UOBKayHian

Country Daily Greater China

Wednesday, 05 August 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	54085.9	1.7	2.5	2.2	12.5
S&P 500	7736.5	1.8	4.1	3.4	13.0
FTSE 100	10879.4	0.2	0.1	1.9	9.5
AS30	9311.9	1.5	2.2	2.9	3.2
CSI 300	4600.9	1.3	0.7	(5.0)	(0.6)
FSSTI	5612.3	(0.0)	(0.1)	7.0	20.8
HSCEI	8574.3	(0.9)	1.6	11.4	(3.8)
HSI	25852.9	(0.6)	2.1	10.7	0.9
JCI	6319.6	1.4	3.1	7.6	(26.9)
KLCI	1732.7	0.4	1.2	3.2	3.1
KOSPI	6359.0	1.6	5.6	(21.4)	50.9
Nikkei 225	63957.5	0.3	2.6	(8.3)	27.1
SET	1617.1	(0.3)	(1.7)	0.4	28.4
TWSE	43360.7	(0.1)	4.2	(7.3)	49.7
BDI	2843	4.1	6.7	4.6	51.5
CPO (RM/mt)	4499	0.0	(0.7)	1.2	14.4
Brent Crude (US$/bbl)	79	(5.3)	(5.6)	10.0	30.4

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Meeting with i-Tail Corporation Public Company Limited (ITC TB)	Thailand	05 Aug	05 Aug
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 RatingDog China PMI Composite	China	05 Aug
Jul RatingDog China PMI Services	China	05 Aug
Jul S&P Global Hong Kong PMI	Hong Kong	05 Aug
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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Chinese equities rebounded strongly in July, with the HSI and MSCI China Index rising 13.1% mom and 8.6% mom respectively. We stay constructive in August, as valuations remain undemanding and macro policy setting supportive. We add ASMPT, EVE Energy, Foxconn Industrial Internet, Hesai and Trip.com to our BUY list, take profit on Midea, Plover Bay and WuXi AppTec, and cut losses on Minth and Zijin Mining.

Company Results | WuXi AppTec (2359 HK/**BUY**/HK$181.10/Target: HK$220.00) Page 9

WuXi AppTec delivered strong 1H26 results, with total revenue and adjusted non-IFRS net profit expanding 38.9% yoy and 83.2% yoy respectively, beating market estimates and its growth guidance. Gross margin widened 9.4ppt yoy to 53.2% and its backlog increased 25.2% yoy at end-Jun 26, boding well for continued business expansion. The company has raised its 2026 revenue target sharply to Rmb58.5b-60.5b from Rmb51.3b-53.0b. Maintain BUY and raise target price to HK$220.00 on its rosy growth outlook.

Company Update | Alibaba Group (9988 HK/**BUY**/HK$126.90/Target: HK$190.00) Page 12

Alibaba's outlook is increasingly supported by accelerating cloud growth, improving margins and stronger AI execution. Qwen3.8-Max strengthens Alibaba's frontier-model competitiveness, while QwenWork broadens its enterprise AI offering and could support greater workplace adoption, API usage and cloud monetisation. Apple's adoption provides further external validation of Qwen's capabilities. Core commerce also remains resilient, supported by better-than-expected CMR and EBITA, narrowing quick-commerce losses and early signs of consumption stabilisation. Maintain BUY with a target price of HK$190.00 (US$194.00).

Technical Analysis

Zhejiang Leapmotor | 9863 Page 16

Support levels: HK$38.32/HK$37.08
Resistance levels: HK$46.66/HK$50.10

BYD Electronic | 0285 Page 16

Support levels: HK$22.84/HK$21.12
Resistance levels: HK$27.58/HK$30.94

Disclaimer: *In Traders' Corner, technical analysis is carried out purely based on charting patterns, price movements and trends, and is thus independent of the fundamental research views of our analysts. As a result, and from time to time, we may make a technical recommendation that is opposite to our fundamental BUY/HOLD/SELL rating.*

Strategy

Alpha Picks: August Conviction Calls

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Highlights

- Chinese equities rebounded strongly in July, with the HSI and MSCI China Index rising 13.1% mom and 8.6% mom, respectively, recouping the losses of the previous two months.
- August may see renewed volatility as the Fed turns more hawkish, but we stay constructive, due to undemanding valuations (MSCI China Index is trading at 10.7x 12-month forward PE) and supportive macro policy setting.
- We add ASMPT, EVE Energy, Foxconn Industrial Internet, Hesai and Trip.com to our BUY list, take profits on Midea, Plover Bay and Wuxi AppTech, and cut losses on Minth and Zijin Mining.

What's New

- **Chinese equities rebounded strongly in July,** with the HSI and MSCI China Index rising 13.1% mom and 8.6% mom, respectively, recouping the losses of the previous two months. The rally was underpinned by a return of liquidity to the market, with southbound net inflows of HK$62.9b in July, compared with June's HK$27.1b. The best performer among our picks of the month was BUY-rated BYD (1211 HK), which advanced 30.0% mom and since inclusion.
- **Constructive on Chinese equities in August.** Domestic policy support should outweigh external risk; positive catalysts include the 30 July Politburo meeting and the PBOC's 1 August work conference, both of which signalled stronger counter-cyclical support. Moreover, the MSCI China Index is still trading at undemanding valuations of 10.7x 12-month forward PE, below its historical average of 11.4x. The key risk is a more hawkish Fed, with futures now pricing a 67% chance of a 25bp hike by September.
- We add ASMPT (0522 HK), EVE Energy (300014 CH), FII (601138 CH), Hesai (2525 HK) and Trip.com (9961 HK) to our BUY list. We take profits on Midea (000333 CH), Plover Bay (1523 HK) and WuXi AppTec (2359 HK), and cut losses on Minth (425 HK) and Zijin Mining (2899 HK).

Action

- **Add EVE Energy (300014 CH) to our BUY list,** ahead of its 1H26 results and monthly battery shipment updates.
- **Add Foxconn Industrial Internet (601138 CH) to our BUY list,** on 3Q26 guidance, AI server share gains and CPO switch volume orders.
- **Add Hesai (2525 HK) to our BUY list,** on quarterly shipment data, 2Q26 results, and new contract signings with auto OEMs and robotics companies.
- **Add Trip.com (9961 HK) to our BUY list,** on accelerating international market growth, recovery in outbound and inbound travel, and benefits from visa-free policies.
- **Take profits** on Midea (000333 CH), Plover Bay (1523 HK) and Wuxi AppTech (2359 HK).
- **Cut losses** on Minth (425 HK) and Zijin Mining (2899 HK).
- **Maintain BUY** on Alibaba (9988 HK), BYD (1211 HK), Cowell (1415 HK), BeOne Medicines (6160 HK), NetEase (9999 HK) and Shuanghuan Driveline (002472 CH).

Key Recommendations

Company	Ticker	Rec	Share Price (HK$)	Target Price (HK$)
Alibaba	9988 HK	BUY	125.80	190.00
ASMPT	0522 HK	BUY	158.00	211.00
BeOne Medicines	6160 HK	BUY	193.60	257.00
BYD	1211 HK	BUY	93.45	135.00
Cowell	1415 HK	BUY	21.98	48.00
EVE Energy	300014 CH	BUY	54.94	83.50
Foxconn Industrial Internet	601138 CH	BUY	59.93	89.50
Hesai	2525 HK	BUY	17.42	33.00
NetEase	9999 HK	BUY	205.60	252.00
Shuanghuan Driveline	002472 CH	BUY	38.84	52.00
Trip.com	9961 HK	BUY	364.80	508.00

Source: Bloomberg

Change In Share Price

Company	Ticker	Rec	July 26 (%)	To-Date* (%)
Alibaba	9988 HK	BUY	26.0	-30.9
BYD	1211 HK	BUY	30.0	30.0
Cowell	1415 HK	BUY	-12.2	-27.4
BeOne Medicines	6160 HK	BUY	13.8	-5.3
Midea	000333 CH	BUY	16.0	16.0
Minth	425 HK	BUY	4.7	-18.8
NetEase	9999 HK	BUY	2.7	7.1
Plover Bay	1523 HK	BUY	4.9	4.9
Shuanghuan Driveline	002472 CH	BUY	-7.4	-2.2
WuxiAppTech	2359 HK	BUY	4.6	23.3
Zijin Mining	2899 HK	BUY	21.3	-3.3

***Share price change since stock was selected as alpha pick**

Source: Bloomberg

Portfolio Return

(%)	3Q25	4Q25	2025	1Q26	2Q26
HSI return	11.6	-4.6	27.8	-3.3	-7.7
Alpha Picks Return					
- Price-weighted	24.3	-3.8	23.0	-6.0	4.0
- Market cap-weighted	29.0	-1.6	33.9	-8.7	-0.1
- Equal-weighted	17.2	-2.2	24.5	-1.2	3.4

Assumptions for the 3 methodologies:
1) *Price-weighted: Assuming the same number of shares for each stock, a higher share price will have a higher weighting.*
2) *Market cap-weighted: Weighting is based on the market cap at inception date, a higher market cap will have a higher weighting.*
3) *Equal-weighted: Assuming the same investment amount for each stock, every stock will have the same weighting.*

Source: UOB Kay Hian

Valuation Of Analysts' Alpha Picks

Company	Ticker	Rec*	Price 4 Aug 26 (lcy)	Target Price (lcy)	Upside/ (Downside) To TP (%)	Last Year End	PE 2025 (x)	PE 2026F (x)	PE 2027F (x)	Yield 2026F (%)	ROE 2026F (%)	Market Cap. (lcy m)	Price/ NAV ps (x)
Alibaba	9988 HK	BUY	125.80	190.00	51.0	Mar-26	22.1	21.9	15.6	0.8	8.0	2,412,406	2.2
ASMPT	0522 HK	BUY	158.00	211.00	33.5	Dec-25	60.7	31.3	22.7	1.6	9.9	65,800	4.4
BeOne Medicines	6160 HK	BUY	193.60	257.00	32.7	Dec-25	39.7	26.5	19.2	0.0	7.5	311,142	8.2
BYD	1211 HK	BUY	93.45	135.00	44.5	Dec-25	22.7	18.8	13.9	0.5	14.2	344,214	3.5
Cowell	1415 HK	BUY	21.98	48.00	118.4	Dec-25	12.3	9.1	7.4	2.2	31.4	18,865	8.3
EVE Energy	300014 CH	BUY	54.94	83.50	52.0	Dec-25	27.6	15.8	12.1	1.6	11.9	114,059	2.6
Foxconn Industrial Internet	601138 CH	BUY	59.93	89.50	49.3	Dec-25	35.0	17.7	14.9	3.1	32.6	1,190,178	5.9
Hesai	2525 HK	BUY	17.42	33.00	89.4	Dec-25	38.6	34.7	21.0	0.0	5.9	21,899	2.0
NetEase	9999 HK	BUY	205.60	252.00	22.6	Dec-25	14.9	13.7	12.4	2.5	22.5	83,645	3.1
Shuanghuan Driveline	002472 CH	BUY	38.84	52.00	33.9	Dec-25	26.2	25.9	22.8	0.5	14.6	33,011	3.0
Trip.com	9961 HK	BUY	364.80	508.00	39.3	Dec-25	7.2	13.6	11.6	0.2	7.3	29,291	1.2

Source: Bloomberg, UOB Kay Hian

Alibaba (9988 HK) – BUY (Julia Pan)

- We remain upbeat on Alibaba as a full-stack AI service provider, with recent developments reinforcing its advantages across cloud infrastructure, proprietary chips, foundation models and applications. Apple's selection of Qwen for Apple Intelligence in China provides high-profile external validation of the model's capabilities, regulatory compliance and readiness for large-scale deployment. The system-level integration could expand Qwen's real-world usage, strengthen Alibaba Cloud's enterprise credentials and generate incremental inference and cloud-computing demand. Near-term fundamentals are also improving, with better-than-expected performance anticipated across domestic and international e-commerce. Like-for-like CMR is expected to grow 1-2% yoy, slightly above consensus, while cloud revenue growth could accelerate to 45% yoy from 38%, easing concerns over softer cloud usage by model companies. Cloud margin could improve from 9% to 11-12%, supported by the integration of T-Head's proprietary AI chips. Meanwhile, more rational food-delivery subsidies could narrow quick commerce losses to around Rmb10b, below our previous estimate of Rmb14b, supporting an earnings recovery over the coming quarters.
- Maintain BUY with a target price of HK$190.00 (US$194.00). Alibaba is trading at 17.1x FY27F PE, against a 32% EPS three-year CAGR from FY27-30.

Share Price Catalyst

- **Event:** a) Re-accelerating growth of cloud hyperscalers; b) solid progress in self-sufficiency chip development, reducing reliance on US chips; c) AI integration to empower business segments.
- **Timeline:** FY27.

ASMPT (0522 HK) - BUY (Johnny Yum)

- ASMPT will remain a primary beneficiary of the booming AI-investment trend in the foreseeable future as its advanced packaging tools are receiving robust demand from both thermocompression bonders (TCB) as well as photonics solutions. On TCB, ASMPT is winning on both advanced logic (ultra-fine-pitch tools for TSMC, a C2W order from Intel, 50+ C2S tools via OSAT partners), and memory (repeated orders from Hynix, exclusive HBM5 programme with Samsung); and on photonics, related revenue nearly tripled yoy to US$75m in 1H26 with upcoming LPO/NPO adoption continuing to drive robust growth ahead of the 2028 co-packaged optics (CPO) inflection. On top of advanced packaging tools, mainstream tools are also recovering as AI-driven supply chain tightness is bleeding into certain mature node applications (eg power semis, AI server assembly) as well.

- The company had already delivered a stella quarter in 2Q26 with revenue/net profit both above expectations, and we expect the outperformance to be sustained through at least the rest of 2026. Maintain BUY with a target price of HK$211.00, based on 4.6x 2027F P/B.

Share Price Catalyst

- **Event:** 3Q26 bookings led by TCB and photonics, and further TCB order wins.
- **Timeline:** 3Q26.

BeOne Medicines (6160 HK) – BUY (Carol Dou/Sunny Chen)

- BeOne Medicines delivered a remarkable 2025 with revenue surging 40.2% yoy and adjusted earnings reaching US$939m. The momentum continued in 1Q26 with revenue rising 35.5% yoy to US$1.51b and adjusted earnings jumping 175.5% yoy to US$375m, beating estimates. Management raised its 2026 revenue guidance by US$100m to US$6.3b-6.5b, with gross margin expected to remain in the high-80% range. 2Q26 results are due 5 Aug 26.
- BRUKINSA retains its global market leadership in BTK inhibitors. Sonrotoclax (a next-generation BCL2 inhibitor) was approved in China in Jan 26 and in the US for r/r mantle cell lymphoma in May 26. Tarlatamab won conditional approval for ES-SCLC in China in Apr 26, the first DLL3/CD3 bispecific antibody approved domestically. The Zanubrutinib+Sonrotoclax combination has shown exceptional clinical results, potentially transforming first-line treatment for chronic lymphocytic leukaemia. Additionally, BBGB-16673 (BTK CDAC) is expected to enhance BRUKINSA's effectiveness in blood cancers. Smooth progress in solid tumours, together with the in-licensing of global rights for HH160 (PD-1/CTLA-4/VEGF-A tsAb) from Huahui Health, strengthens the immuno-oncology pipeline. Moreover, it committed a further US$300m to its Princeton West Innovation Campus in New Jersey in Jul 26, taking total site investment above US$1b and adding small-molecule manufacturing by 2029.
- With strong R&D execution, improving operating efficiency, expanding gross margins, and diversified revenue streams, BeOne Medicines is well positioned to become a leading global oncology player. Maintain BUY and target price of HK$257.00 (ONC US/BUY/Target: US$426.15/ADS; 688235 CH/BUY/Target: Rmb346.40), based on the DCF model with WACC of 10.5% and terminal growth rate of 3.5%.

Share Price Catalyst

- **Event:** a) Strong 1Q26 results and bright growth outlook in 2026, b) accelerating global penetration of BRUKINSA and potential US FDA approval of Sonrotoclax, c) continued improving operating efficiency and margins, and d) robust pipeline with smooth R&D and business development progress.
- **Timeline:** 2H26.

BYD (1211 HK) – BUY (Ken Lee)

- BYD's sales rebounded to over 419,000 in July, with yoy growth accelerating to over 20%. At a sales pace of over 400,000 per month, we expect yoy sales growth to reaccelerate to 25-30% from July, driven by the ramp-up of the new Flash-Charging models and new overseas plants. For earnings, we estimate 2Q26 net profit at Rmb7b, up 11% yoy and 72% qoq, as exports' share in total sales doubled yoy to over 40%. Maintain BUY with a target price of HK$135.00 is pegged to 20x 2027F PE, on par with the historical mean.

Share Price Catalyst

- **Event:** Pick-up of monthly sales growth; 2Q26 results and 2H26 guidance.
- **Timeline:** 3Q26.

Cowell e Holdings (1415 HK) – BUY (Johnny Yum)

- Cowell e Holdings Inc (Cowell) is one of the biggest beneficiaries of the 2026-28 iPhone upgrade cycle, given its pure-play exposure to the Apple supply chain. We expect Cowell to achieve further share gains in the iPhone supply chain, and its rear-end camera market share is projected to expand from 17% in 2025 to 32% by 2028; while Apple is expected to push for aggressive specification upgrades for iPhone cameras which will further bolster Cowell's dollar content. Overall, we project that Cowell's earnings will register a 25.6% three-year CAGR from 2025-28, primarily driven by solid share gains in the Apple supply chain and a stable operating margin.
- We recommend BUY on Cowell with a target price of HK$48.00, pegged to 19.8x 2026F PE, which is 1SD above its five-year historical forward mean. We forecast Cowell's share price recovering in the coming weeks after the sluggish performances through June-July, as its 1H26 profit guidance indicated that the company's margins are well above market expectations, likely driven by solid cost control measures. The fact that the market has already factored in a delay in Apple's product launches should provide a much better base for the upcoming recovery as well.

Share Price Catalyst

- **Event:** iPhone 18 Pro and foldable iPhone mass production ramp-up in Jun-Jul 26.
- **Timeline:** 3Q26.

EVE Energy (300014 CH) – BUY (Ken Lee)

- EVE Energy's 1H26 profit alert guides a net profit of Rmb3.13b-3.37b, up 95-110% yoy, on revenue growth of around 60%. That implies a 2Q26 net profit of Rmb1.68b-1.93b, up 16-33% qoq from 1Q26's Rmb1,446m, and covers 43-47% of our full-year forecast of Rmb7.23b. Growth is driven by energy storage demand and global capacity ramps in Malaysia, Hungary and China, with lithium-ion battery shipments forecast to reach 185/230/300 GWh respectively in 2026-28, a 35% three-year CAGR. Maintain BUY with a DCF-derived target price of Rmb83.50 (WACC: 11%/terminal growth: 4%).

Share Price Catalyst

- **Event:** 1H26 results, due by end-August, confirming the profit alert and giving sales volume and margin details; monthly battery shipments.
- **Timeline:** Aug 26.

Foxconn Industrial Internet (601138 CH) – BUY (Johnny Yum)

- Foxconn Industrial Internet (FII) is the most dominant NVIDIA AI server ODM partner globally. The company has 50-55% share in the Blackwell NVL72 racks, and we are expecting its share to expand to 60% in Vera Rubin era. On top of that, FII will be the sole assembler for Groq 3 LPX racks which is now on track for mass production in 3Q26, alongside high-speed pluggable/CPO switches for key AI server clients during the same period as well. As new products begin production ramp in 3Q26, and as the company continues to gain share in the AI server ODM market, we expect FII to recapture the investor’s attention in the coming months after June-July’s drawdown along the broader AI tech market.

- Maintain BUY with a target price of Rmb89.50, based on 29.1x 2026F PE, pegged to 3SD above the three-year average historical mean, justified by FII's significantly improved orders/growth visibility.

Share Price Catalyst

- **Event:** 3Q26 guidance, AI server share gains and CPO switch volume orders.
- **Timeline:** 3Q26.

Hesai Group (2525 HK) – BUY (Ken Lee)

- Hesai is the world’s largest LiDAR supplier, with over 30% market share. Self-developed SoC and ASIC chips, platformisation and over 90% automation give it industry-leading cost and performance. Hesai has secured strong order flows with BYD, Great Wall Motor, XPeng, Baidu Apollo and Pony.ai, driving a 69% three-year shipment CAGR and a 46% three-year net profit CAGR in 2026-28. Maintain BUY with a DCF-derived target price of HK$33.00, implying 40x 2027F PE. Re-rating will be driven by the upgrade from spatial perception to spatial intelligence via Picasso and Kosmo.

Share Price Catalyst

- **Event:** Quarterly shipment data; 2Q26 results; signing of new contracts with auto OEMs and robotics companies.
- **Timeline:** 3Q26.

NetEase (9999 HK) – BUY (Julia Pan)

- We remain positive on NetEase, supported by a strengthening game pipeline, resilient evergreen franchises and a more supportive domestic regulatory environment. The approval of Fantasy Westward Journey: Renewed Fate in July adds a new mobile title based on one of NetEase’s most durable revenue-generating IPs, which should support content refresh, monetisation continuity and greater visibility for its domestic pipeline. Meanwhile, Once Human is scheduled to launch on PlayStation 5 and Xbox Series X|S on 25 August, with first-person gameplay, cross-play and cross-progression potentially broadening its international audience and extending its monetisation lifecycle. Sea of Remnants has also received encouraging initial feedback, ranking first on TapTap’s download chart during the pre-download stage and supporting its potential to develop into another long-running franchise.
- In parallel, the record-high number of game approvals in July signals a more supportive regulatory backdrop, while rising AI adoption across game-development workflows could improve content-creation efficiency and support longer-term operating leverage. Combined with its solid pipeline, we believe NetEase remains well positioned for a re-acceleration in online-games revenue growth in FY26.
- Maintain BUY with a target price of HK$252.00 (US$156.00). NetEase is trading at 14x 2026F PE, lower than its historical mean of 15x.

Share Price Catalyst

- **Event:** a) Strong performance of game pipeline, and b) easing regulatory environment.
- **Timeline:** 2H26.

Shuanghuan Driveline (002472 CH) – BUY (Johnny Yum)

- Zhejiang Shuanghuan Driveline (Shuanghuan) is well-positioned to benefit from the recovery in the global EV/PHEV market, ongoing overseas expansion, and product mix upgrades with the increased penetration of coaxial gearboxes. Additionally, Shuanghuan had achieved breakthrough in the automotive supply chain with its plastic smart actuator business, and expects revenue growth to remain elevated in 2026-27. Overall, we project that Shuanghuan will sustain double-digit growth in its core businesses over the medium term, driven by its EV gear and Smart actuator businesses.
- From 2027, we believe Shuanghuan is poised to capture robust demand growth for robotic reducers amid the booming humanoid robot investment trend, given its scale/technological leadership in China's robotic planetary reducer market, and its close collaboration with Tesla, which is now targeting to achieve an annual sales target of 1m units for the Optimus bot in a few years' time.
- We maintain our BUY rating with a target price of Rmb52.00, based on 28.7x 2026F PE, equivalent to 1.3x 2026F PEG.

Share Price Catalyst

- **Event:** Humanoid robot component order wins, Tesla Optimus production ramps up.
- **Timeline:** 3Q26.

Trip.com (9961 HK) – BUY (Julia Pan)

- We expect Trip.com's share price to have largely bottomed, with the antitrust penalty and softer near-term outlook substantially priced in. The finalisation of the Rmb5.18b penalty concludes the investigation and lifts a key regulatory overhang on the company. Although the fine will have a material one-off impact on reported earnings, the cash impact remains manageable given Trip.com's solid balance sheet. The absence of a mandatory commission-rate reduction and the partial implementation of rectification measures in 1H26 should also help contain the incremental operational impact. Meanwhile, Trip.com's international business remains its key growth driver, with revenue expected to grow by over 30% yoy. We like Trip.com for: a) the removal of a key regulatory overhang; b) its resilient international travel growth and continued overseas expansion; c) its strong brand recognition, user mindshare and an integrated one-stop travel platform; and d) an attractive valuation of around 12x 2027F PE, which offers scope for a valuation re-rating.
- Maintain BUY with a target price of HK$508.00. Trip.com is trading at 12x 2027F PE, against a 10% EPS three-year CAGR from FY27-30.

Share Price Catalyst

- **Event:** a) Accelerating growth in international markets, b) recovery in outbound travel and robust inbound travel, and c) benefitting from visa free policies.
- **Timeline:** 2H26.

WuXi AppTec (2359 HK)

1H26: Results Beat; 2026 Guidance Raised Sharply

BUY (Maintained)	
Share Price	HK$181.10
Target Price	HK$220.00
Upside	21.5%
Previous TP	HK$170.00

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Highlights

- WuXi AppTec delivered strong 1H26 results, with total revenue and adjusted non-IFRS net profit expanding 38.9% yoy and 83.2% yoy respectively, beating market estimates and its growth guidance.
- Its backlog for continuing operations increased 25.2% yoy to Rmb66.43b at end-Jun 26. The company has raised its 2026 revenue target sharply from Rmb51.3b-53.0b to Rmb58.5b-60.5b, with continuing operations revenue growing 35-39% yoy (vs 18-22% previously).
- Maintain BUY and raise target price to HK$220.00 on the rosy growth outlook.

1H26 Results

Year to 31 Dec (Rmbm)	2Q25	2Q26	yoy % chg	1H25	1H26	yoy % chg
Revenue	11,144.7	16,461.7	47.7%	20,799.3	28,897.5	38.9%
Chemistry business (WuXi Chemistry)	8,910.4	14,366.2	61.2%	16,301.4	24,986.0	53.3%
Testing business (WuXi Testing)	1,001.4	1,353.3	35.1%	1,885.9	2,480.6	31.5%
Biology business (WuXi Biology)	644.5	723.7	12.3%	1,251.6	1,391.9	11.2%
Discontinued Operations	537.8	0.0	-100.0%	1,273.8	0.0	-100.0%
Others	50.6	18.5	-63.4%	86.6	39.0	-54.9%
Gross profit	5,032.2	9,114.1	81.1%	9,112.2	15,382.1	68.8%
Selling expenses	(200.3)	(208.7)	4.2%	(394.4)	(390.8)	-0.9%
G&A	(684.9)	(865.7)	26.4%	(1,247.7)	(1,575.5)	26.3%
R&D	(290.0)	(338.1)	16.6%	(514.4)	(605.0)	17.6%
Operating profit (EBIT)	6,289.3	7,497.8	19.2%	9,116.0	12,962.6	42.2%
Finance income (cost), net	346.2	422.3	22.0%	274.6	407.6	48.4%
Profit attributed to shareholders	4,615.4	6,428.7	39.3%	8,287.3	11,080.2	33.7%
Adjusted Net Profit	3,637.1	6,973.1	91.7%	6,314.8	11,570.5	83.2%
Ratios (%)	2Q25	2Q26	yoy ppt chg	1H25	1H26	yoy ppt chg
GP margin	45.2%	55.4%	10.2	43.8%	53.2%	9.4
Selling expense	1.8%	1.3%	(0.5)	1.9%	1.4%	(0.5)
Admin expense	6.1%	5.3%	(0.9)	6.0%	5.5%	(0.5)
R&D Expense	2.6%	2.1%	(0.5)	2.5%	2.1%	(0.4)
EBIT Margin	56.4%	45.5%	(10.9)	43.8%	44.9%	1.0
Net margin	41.4%	39.1%	(2.4)	39.8%	38.3%	(1.5)
Adj. Net Margin	32.6%	42.4%	9.7	30.4%	40.0%	9.7

Source: WuXi AppTec, UOB Kay Hian

Stock Data

GICS sector	Health Care
Bloomberg ticker:	2359 HK
Shares issued (m):	490.3
Market cap (HK$m):	494718.9
Market cap (US$m):	63097.9
3-mth avg daily t'over (US$m):	109.8

Price Performance (%)

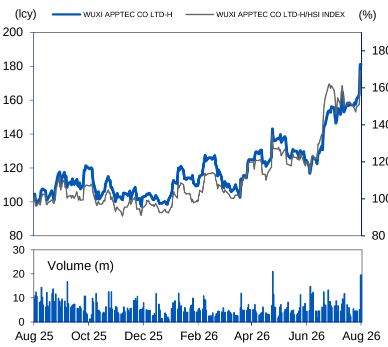
52-week high/low				HK$186.60/HK$96.70
1mth	3mth	6mth	1yr	YTD
16.0	31.8	62.9	78.1	83.5

Major Shareholders	%
Management team	16.69

Balance Sheet Metrics

FY26 NAV/Share (Rmb)	32.39
FY26 Net Cash/ Share (Rmb)	9.81

Price Chart



Source: Bloomberg

Company Description

A global leading CRO/CDMO company.

Analysis

- **Strong 1H26 beat.** WuXi AppTec reported much stronger-than-expected 1H26 results, with total revenue up 38.9% yoy to Rmb28.90b and revenue from continuing operations up 48.0% yoy, well ahead of its original 2026 growth guidance. Adjusted net earnings (excluding share-based compensation expenses, fair value gains/losses from investments and forex-related gains/losses) soared 83.2% yoy to Rmb11.57b in 1H26.

Key Financials

Year to 31 Dec (Rmbm)	2024	2025	2026F	2027F	2028F
Net turnover	39,241	45,456	59,191	68,849	79,586
EBITDA	13,311	25,794	28,490	34,072	39,574
Operating profit	10,838	22,868	25,275	30,141	35,019
Net profit (rep./act.)	9,353	19,195	21,495	25,749	30,127
Net profit (adj.)	10,583	14,957	22,780	26,530	30,908
EPS (Fen)	365.7	513.4	772.5	899.6	1,048.1
PE (x)	42.7	30.4	20.2	17.3	14.9
P/B (x)	7.7	5.6	4.8	4.0	3.3
EV/EBITDA (x)	37.5	19.4	17.5	14.7	12.6
Dividend yield (%)	0.6	1.5	1.4	1.7	2.0
Net margin (%)	27.0	32.9	38.5	38.5	38.8
Net debt/(cash) to equity (%)	(14.8)	(26.6)	(30.3)	(38.3)	(45.6)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.	n.a.
ROE (%)	16.4	27.7	24.7	24.7	24.1
Consensus net profit	-	-	20,749	23,983	27,394
UOBKH/Consensus (x)	-	-	1.04	1.07	1.10

Source: WuXi AppTec, Bloomberg, UOB Kay Hian

- **Revenue rose 38.9% yoy in 1H26, implying a 47.7% yoy jump in 2Q26.** Total revenue rose 38.9% yoy to Rmb28.90b, while revenue from continuing operations surged 48.0% yoy as discontinued operations contributed nothing in 1H26. 2Q26 revenue amounted to Rmb16.46b, up 47.7% yoy and 32.4% qoq. WuXi Chemistry contributed Rmb24.99b (or 86.5%) of total revenue, up 53.3% yoy, as the small molecule development and manufacturing business grew 72.7% yoy to Rmb14.99b. The oligo and peptide (TIDES) business rose 44.3% yoy to Rmb7.26b, a sharp acceleration from 6.1% yoy in 1Q26, and is guided to grow about 45% yoy in 2026. WuXi Testing and WuXi Biology jumped 31.5% and 11.2% yoy respectively.
- **Gross margin improved significantly by 9.4ppt in 1H26.** Gross profit expanded 68.8% yoy to Rmb15.38b and gross margin widened 9.4ppt yoy to 53.2%. 2Q26 gross margin reached 55.4%, up 10.2ppt yoy and 5.0ppt qoq. We attribute the improvement mainly to: a) a rising proportion of late-stage clinical and commercial projects, and b) a higher utilisation rate of the capacity added last year. WuXi Chemistry's gross margin rose 7.5ppt yoy to 55.8% and WuXi Testing's increased 11.3ppt yoy to 37.7%, while WuXi Biology's edged down 0.1ppt yoy to 34.7% on adverse currency moves.
- **2026 guidance raised sharply as backlog growth accelerated to 25.2% yoy.** WuXi AppTec has raised its 2026 total revenue target to Rmb58.5b-60.5b (from Rmb51.3b-53.0b), with continuing operations revenue now expected to grow 35-39% yoy (from 18-22%). It has also lifted 2026 capex to Rmb7.5b-8.5b to bring the new Changzhou site on stream ahead of schedule, and 2026 adjusted free cash flow to Rmb13.5b-14.5b, while guiding for a stable and resilient adjusted non-IFRS net margin. Backlog for continuing operations reached Rmb66.43b at end-Jun 26, up 25.2% yoy and an acceleration from 23.6% yoy at end-Mar 26. The key drivers behind the stronger growth outlook are: a) resilient customer demand, b) the CRDMO business model's ability to advance an increasing number of projects from early to late stage R&D and commercial manufacturing, and c) the company's proven track record of execution excellence.
- **Taking legal actions against DOD 1260H designation.** The company strongly objects to the United States Department of Defense’s (DOD) decision to designate it as a "Chinese military company" under Section 1260H of the National Defense Authorization Act on 8 Jun 26. In response, it filed a motion for a preliminary injunction with the US District Court for the District of Columbia on 29 June to challenge this erroneous designation. Following the hearing held on 22 July, the Court has yet to issue a ruling on the motion. The ruling is expected to come in the next few weeks and it may take months for the company to remove itself from the 1260H list.

Valuation/Recommendation

- **Maintain BUY and raise target price to HK$220.00** (603259 CH/BUY/ Target: Rmb189.20), based on 21.0x 2027F PE (or 0.8x PEG). The strong 1H26 results and robust growth outlook will continue supporting upward momentum in the company's share price.

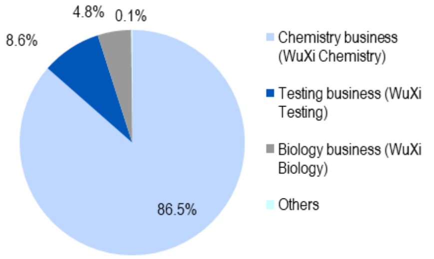
Earnings Revision/Risk

- **Earnings revision:** We raised our 2026 revenue and adjusted net profit growth forecasts from 14.6% and 17.4% yoy to 30.2% and 52.3% yoy respectively, based on the company’s new guidance range.
- **Risks:** Worse-than-expected geopolitical risks and intensifying competition.

Share Price Catalyst

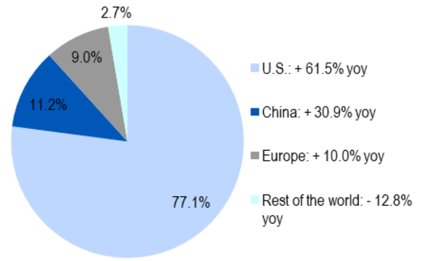
- a) Stronger-than-expected financial results.
- b) Increasing market demand for CRDMO services.

Segmental Revenue (1H26)



Source: WuXi AppTec, UOB Kay Hian

Regional Revenue (1H26)



Source: WuXi AppTec, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Net turnover	45,456	59,191	68,849	79,586
EBITDA	25,794	28,490	34,072	39,574
Deprec. & amort.	2,926	3,215	3,931	4,555
EBIT	22,868	25,275	30,141	35,019
Associate contributions	-	-	-	-
Net interest income/(expense)	453	453	453	453
Pre-tax profit	631	951	1,365	1,920
Tax	23,951	26,679	31,958	37,392
Minorities	(4,573)	(5,094)	(6,102)	(7,139)
Net profit	(183)	(90)	(107)	(126)
Net profit (adj.)	19,195	21,495	25,749	30,127

Balance Sheet

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Fixed assets	27,863	32,063	34,550	36,416
Other LT assets	13,581	13,648	13,712	13,773
Cash/ST investment	29,456	36,843	51,824	70,352
Other current assets	32,221	37,839	41,343	45,346
Total assets	103,121	120,393	141,429	165,887
ST debt	5,987	5,987	5,987	5,987
Other current liabilities	13,249	15,691	17,248	19,093
LT debt	2,274	2,274	2,274	2,274
Other LT liabilities	1,364	1,364	1,364	1,364
Shareholders' equity	79,712	94,453	113,824	136,312
Minority interest	535	625	732	858
Total liabilities & equity	103,121	120,393	141,429	165,887

Cash Flow

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Operating	16,426	21,858	28,074	32,884
Pre-tax profit	23,951	26,679	31,958	37,392
Tax	(4,573)	(5,094)	(6,102)	(7,139)
Deprec. & amort.	3,361	3,668	4,384	5,008
Working capital changes	(453)	(453)	(453)	(453)
Other operating cashflows	(8,420)	(3,176)	(1,947)	(2,158)
Investing	2,560	234	234	234
Capex (growth)	(1,167)	(7,809)	(6,809)	(6,809)
Investments	(5,058)	(7,809)	(6,809)	(6,809)
Proceeds from sale of assets	3,635	-	-	-
Others	256	-	-	-
Financing	-	-	-	-
Dividend payments	1,123	(6,663)	(6,285)	(7,547)
Proceeds from borrowings	(2,835)	(6,755)	(6,377)	(7,639)
Loan repayment	-	-	-	-
Others/interest paid	3,568	-	-	-
Net cash inflow (outflow)	-	-	-	-
Beginning cash & cash equivalent	390	92	92	92
Changes due to forex impact	16,382	7,387	14,981	18,529
Ending cash & cash equivalent	13,434	29,456	36,843	51,824

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
Gross margin	47.0	50.0	50.5	50.5
Pretax margin	52.7	45.1	46.4	47.0
Net margin	42.2	36.3	37.4	37.9
ROA	29.0	28.7	30.2	30.9
ROE	39.6	38.5	39.3	39.2
Growth				
Turnover	15.8	30.2	16.3	15.6
Gross profit	33.5	38.4	17.5	15.6
Pre-tax profit	109.3	11.4	19.8	17.0
Net profit	105.2	12.0	19.8	17.0
Net profit (adj)	41.3	52.3	16.5	16.5
EPS	40.4	50.5	16.5	16.5
Leverage				
Debt to total capital	9.4	8.0	6.8	5.7
Debt to equity	10.4	8.7	7.3	6.1
Net debt to equity	1.0	1.0	1.0	1.0
Interest cover (x)	n.a.	n.a.	n.a.	n.a.

Alibaba Group (9988 HK)

AI Momentum Strengthens While Core Commerce Stabilises

BUY (Maintained)

Share Price	HK$126.90
Target Price	HK$190.00
Upside	+49.7%

Analyst(s)
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Highlights

- Alibaba's outlook is increasingly supported by accelerating cloud growth, improving margins and stronger AI execution. Qwen3.8-Max strengthens Alibaba's frontier-model competitiveness, while QwenWork broadens its enterprise AI offering and could support greater workplace adoption, API usage and cloud monetisation.
- Apple's adoption provides further external validation of Qwen's capabilities. Core commerce also remains resilient, supported by better-than-expected CMR and EBITA, narrowing quick-commerce losses and early signs of consumption stabilisation.
- Maintain BUY with a target price of HK$190.00 (US$194.00).

Analysis

- **Qwen3.8-Max strengthens Alibaba's frontier-model positioning and supports broader AI and cloud adoption.** Alibaba Group (Alibaba) released Qwen3.8-Max with 2.4t total parameters, visual-understanding capabilities and a 1m-token context window, alongside significant improvements in coding and professional productivity tasks. On the third-party Arena leader board, Qwen ranked behind Anthropic's Claude series and Kimi K3, placing it within the first tier of global foundation models. The model is competitively priced at Rmb12 (US$2.00) per 1m input tokens, Rmb36 (US$6.00) per 1m output tokens and Rmb1.5 (US$0.25) per 1m cached-input tokens, with its output price equivalent to only 24% of Claude Opus 5. Qwen3.8-Max and Qwen3.8-27B are expected to be released on an open-weight basis. A stronger model performance, lower inference costs, and open-weight distribution should strengthen Alibaba Cloud's model-as-a-service (MaaS) offering and drive incremental application programming interface (API) usage and cloud-computing demand.
- **QwenWork strengthens Alibaba's enterprise AI offering and supports cloud monetisation.** The launch of public testing for QwenWork (千问办公), an enterprise-grade agent product, expands Alibaba's AI capabilities into a broader range of workplace applications. By integrating QoderWork, MuleRun and Wukong, the platform can support document generation, data analytics, audio and video creation, and web application development. Its initial integration with DingTalk provides an established distribution channel and access to enterprise users, while future connectivity with corporate databases and workflows could deepen user engagement, accelerate enterprise adoption and generate incremental AI inference and cloud demand for Alibaba Cloud.

Key Financials

Year to 31 Mar (Rmbm)	2025	2026	2027F	2028F	2029F
Net turnover	996,347	1,023,670	1,130,222	1,264,984	1,408,476
EBITDA	181,839	96,055	146,986	206,991	262,725
Operating profit	140,905	50,150	86,605	138,258	185,697
Net profit (rep./act.)	129,470	105,904	75,294	114,809	153,488
Net profit (adj.)	158,122	60,658	109,550	151,363	190,279
EPS (Fen)	855.3	326.5	594.8	825.4	1,042.1
PE (x)	12.8	33.5	18.4	13.2	10.5
P/B (x)	2.1	2.0	1.7	1.5	1.3
EV/EBITDA (x)	11.4	21.7	14.2	10.1	7.9
Dividend yield (%)	0.1	0.1	0.1	0.1	0.1
Net margin (%)	13.0	10.3	6.7	9.1	10.9
Net debt/(cash) to equity (%)	(7.1)	(5.2)	(6.1)	(6.2)	(8.9)
ROE (%)	12.8	10.1	6.6	8.9	10.4
Consensus net profit	-	-	105,954.9	144,330.7	181,697.6
UOBKH/Consensus (x)	-	-	1.03	1.05	1.05

Source: Alibaba Group, Bloomberg, UOB Kay Hian

Stock Data

GICS Sector	Consumer Discretionary
Bloomberg ticker	9988 HK
Shares issued (m)	19,176.5
Market cap (HK$m)	2,433,500.4
Market cap (US$m)	310,292.6
3-mth avg daily t'over (US$m)	1,529.4

Price Performance (%)

52-week high/low				HK$186.2/HK$88.65
1mth	3mth	6mth	1yr	YTD
34.9	(3.6)	(25.0)	8.6	(11.1)

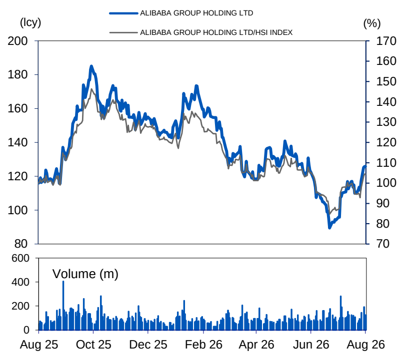
Major Shareholders

	%
JP Morgan Chase & Co	12.31

Balance Sheet Metrics

FY26 NAV/Share (Rmb)	63.01
FY26 Net Cash/ Share (Rmb)	3.88

Price Chart



Source: Bloomberg

Company Description

Alibaba Group is the largest e-commerce marketplace operator and cloud hyperscaler in China.

- **Cloud growth accelerates alongside continued margin improvement.** Alibaba Cloud’s revenue growth is likely to accelerate to 45% yoy, from 38% yoy in the previous quarter, significantly ahead of expectations, while management indicated that growth could continue to accelerate in the coming quarters. Cloud margin is also projected to improve to 11-12%, from 9% last quarter and above the earlier 10-11% expectation, supported by a higher MaaS revenue mix and cost benefits from self-developed T-Head chips. Management reiterated Alibaba Cloud’s long-term margin target of around 20% and noted that most of T-Head’s output is either used internally by Alibaba Cloud or sold externally through the cloud platform, implying limited impact on group revenue after internal eliminations. Although T-Head remains loss-making, the continued improvement in Alibaba Cloud’s margin points to solid underlying profitability momentum.
- **Apple partnership validates Qwen and strengthens Alibaba's AI monetisation outlook.** Apple's selection of Alibaba validates Qwen's model capabilities, regulatory compliance and scalability. Integration into Apple's China ecosystem should expand usage across Chinese-language and multimodal applications, creating a positive flywheel of user adoption, model improvement and enterprise demand, while driving incremental inference, Alibaba Cloud consumption and brand recognition.
- **Core operating trends remain positive, with early signs of consumption stabilisation.** Our positive view remains unchanged, with customer management revenue (CMR) likely to decline 7-8% yoy under the new accounting treatment as merchant subsidies are netted against revenue, while growing 1-2% yoy on a like-for-like basis, slightly above consensus. Domestic e-commerce EBITA is forecast to decline only 3-4% yoy, significantly better than the previous expectation of around 8%, reflecting improving industry discipline. Quick-commerce losses are also projected to narrow to around Rmb10b in the June quarter, better than the previous expectation of Rmb14b, while AIDC EBITA could turn positive. Meanwhile, China online retail goods GMV grew 4% yoy in June vs 3% in May, with a sequential improvement in home appliances and 3C products, indicating that domestic consumption is bottoming and providing a more supportive backdrop for Alibaba’s core commerce business.

12-Month Forward PE Band

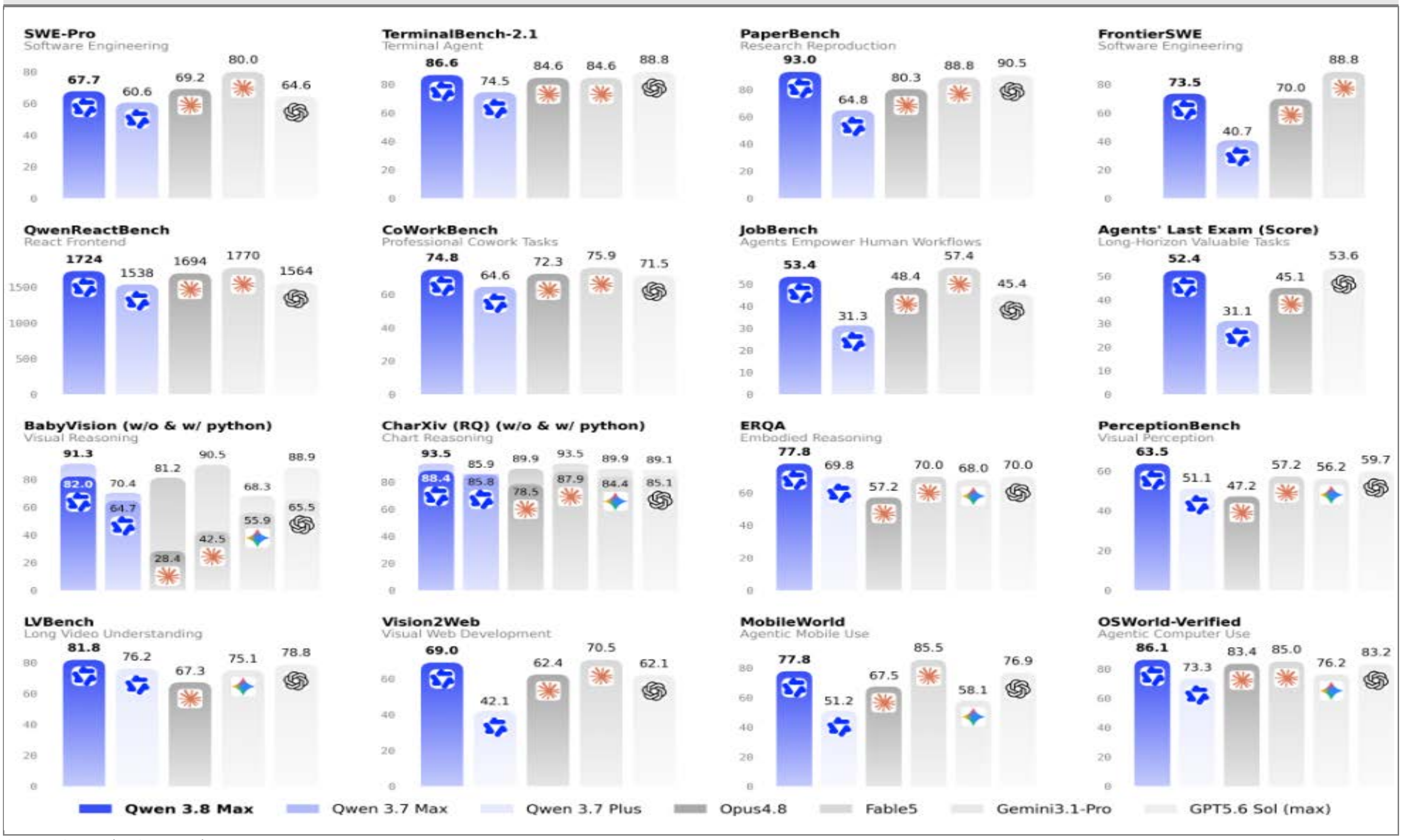
Source: Bloomberg; UOB Kay Hian

Overall Rankings Across AI Models On Front-End Web Development Tasks

Rank	Model	Score	
1	claude-opus-5-max	1705	+15/-15
2	kimi-k3-max	1676	+12/-12
3	claude-opus-5-high	1669	+11/-11
4	qwen3.8-max	1668	+18/-18
5	claude-fable-5	1630	+9/-9
6	gpt-5.6-sol-xhigh (codex-harness)	1620	+9/-9
7	glm-5.2-max	1586	+9/-9
8	deepseek-v4-flash-high	1577	+18/-18
9	claude-opus-4-8-thinking	1566	+8/-8
10	claude-opus-4-7	1561	+7/-7

Source: Arena Ai; UOB Kay Hian

Key Benchmark Performance Comparison For Qwen3.8-Max



Source: Qwen Ai; UOB Kay Hian

Valuation/Recommendation

- **Maintain BUY with a target price of HK$190.00** (US$194.00), based on FY27 SOTP. Our target price implies 28.4x FY27F PE. Alibaba is trading at 18x FY27F PE, 1SD below the historical average, against a 31% EPS three-year CAGR from FY27-30.

Earnings Revision/Risk

- We leave our FY27 revenue and earnings forecasts largely unchanged.
- **Risks:** a) Margin pressure stemming from food delivery investment amid intense competition to seize market share, and b) slower-than-expected monetisation upon investment of AI capex.

Share Price Catalyst

- a) Re-accelerating growth of cloud hyperscalers; b) solid progress in self-sufficiency chip development, reducing reliance on US chips; and c) AI integration to empower business segments.

SOTP-Based Valuation

Description	Business Unit	FY27 Revenue (HK$b)	EBITA (HK$b)	EV / Revenue (x)	EV / EBITA (x)	Value (HK$b)	% BABA holding (%)	Value to BABA (HK$b)	per share (HK$)
Core commerce	Alibaba China E-commerce Group	522	216	2	6	1,299	100	1,299	68
Instant Commerce +Ele.me	Quick Commerce	117		1		117	100	117	6
International commerce	Alibaba International Digital Commerce Group	171	10	0	8	82	100	82	4
Cloud Computing, other	Cloud Intelligence Group	219	22	5	50	1,097	100	1,097	57
Maas		30		20		600		600	31
All Others	Freshippo, Cainiao, Alibaba Health, Hujing DME, Amap, Intelligent Information Platform	284	11		20	228	100	228	12
Total Core+initiatives valuation								3,423	179
Investees									7
Net cash								84	4
Total								3,529	190
# of shares								19,159	

Source: UOB Kay Hian

Profit & Loss

Year to 31 Mar (Rmbm)	2026	2027F	2028F	2029F
Net turnover	1,023,670.0	1,130,222.1	1,264,983.6	1,408,475.9
EBITDA	96,055.0	146,986.1	206,990.9	262,725.0
Deprec. & amort.	45,905.0	60,381.4	68,732.6	77,027.9
EBIT	50,150.0	86,604.7	138,258.3	185,697.2
Total other non-operating income	3,830.0	2,312.0	0.0	(0.0)
Associate contributions	2,785.0	3,625.6	3,453.6	3,553.6
Net interest income/(expense)	77,719.0	6,207.0	6,109.1	6,010.2
Pre-tax profit	134,484.0	98,749.3	147,820.9	195,260.9
Tax	(30,045.0)	(24,773.9)	(34,593.6)	(43,672.0)
Minorities	1,465.0	1,318.5	1,582.2	1,898.6
Net profit	105,904.0	75,293.9	114,809.5	153,487.5
Net profit (adj.)	60,658.0	109,549.8	151,363.4	190,279.3

Balance Sheet

Year to 31 Mar (Rmbm)	2026	2027F	2028F	2029F
Fixed assets	282,699.0	353,655.2	428,187.9	494,424.5
Other LT assets	1,016,102.0	1,084,262.9	1,162,837.4	1,251,381.1
Cash/ST investment	131,530.0	154,669.8	170,829.9	231,359.9
Other current assets	479,239.0	518,448.0	565,918.4	616,311.1
Total assets	1,909,570.0	2,111,036.0	2,327,773.6	2,593,476.7
ST debt	28,224.0	28,224.0	28,224.0	28,224.0
Other current liabilities	448,174.0	498,582.0	554,512.3	616,289.7
LT debt	47,450.0	52,195.0	57,414.5	63,156.0
Other LT liabilities	259,452.0	259,452.0	259,452.0	259,452.0
Shareholders' equity	1,068,731.0	1,215,044.0	1,370,631.7	1,568,816.0
Minority interest	57,539.0	57,539.0	57,539.0	57,539.0
Total liabilities & equity	1,909,570.0	2,111,037.0	2,327,774.6	2,593,477.7

Cash Flow

Year to 31 Mar (Rmbm)	2026	2027F	2028F	2029F
Operating	76,213.0	143,243.8	190,419.8	240,001.4
Profit fo the year	134,484.0	98,749.3	147,820.9	195,260.9
Tax	(30,045.0)	(24,773.9)	(34,593.6)	(43,672.0)
Deprec. & amort.	45,905.0	60,381.4	68,732.6	77,027.9
Associates	(2,785.0)	(3,625.6)	(3,453.6)	(3,553.6)
Working capital changes	90,385.3	11,199.0	8,459.9	11,384.7
Non-cash items	0.0	1.0	1.0	1.0
Other operating cashflows	(161,731.3)	1,312.6	3,452.6	3,552.6
Investing	(67,336.0)	(199,498.5)	(221,839.7)	(231,808.2)
Capex (growth)	(122,021.0)	(124,324.4)	(139,148.2)	(140,847.6)
Investment	206,803.0	227,483.3	250,231.6	275,254.8
Others	(152,118.0)	(302,658.4)	(332,924.1)	(366,216.5)
Financing	(20,573.0)	79,394.6	47,580.0	52,336.9
Dividend payments	0.0	0.0	0.0	0.0
Proceeds from borrowings	24,259.0	4,745.0	5,219.5	5,741.5
Loan repayment	0.0	1.0	1.0	1.0
Others/interest paid	(44,832.0)	74,648.6	42,359.5	46,594.4
Net cash inflow (outflow)	(11,696.0)	23,139.8	16,160.0	60,530.0
Beginning cash & cash equivalent	147,230.0	131,530.0	154,669.8	170,829.9
Changes due to forex impact	(4,004.0)	0.0	0.0	0.0
Ending cash & cash equivalent	131,530.0	154,669.8	170,829.9	231,359.9

Key Metrics

Year to 31 Mar (%)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	9.4	13.0	16.4	18.7
Pre-tax margin	13.1	8.7	11.7	13.9
Net margin	10.3	6.7	9.1	10.9
ROA	5.7	3.7	5.2	6.2
ROE	10.1	6.6	8.9	10.4
Growth				
Turnover	2.7	10.4	11.9	11.3
EBITDA	(47.2)	53.0	40.8	26.9
Pre-tax profit	(16.4)	(26.6)	49.7	32.1
Net profit	(18.2)	(28.9)	52.5	33.7
Net profit (adj.)	(61.6)	80.6	38.2	25.7
EPS	(61.8)	82.2	38.8	26.3
Leverage				
Debt to total capital	6.3	5.9	5.7	5.3
Debt to equity	7.1	6.6	6.2	5.8
Net debt/(cash) to equity	(5.2)	(6.1)	(6.2)	(8.9)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.

Source: TradingView

Zhejiang Leapmotor (9863 HK)

Last price: HK$40.36
Support levels: HK$38.32/HK$37.08
Resistance levels: HK$46.66/HK$50.10

Technical View:

Price has completed a double-bottom structure and has successfully verified the former neckline resistance as a new structural support on a corrective retest. The MACD remains deeply embedded in positive territory and is rising to reflect expanding upward velocity. A rebound off this neckline demand floor would imply a further upward price expansion toward higher target levels as long as the breakout level remains defended.

Average timeframe: Around two weeks.

Source: TradingView

BYD Electronic (0285 HK)

Last price: HK$24.44
Support levels: HK$22.84/HK$21.12
Resistance levels: HK$27.58/HK$30.94

Technical View:

Price continues to validate a pristine bullish market structure characterised by a sequence of higher highs and higher lows, with current price compressing inside a tight range consolidation zone. The MACD has turned bullish and is actively rising to signal expanding buy-side displacement. This could point towards a high-probability breakout above the consolidation ceiling to drive price higher toward new target zones.

Average timeframe: Around two weeks.

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