Key Calls

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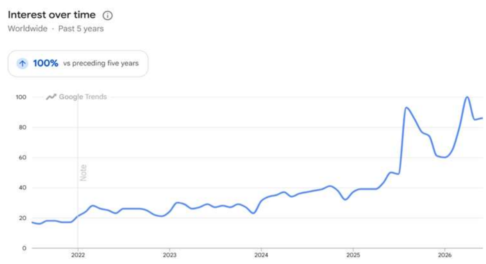
Plover Bay Technologies (1523 HK)

- Plover Bay Technologies saw robust shipment and revenue growth in 5M26, driven by solid demand across all verticals. By region, North America showed the strongest momentum while Europe and Asia also saw decent growth. We expect net margin expansion in 1H26 on the back of a stable gross margin and continued operating leverage.
- Recurring revenue from subscriptions continued to grow. We expect rising gross profit contribution from high-margin subscriptions and recurring revenue to account for 31.6%/51.1% of revenue/gross profit in 2026 (vs 30.2%/49.4% in 2025).
- Management expects the growth momentum to continue into 2H26, led by robust demand from North America. We forecast a 17% yoy revenue growth and 22% yoy net profit growth for 2026.
- Its share price has corrected by about 20% from its previous peak in June, which was largely related to SpaceX's listing on Nasdaq. The company is currently trading at 20.5x 2026F PE and 4.6% dividend yield in 2026. We see short-term trading opportunities with its recent price correction and speculation on its 1H26 results to be announced on 30 July.

"Peplink" Google Trends (Past 5 Years)

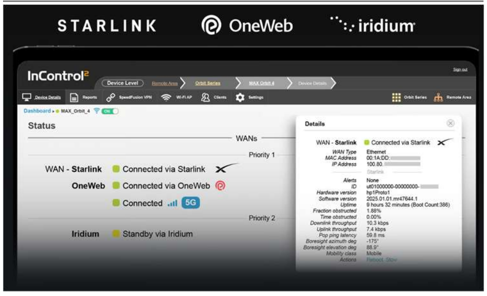


Source: Google trends, UOB Kay Hian

Peplink MAX Orbit Series

Source: Peplink, UOB Kay Hian

InControl Satellite Network Management



Source: Peplink, UOB Kay Hian

Key Financials

Year to 31 Dec (US$m)	2024	2025	2026F	2027F	2028F
Net turnover	117	130	153	177	204
EBITDA	47	55	65	76	88
Operating profit	44	52	63	74	86
Net profit (rep./act.)	38	45	55	65	75
Net profit (adj.)	38	45	55	65	75
EPS (cents)	3.5	4.1	5.0	5.9	6.8
P/E (x)	29.7	24.9	20.5	17.5	15.0
P/B (x)	20.1	19.2	18.3	16.1	14.1
EV/EBITDA (x)	23.1	19.6	16.5	14.1	12.5
Dividend yield (%)	3.7	4.3	4.6	5.4	6.3
Net margin (%)	32.6	34.9	36.2	36.5	37.0
Net debt to equity (%)	(97.4)	(92.1)	(85.0)	(87.2)	(88.8)
Interest cover (x)	151.3	202.4	1,130.7	1,496.8	1,895.0
ROE (%)	71.4	78.9	91.6	97.9	100.2
Consensus net profit	-	-	55	65	75
UOBKH/Consensus (x)	-	-	1.00	0.99	1.00

Source: Plover Bay, Bloomberg, UOB Kay Hian

Updates

JBM Healthcare

(2161 HK/BUY/HK$1.97/Target: HK$3.16)

- JBM Healthcare's (JBM) 2HFY26 sales grew 6.7% yoy to HK$405m but fell 5.7% hoh, mainly impacted by: a) softer Ho Chai Kung sales amid a weaker-than-expected flu season; and b) a high base for Po Chai Pills in 1HFY26. 2HFY26 gross margin declined 1.9ppt yoy due to a lower sales contribution from Ho Chai Kung. Attributable net profit increased 1.9% yoy to HK$201m.
- In Jul 26, JBM proposed spinning off and separately listing its branded proprietary Chinese medicine (PCM) products and Chinese medical clinic service businesses on the main board of the Hong Kong Stock Exchange through a global offering of the shares of JPJ (TCM) (JPJ). Upon completion of the proposed spin-off, JPJ will remain JBM's subsidiary and its results will be consolidated into JBM's results.
- Management will continue to strengthen the brand image of its core brands through product-specific marketing initiatives, targeted social media marketing, and TVC campaigns. Notably, it will kick-start the marketing campaign for Tin Hee Pills in early August with a teaser TVC featuring a renowned female celebrity as its key brand ambassador.
- Looking into FY27, management expects revenue growth to be driven by: a) a recovery in Ho Chai Kung sales; b) steady growth in Po Chai Pill sales; c) growth of Tin Hee Pills, following the launch of its marketing campaign in Aug 26; d) resilient CCMG demand; and e) prudent store network expansion for its Chinese medical clinic services.
- Catalyst: Positive perception of the launch of its marketing campaigns for Tin Hee Pills in Aug 26.
- Valuation: The company is trading at 7.3x one-year forward PE (0.5SD below its historical mean of 11.4x in FY21-26).

Jacobson Pharma

(2633 HK/BUY/HK$1.09/Target: HK$2.51)

- Jacobson Pharma's (Jacobson) FY26 revenue declined 0.5% yoy to HK$1,577m due to softened demand for cold and flu medications from private clinics. Attributable net profit grew 0.3% yoy to HK$302m while net margin widened 0.1ppt yoy to 19.2%.
- We expect moderate growth in the generic drugs segment for FY27, driven by: a) an ageing population and the rising prevalence of chronic disease, b) the introduction of new generic products backed by its robust R&D pipeline, and c) in-licensing of specialty drugs.
- Jacobson has entered into a collaboration agreement and exclusive partnership with WinHealth Pharma to commercialise Arsenol in Mainland China. It is working towards a seeding trial in Mainland China and targeting to receive regulatory approval in 2028-29.
- After Jacobson revamped its new plant in Fotan in FY26, its utilisation rate improved meaningfully in 2HFY26 as it ramped up production. For the Tai Po factory, it maintains its target of commencing first trial/full-scale production by 1H27/1H29 respectively.
- Catalyst: Positive progress of Arsenol's clinical trials or registration.
- Valuation: The company is trading at 7.2x one-year forward PE for its generic drug business, on par with its historical mean in FY18-26.

Karrie International

(1050 HK/BUY/HK1.89/Target: HK$3.15)

- Karrie International's (Karrie) FY26 revenue grew 7% to HK$3,470m, 5% below our estimate, driven by weaker-than-expected growth in server enclosure revenue. Operating profit rose 16.5% yoy to HK$377m, 12% below our estimate, propelled by weaker-than-expected revenue growth and a higher operating expense ratio, partially offset by gross margin expansion on a higher AI mix. Net profit expanded 32.5% yoy on lower finance costs and other non-operating items.
- The company targets a 30% revenue growth in FY27, supported by: a) growing orders to its US application-specific integrated circuit (ASIC) customer, b) shipments to Nvidia commencing in 3Q-4Q26, and c) increasing rack orders from ODMs and traditional customers. The company targets AI revenue accounting for 25% of its server enclosure revenue in FY27 (vs 12% in FY26) and expects gross margin expansion on a growing AI mix.
- Karrie sees positive feedback for its racks from ODMs and has received small-batch orders. Its Thai capacity is designed for both server chassis and rack production. For Mainland China, management targets to complete the establishment of its rack-dedicated facilities for its US ASIC customer by end-26, mainly through the reconfiguration of its current plant.
- Management expects a total capex of HK$450m-520m for capacity expansion in Thailand and China. It may consider financing through long-term debt and plans to continue returning to shareholders through dividend payout.
- Catalyst: Stronger-than-expected order growth momentum of AI enclosure.
- Valuation: The company is trading at 8.4x FY27 PE, which is around its historical mean of 8.2x in FY21-26.

Plover Bay Technologies

(1523 HK/BUY/HK$8.00/Target: HK$9.77)

- Plover Bay Technologies (Plover Bay) saw robust growth in 5M26 across all regions, with the US showing the strongest momentum, while Europe and Asia benefitted from multi-year large-scale projects and a growing customer base in several countries. The company saw solid broad-based demand, with some highlighted use cases from the build-out for manufacturing automation.
- Gross margin held up well (1H25: 55.5%) despite rising memory and SSD prices, supported by a favourable sales mix towards high-end products such as BR2 Pro, economies of scale, and growing recurring sales. We expect continued growth of its subscription revenue and forecast recurring revenue growth of 23% yoy in 2026 to account for 31.6% of sales (vs 28.9% in 2025) and contribute to 51.1% of gross profit in 2026 (vs 49.4% in 2025).
- Plover Bay launched the new Peplink Max Orbit series in early-Jun 26 that integrates multiple low-earth orbit (LEO) satellite connections, including Starlink, OneWeb and Iridium. We are optimistic about the potential of the Max Orbit series.
- We remain positive on Plover Bay's outlook and expect its growth momentum to continue into 2H26, led by robust demand in the US. We maintain our forecasts of US$153m revenue (+17.4% yoy) and US$55m net profit (+21.5% yoy) in 2026, with net margin reaching 36.2% (+1.3ppt yoy), thanks to gross margin expansion and improved operating efficiency.
- Catalyst: Stronger-than-expected 1H26 results.
- Valuation: The company is trading at 20.5x 2026F PE, which is 1.5SD above its historical mean of 13.6x.

Natural Food
(1837 HK/NOT RATED/HK$1.69)

- Natural Food is a well-known Chinese dietary nutrition brand with three core product categories, namely: a) Chinese-style conditioning and functional improvement, b) Chinese-style nourishing breakfast, and c) gift box. Its growth momentum remained robust in 1H26, with a notable sales growth of 47.3-48.5% yoy during Chinese New Year 2026. The company targets a 15% revenue growth and 20% net profit growth in 2026.
- Natural Food relied heavily on supermarket concessionary counters (76% of 2019 revenue) before COVID-19 and began to restructure its concessionary counters in 2019 and expand its offline shelves in 2021. Counters at new-form retailers registered solid same-store sales growth. Revenue from offline shelves grew at a four-year CAGR of 114% in 2021-25 and accounted for 21% of 2025 revenue (up from 0%/1.5% in 2019/21).
- The company has been reducing price-driven traffic since 2H25 and shifted to brand-value content creation, with self-streaming accounting for 80-90% of its content streaming. Its online sales grew 12% yoy in 2025 to account for 41% of its 2025 sales and the company saw continued operating margin expansion on the back of better economics and an improved product mix.
- Natural Food had a 70% net cash to equity ratio as of end-25 with no bank borrowings and generated solid free cash flow over 2021-25. While it plans to expand capacity in the next three years and is open to M&A opportunities that could support its demographic expansion, it sees potential for a higher dividend payout (43%/51% in 2024-25) in the future on the back of its solid balance sheet and strong cash flow generation.
- Catalyst: Stronger-than-expected 1H26 results.
- Valuation: The company is trading at 9.9x 2026F PE and 4.5% trailing 12-month dividend yield.

Monitoring List

Ticker	Company	Market Cap (HK$m)	Div Yield lfy (%)	Net Gearing lfy (%)	PE latest (x)	ROE T12 (%)	----------Price Change------ 1Mth (%)	YTD (%)	Sector
Compounder									
2232 HK	Crystal International	16,233	7.2	(21.5)	9.2	14.3	0.2	(15.1)	Consumer Discretionary
1523 HK	Plover Bay Technologies	8,850	3.6	(92.1)	24.8	78.9	(3.6)	34.7	Information Technology
2161 HK	JBM Healthcare	1,619	8.7	24.2	8.0	18.6	5.3	(25.9)	Healthcare
2633 HK	Jacobson Pharma	2,180	8.3	23.1	7.2	12.6	9.0	(16.2)	Healthcare
86 HK	SHK&Co	8,021	6.6	23.3	5.0	7.3	1.5	2.3	Financials
709 HK	Giordano International	2,263	9.9	(2.2)	10.4	10.8	-	(2.1)	Consumer Discretionary
1571 HK	Xin Point	3,952	12.8	(28.1)	6.4	14.7	4.8	2.3	Consumer Discretionary
2155 HK	Morimatsu	9,497	2.7	(48.3)	13.1	11.3	(5.9)	(19.0)	Industrials
1837 HK	Natural Food	3,699	4.1	(70.3)	12.0	16.5	19.0	55.0	Consumer Staples
6601 HK	Cheerwin Group	2,947	6.9	(58.1)	11.4	7.4	7.8	0.9	Consumer Staples
3600 HK	Modern Dental	7,124	3.9	(3.4)	12.0	19.9	30.0	46.7	Healthcare
Growth									
9660 HK	Horizon Robotics	64,407	n.a.	(154.7)	n.a.	(85.3)	10.0	(49.0)	Information Technology
2209 HK	YesAsia	1,159	3.6	18.9	6.3	34.9	6.1	(29.2)	Consumer Discretionary
1050 HK	Karrie International	3,946	3.2	31.8	14.2	21.3	(27.0)	(21.9)	Information Technology
2488 HK	Launch Tech	2,842	11.7	(24.3)	7.2	28.0	(1.0)	(19.6)	Consumer Discretionary
2533 HK	Black Sesame	7,839	n.a.	(64.9)	n.a.	(126.5)	(3.5)	(42.9)	Information Technology
2111 HK	Best Pacific	2,475	11.1	15.9	4.5	15.2	(0.8)	(27.0)	Consumer Discretionary
2368 HK	Eagle Nice	1,562	9.6	38.3	9.0	9.6	(1.1)	(24.0)	Consumer Discretionary
Thematic Play									
709 HK	Giordano International	2,263	9.9	(2.2)	10.4	10.8	-	(2.1)	Consumer Discretionary
6088 HK	FIT Hong Teng	38,929	n.a.	24.3	31.0	6.1	(29.4)	7.7	Information Technology
3978 HK	China Beststudy Education	2,584	7.7	(114.0)	6.7	40.5	1.3	(23.6)	Consumer Discretionary
1979 HK	Ten Pao	1,927	6.8	25.6	5.0	18.9	(8.3)	(13.0)	Industrials

Source: Bloomberg, UOB Kay Hian

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- Recurring revenue from subscriptions continued to grow. We expect a rising gross profit contribution from high-margin subscriptions and recurring revenue to account for 31.6%/51.1% of revenue/gross profit in 2026 (vs 30.2%/49.4% in 2025).
- Management expects the growth momentum to continue into 2H26, led by robust demand from North America. We forecast a 17% yoy revenue growth and 22% yoy net profit growth for 2026.
- Its share price has corrected by about 20% from its previous peak in June, which was largely related to SpaceX's listing on Nasdaq. The company is currently trading at 20.5x 2026F PE and 4.6% dividend yield in 2026. We see short-term trading opportunities with its recent price correction and speculation on its 1H26 results to be announced on 30 July.

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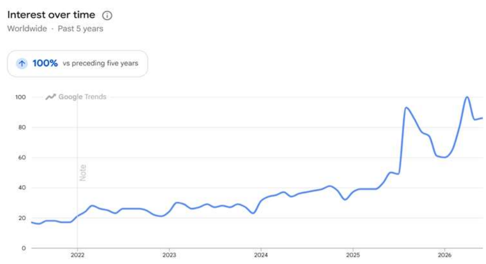
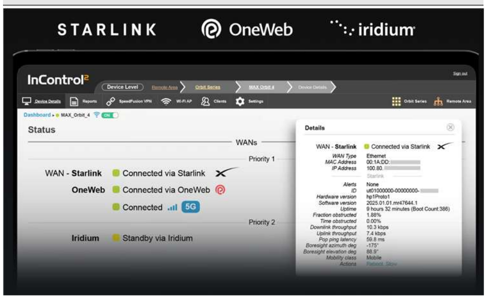


Source: Google trends, UOB Kay Hian

Peplink MAX Orbit Series

Source: Peplink, UOB Kay Hian

InControl Satellite Network Management



Source: Peplink, UOB Kay Hian

Key Financials

Year to 31 Dec (US$m)	2024	2025	2026F	2027F	2028F
Net turnover	117	130	153	177	204
EBITDA	47	55	65	76	88
Operating profit	44	52	63	74	86
Net profit (rep./act.)	38	45	55	65	75
Net profit (adj.)	38	45	55	65	75
EPS (cents)	3.5	4.1	5.0	5.9	6.8
P/E (x)	29.7	24.9	20.5	17.5	15.0
P/B (x)	20.1	19.2	18.3	16.1	14.1
EV/EBITDA (x)	23.1	19.6	16.5	14.1	12.5
Dividend yield (%)	3.7	4.3	4.6	5.4	6.3
Net margin (%)	32.6	34.9	36.2	36.5	37.0
Net debt to equity (%)	(97.4)	(92.1)	(85.0)	(87.2)	(88.8)
Interest cover (x)	151.3	202.4	1,130.7	1,496.8	1,895.0
ROE (%)	71.4	78.9	91.6	97.9	100.2
Consensus net profit	-	-	55	65	75
UOBKH/Consensus (x)	-	-	1.00	0.99	1.00

Source: Plover Bay, Bloomberg, UOB Kay Hian

JBM Healthcare (2161 HK)

Highlights

- JBM Healthcare's (JBM) 2HFY26 sales grew 6.7% yoy to HK$405m but declined 5.7% hoh, mainly impacted by: a) softer sales of Ho Chai Kung amid a weaker-than-expected flu season, and b) a high base for Po Chai Pills in 1HFY26. 2HFY26 gross margin declined 1.9ppt yoy (or 6.7ppt hoh), due to a lower sales contribution from the high-margin Ho Chai Kung. Attributable net profit increased 1.9% yoy to HK$201m.
- In Jul 26, JBM proposed spinning off and separately listing its branded proprietary Chinese medicine (PCM) products and Chinese medical clinic service businesses (56% of JBM's FY26 revenue collectively) on the main board of the Hong Kong Stock Exchange through a global offering of the shares of JPJ (TCM) (JPJ). Upon completion of the proposed spin-off, JPJ will remain JBM's subsidiary as JBM holds not less than 50% of JPJ's total issued share capital, and its results will be consolidated into JBM's results.
- Management will continue to strengthen the brand image of its core brands through product-specific marketing initiatives, targeted social media marketing, and TVC campaigns. Notably, it will kick-start the marketing campaign for Tin Hee Pills in early August with a teaser TVC featuring a renowned female celebrity as its key brand ambassador.
- Looking into FY27, management expects revenue growth to be driven by: a) a recovery in the sales of Ho Chai Kung; b) steady growth in Po Chai Pill sales; c) growth of Tin Hee Pills, following the launch of its marketing campaign in Aug 26; d) resilient CCMG demand; and e) prudent store network expansion for its Chinese medical clinic services. The company targets to maintain a generous dividend payout in FY27 (FY26: 69%).

Catalyst/Risk

- **Catalyst:** Positive perception of the launch of marketing campaigns for Tin Hee Pills in Aug 26.
- **Risk:** Slower growth momentum for its iconic products.

Valuation

- The current price implies 7.3x one-year forward PE (0.5SD below its historical mean of 11.4x in FY21-26) and an 8.7%/9.3%/9.9% dividend yield for FY27-29 respectively.

Key Financials

Year to 31 Mar (HK$'000)	FY2025	FY2026	FY2027F	FY2028F	FY2029F
Net turnover	782,292	834,634	880,505	929,627	982,245
EBITDA	280,250	303,433	318,080	333,091	350,434
Operating profit	227,966	253,689	263,739	280,034	298,484
Net profit (rep./act.)	197,261	201,088	215,039	229,283	246,089
Net profit (adj.)	197,261	201,088	215,039	229,283	246,089
EPS (cents)	24.1	24.6	26.3	28.1	30.1
P/E (x)	8.2	8.0	7.5	7.0	6.5
P/B (x)	1.5	1.5	1.5	1.3	1.2
EV/EBITDA (x)	5.7	6.2	5.5	4.9	4.4
Dividend yield (%)	8.6	8.7	8.7	9.3	9.9
Net margin (%)	25.2	24.1	24.4	24.7	25.1
Net debt to equity (%)	(2.9)	24.2	10.8	1.1	(6.9)
Interest cover (x)	51.1	21.7	24.5	29.1	34.4
ROE (%)	18.0	17.5	18.8	19.0	18.8
Consensus net profit			215,039	229,283	246,089
UOBKH/Consensus (x)			1.00	1.00	1.00

Source: JBM Healthcare, Bloomberg, UOB Kay Hian

BUY (Maintained)

Share Price	HK$1.97
Target Price	HK$3.16
Upside	60.4%

Analyst(s)

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Stock Data

GICS sector	Healthcare
Bloomberg ticker	2161 HK
Shares issued (m)	882
Market cap (HK$m)	1,619
Market cap (US$m)	208
3-mth avg daily t'over (US$m)	0.1

Price Performance (%)

52-week high/low HK$3.19/HK$1.84

1mth	3mth	6mth	1yr	YTD
5.3	(19.6)	(28.4)	(34.8)	(25.9)

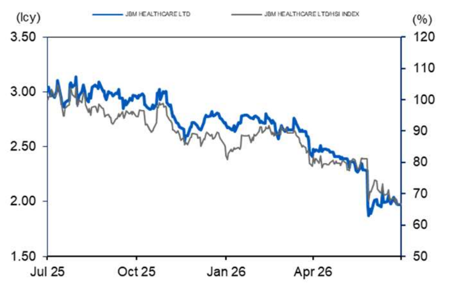
Major Shareholders (%)

Sum Kwong Yip	71.6

Balance Sheet Metrics

FY27 NAV/Share (HK$)	1.42
FY27 Net Debt/Share (HK$)	0.15

Price Performance



Source: Bloomberg

Company Description

JBM Healthcare manufactures pharmaceuticals. The company researches, produces, and sells a variety of generic drugs in Hong Kong.

Jacobson Pharma (2633 HK)

BUY (Maintained)	
Share Price	HK$1.09
Target Price	HK$2.51
Upside	130.1%

Analyst(s)

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Highlights

- Jacobson Pharma's (Jacobson) FY26 revenue declined 0.5% yoy to HK$1,577m due to softened demand for cold and flu medications from private clinics. Attributable net profit grew 0.3% yoy to HK$302m while net margin widened 0.1ppt yoy to 19.2%, primarily driven by improved operating efficiency, higher associates' profit and lower tax expenses, partially offset by a lower gross margin from an unfavourable sales mix. Full-year DPS was 9 HK cents, representing a 60% regular dividend payout for FY26, same as the FY25 level.
- We expect moderate growth in the generic drugs segment for FY27, driven by: a) an ageing population and the rising prevalence of chronic disease, b) the introduction of new generic products backed by its robust R&D pipeline, and c) in-licensing of specialty drugs.
- Jacobson has entered into a collaboration agreement and exclusive partnership with WinHealth Pharma to commercialise Arsenol in Mainland China. It is working towards a seeding trial in Mainland China and targeting to receive regulatory approval in 2028-29.
- After Jacobson revamped its new plant in Fotan in FY26, its utilisation rate improved meaningfully in 2HFY26 as it ramped up production. For the Tai Po factory, it maintains its target of commencing first trial/full-scale production by 1H27/1H29 respectively.

Catalyst/Risk

- **Catalyst:** Positive progress of Arsenol's clinical trials or registration.
- **Risk:** Weaker-than-expected demand for generic drugs.

Valuation

- The company is trading at 6.7x one-year forward PE for its generic drug business, on par with its historical mean in FY18-26. The current price also implies a dividend yield of 7.9%/8.7%/11.5% in FY26/27/28 respectively.

Key Financials

Year to 31 Mar (HK$'000)	FY2025	FY2026	FY2027F	FY2028F	FY2029F
Net turnover	1,576,897	1,569,463	1,632,242	1,730,176	2,003,179
EBITDA	512,573	506,969	540,257	578,747	709,569
Operating profit	368,702	353,180	381,997	411,838	534,784
Net profit (rep./act.)	300,833	301,617	314,677	344,048	453,342
Net profit (adj.)	300,833	301,617	314,677	344,048	453,342
EPS (cents)	15.1	15.1	15.8	17.2	22.7
P/E (x)	7.2	7.2	6.9	6.3	4.8
P/B (x)	0.9	0.9	0.9	0.8	0.8
EV/EBITDA (x)	4.7	5.4	4.8	4.4	3.4
Dividend yield (%)	13.8	8.3	7.9	8.7	11.5
Net margin (%)	19.1	19.2	19.3	19.9	22.6
Net debt to equity (%)	8.3	23.1	16.6	13.5	8.5
Interest cover (x)	8.9	11.5	8.4	9.8	13.5
ROE (%)	12.3	12.5	13.0	13.4	16.3
Consensus net profit	-	-	314,677	344,048	453,342
UOBKH/Consensus (x)	-	-	1.00	1.00	1.00

Source: Jacobson, Bloomberg, UOB Kay Hian

Stock Data

GICS sector	Healthcare
Bloomberg ticker	2633 HK
Shares issued (m)	2,000
Market cap (HK$m)	2,180
Market cap (US$m)	280
3-mth avg daily t'over (US$m)	0.05

Price Performance (%)

52-week high/low				HK$1.63/HK$0.98
1mth	3mth	6mth	1yr	YTD
9.0	(4.4)	(12.8)	(32.2)	(16.2)

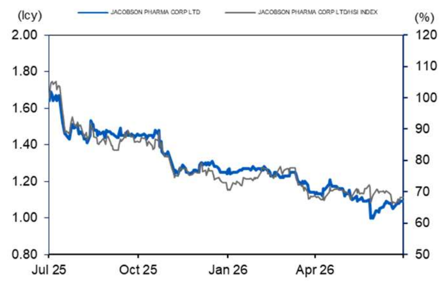
Major Shareholders (%)

Sum Kwong Yip	70.3

Balance Sheet Metrics

FY27 NAV/Share (HK$)	1.25
FY27 Net Debt/Share (HK$)	0.21

Price Performance



Source: Bloomberg

Company Description

Jacobson Pharma manufactures pharmaceuticals. The company researches, produces, and sells a variety of generic drugs in Hong Kong.

Karrie International (1050 HK)

Highlights

- Karrie International's (Karrie) FY26 revenue grew 7% to HK$3,470m, 5% below our estimate, driven by weaker-than-expected growth in server enclosure revenue. Operating profit rose 16.5% yoy to HK$377m, 12% below our estimate, propelled by weaker-than-expected revenue growth and a higher operating expense ratio, partially offset by a 1.8ppt gross margin expansion to 16.4% on a higher AI mix. Net profit expanded 32.5% yoy on lower finance costs and other non-operating items. Full-year DPS was 6 HK cents, representing a 45% dividend payout ratio (vs 50% in FY25).
- Karrie targets a 30% revenue growth in FY27, supported by: a) growing AI server chassis and rack orders to its US application-specific integrated circuit (ASIC) customer, b) shipments to Nvidia commencing in 3Q-4Q26, and c) increasing rack orders from ODMs and traditional customers. The company targets AI revenue accounting for 25% of its server enclosure revenue in FY27 (vs 12% in FY26) and expects gross margin expansion on a growing AI mix.
- Karrie sees positive feedback for its racks from ODMs and has received small-batch orders. Its Thai capacity is designed for both server chassis and rack production. For Mainland China, management targets to complete the establishment of its rack-dedicated facilities for its US ASIC customer by end-26, mainly through the reconfiguration of its current plant.
- Management expects a total capex of HK$450m-520m for capacity expansion in Thailand and China. It may consider financing through long-term debt and plans to continue returning to shareholders through dividend payout.

Catalyst/Risk

- **Catalyst:** Stronger-than-expected order growth momentum of AI enclosure.
- **Risk:** Slower-than-expected capacity ramp-up in Thailand and China.

Valuation

- The company is trading at 8.4x FY27 PE, which is around its historical mean of 8.2x in FY21-26.

Key Financials

Year to 31 Mar (HK$m)	FY2025	FY2026	FY2027F	FY2028F	FY2029F
Net turnover	3,231,329	3,469,567	4,525,731	5,064,280	5,199,005
EBITDA	433,148	488,176	717,738	831,641	851,292
Operating profit	323,378	376,873	573,603	548,191	575,203
Net profit (rep./act.)	204,481	270,883	457,204	548,191	575,203
Net profit (adj.)	204,481	270,883	457,204	548,191	575,203
EPS (cents)	10.1	13.3	22.5	27.0	28.3
P/E (x)	18.7	14.2	8.4	7.0	6.7
P/B (x)	9.5	6.3	4.2	2.9	2.2
EV/EBITDA (x)	10.0	8.8	5.7	4.6	4.4
Dividend yield (%)	2.9	3.2	3.6	4.3	4.5
Net margin (%)	6.3	7.8	10.1	10.8	11.1
Net debt to equity (%)	34.0	24.3	7.1	(5.1)	(0.1)
Interest cover (x)	7.9	11.3	12.7	13.9	16.9
ROE (%)	19.7	21.3	28.3	27.7	24.1
Consensus net profit			480,667	611,687	741,000
UOBKH/Consensus (x)			0.95	0.90	0.78

Source: Karrie International, Bloomberg, UOB Kay Hian

BUY (Maintained)	
Share Price	HK$1.89
Target Price	HK$3.15
Upside	66.8%

Analyst(s)

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Stock Data

GICS sector	Electronics Components
Bloomberg ticker	1050 HK
Shares issued (m)	2,021
Market cap (HK$m)	3,946
Market cap (US$m)	506
3-mth avg daily t'over (US$m)	2.5

Price Performance (%)

52-week high/low				HK$3.51/HK$0.89
1mth	3mth	6mth	1yr	YTD
(27.0)	(19.2)	(24.7)	101.1	(21.9)

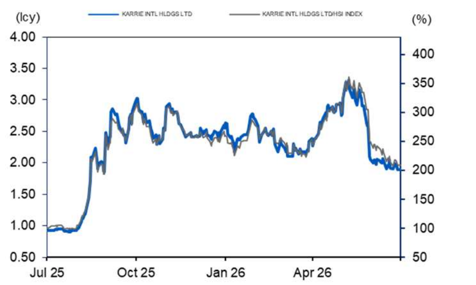
Major Shareholders (%)

Ho Cheuk Fai	73.4

Balance Sheet Metrics

FY27 NAV/Share (HK$)	0.87
FY27 Net Debt/Share (HK$)	0.06

Price Performance



Source: Bloomberg

Company Description

Karrie International is a metal and plastic parts manufacturer which provides one-stop solutions mainly to Fortune 500 customers worldwide. Its products include server chassis, slid rails, EV charging piles and storage products, etc.

Plover Bay Technologies (1523 HK)

BUY (Maintained)	
Share Price	HK$8.00
Target Price	HK$9.77
Upside	22.2%

Analyst(s)

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Highlights

- Plover Bay Technologies (Plover Bay) saw robust growth in 5M26 across all regions, with the US showing the strongest momentum, while Europe and Asia benefitted from multi-year large-scale projects and a growing customer base in several countries. The company saw solid broad-based demand, with some highlighted use cases from build-out for manufacturing automation.
- Gross margin held up well (1H25: 55.5%) despite rising memory and SSD prices, supported by a favourable sales mix towards high-end products such as BR2 Pro, economies of scale, and growing recurring sales. We expect continued growth of its subscription revenue and forecast recurring revenue growth of 23% yoy in 2026 to account for 31.6% of sales (vs 28.9% in 2025) and contribute to 51.1% of gross profit in 2026 (49.4% in 2025).
- Plover Bay launched the new Peplink Max Orbit series in early-Jun 26 that integrates multiple low-earth orbit (LEO) satellite connections, including Starlink, OneWeb and Iridium. We are optimistic about the potential of the Max Orbit series.
- We remain positive on Plover Bay's outlook and expect its growth momentum to continue into 2H26, led by robust demand in the US. We maintain our forecasts of US$153m revenue (+17.4% yoy) and US$55m net profit (+21.5% yoy) in 2026, with net margin reaching 36.2% (+1.3ppt yoy), thanks to gross margin expansion and improved operating efficiency.

Catalyst/Risk

- **Catalyst:** Stronger-than-expected 1H26 results.
- **Risk:** Softer demand from downstream verticals in 2026 amid economic uncertainty.

Valuation

- The current price implies 20.5x 2026F PE, which is 1.5SD above its historical mean of 13.6x, and a 4.6%/5.4%/6.3% dividend yield in 2026-28 respectively, assuming a payout ratio of 95%.

Key Financials

Year to 31 Dec (US$m)	2024	2025	2026F	2027F	2028F
Net turnover	117	130	153	177	204
EBITDA	47	55	65	76	88
Operating profit	44	52	63	74	86
Net profit (rep./act.)	38	45	55	65	75
Net profit (adj.)	38	45	55	65	75
EPS (cents)	3.5	4.1	5.0	5.9	6.8
P/E (x)	29.7	24.9	20.5	17.5	15.0
P/B (x)	20.1	19.2	18.3	16.1	14.1
EV/EBITDA (x)	23.1	19.6	16.5	14.1	12.5
Dividend yield (%)	3.7	4.3	4.6	5.4	6.3
Net margin (%)	32.6	34.9	36.2	36.5	37.0
Net debt to equity (%)	(97.4)	(92.1)	(85.0)	(87.2)	(88.8)
Interest cover (x)	151.3	202.4	1,130.7	1,496.8	1,895.0
ROE (%)	71.4	78.9	91.6	97.9	100.2
Consensus net profit	-	-	55	65	75
UOBKH/Consensus (x)	-	-	1.00	0.99	1.00

Source: Plover Bay, Bloomberg, UOB Kay Hian

Stock Data

GICS sector	Information Technology
Bloomberg ticker	1523 HK
Shares issued (m)	1,106
Market cap (HK$m)	8,850
Market cap (US$m)	1.135
3-mth avg daily t'over (US$m)	1.4

Price Performance (%)

52-week high/low				HK$9.85/HK$5.66
1mth	3mth	6mth	1yr	YTD
(3.6)	6.7	15.1	28.4	34.7

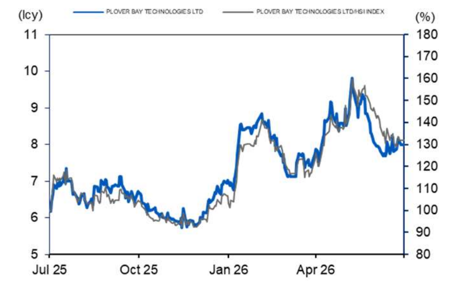
Major Shareholders (%)

Chan Wing Hong Alex	68.9

Balance Sheet Metrics

FY26 NAV/Share (US$)	0.05
FY26 Net Debt/Share (US$)	(0.05)

Price Performance



Source: Bloomberg

Company Description

Plover Bay Technologies specialises in the R&D of connectivity hardware and software, services and the sale of add-on software licences, warranties and support services.

Natural Food (1837 HK)

Highlights

- Natural Food is a well-known Chinese dietary nutrition brand with three core product categories, namely: a) Chinese-style conditioning and functional improvement, b) Chinese-style nourishing breakfast, and c) gift box. Its growth momentum remained robust in 1H26, with a notable sales growth of 47.3-48.5% yoy during Chinese New Year 2026. The company targets a 15% revenue growth and 20% net profit growth in 2026.
- Natural Food relied heavily on supermarket concessionary counters (76% of 2019 revenue) before COVID-19 and began to restructure its concessionary counters in 2019 and expand its offline shelves in 2021. Counters at new-form retailers registered solid same-store sales growth. Revenue from offline shelves grew at a four-year CAGR of 114% in 2021-25 and accounted for 21% of 2025 revenue (up from 0%/1.5% in 2019/21).
- Natural Food has been reducing price-driven traffic since 2H25 and shifted to brand-value content creation, with self-streaming accounting for 80-90% of its content streaming. Its online sales grew 12% yoy in 2025 to account for 41% of its 2025 sales and the company saw continued operating margin expansion on the back of better economics and an improved product mix.
- Natural Food had a 70% net cash to equity ratio as of end-25 with no bank borrowings and generated solid free cash flow over 2021-25. While it plans for capacity expansion over the next three years and is open to M&A opportunities that could support its demographic expansion, it sees a potential for a higher dividend payout (43%/51% in 2024-25) in the future on the back of its solid balance sheet and strong cash flow generation.

Catalyst/Risk

- **Catalyst:** Stronger-than-expected 1H26 results.
- **Risk:** Intensifying competition in Mainland China.

Valuation

- The company is trading at 9.9x 2026F PE and 4.5% trailing 12-month dividend yield.

Key Financials

Year to 31 Dec (Rmb'000)	2021	2022	2023	2024	2025
Net turnover	1,610	1,719	1,845	2,060	2,526
Operating Profit	141	164	213	243	350
Net Profit	110	131	174	207	313
Net Profit (adj.)	87	116	152	188	266
EPS (cents)	87	116	152	188	266
P/E (x)	4.0	5.4	7.1	8.7	12.2
P/BV (x)	39.3	29.1	22.1	18.1	12.9
EV/EBITDA (x)	3.1	2.8	2.4	2.3	2.0
DPS (fen)	13.2	11.4	8.7	7.7	5.3
Dividend yield (%)	1.0	-	1.9	2.5	4.5
Net margin (%)	5.4	6.8	8.3	9.1	10.5
Net debt to equity (%)	(56.1)	(62.2)	(67.2)	(73.1)	(70.3)
Interest cover (x)	134.3	203.0	421.4	549.8	865.8
ROE (%)	7.7	9.9	11.6	12.4	15.7

Source: Natural Food, Bloomberg, UOB Kay Hian

NOT RATED	
Share Price	HK$1.69
Target Price	n.a.
Upside	n.a.

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Stock Data

GICS sector	Consumer Discretionary
Bloomberg ticker	1837 HK
Shares issued (m)	2,189
Market cap (HK$m)	3,699
Market cap (US$m)	481
3-mth avg daily t'over (US$m)	0.4

Price Performance (%)

52-week high/low				HK$1.83/HK$0.77
1mth	**3mth**	**6mth**	**1yr**	**YTD**
19.0	2.4	61.0	113.9	55.0

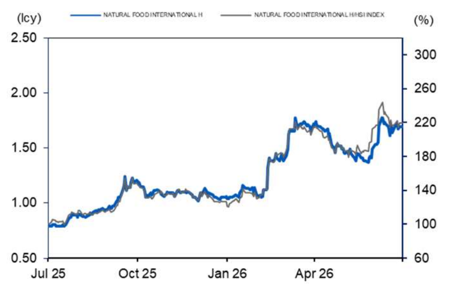
Major Shareholders (%)

Zhang Zejun	42.9

Balance Sheet Metrics

FY25 NAV/Share (HK$)	0.77
FY25 Net Debt/Share (HK$)	(0.55)

Price Performance



Source: Bloomberg

Company Description

Natural Food processes and sells natural health food products made of grains, beans, nuts, dried fruits, and other natural ingredients.

Links To Previous Reports

- JBM Healthcare (2161 HK / BUY / Target: HK$3.10) – FY26: Resilient PCM Sales; Conservative FY27 Outlook
- JBM Healthcare (2161 HK / BUY / Target: HK$3.16) – Takeaways From Luncheon: Core Brands Continue To Drive Growth
- Jacobson Pharma (2633 HK / BUY / Target: HK$2.51) – FY26: Revenue Declines Slightly On Normalised Flu Season; Moderate FY27 Outlook
- Karrie International Holdings (1050 HK / BUY / Target: HK$3.15) – FY26: Results Miss On Weaker-Than-Expected Server Enclosure Growth; Targeting 30% Revenue Growth In FY27
- Natural Food (1837 HK / NOT RATED / HK$1.71) – A Well-recognised Chinese Dietary Nutrition Brand