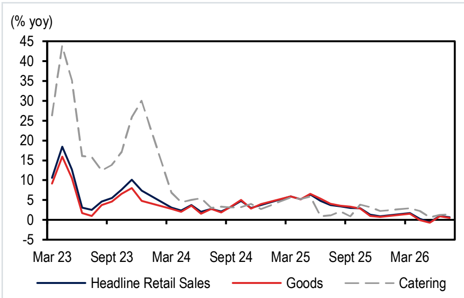

*Source: NBS, CEIC, UOB Kay Hian*

### Industrial Production Growth



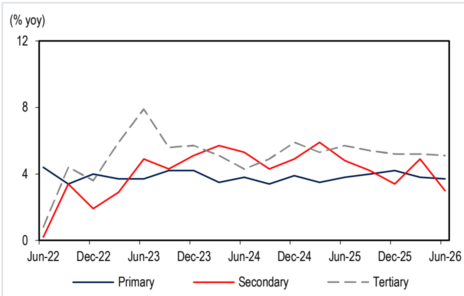
*Source: NBS, CEIC, UOB Kay Hian*

### Retail Sales By Merchandise




*Source: NBS, CEIC, UOB Kay Hian*

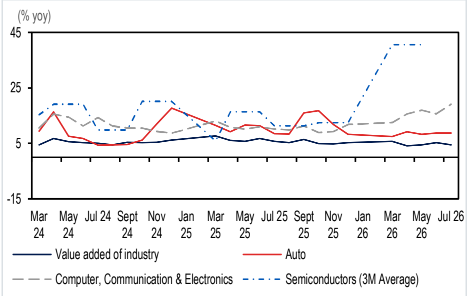
### GDP By Industry




*Source: NBS, CEIC, UOB Kay Hian*

- **The surveyed unemployment rate edged up to 5.2% in July (+0.2ppt mom),** above Bloomberg's consensus of 5.1%. Overall, July's activity data was weak across all major indicators.

## Industrial Production By Sector




*Source: NBS, CEIC, UOB Kay Hian*

# China Property

## Deeper Declines In Property Investment And New Construction In Jul 26; Weak Consumption Weighs On Consumer C-REITs

## Highlights

- The NBS published industry data for Jul 26, revealing weaker industry fundamentals, especially property investment. Tier 1 existing home prices kept rising, though at a slower pace.
- High frequency data for the first 16 days of Aug 26 showed demand still concentrated in Tier 1 cities. New-home sales in the four Tier 1 cities rose 16% yoy while Tier 2 cities fell 11%, leaving 19 major cities down 5% yoy. On a ytd basis (as of 16 August), Tier 1/2 cities changed by +3%/-8% yoy respectively. Second-hand transactions in three Tier 1 cities rose 9% yoy, with the gain still driven by Shanghai, while nine Tier 2 cities fell 4% yoy. Meanwhile, second-hand home listing prices continued to trend downward.
- Maintain UNDERWEIGHT. Our top picks are COLI and CR Mixc.

## Analysis

- **Jul 26 NBS data: Property investment and starts worsen; sales decline moderates.** Property investment dropped 28.7% yoy in Jul 26, further worsening from Jun 26's decline of 26.0% yoy. New property construction declined 28.5% yoy in Jul 26, worsening from the drop of 26.0% yoy in Jun 26, while the decline in property completions narrowed to 20.0% yoy from 25.0% yoy. While the yoy decline in new home sales narrowed in Jul 26, with gross floor area (GFA) sold dipping 14.5% yoy in Jul 26 (vs a drop of 16.3% yoy in Jun 26) and the value of new-home sales falling 10.4% yoy in Jul 26 (vs a decrease of 15.5% yoy in Jun 26).

### NBS Property Industry Data

| YoY growth (%) | ------------ Monthly reading ------------ | | | | --------------------- YTD --------------------- | | | |
|---|---|---|---|---|---|---|---|---|
| | Jul 26 | Jun 26 | May 26 | Apr 26 | 7M26 | 6M26 | 5M26 | 4M26 |
| Property investment | -28.7 | -26.0 | -24.9 | -20.1 | -19.2 | -18.0 | -16.2 | -13.7 |
| New start of property construction | -28.5 | -26.0 | -24.7 | -27.1 | -24.0 | -23.4 | -22.6 | -22.0 |
| Completion of property construction | -20.0 | -25.0 | -19.6 | -19.0 | -23.2 | -23.7 | -23.4 | -24.0 |
| GFA of new home sold | -14.5 | -16.3 | -14.1 | -10.3 | -11.8 | -11.6 | -10.8 | -10.2 |
| Value of new home sold | -10.4 | -15.5 | -9.8 | -8.0 | -13.1 | -13.6 | -13.5 | -14.6 |
| Fund source | -22.2 | -25.0 | -20.7 | -21.5 | -20.3 | -20.2 | -19.0 | -18.4 |

*Source: NBS, UOB Kay Hian*

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**UNDERWEIGHT (Maintained)**

### Segmental Rating

| Segment | Rating |
|---|---|
| China Property | UNDERWEIGHT (Maintained) |
| Property management | UNDERWEIGHT (Maintained) |

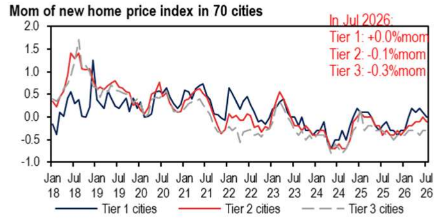
*Source: Bloomberg, UOB Kay Hian*

### Sector Picks

| Company | Ticker | Rec | Share Price (HK$) | Target Price (HK$) |
|---|---|---|---|---|
| COLI | 688HK | BUY | 13.42 | 19.88 |
| CR Mixc | 1209 HK | BUY | 40.00 | 55.00 |

*Source: Bloomberg, UOB Kay Hian*

### Mom Change Of New Home Prices In 70 Cities




*Source: iFind, UOB Kay Hian*

### Peer Comparison

| Company | Ticker | Rec | Price 17 Aug 26 (HK$) | Target Price (HK$) | Upside To TP (%) | Last Year End | PE 2024 (x) | PE 2025F (x) | PE 2026F (x) | Yield 2025F (%) | ROE 2025F (%) | Market Cap. (HK$m) | Price/ NAV ps (x) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| China Resources Land Ltd | 1109 HK | BUY | 33.96 | 39.60 | 16.6% | 12/25 | 9.3 | 10.3 | 9.2 | 3.8 | 4.7% | 242,166.7 | 0.70 |
| China Overseas Land | 688 HK | BUY | 13.42 | 19.88 | 48.1% | 12/25 | 9.7 | 10.9 | 10.1 | 3.7 | 2.7% | 146,880.3 | 0.32 |
| Longfor Properties | 960 HK | BUY | 6.48 | 10.12 | 56.3% | 12/25 | 5.3 | N.A. | N.A. | 0.2 | -1.9% | 45,955.7 | 0.24 |
| Yuexiu Property | 123 HK | BUY | 3.71 | 4.50 | 21.5% | 12/25 | 49.3 | 51.9 | 40.9 | 1.0 | 0.5% | 14,914.1 | 0.23 |
| CR Mixc Lifestyle | 1209 HK | BUY | 40.00 | 55.00 | 37.5% | 12/25 | 19.8 | 17.8 | 16.0 | 6.2 | 26.6% | 91,300.0 | 4.8 |
| China Overseas Property Holdings | 2669 HK | BUY | 3.37 | 4.20 | 24.6% | 12/25 | 7.0 | 7.8 | 7.9 | 5.5 | 18.5% | 11,066.9 | 1.4 |

*Source: Bloomberg, UOB Kay Hian*

- **Jul 26 NBS data: New home price momentum softened; Tier 1 secondary market recovery continued, led by Guangzhou.** In Jul 26, the new home price index in Tier 1/2/3 cities changed 0.0%/-0.1%/-0.3% mom, (vs +0.1%/0.0%/-0.3% mom in June), while the second-hand price index changed +0.2%/-0.3%/-0.4% mom, (vs +0.3%/-0.3%/-0.4% mom in June), respectively. Notably, Guangzhou led the Tier 1 cities in secondary-home price recovery in Jul 26. Second-hand home prices changed 0.0%/+0.3%/+0.4%/+0.2% mom in Beijing/Shanghai/ Guangzhou/Shenzhen, respectively.
- **Aug 26 high frequency data show that new-home sales grew yoy in Shanghai, Guangzhou and Shenzhen, while Shanghai was the only Tier 1 city in our sample to record positive yoy growth in secondary-home sales.**
  a) **New-home sales in 19 major cities fell 5% yoy in 1-16 Aug 26.** Average daily new-home sales in Tier 1/2 cities changed by +16%/-11% yoy respectively. Among Tier 1 cities, Beijing/Shanghai/ Guangzhou/Shenzhen recorded yoy sales changes of -17%/+34%/+15%/+16% respectively. On a ytd basis (as of 16 August), average daily new-home sales in 19 major cities fell 4% yoy, with Tier 1/2 cities changing by +3%/-8% yoy respectively. Among Tier 1 cities, Beijing/Shanghai/Guangzhou/Shenzhen recorded yoy sales changes of -2%/+7%/+2%/+2% respectively. Beijing showed the worst new-home sales performance among Tier 1 cities. Overall, Tier 1 momentum into Aug 26 rests on Shanghai and Guangzhou, which suggests the recovery remains narrow.
  b) **During 1-16 Aug 26, average daily sales of second-hand homes in three Tier 1 cities rose 9% yoy while nine Tier 2 cities fell 4% yoy.** Beijing/Shanghai/Shenzhen changed by -3%/+21%/0% yoy respectively, against +12%/+19%/+4% yoy in Jul 26 – Shanghai remains the only one of the three still growing. On a ytd basis (as of 16 August), three Tier 1 cities rose 10% yoy while nine Tier 2 cities fell 5% yoy; Beijing/Shanghai/Shenzhen rose 6%/14%/3% yoy respectively. Overall, Tier 1 second-hand demand is still led by Shanghai, and we see no sign of the recovery spreading to Tier 2 cities.
  c) **Overall price trends remained on a downward trajectory.** According to the ICE Index updated on 16 August, average listing prices of second-hand homes in 100 major cities fell 0.1% wow and 0.5% mom. Among the four Tier 1 cities, the listing price index of Beijing/Shanghai/Guangzhou/Shenzhen fell 0.1%/0.1%/0.1%/0.1% wow, changed by -0.7%/-0.1%/-0.7%/-0.3% mom, and changed by -3.0%/+1.4%/-2.8%/-1.6% ytd respectively. Notably, Shanghai's listing price momentum also turned negative, with all four Tier 1 cities now recording declines in listing prices.

**1-16 Aug 26 Daily New-Home Sales (GFA) Of Key Cities**
***(Cities with relatively better yoy performance are highlighted in yellow)***

| GFA | ---------------- T1 cities ---------------- | | | | ------------------------------------ T2 cities ------------------------------------ | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| (000 sqm) | BJ | SH | GZ | SZ | Wuhan | Qingdao | Suzhou | Fuzhou | Chengdu | Nanning |
| 1-16 Aug 25 | 11 | 21 | 15 | 5 | 19 | 28 | 6 | 3 | 20 | 12 |
| 1-31 Jul 26 | 12 | 30 | 17 | 9 | 30 | 31 | 7 | 6 | 21 | 13 |
| 1-16 Aug 26 | 9 | 28 | 17 | 5 | 23 | 28 | 4 | 4 | 13 | 8 |
| YoY | -17% | 34% | 15% | 16% | 20% | -1% | -24% | 72% | -37% | -36% |
| MoM | -26% | -7% | -1% | -41% | -22% | -11% | -44% | -31% | -39% | -42% |

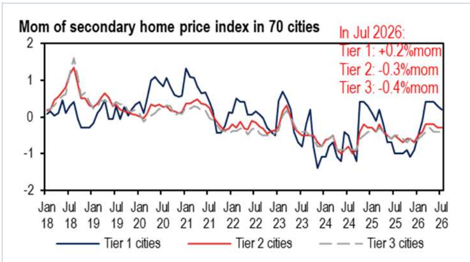
*Source: iFind, UOB Kay Hian*

**1-16 Aug 26 Daily Secondary-Home Transactions (In Units) Of 12 cities**
***(Cities with relatively better yoy performance are highlighted in yellow)***

| Units | SH | BJ | SZ | HZ | NJ | QD | Suzhou | Wuxi | DG | XM | CD | FS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1-16 Aug 25 | 600 | 449 | 163 | 147 | 247 | 149 | 144 | 98 | 96 | 75 | 611 | 234 |
| 1-31 Jul 26 | 744 | 525 | 194 | 158 | 284 | 179 | 201 | 114 | 143 | 94 | 658 | 290 |
| 1-16 Aug 26 | 726 | 434 | 163 | 142 | 246 | 132 | 150 | 86 | 124 | 83 | 533 | 241 |
| YoY | 21% | -3% | 0% | -3% | 0% | -12% | 4% | -12% | 29% | 10% | -13% | 3% |
| MoM | -3% | -17% | -16% | -10% | -13% | -26% | -25% | -24% | -14% | -12% | -19% | -17% |

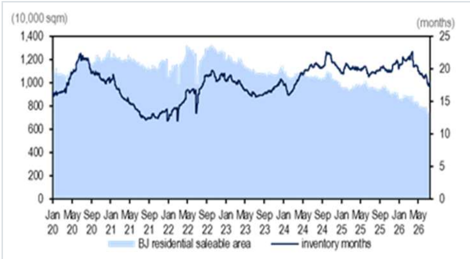
*Source: iFind, UOB Kay Hian*

**Mom Change Of Secondary Home Prices In 70 Cities**



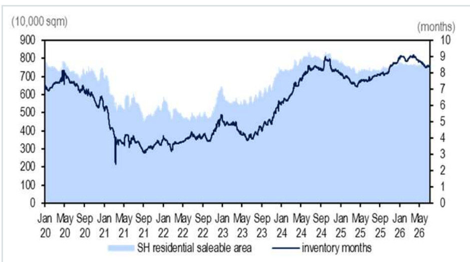

*Source: iFind, UOB Kay Hian*

**Beijing's Inventory Months**



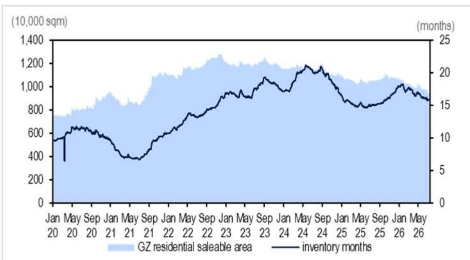

*Source: UOB Kay Hian*

**Shanghai's Inventory Months**



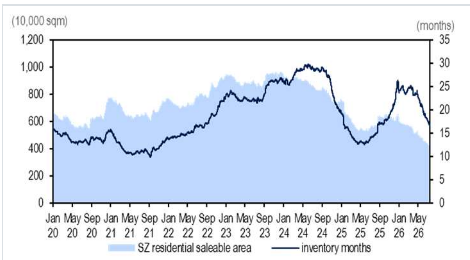

*Source: UOB Kay Hian*

**Guangzhou's Inventory Months**




*Source: UOB Kay Hian*

**Shenzhen's Inventory Months**




*Source: UOB Kay Hian*

- **Weak consumption weighs on consumer C-REITs.** The 14 listed consumer-infrastructure C-REITs carry a combined asset valuation of Rmb40.1b and an average TTM distribution yield of 4.3%. Price performance has been weighed by weak consumption - all 14 fell over the past month (average -4.9%), and the 12 listed before 2026 are down 10.6% on average over the past year. ChinaAMC Capital Outlets (-0.9%) and ChinaAMC Jinmao (-4.9%) held up best, while ChinaAMC CapitaLand (-16.9%) and Harvest Wumart (-16.4%) lagged; Guotai Haitong Sasseur is the only one up on the year (+13.3%) but was listed only in Jun 26.

**Consumer Infrastructure C-Reits**

| REIT | Code | Listed | Closing price (Rmb) | NAV/ unit (Rmb) | Yield TTM* (%) | Yield estimated (%) | Valuation (Rmbm) | Turnover (Rmbm) | 1M (%) | 1Y (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| ChinaAMC CR Commercial REIT | 180601.SZ | 2024-02 | 9.22 | 6.38 | 4.0 | 5.27 | 8,150 | 14.5 | -3.1 | -6.1 |
| Guotai Haitong Sasseur Commercial REIT | 508602.SH | 2026-06 | 6.27 | 5.53 | n.a. | 5.65 | 5,028 | 3.1 | -3.0 | 13.3 |
| CICC SCPG Consumption REIT | 180602.SZ | 2024-04 | 3.62 | 3.04 | 4.8 | 5.05 | 3,959 | 4.0 | -7.5 | -12.9 |
| China Universal Shanghai Land Commercial REIT | 508600.SH | 2026-06 | 3.57 | 4.09 | n.a. | 4.47 | 3,689 | 2.1 | -0.0 | -12.7 |
| ChinaAMC Joy City Consumption REIT | 180603.SZ | 2024-09 | 4.20 | 3.17 | 4.4 | 5.36 | 3,247 | 4.8 | -5.7 | -8.6 |
| CICC Vipshop Outlets REIT | 508082.SH | 2025-08 | 3.74 | 3.48 | n.a | 5.65 | 2,901 | 8.4 | -8.7 | -11.5 |
| ChinaAMC CapitaLand Consumption REIT | 508091.SH | 2025-09 | 5.42 | 5.75 | n.a | 4.84 | 2,557 | 2.0 | -4.6 | -16.9 |
| Hua An Bailian Consumption REIT | 508002.SH | 2024-07 | 2.54 | 2.20 | 5.6 | 5.57 | 2,125 | 9.1 | -4.2 | -15.7 |
| ChinaAMC Capital Outlets REIT | 508005.SH | 2024-08 | 3.94 | 2.46 | 4.3 | 4.14 | 2,032 | 6.4 | -5.1 | -0.9 |
| CICC China Green Development Consumption REIT | 180606.SZ | 2025-06 | 3.65 | 3.19 | 4.5 | 5 | 1,530 | 0.5 | -0.1 | -12.2 |
| E Fund Huawei Food Market REIT | 180605.SZ | 2025-01 | 4.06 | 2.93 | 4.1 | 5.55 | 1,482 | 5.8 | -8.5 | -14.7 |
| ChinaAMC COLI Consumption REIT | 180607.SZ | 2025-10 | 5.21 | 5.29 | n.a | 5.02 | 1,290 | 0.6 | -6.5 | -6.8 |
| ChinaAMC Jinmao Consumption REIT | 508017.SH | 2024-01 | 3.61 | 2.51 | 4.1 | 6.68 | 1,065 | 2.8 | -5.7 | -4.9 |
| Harvest Wumart Consumption REIT | 508011.SH | 2024-01 | 3.33 | 2.31 | 5.3 | 4.92 | 1,030 | 3.5 | -5.2 | -16.4 |
| **Average / total (14)** | | | | | **4.3** | 5.23 | **2,863** | **4.8** | **-4.9** | **-9.1** |

*Source: iFinD, UOB Kay Hian*
*Note: Yield TTM* n.a.= Has not paid dividends for a full year yet.*

## Valuation/Recommendation

- **Maintain UNDERWEIGHT on China's property sector.** We expect more local governments – and potentially central government ministries – to introduce additional supportive policies, following Beijing's lead. Besides, Beijing is enforcing stricter Hukou policies than other Tier 1 cities. We see potential room for further easing in this area. Our top picks are COLI and CR Mixc.

## Sector Catalyst/Risk

- Stronger-than-expected fiscal and monetary easing.

# Cowell E Holdings Inc (1415 HK)

1H26: Strong Bottom Line Beat On Better-than-expected Profitability

## Highlights

- 1H26 bottom line surged on margin expansion, with net profit beating consensus estimates by 37.6% despite in-line revenue growth.
- Maintain BUY with a target price of HK$48.00.

### 1H26 Results

| Year to 31 Dec (US$m) | 1H25 | 2H25 | 1H26 | yoy% | hoh% |
|---|---|---|---|---|---|
| Turnover | 1,360 | 2,140 | 1,605 | 18.0 | (25.0) |
| Gross profit | 156 | 203 | 180 | 15.7 | (11.3) |
| Operating Profit | 95 | 145 | 108 | 14.5 | (25.4) |
| Net Profit (reported) | 67 | 130 | 90 | 33.3 | (30.6) |
| Margin (%) | | | | | |
| Gross profit | 11.4 | 9.5 | 11.2 | (0.2) | 1.7 |
| Operating Profit | 7.0 | 6.8 | 6.8 | (0.2) | (0.0) |
| Net Profit | 5.0 | 6.1 | 5.6 | 0.6 | (0.5) |

*Source: Cowell, UOB Kay Hian*

## Analysis

- **1H26 delivered strong bottom line results, supported by better-than-expected margins.** Revenue grew 18.0% yoy but fell 25.0% hoh to US$1.6b, landing at the midpoint of the company's preliminary range (US$1.5b to US$1.7b) and matching consensus estimates. Gross profit margin came in at 11.2%, beating consensus estimates by 1.4ppt (-0.2ppt yoy, +1.7ppt hoh) on production yield improvements and stronger-than-expected pricing power, while operating margin stood at 6.8% which is 1.8 ppt above consensus forecasts (-0.2 ppt yoy, unchanged hoh), on operational efficiency gains. This drove net profit to US$90m (+33.3% yoy, -30.6% hoh), beating consensus estimates of US$65m by 37.6%, and above the midpoint of the announced US$85m to US$94m range. Consequently, elevating the net profit margin to 5.6% (+0.6ppt yoy, -0.5ppt hoh), coming in 1.6ppt above consensus.
- We estimate that Cowell's iPhone dollar content should have registered a low-teens % hoh decline due to pricing pressure but remained stable yoy. However, this is more than offset by improvements in production efficiency, as evidenced by the better-than-expected margin performance.

### Key Financials

| Year to 31 Dec (US$m) | 2024 | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|---|
| Net turnover | 2,494 | 3,500 | 4,745 | 5,867 | 6,994 |
| EBITDA | 203 | 270 | 342 | 426 | 514 |
| Operating profit | 156 | 240 | 312 | 396 | 483 |
| Net profit | 119 | 197 | 266 | 336 | 414 |
| Net profit (adj.) | 119 | 197 | 266 | 336 | 414 |
| EPS (US$ cent) | 13.9 | 22.7 | 30.6 | 38.7 | 47.6 |
| P/E (x) | 21.9 | 13.0 | 9.6 | 7.6 | 6.2 |
| P/BV (x) | 5.0 | 3.5 | 2.6 | 1.9 | 1.5 |
| EV/EBITDA (x) | 13.8 | 10.1 | 7.9 | 6.4 | 5.3 |
| Dividend yield (%) | 0.0 | 1.5 | 2.1 | 2.7 | 3.3 |
| Net margin (%) | 4.8 | 5.6 | 5.6 | 5.7 | 5.9 |
| Net debt to equity (%) | 44.9 | (2.9) | 21.3 | (0.2) | (7.2) |
| Interest cover (x) | 10.8 | 17.1 | 29.0 | 27.9 | 36.1 |
| ROE (%) | 12.0 | 25.4 | 31.4 | 30.7 | 28.9 |
| Consensus net profit | - | - | 244 | 304 | 404.0 |
| UOBKH/Consensus (x) | - | - | 1.09 | 1.11 | 1.02 |

*Source: Cowell, Bloomberg, UOB Kay Hian*

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## BUY (Maintained)

| | |
|---|---|
| Share Price | HK$22.96 |
| Target Price | HK$48.00 |
| Upside | +109.1% |

### Stock Data

| | |
|---|---|
| Sector | Electronics Components |
| Bloomberg ticker | 1415 HK |
| Shares issued (m) | 858 |
| Market cap (HK$m) | 19,798 |
| Market cap (US$m) | 2,538 |
| 3-mth avg daily t'over (US$m) | 10.6 |

### Price Performance (%)

52-week high/low: HK$43.06/HK$19.90

| 1mth | 3mth | 6mth | 1yr | YTD |
|---|---|---|---|---|
| 5.7 | -22.6 | -19.2 | -24.2 | -16.1 |

### Major Shareholders (%)

| | |
|---|---|
| Luxvisions Innovation Technology LTD | 69.82 |

### Balance Sheet Metrics

| | |
|---|---|
| FY26 NAV/Share (HK$) | 0.34 |
| FY26 Net Debt/Share (HK$) | 0.21 |

### Price Chart


*Source: Bloomberg*

### Company Description

Cowell e Holdings Inc. is a leading camera module manufacturer headquartered in Dongguan, China. The company specialises in flip-chip (FC) technology for high-precision optical modules, with over 90% of revenue derived from Apple. Its product portfolio includes front and rear camera modules for iPhones, iPads, and MacBooks, as well as Vision Pro camera systems. Cowell is a subsidiary of Luxvisions Innovation Technology (Luxshare group).

- **Cowell's content gains story remains intact.** While there had been concerns in the past few months regarding Apple's delayed product launches in 2H26, the issue should be widely known, with the negative impact already factored into its share price. Cowell's growth story remains unchanged, as we are expecting: a) share gains in ultrawide/periscope cameras, b) potential design wins in main cameras, and c) Cowell to be a primary beneficiary of Apple's share gains in the next 2-3 years.

## Valuation/Recommendation

- **We maintain BUY with a target price of HK$48.00** based on 19.8x 2026F PE, which is 1SD above its five-year historical forward mean.

## Earnings Revision/Risk

- None for now. We will provide more updates after we talk to Cowell's management.

## Share Price Catalyst

- Solid iPhone sales in 2H26.

## Profit & Loss

| Year to 31 Dec (US$m) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Net turnover | 3,500 | 4,745 | 5,867 | 6,994 |
| EBITDA | 270 | 342 | 426 | 514 |
| Depreciation & amortization | 30 | 30 | 30 | 30 |
| EBIT | 240 | 312 | 396 | 483 |
| Total other non-operating income | - | - | - | - |
| Associate contributions | - | - | - | - |
| Net interest income/(expense) | (16) | (12) | (26) | (41) |
| Pre-tax profit | 224 | 300 | 370 | 443 |
| Tax | (29) | (36) | (44) | (53) |
| Minorities | 2 | 1 | 1 | 1 |
| Net profit | 197 | 266 | 327 | 390 |
| Net profit (recurrent) | 197 | 266 | 327 | 390 |

## Balance Sheet

| Year to 31 Dec (US$m) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Fixed assets | 368 | 702 | 865 | 1,029 |
| Other LT assets | 36 | 28 | 28 | 28 |
| Cash/ST investment | 149 | 51 | 358 | 560 |
| Other current assets | 990 | 1,359 | 1,470 | 1,841 |
| Total assets | 1,544 | 2,140 | 2,721 | 3,458 |
| ST debt | 30 | 133 | 263 | 379 |
| Other current liabilities | 646 | 875 | 1,000 | 1,231 |
| LT debt | 102 | 102 | 102 | 102 |
| Other LT liabilities | 35 | 35 | 35 | 35 |
| Shareholders' equity | 726 | 992 | 1,318 | 1,709 |
| Minority interest | 5 | 4 | 3 | 2 |
| Total liabilities & equity | 1,544 | 2,140 | 2,721 | 3,458 |

## Cash Flow

| Year to 31 Dec (US$m) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Operating | 248 | 166 | 396 | 320 |
| Pre-tax profit | 224 | 300 | 370 | 443 |
| Tax | (29) | (36) | (44) | (53) |
| Depreciation/amortization | 30 | 30 | 30 | 30 |
| Associates | 3 | 4 | 5 | 6 |
| Working capital changes | 21 | (140) | 14 | (141) |
| Non-cash items | (15) | - | - | - |
| Other operating cashflows | 13 | 8 | 21 | 35 |
| Investing | (352) | (356) | (194) | (194) |
| Capex (growth) | (75) | (194) | (194) | (194) |
| Investments | (277) | (162) | - | - |
| Proceeds from sale of assets | - | - | - | - |
| Others | - | - | - | - |
| Financing | 140 | 92 | 104 | 76 |
| Dividend payments | - | - | - | - |
| Issue of shares | - | - | - | - |
| Proceeds from borrowings | 1,168 | 1,185 | 1,176 | 1,181 |
| Loan repayment | (1,012) | (1,081) | (1,047) | (1,064) |
| Others/interest paid | (16) | (12) | (26) | (41) |
| Net cash inflow (outflow) | 36 | (98) | 306 | 202 |
| Beginning cash & cash equivalent | 113 | 149 | 51 | 358 |
| Changes due to forex impact | - | - | - | - |
| Ending cash & cash equivalent | 149 | 51 | 358 | 560 |

## Key Metric

| Year to 31 Dec (%) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Profitability | | | | |
| Gross margin | 10.2 | 9.8 | 9.8 | 9.8 |
| Pretax margin | 6.4 | 6.3 | 6.3 | 6.3 |
| Net margin | 5.6 | 5.6 | 5.6 | 5.6 |
| ROA | 13.2 | 14.4 | 13.4 | 12.6 |
| ROE | 31.4 | 30.7 | 28.2 | 25.7 |
| | | | | |
| Growth | | | | |
| Turnover | 40.3 | 35.6 | 23.7 | 19.2 |
| Gross profit | 23.3 | 29.1 | 23.8 | 19.2 |
| Pre-tax profit | 62.5 | 34.2 | 23.3 | 19.6 |
| Net profit | 65.4 | 34.9 | 23.1 | 19.4 |
| Net profit (adj) | 65.4 | 34.9 | 23.1 | 19.4 |
| EPS | 65.4 | 34.9 | 23.1 | 19.4 |
| | | | | |
| Leverage | | | | |
| Debt to total capital | 8.5 | 11.0 | 13.4 | 13.9 |
| Debt to equity | 18.0 | 23.6 | 27.6 | 28.1 |
| Net debt to equity | (2.9) | 21.3 | 0.6 | (5.2) |
| Interest cover (x) | 17.1 | 29.0 | 16.5 | 12.7 |

# Geely Auto (175 HK)

2Q26: Earnings Beat On ASP and Margins; Raise Target Price To HK$29.00

**Analyst(s)**

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## BUY (Maintained)

| | |
|---|---|
| Share Price | HK$18.67 |
| Target Price | HK$29.00 |
| Upside | 55.3% |
| Previous | HK$27.00 |

## Highlights

- 2Q26 adjusted net profit of Rmb5.12b (+61% yoy) beat consensus estimates by 4%, driven by ASP and margin expansion.
- Gross margin expanded 1.6ppt to 17.9% in 1H26, with overseas margins commanding a 10ppt premium over domestic.
- We raise our 2026-28 net profit forecasts by 5%/7%/9% to Rmb19.89b/Rmb27.265b/Rmb35.09b on higher ASP and margins.
- Maintain BUY and raise target price to HK$29.00 target (10x 2026F PE).

### 2Q26 Results

| Year to 31 Dec (Rmbm) | 2Q26 | yoy % | qoq % | 1H26 | yoy % | 2026F | yoy % |
|---|---|---|---|---|---|---|---|
| Sales volume ('000 units) | 714 | 1.2 | 0.6 | 1,423 | 1.0 | 3,450 | 14.1 |
| NP per vehicle (Rmb'000) | 7.179 | 58.8 | 11.7 | 6.8 | 44.8 | 5.6 | 17.4 |
| Revenue | 89,824 | 15.8 | 7.2 | 173,600 | **14.7** | 403,867 | 17.0 |
| Gross profit | 16,490 | 24.2 | 12.5 | 31,154 | **25.7** | 72,696 | 26.8 |
| *Gross margin (%)* | *18.4* | *1.3* | *0.9* | *17.9* | *1.6* | *18.0* | *1.4* |
| EBIT | 5,207 | 33.7 | 11.6 | 9,874 | **(2.2)** | 20,903 | 18.2 |
| *EBIT margin (%)* | *5.8* | *0.8* | *0.2* | *5.7* | *(1.0)* | *5.2* | *0.1* |
| Shared results of assoc. | 247 | (14.5) | 1,271.3 | 265 | (49.0) | 100 | (86.8) |
| Shared results of JVs | 131 | (69.0) | (63.8) | 493 | (17.6) | 1,750 | 6.6 |
| Net profit | 4,925 | 36.2 | 18.2 | 9,091 | **(1.8)** | 18,896 | 12.1 |
| Net profit – adj | 5,123 | 60.7 | 12.3 | 9,684 | **46.2** | 19,291 | 33.9 |
| *Net margin (%)* | *5.5* | *0.8* | *0.5* | *5.2* | *(0.9)* | *4.7* | *(0.2)* |
| *Net margin – adj (%)* | *5.7* | *1.6* | *0.3* | *5.6* | *1.2* | *4.8* | *0.6* |

*Source: Geely, UOB Kay Hian*

## Analysis

- **2Q26 results beat expectations on margins.** Geely Auto's (Geely) 2Q26 results beat expectations with reported net profit of Rmb4,925m (+36.2% yoy/+18.2% qoq) and adjusted net profit (excluding forex gain/(loss) and other exceptional items) of Rmb5,123m (+60.7% yoy/+12.3% qoq), vs our estimate of Rmb4,995m and consensus estimate of Rmb4,912m. This brings 1H26 reported net profit and adjusted net profit to Rmb9,091m (-1.8% yoy) and Rmb9,684m (+46.2% yoy) respectively. These represent 48%/50% of our full-year 2026 net profit and adjusted net profit estimates of Rmb9,091m/Rmb9,684m respectively. The earnings beat stemmed from ASPs and margins, given premiumisation and overseas sales.

### Key Financials

| Year to 31 Dec (Rmbm) | 2024 | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|---|
| Net turnover | 275,910 | 345,232 | 403,867 | 515,133 | 632,821 |
| EBITDA | 22,218 | 33,605 | 37,634 | 45,669 | 53,855 |
| Operating profit | 8,467 | 17,685 | 21,307 | 28,778 | 36,562 |
| Net profit (rep./act.) | 16,812 | 16,852 | 19,233 | 25,404 | 32,135 |
| Net profit (adj.) | 10,596 | 14,410 | 19,628 | 25,404 | 32,135 |
| EPS (Fen) | 104.9 | 139.2 | 182.0 | 235.6 | 298.0 |
| PE (x) | 15.5 | 11.7 | 8.9 | 6.9 | 5.4 |
| P/B (x) | 3.2 | 3.2 | 2.6 | 2.0 | 1.6 |
| EV/EBITDA (x) | 6.4 | 4.0 | 4.2 | 2.9 | 1.9 |
| Dividend yield (%) | 1.8 | 2.7 | 3.2 | 4.2 | 5.3 |
| Net margin (%) | 3.8 | 4.2 | 4.9 | 4.9 | 5.1 |
| Net debt/(cash) to equity (%) | (37.0) | (45.7) | (15.1) | (33.1) | (48.3) |
| Interest cover (x) | n.a. | n.a. | n.a. | n.a. | n.a. |
| ROE (%) | 12.5 | 16.1 | 19.6 | 21.6 | 23.0 |
| Consensus net profit | - | - | 21,143 | 25,629 | 29,997 |
| UOBKH/Consensus (x) | - | - | 0.91 | 0.99 | 1.07 |

*Source: Geely, Bloomberg, UOB Kay Hian*

### Stock Data

| | |
|---|---|
| **Sector** | Consumer Discretionary |
| **Bloomberg ticker** | 175 HK |
| **Shares issued (m)** | 10,785 |
| **Market cap (HK$m)** | 201,358 |
| **Market cap (US$m)** | 25,815 |
| **3-mth avg daily t'over (US$m)** | 119 |

### Price Performance (%)

| **52-week high/low** | | | | HK$24.98/HK$15.13 |
|---|---|---|---|---|
| **1mth** | **3mth** | **6mth** | **1yr** | **YTD** |
| 1.2 | (13.5) | 14.7 | (5.6) | 4.3 |

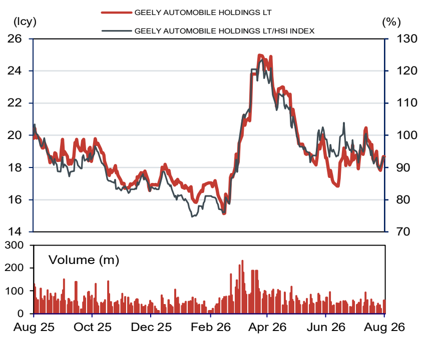
### Major Shareholders (%)

| | |
|---|---|
| Li Shu Fu | 63.93 |

### Balance Sheet Metrics

| | |
|---|---|
| FY26 NAV/Share (HK$) | 7.26 |
| FY26 Net Cash/Share (HK$) | 1.73 |

### Price Chart




*Source: Bloomberg*

### Company Description

Based in Hangzhou of China, Geely Auto (Geely) manufactures and sells vehicles under the brands of Geely, Galaxy, Zeekr and Lynk & Co.

- **Revenue growth outpaced sales volume on higher ASP.** 2Q26 revenue grew 15.8% yoy and 7.2% qoq to Rmb89.82b, outpacing the 1.2% yoy sales volume growth. This takes 1H26 revenue to Rmb173.6b (+14.7% yoy), representing 43% of our full-year estimate of Rmb403.87b (+17.0% yoy). By segment, sales of automobiles and related service remained the primary growth driver, rising 17.1% yoy to Rmb158.79b. That implies an ASP of Rmb111,600 (+16.0% yoy), vs our full-year assumption of Rmb105,900 (+3% yoy). The ASP spike in 1H26 was driven by higher share of premium products and overseas sales in revenue mix. Zeekr's sales volume surged 96.6% yoy to 178,400 units in 1H26 (12.5% of total sales volume, up 6.1ppt yoy). Overseas sales volume spiked 159.3% yoy to 474,200 units (33.3% of total sales volume, up 20.0ppt yoy).
- **Maintain 2026-28 sales volume estimates at 3.45m/4.3m/5.15m units, including 1.2m/2.0m/2.8m units of overseas sales.** Looking ahead, Geely's sales growth will be driven by overseas expansion and premiumisation. Geely's ytd export has already exceeded its initial target of 640,000 units, and the company lifted its 2026 export target to 750,000 units. However, based on the ongoing momentum, we expect full-year 2026 export to reach 1.2m units in 2026. Overseas outlets are aimed at doubling to about 2,200 by end-26. The Ford JV in Spain (2027) will support mid-term exports. Premium brands (Zeekr, Lynk & Co) and new models (Zeekr 9X/8X, Galaxy 'Battleship 700') will enhance mix.
- **We raise our 2026-28 ASP assumptions to Rmb112,000/Rmb120,000/ Rmb128,000 respectively,** based on the upbeat 1H26 ASP and sales mix optimisation.
- **We cut other revenue forecasts to Rmb32.21b/Rmb39.06b/Rmb47.18b respectively.** These include sales of auto parts and components, collaborative manufacturing income and R&D services and licensing income. These incomes dropped 6.1% yoy to Rmb14.82b in 1H26.
- **Margin improvement was better than expected.** Gross margin rose to 18.4% (+1.3ppt yoy/+0.9ppt qoq) in 2Q26 and 17.9% in 1H26, vs our full-year assumption of 18.0%. SG&A/revenue ratio dipped 0.2ppt yoy to 7.8% in 2Q26, while R&D/revenue ratio remained flat yoy at 5.2%. EBIT margin soared to 5.8% (+0.8ppt yoy/+0.2ppt qoq) in 2Q26 and 5.7% (-1.0ppt yoy) in 1H26, vs our full-year assumption of 5.2%. Net profit per vehicle surged to Rmb7,180 (+58.8% yoy/+11.7% qoq) in 2Q26 and Rmb6,810 (+44.8% yoy) in 1H26, vs our full-year assumption of Rmb5,592. The margin improvement was driven by premiumisation and higher mix of overseas sales. Overseas sales command a gross margin 10ppt higher than domestic, with net profit of Rmb12,000-15,000 per vehicle vs Rmb2,000-6,000 domestically.
- **Maintain 2026-28 gross margin assumptions at 18.0%/18.2%/18.4% respectively.** The margin improvement will be driven by the premiumisation and overseas sales.
- **Cut 2026-28 SG&A/revenue ratio to 7.8%/7.7%/7.7%, and raise R&D/revenue ratio to 5.3%/5.4%/5.4%,** from 8.0%/7.9%/7.9% and 5.2%/5.2%/5.2% respectively, based on the ratios in 1H26.

## Earnings Revision/Risk

- **We raise our 2026-28 net profit forecasts by 5%/7%/9% to Rmb19.89b/Rmb27.265b/Rmb35.09b respectively**.

## Valuation/Recommendation

- **Maintain BUY and raise target price from HK$27.00 to HK$29.00**, pegged to the unchanged 10x 2026F PE (on par with historic mean) and higher 2027F EPS.

## Share Price Catalyst

- Strong monthly sales, debuts of blockbuster new models, 3Q26 results beat.

## Profit & Loss

| Year to 31 Dec (Rmbm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| **Net turnover** | **345,232** | **403,867** | **515,133** | **632,821** |
| EBITDA | 33,605 | 37,634 | 45,669 | 53,855 |
| Deprec. & amort. | (15,920) | (16,327) | (16,892) | (17,293) |
| EBIT | - | - | - | - |
| Total other non-operating income | 17,694 | 21,307 | 28,778 | 36,562 |
| Associate contributions | 2,399 | 1,850 | 1,850 | 1,850 |
| Net interest income/(expense) | 137 | 65 | 47 | 389 |
| **Pre-tax profit** | **20,230** | **23,222** | **30,674** | **38,801** |
| Tax | (3,601) | (4,180) | (5,521) | (6,984) |
| Minorities | (224) | (190) | (252) | (318) |
| **Net profit** | **16,852** | **19,233** | **25,404** | **32,135** |
| Net profit (adj.) | 14,410 | 19,628 | 25,404 | 32,135 |

## Balance Sheet

| Year to 31 Dec (Rmbm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Fixed assets | 34,370 | 32,899 | 31,650 | 30,589 |
| Other LT assets | 96,627 | 102,077 | 106,889 | 111,272 |
| Cash/ST investment | 65,319 | 36,723 | 62,691 | 93,938 |
| Other current assets | 94,094 | 129,199 | 163,760 | 200,277 |
| **Total assets** | **290,410** | **300,898** | **364,991** | **436,075** |
| ST debt | 13,097 | 10,496 | 10,496 | 10,496 |
| Other current liabilities | 166,362 | 164,342 | 208,828 | 255,679 |
| LT debt | 14,476 | 14,476 | 14,476 | 14,476 |
| Other LT liabilities | 2,860 | 2,860 | 2,860 | 2,860 |
| Shareholders' equity | 92,398 | 107,699 | 127,556 | 152,108 |
| Minority interest | 1,217 | 1,026 | 775 | 457 |
| **Total liabilities & equity** | **290,410** | **300,898** | **364,991** | **436,075** |

## Cash Flow

| Year to 31 Dec (Rmbm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| **Operating** | **47,274** | **(3,328)** | **50,269** | **57,241** |
| Pre-tax profit | 20,230 | 23,222 | 30,674 | 38,801 |
| Tax | (4,040) | (4,637) | (6,125) | (7,748) |
| Deprec. & amort. | 5,629 | 5,471 | 5,249 | 5,061 |
| Associates | (2,399) | (1,850) | (1,850) | (1,850) |
| Working capital changes | 18,278 | (37,125) | 9,925 | 10,334 |
| Non-cash items | 9,576 | 11,592 | 12,396 | 12,642 |
| Other operating cashflows | - | - | - | - |
| **Investing** | **(23,370)** | **(17,235)** | **(17,254)** | **(16,825)** |
| Capex (growth) | (17,918) | (18,000) | (18,000) | (18,000) |
| Investments | (1,236) | - | - | - |
| Others | (4,217) | 765 | 746 | 1,175 |
| **Financing** | **(1,839)** | **(8,034)** | **(7,046)** | **(9,169)** |
| Dividend payments | (3,119) | (4,732) | (6,347) | (8,383) |
| Proceeds from borrowings | - | 3,000 | 3,000 | 3,000 |
| Loan repayment | (7,433) | (3,000) | (3,000) | (3,000) |
| Others/interest paid | 8,713 | (3,301) | (699) | (785) |
| **Net cash inflow (outflow)** | **22,065** | **(28,597)** | **25,969** | **31,247** |
| **Beginning cash & cash equivalent** | 43,058 | 65,319 | 36,723 | 62,691 |
| Changes due to forex impact | 197 | - | - | - |
| **Ending cash & cash equivalent** | **65,319** | **36,723** | **62,691** | **93,938** |

## Key Metric

| Year to 31 Dec (%) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| **Profitability** | | | | |
| EBITDA margin | 0.3 | 0.2 | 0.2 | 0.1 |
| Pre-tax margin | 5.9 | 5.7 | 6.0 | 6.1 |
| Net margin | 4.2 | 4.9 | 4.9 | 5.1 |
| ROA | 5.1 | 6.6 | 7.6 | 8.0 |
| ROE | 16.1 | 19.6 | 21.6 | 23.0 |
| | | | | |
| **Growth** | | | | |
| Turnover | 25.1 | 17.0 | 27.6 | 22.8 |
| EBITDA | 51.3 | 12.0 | 21.4 | 17.9 |
| Pre-tax profit | 11.6 | 14.8 | 32.1 | 26.5 |
| Net profit | 0.2 | 14.1 | 32.1 | 26.5 |
| Net profit (adj.) | 36.0 | 36.2 | 29.4 | 26.5 |
| EPS | 35.4 | 27.7 | 29.4 | 26.5 |
| | | | | |
| **Leverage** | | | | |
| Debt to total capital | 8.0 | 6.8 | 5.6 | 4.7 |
| Debt to equity | 25.0 | 19.0 | 16.1 | 13.5 |
| Net debt/(cash) to equity | (45.7) | (15.1) | (33.1) | (48.3) |
| Interest cover (x) | n.a. | n.a. | n.a. | n.a. |

# Technical Analysis

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## Trip.com Group (9961 HK)

| | |
|---|---|
| Last price: | HK$355.20 |
| Support levels: | HK$342.60/HK$334.00 |
| Resistance levels: | HK$390.00/HK$415.80 |

Price staged a rebound off its gap support zone, keeping the primary uptrend intact. The RSI is curling upward and holding comfortably above its neutral 50-midline. This suggests strong underlying demand, paving the way for a continuation move toward higher resistance targets.

**Average timeframe: Around two weeks.**


## Innovent Biologics (1801 HK)

| | |
|---|---|
| Last price: | HK$95.35 |
| Support levels: | HK$92.20/HK$89.55 |
| Resistance levels: | HK$105.00/HK$109.00 |

Price successfully maintained its footing above the resistance-turned-support zone, confirming the structural validity of this new demand floor. The RSI is holding comfortably above its neutral 50-midline and curling upward once again. This points to a continuation move higher towards the upper resistance targets.

**Average timeframe: Around two weeks.**