

Key Calls

Karrie International (1050 HK)

- Karrie International's (Karrie) 2QFY27 (Jul-Sep 26) revenue increased by about 45% yoy to HK\$1.2b, primarily driven by a 48% yoy growth in server enclosure revenue (59% of total revenue), thanks to the continued shipments of AI server and rack products to the existing application-specific integrated circuit (ASIC) customer and Nvidia. Revenue from AI-related products accounted for 34% of its server enclosure revenue in 2QFY27 (1QFY27: 20%, FY26: 12%).
- Its existing ASIC customer has become the largest customer for its metal and plastic business in 2QFY27 after one year of mass production. For Nvidia, the company expects a more meaningful revenue contribution in 2HFY27. Meanwhile, Karrie is engaging with two new cloud service providers (CSP), with qualification completed for one CSP customer. Management expects a potential revenue contribution from one customer in 4QFY27 and the other in FY28.
- Management expects growth momentum to continue in 2HFY27 and expects 9MFY27 server-related revenue to exceed its full-year FY26 level. The company is confident about achieving a 1.5-2.0ppt gross margin expansion for the server enclosure segment in FY27 on a growing AI mix as well as operating leverage due to enhanced automation and better production efficiency.
- We see that shipments of server enclosure products for both the existing ASIC customer and Nvidia are on track. We believe growing industry demand for AI server enclosures and racks, as well as positive progress of customer qualification with two additional CSPs, support Karrie's near- to medium-term growth momentum. We remain positive on Karrie's ability to gain market share in AI server enclosures and racks, backed by its expertise in mechanical design engineering, hard tooling and mass production.
- Its share price has corrected by about 40% from its previous peak in June, which was largely related to the FY26 results miss on shipment delays due to geopolitical conflicts and weakening market sentiment on AI-related stocks. We believe its current valuation at 8.0x FY27F PE and a 3.7% FY27F dividend yield are attractive and see its 1HFY27 results to be announced in end-Nov 26 as a near-term catalyst.

Click [here](#) for Full Report dated 20 Oct 26

Key Financials

Year to 31 Mar (HK\$m)	2024	2025	2026F	2027F	2028F
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 (US cents)	10.1	13.3	22.5	27.0	28.3
P/E (x)	17.9	13.6	8.0	6.7	6.4
P/B (x)	9.1	6.1	4.0	2.8	2.1
EV/EBITDA (x)	9.6	8.5	5.4	4.4	4.2
Dividend yield (%)	3.0	3.3	3.7	4.5	4.7
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			465,500	603,500	741,000
UOBKH/Consensus (x)			0.98	0.91	0.78

Source: Karrie, UOB Kay Hian

Analyst(s)

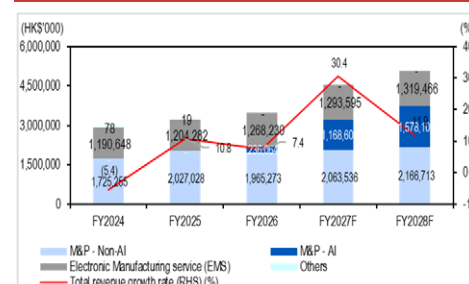
Kate Luang

kate.luang@uobkh.com
+852 2826 4837

Gigi Cheuk

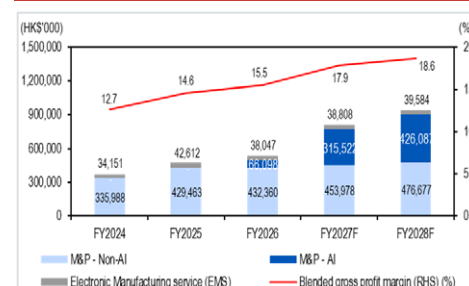
gigi.cheuk@uobkh.com
+852 2236 6794

Revenue Forecast By Category (FY24-28F)



Source: Karrie, UOB Kay Hian

Gross Profit Forecast By Category (FY24-28F)



Source: Karrie, UOB Kay Hian

Updates

Mobvista Inc

(1860 HK/NOT RATED/HK\$10.90)

- Mobvista Inc (Mobvista) is a fast-growing AI-driven ad-tech platform; its core platform, Mintegral, connects advertisers with publishers, both primarily mid-to long-tail gaming app developers. Revenue registered a four-year CAGR of 28% in 2021-25 as third-party platforms gained market share from top-tier media and advertising platforms.
- Mobvista is launching its new AI infrastructure in Oct 26. Compared with the current CPU-based platform, the GPU-based platform supports 2-3x the current business volume and runs more advanced models, with initial tests indicating nearly a 100-fold improvement in overall efficiency. Management expects the R&D expense ratio to return to its normalised level of about 9% in 2H27 and the compute-cost ratio to trend back towards about 5% over the medium to long term.
- Management sees a shift towards hybrid monetisation, with casual games adding in-app purchases (IAP) and IAP games adding in-app advertising. Beyond gaming, Mobvista sees e-commerce as the most promising vertical, with an estimated addressable market that is 3-5x that of gaming, although Mintegral remains at the small-scale testing stage.
- On 17 Jul 26, the board approved a share repurchase plan of up to HK\$300m in open-market repurchases of up to 10% of outstanding shares (162.2m shares). Since Aug 26, Mobvista has repurchased approximately 7m shares, or 0.4% of shares outstanding, backed by net cash of US\$178m with no bank borrowings as of end-Jun 26.
- **Catalyst:** Stronger-than-expected revenue growth on enhanced modelling performance after the launch of new AI infrastructure in Oct 26.
- **Valuation:** Mobvista is trading at 23.9x 2026F PE and 13.9x 2027F PE, based on Bloomberg consensus.

Tai Hing Group

(6811 HK/NOT RATED/HK\$1.585)

- Tai Hing Group is a multi-brand casual dining restaurant group in Hong Kong and Mainland China focusing on Asian cuisine. As of end-Jun 26, it operated 218 restaurants under 16 brands, of which four core brands accounted for 77% of 1H26 revenue. In 1H26, net profit grew 84% yoy and net margin expanded 1.7ppt yoy to 4% on improved same-store sales growth, store consolidation and cost control.
- Tai Hing Group seeks to offer value-for-money through food quality and customer experience rather than competing primarily on price. It sees expansion potential for Men Wah Bing Teng, Asam Chicken and Trusty Congee King, and multi-brand deployments in selected locations enable shared logistics and stronger rental bargaining power.
- Operational losses for the Mainland China business narrowed 58% yoy to HK\$3.2m in 1H26 following store closures, particularly in Northern China. Future expansion will focus on Eastern China, Shenzhen and Guangzhou, in high-traffic locations such as airports and high-speed railway stations.
- In 2026, Tai Hing Group will prioritise same-store sales growth and store consolidation while maintaining disciplined cost control. It targets a stable regular dividend payout ratio going forward (1H26: 80%, 2025: 76%) and had net cash of HK\$484m with no bank borrowings as of end-Jun 26.
- **Catalyst:** Stronger-than-expected performance for its four core brands.
- **Valuation:** Tai Hing Group is trading at 8.8x 2026F PE and an 8.8% 2026F dividend yield, based on Bloomberg consensus.

Wasion Holdings**(3393 HK/NOT RATED/HK\$12.28)**

- Wasion Holdings (Wasion) is a leading smart-meter, smart-grid and energy-efficiency solutions provider in China and overseas, and is expanding into AI data centre (AIDC) infrastructure through its subsidiary Wayon Energy (Wayon). The subsidiary provides integrated power and thermal management solutions, with its prefabricated power modules achieving about a 70% pre-installation rate. The company has delivered over 1GW of power modules mainly to overseas projects.
- The company is planning to spin off and separately list its subsidiary Wayon on the Hong Kong Stock Exchange to crystallise the value of its AIDC infrastructure business and support future expansion through independent financing.
- Looking ahead, management expects smart-meter demand to recover from the 2025 trough, supported by higher selling prices under new standards and volume growth with the replacement cycle peaking in 2027-28. For Wayon, the company sees order visibility into mid-28 from its largest customer and is broadening its client base and liquid cooling product portfolio to support growth in 2027.
- Wasion targets to maintain a 40% dividend payout ratio and will review its share buyback programme on an annual basis following its previous scheme of up to HK\$200m share repurchase.
- **Catalyst:** Stronger-than-expected customer/order wins for Wayon's AIDC business.
- **Valuation:** Wasion is trading at 9.0x/7.3x 2026F/2027F PE and 5.4%/6.6% 2026F/2027F dividend yield, based on Bloomberg consensus.

Trigiant Group**(1300 HK/NOT RATED/HK\$2.385)**

- Trigiant Group (Trigiant) is an established telecom-cable supplier, with feeder cables and flame-retardant flexible cables each accounting for about 40% of its 2025 revenue. Its customers are primarily China's three major telecom operators, with core-business growth supported by their data centre investments.
- The company recently completed the acquisition of Qinghai Zhongli (subsequently renamed Qinghai Trigiant) to add upstream optical-fibre preform production capabilities, marking a meaningful step towards vertical integration and strengthening its position in the supply chain as upstream optical-fibre preform accounts for about 70% of supply chain profit.
- The acquired business has 400 tonnes of optical fibre preform capacity in operation and new equipment for another 600 tonnes ready, with phased commissioning planned in 4Q26-1Q27. Management expects continued price hikes for optical fibre preform as it sees the supply shortage persisting at least until 2028, bottlenecked by the typical lead time of over two years required for production capacity expansion. The acquired plant enjoys cost advantages over its peers, backed by: a) lower production costs from its differentiated production techniques, and b) largely depreciated equipment.
- The company targets net profit of Rmb650m/Rmb2.65b in 2026-27 respectively, with Qinghai Trigiant contributing Rmb150m/Rmb2b in 2026-27 respectively, assuming the entire 1,000-tonne optical fibre preform capacity is fully operational, with full-year consolidation from Qinghai Trigiant in 2027.
- **Catalyst:** Faster-than-expected ramp-up of Qinghai Trigiant's optical-fibre preform capacity.
- **Valuation:** Trigiant is trading at 8.8x 2026F PE and 2.2x 2027F PE, based on Bloomberg consensus.

IMPORTANT NOTICE - DISCLOSURES AND DISCLAIMERS

This report is provided subject to various disclosures and disclaimers (the "Disclosures / Disclaimers") which form an integral part of this report and are available at [this link](#) or by scanning the QR code below:



The Disclosures / Disclaimers contain important information, including without limitation, (a) exclusions of liability, (b) confidentiality obligations, (c) restrictions on publication, circulation, reproduction, distribution and use of the report, (d) potential conflicts of interest, and (e) disclosures and requirements specific to recipients in the United States and other applicable jurisdictions.

Specifically, this report is intended for general circulation and informational purposes only and does not take into account the specific investment objectives, financial situation, or particular needs of any individual person. It is not intended to constitute personal investment advice or a recommendation to buy or sell any investment product or security. You should independently evaluate the information and, where necessary, seek advice from a qualified financial adviser regarding the suitability of any investment, taking into account your specific objectives, financial situation and needs, before making any investment decision. Analyst certifications required under applicable regulations, including SEC Regulation AC (where relevant), are included in this report.

Recipients of this report must carefully read, review and understand the full Disclosures / Disclaimers before using or relying on any information in this report. By accessing, receiving or using this report, you acknowledge and confirm that you have read, understood, accepted and agreed to be bound by the Disclosures / Disclaimers (as may be amended or updated from time to time) in full."