UOBKayHian

Country Daily | Greater China

Wednesday, 18 November 2026



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	50759.4	(1.6)	(2.8)	(2.4)	5.6
S&P 500	7340.5	(1.0)	(2.4)	(4.2)	7.2
FTSE 100	10689.9	(1.8)	(0.6)	(1.8)	7.6
AS30	8997.3	(1.8)	(3.2)	0.6	(0.2)
CSI 300	3976.5	(0.1)	(2.0)	(4.7)	(14.1)
FSSTI	5109.1	(1.4)	(2.8)	(5.7)	10.0
HSCEI	7904.4	(1.0)	(4.4)	(2.8)	(11.3)
HSI	23508.2	(1.0)	(4.3)	(2.8)	(8.3)
JCI	5304.8	(0.3)	3.5	2.3	(38.7)
KLCI	1575.2	(0.8)	(1.8)	(2.0)	(6.2)
KOSPI	4968.5	(2.6)	(5.2)	(12.3)	17.9
Nikkei 225	58860.4	(1.3)	(2.6)	(9.9)	16.9
SET	1474.7	(1.7)	(1.4)	(6.3)	17.1
TWSE	40092.1	(2.3)	(6.1)	(14.9)	38.4
BDI	2893	(1.0)	1.1	15.2	54.1
CPO (RM/mt)	4239	1.7	3.4	(4.8)	7.8
Brent Crude (US$/bbl)	93	1.1	2.1	(14.9)	53.6

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Analyst Marketing by Johnny Yum on GC AI Sector	Taipei	17 Nov	18 Nov
Corporate Roadshow with NTT DC REIT (NTTDCR SP)	Bangkok	23 Nov	23 Nov
Corporate Roadshow with NTT DC REIT (NTTDCR SP)	Kuala Lumpur	25 Nov	25 Nov
Virtual Analyst Presentation by Jonathan Koh on S-REITs Results Wrap	Singapore	25 Nov	25 Nov
Regional 1H2027 Strategy Conference	Malaysia	02 Dec	02 Dec

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
Oct CPI Composite	Hong Kong	20 Nov
Oct Trade Balance, Exports, Imports	Hong Kong	26 Nov
Oct Industrial Profits	China	27 Nov
Nov PMI (Composite, Manufacturing, Non-manufacturing)	China	30 Nov
Oct Money Supply (M1, M2, M3)	Hong Kong	30 Nov

Top Stories

Company Results | JD.com (9618 HK/**BUY**/HK$105.20/Target: HK$138.00) Page 3 →

- JD's 3Q26 results were mixed. Revenue grew 3.5% yoy to Rmb309.6b, in line with our and consensus estimates. Non-GAAP operating profit rose to Rmb7.3b, above our estimate, supported by higher gross margin and lower losses from new initiatives. Non-GAAP net profit increased 43.7% yoy to Rmb8.3b, 2.9% below our estimate but ahead of consensus. Management guides for flat retail revenue yoy and double-digit group growth in 4Q26, aided by CECONOMY consolidation. Maintain BUY; target price: HK$138.00 (US$35.00).

Company Results | Miniso (MNSO US/**BUY**/US$12.18/Target: US$17.50): Page 6 →

- 3Q26 results beat expectations. For the domestic market, management expects 4Q26 SSSG to remain at least in the mid single digits and is optimistic about 2027, expecting revenue growth of at least high single digits. For the overseas markets, management believes the distributor business has the possibility to stabilise gradually as early as 1Q27. While Miniso has yet to provide specific guidance for 2027, it indicated that margins could improve from 2026 levels. Maintain BUY; target price unchanged at US$17.50.

Company Results | Tencent Music Entertainment Group (1698 HK/**HOLD**/HK$35.36/Target: HK$38.00) Page 9 →

- TME's 3Q26 revenue rose 5.6% yoy to Rmb8.9b, 2-3% below our and consensus expectations. Non-GAAP operating profit declined 1% yoy to Rmb2.7b, with adjusted operating profit margin dipping 1ppt yoy on disciplined S&M spending, despite higher G&A expenses (+18% yoy). Adjusted net profit increased 2% yoy to Rmb2.4b, slightly below our estimates but ahead of street expectations. Downgrade to HOLD with a lower target price of HK$38.00.

Company Update | Sino Land (83 HK/**BUY**/HK$10.53/Target:HK$14.00) Page 12 →

- We visited One Marina on 16 Nov 26. Sino Land sold nearly 84% of ~400 units launched within 10 days, mostly two-bedroom units at list prices of HK$18,588–21,588 psf. Buyer/investor sentiment improved marginally in 4Q26 on fixed-rate mortgages, with resilient demand from mainland buyers and local end-users. Sales are on track, with Kai Tak the key 2027 launch. Over HK$2b of interest income should support FY27 earnings. Maintain BUY; target price: HK$14.00.

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.

Technical Analysis

Sun Hung Kai Properties | 16 HK Page 15 →

- Support levels: HK$107.40/HK$103.50
- Resistance levels: HK$117.70/HK$125.00

China Longyuan Power Group | 916 HK Page 15 →

- Support levels: HK$5.385/HK$5.185
- Resistance levels: HK$5.90/HK$6.13

JD.com (9618 HK)

3Q26: Operating Beat On Margin Expansion And FD Loss Reduction; Retail Returns To Growth

Highlights

- JD's 3Q26 results were mixed. Revenue grew 3.5% yoy to Rmb309.6b, in line with our and consensus estimates. Non-GAAP operating profit rose to Rmb7.3b, above our estimate, supported by higher gross margin and lower losses from new initiatives. Non-GAAP net profit rose 43.7% yoy to Rmb8.3b, 2.9% below our estimate but ahead of consensus. Management guides for flat retail revenue yoy and double-digit group growth in 4Q26, aided by CECONOMY consolidation.
- Maintain BUY with a lower target price of HK$138.00 (US$35.00).

3Q26 Results

Year to 31 Dec (Rmbm)	3Q25	2Q26	3Q26	QoQ	YoY	UOBKH	Var	Cons	Var
Total net revenue	299,059	346,401	309,593	-11%	3.5%	309,610	0.0%	309,138	0.1%
Online direct sales	226,092	267,115	233,175	-13%	3%	229,090	1.8%		
Services and others	72,967	79,286	76,418	-4%	5%	80,521	-5.1%		
Gross profits	50,474	59,307	55,961	-6%	11%	54,575	2.5%	54,187	3.3%
GPM	16.9%	17.1%	18.1%	95 bps	120 bps	17.6%	45 bps	17.5%	54.7 bps
Non-GAAP OP	211	5,483	7,347	34%	3382%	5,595	31.3%		
Non-GAAP OPM	0.07%	1.58%	2.37%	79 bps	230 bps	1.81%	57 bps		
Non-GAAP net income	5,796	8,930	8,327	-7%	44%	8,573	-2.9%	8,063	3.3%
Non-GAAP EPS (RMB)	3.73	6.29	5.88	-7%	58%	6.05	-2.8%	5.88	0.1%
Non-GAAP net margin	1.9%	2.6%	2.7%	11 bps	75 bps	2.8%	(8 bps)	2.6%	8.1 bps

Source: JD.com, UOB Kay Hian

Analysis

- **Revenue returned to growth, in line with our estimate.** JD.com's 3Q26 revenue grew 3.5% yoy to Rmb309.6b (2Q26: -2.9%), in line with our estimate. Electronics and home appliances revenue declined 0.7% yoy (2Q26: -12%) to Rmb127.7b as the high trade-in base eased, while general merchandise revenue grew 8.1% yoy (2Q26: +6%) to Rmb105.5b, led by supermarkets, healthcare and industrial products. Marketplace and marketing revenue rose 9.6% yoy (2Q26: +8%) to Rmb28.1b led by double-digit advertising growth, while logistics and other service revenue growth slowed to 2.1% yoy (2Q26: +6%). JD Retail revenue grew 2.9% yoy (2Q26: -5%) to Rmb258.0b, with operating margin edging down 0.1ppt yoy to 5.8%.
- **Gross margin expanded, with marketing spending cut sharply.** Gross margin expanded 1.2ppt yoy to 18.1% in 3Q26. Marketing expenses fell 26.2% yoy to Rmb15.5b due to more efficient promotional spending on new initiatives, while fulfilment expenses rose 7.4% yoy to Rmb23.6b and R&D rose 36.9% yoy to Rmb7.7b. Non-GAAP operating margin rose 2.3ppt yoy to 2.4%. JD Retail/JD Logistics/New Businesses operating margins came in at 5.8%/3.0%/-123.1%, vs 4.6%/3.5%/-135.7% in 2Q26. Non-GAAP net profit rose 43.7% yoy to Rmb8.3b, 2.9% below our estimate.

Key Financials

Year to 31 Dec (Rmbm)	2024	2025	2026F	2027F	2028F
Net turnover	1,158,819	1,309,085	1,369,141	1,507,130	1,576,244
EBITDA	33,865	8,363	15,051	69,943	80,494
Operating profit	38,736	2,774	16,559	37,811	48,514
Net profit (rep./act.)	41,359	19,631	21,818	35,742	44,252
Net profit (adj.)	47,827	27,032	29,813	42,795	50,433
EPS	1,572.7	919.8	1,062.5	1,525.1	1,779.5
PE	5.7	9.7	8.4	5.9	5.0
P/B	1.1	1.1	1.1	0.9	0.8
EV/EBITDA	9.5	38.6	21.4	4.6	4.0
Dividend yield	0.0	0.0	0.0	0.1	0.1
Net margin	3.6	1.5	1.6	2.4	2.8
Net debt/(cash) to equity	(12.8)	(18.7)	6.2	(36.2)	(47.9)
ROE	17.5	8.4	9.7	14.7	15.7
Consensus net profit	-	-	30,365.5	39,275.3	46,788.3
UOBKH/Consensus (x)	-	-	0.98	1.09	1.08

Source: JD.com, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	HK$105.20
Target Price	HK$138.00
Upside	31.2%
Previous TP	HK$148.00

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	9618 HK
Shares issued (m)	2,409.9
Market cap (US$m)	287,368.7
Market cap (US$m)	36,626.6
3-mth avg daily t'over (US$m)	99.7

Price Performance (%)

52-week high/low				HK$132.5/HK$95.8
1mth	3mth	6mth	1yr	YTD
(0.8)	(6.9)	(17.7)	(10.0)	(5.7)

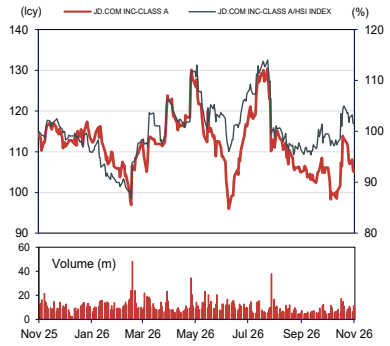
Major Shareholders (%)

Blackrock Inc	5.1

Balance Sheet Metrics

FY26 NAV/Share (Rmb$)	83.55
FY26 Net Debt/Share (Rmb$)	5.18

Price Chart



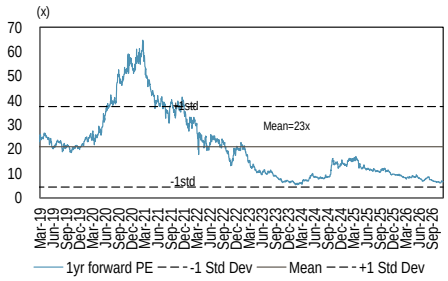
Source: Bloomberg

Company Description

JD.com is the leading online direct sales player in China.

- **New businesses losses narrowed further.** Operating losses fell 38.7% yoy to Rmb9.6b in 3Q26, driven by JD Food Delivery and Jingxi. Food delivery losses narrowed more than 50% yoy and 7% qoq on lower subsidies per order, better delivery efficiency and higher commission and ad revenue. Jingxi doubled revenue yoy, reduced losses and contributed over one-third of JD's new users. Segment revenue declined mainly due to the reclassification of on-demand delivery revenue to JD Logistics.
- **CECONOMY to contribute from 4Q26.** JD completed its €1.335b acquisition of a 59.8% stake in CECONOMY, the parent of MediaMarktSaturn, and began consolidating it on 12 November. The deal expands JD's European retail footprint and could complement Joybuy's online operations and fulfilment network. The near-term focus is CECONOMY's contribution to group revenue and margins, as well as the pace of integration.
- **Strong cash.** Trailing 12-month free cash flow increased 48.8% yoy to Rmb18.8b, helped by trade-in receivable collections. Cash, restricted cash and short-term investments totalled Rmb214.7b at quarter-end.
- **Outlook.** Management expects JD Retail revenue to be broadly flat yoy in 4Q26, with sales improving month by month. Appliance demand remains weak, while handset sales depend on new launches and supply availability. The scope and timing of any 2027 trade-in subsidies remain uncertain, and management noted that the incremental benefit of the programme is fading.
- **Retail margins and AI.** Management expects continued gross margin expansion but a modest yoy decline in 4Q26 retail operating margin due to higher R&D spending. It expects R&D expense growth to slow materially in 2027 and is tracking AI-driven efficiency gains in marketing, procurement and customer service. The long-term high single-digit operating margin target remains in place.
- **Food delivery and overseas.** JD expects food delivery losses to narrow by around 50% yoy in 4Q26 and targets a further around 50% reduction in 2027. Joybuy investment may rise as order volumes grow, while combined International and Jingxi investment is expected to remain broadly flat yoy in 2027.
- **JD expects to utilise remaining US$1b buyback quota.** Management expects to use the remaining US$1b under its US$5b share repurchase programme before it expires in Aug 27. JD also expects to announce its 2026 dividend in Mar 27.

12-Month Forward PE Band



Source: Bloomberg, UOB Kay Hian

Valuation/Recommendation

- **Maintain BUY with a lower target price of HK$138.00 (US$35.00),** implying 7.4x 2027F PE. The lower target price reflects weaker-than-expected 4Q26 profitability guidance, as higher R&D spending weighs on JD Retail's operating margin. JD.com trades at 5.7x 2027F PE, 1 SD below its historical mean of 24x.

Earnings Revision/Risk

- We raise our 2026 revenue forecast by 1.7% to Rmb1,369.1b, up 4.6% yoy, but cut our earnings forecast by 3.2% to Rmb29.8b, up 10% yoy, reflecting higher AI-related R&D and fulfilment expenses and continued macroeconomic headwinds.
- Risks: a) Continued losses from the food delivery business, b) slowing gross merchandise value (GMV) growth, c) weak macroeconomic and consumption conditions, and d) weaker-than-expected synergy from CECONOMY.

Share Price Catalyst

- a) Further narrowing of food delivery losses, b) continued margin expansion driven by improved operating efficiency, and c) synergies between Joybuy and CECONOMY in Europe.

SOTP-Based Valuation

2027F	Revenue (Rmbm)	EBITDA (Rmbm)	EV/EBITDA (x)	EV/Sales (x)	To JD (HK$)	JD stake (%)	To JD (20% discount)	HK$/share	of TP value (%)
JD Retail	1,199,051	55,156	4		193,047	Majority	154,438	51	37%
JD Logistics (mkt cap)					80,677	63%	56,474	19	14%
New Business and others	27,874			1	27,874	37%	22,299	3	2%
JD Health (mkt cap)					108,348	67%	75,844	25	18%
JD industrial					28,826	71%	20,178	7	5%
Net cash					99,338		79,470	33	24%
SOTP value					538,110		408,703	138.00	

Source: JD.com, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Net turnover	1,309,085.0	1,369,140.7	1,507,130.5	1,576,243.9
EBITDA	8,363.0	15,051.2	69,943.5	80,494.4
Deprec. & amort.	5,589.0	(1,508.0)	32,132.7	31,980.7
EBIT	2,774.0	16,559.2	37,810.8	48,513.7
Total other non-operating income	8,025.0	6,359.0	0.0	0.0
Associate contributions	0.0	0.0	0.0	0.0
Net interest income/(expense)	14,524.0	7,613.8	6,963.9	7,501.5
Pre-tax profit	25,323.0	30,532.0	44,774.7	56,015.2
Tax	(2,181.0)	(5,602.2)	(9,032.9)	(11,763.2)
Minorities	(3,511.0)	(3,112.0)	0.0	0.0
Net profit	19,631.0	21,817.8	35,741.8	44,252.0
Net profit (adj.)	27,032.0	29,812.6	42,795.1	50,432.6

Balance Sheet

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Fixed assets	91,349.0	98,388.0	96,398.0	95,942.1
Other LT assets	229,431.0	227,086.0	227,087.0	227,087.0
Cash/ST investment	137,488.0	82,637.0	187,766.4	236,139.2
Other current assets	236,933.0	306,501.0	292,561.7	301,310.9
Total assets	695,201.0	714,612.0	803,813.1	860,479.3
ST debt	0.0	7,226.0	7,226.0	7,226.0
Other current liabilities	306,072.0	328,748.0	346,166.5	361,780.7
LT debt	95,346.0	89,347.0	86,147.0	82,947.0
Other LT liabilities	0.0	0.0	0.0	0.0
Shareholders' equity	225,040.0	224,843.0	260,585.8	304,837.8
Minority interest	68,743.0	64,448.0	64,448.0	64,448.0
Total liabilities & equity	695,201.0	714,612.0	764,573.3	821,239.5

Cash Flow

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Operating	18,991.0	20,674.8	89,066.2	83,097.7
Profit fo the year	25,323.0	30,532.0	44,774.7	56,015.2
Tax	(2,181.0)	(5,602.2)	(9,032.9)	(11,763.2)
Deprec. & amort.	5,589.0	(1,508.0)	32,132.7	31,980.7
Associates	0.0	0.0	0.0	0.0
Working capital changes	2,836.0	(2,747.0)	21,191.8	6,865.0
Non-cash items	0.0	0.0	0.0	0.0
Other operating cashflows	(12,576.0)	0.0	0.0	0.0
Investing	41,832.0	4,858.0	(30,142.6)	(31,524.9)
Capex (growth)	(14,201.0)	(5,531.0)	(30,142.6)	(31,524.9)
Investment	51,978.0	60,022.0	60,022.0	60,022.0
Others	4,052.0	(49,637.0)	(60,027.0)	(60,027.0)
Financing	(26,728.0)	(43,115.0)	(3,200.0)	(3,200.0)
Dividend payments	0.0	0.0	0.0	0.0
Proceeds from borrowings	9,930.0	1,227.0	(3,200.0)	(3,200.0)
Loan repayment	0.0	0.0	0.0	0.0
Others/interest paid	(36,658.0)	(44,342.0)	0.0	0.0
Net cash inflow (outflow)	34,095.0	(17,582.2)	55,723.6	48,372.9
Beginning cash & cash equivalent	115,716.0	149,625.0	132,042.8	187,766.4
Changes due to forex impact	(174.0)	0.0	0.0	0.0
Ending cash & cash equivalent	149,637.0	132,042.8	187,766.4	236,139.2

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	0.6	1.1	4.6	5.1
Pre-tax margin	1.9	2.2	3.0	3.6
Net margin	1.5	1.6	2.4	2.8
ROA	2.8	3.1	4.7	5.3
ROE	8.4	9.7	14.7	15.7
Growth				
Turnover	13.0	4.6	10.1	4.6
EBITDA	(75.3)	80.0	364.7	15.1
Pre-tax profit	(50.9)	20.6	46.6	25.1
Net profit	(52.5)	11.1	63.8	23.8
Net profit (adj.)	(43.5)	10.3	43.5	17.8
EPS	(41.5)	15.5	43.5	16.7
Leverage				
Debt to total capital	24.5	25.0	22.3	19.6
Debt to equity	42.4	43.0	35.8	29.6
Net debt/(cash) to equity	(18.7)	6.2	(36.2)	(47.9)

Miniso (MNSO US/9896 HK)

3Q26: Results Better Than Expected; Reiterates 2026 Guidance; Optimistic About Domestic Market In 2027

Highlights

- Miniso's 3Q26 results were better than expected. Domestic revenue exceeded expectations, while overseas revenue was broadly in line, with performance continuing to be dragged by the distributor business. Operating margin contraction was also narrower than management's previous expectation.
- Looking into 4Q26, management expects domestic SSSG to remain at least in the mid-single digits and is confident of exceeding the full-year low-single digit SSSG target. In its preliminary outlook for 2027, management remains optimistic about the domestic market and expects revenue growth of at least high single digits.
- For the overseas markets, the company will continue to streamline its network. Management believes the distributor business has the possibility to gradually stabilise as early as 1Q27. Management also reiterated its 2H26 and full-year guidance. While management has yet to provide specific guidance for 2027, it indicated that margins could improve from 2026 levels. Maintain BUY, with target price unchanged at US$17.50.

3Q26 & 9M26 Results

Year to 31 Dec (Rmbm)	3Q26	2Q26	3Q25	yoy chg (%)	qoq chg (%)	9M26	9M25	yoy chg (%)
Revenue	6,625	5,811	5,797	14.3	14.0	18,124	15,190	19.3
Gross profit	3,000	2,630	2,590	15.8	14.1	8,093	6,747	20.0
Gross margin (%)	45.3	45.3	44.7	0.6	0.0	44.7	44.4	0.2
Adj. operating profit excl. FX	998	791	1,025	(2.5)	26.3	2,627	2,575	2.0
Adj. operating margin excl. FX (%)	15.1	13.6	17.7	(2.6)	1.5	14.5	17.0	(2.5)
Adj. net profit excl. FX	732	588	769	(4.9)	24.3	1,953	2,012	(2.9)
Adj. net margin excl. FX (%)	11.0	10.1	13.3	(2.2)	0.9	10.8	13.2	(2.5)

Source: Miniso, UOB Kay Hian

Analysis

- **3Q26 results better than expected.** Miniso reported 3Q26 revenue of Rmb6,625m (+14% yoy, +14% qoq), largely in line with management's guidance for low-teens growth and 3% above VA consensus, primarily driven by the strong performance of the domestic market. Gross margin was 45.3% (+0.6ppt yoy, flat qoq), due to optimisation of its product mix as the company benefitted from optimised pricing strategies and higher sales contribution of proprietary and designer IPs. Adjusted operating profit excluding forex was Rmb998m (-3% yoy, +26% qoq), with an adjusted operating margin of 15.1% (-2.6ppt yoy, +1.5ppt qoq), better than management's previous expectation of a 4-5ppt yoy decline. Adjusted net profit excluding forex was Rmb732m (-5% yoy, +24% qoq), with an adjusted net margin of 11.0% (-2.2ppt yoy, +0.9ppt qoq).

Key Financials

Year to 31 Dec (Rmbm)	2024	2025	2026F	2027F	2028F
Net turnover	16,994	21,444	24,720	27,269	29,900
EBITDA (adj.)	4,334	4,877	4,464	5,143	5,797
Operating profit (adj.)	3,401	3,671	3,333	3,782	4,206
Net profit (rep./act.)	2,618	1,205	1,699	2,335	2,726
Net profit (adj.)	2,721	2,898	2,571	2,875	3,165
EPS (Fen)	870.7	927.5	822.8	920.2	1,012.9
PE (x)	9.3	8.8	9.9	8.8	8.0
P/B (x)	2.5	2.4	2.3	2.1	1.9
EV/EBITDA (adj.) (x)	4.4	5.1	6.0	5.4	4.8
Dividend yield (%)	5.4	5.4	5.1	5.7	6.2
Net margin (%)	16.0	13.5	10.4	10.5	10.6
Net debt/(cash) to equity (%)	(64.1)	(6.6)	9.1	16.8	18.0
Interest cover (x)	n.a.	14.9	7.9	10.5	14.3
ROE (%)	27.9	27.7	23.8	25.0	25.2
Consensus net profit	-	-	2,374.2	2,819.0	3,193.1
UOBKH/Consensus (x)	-	-	1.08	1.02	0.99

Source: Miniso, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	US$12.18
Target Price	US$17.50
Upside	+43.7%

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	MNSO US
Shares issued (m)	303.5
Market cap (HK$m)	29,005.9
Market cap (US$m)	3,696.8
3-mth avg daily t'over (US$m)	11.5

Price Performance (%)

52-week high/low				US$21.23/US$8.55
1mth	3mth	6mth	1yr	YTD
19.5	14.0	(14.3)	(42.4)	(35.0)

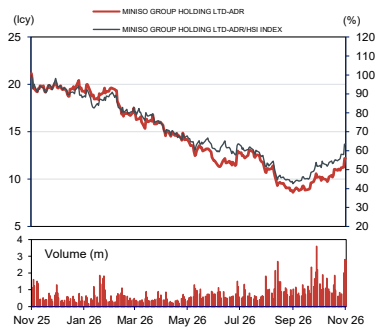
Major Shareholders (%)

Guofu Ye	63.10

Balance Sheet Metrics

FY26 NAV/Share (Rmb)	35.20
FY26 Net Cash/Share (Rmb)	3.17

Price Chart



Source: Bloomberg

Company Description

Miniso is a global value retailer offering a variety of trendy lifestyle products featuring IP design. Its flagship brand "MINISO" offers a frequently-refreshed assortment of lifestyle products spanning across 11 major categories, including home decor, small electronics, textile, accessories, beauty tools, toys, cosmetics, personal care, snacks, fragrance and perfumes, stationery and gifts. The "TOP TOY" brand started operating in Dec 20 in Mainland China, and it now offers pop toys such as blind boxes, toy bricks, model figures, model kits, collectible dolls, Ichiban Kuji and other popular toys.

- In 3Q26, Miniso added 61 stores qoq in Mainland China, while closing 67 stores qoq in overseas markets and three Top Toy stores qoq, bringing its total store numbers to 4,726/3,577/362 respectively.
- **Domestic market outperformed in 3Q26; expects at least mid-single digits SSSG in 4Q26; positive outlook for 2027.** For the domestic market, revenue grew 30% yoy in 3Q26, well ahead of the 2H26 guidance of mid-teens growth, supported by high single-digit same-store sales growth (SSSG). Thus, 9M26 domestic SSSG reached mid-single digits. Looking into 4Q26, management expects domestic SSSG to remain at least in the mid-single digits and is confident of exceeding the full-year low-single-digit SSSG target.
- The company continues to advance its large-store strategy, which remains the key driver of SSSG. Upgraded stores contributed close to 40% of SSSG, while park-style and flagship stores contributed about 20% and 40%, respectively. With only 15-20% of its >4,000 regular stores upgraded over the past two years, management believes there remains substantial room for further growth. Large-format stores are expected to account for more than 30% of the network by end-27 (more than 20% of the store base by end-26). In its preliminary outlook for 2027, management is optimistic about the domestic market and expects revenue growth of at least high single digits.
- **Distributor business could gradually stabilise as early as 1Q27; North America operations remain on track.** For overseas markets, revenue increased 2% yoy in 3Q26, in line with the 2H26 guidance of low single-digit growth. The modest performance of the overseas markets was primarily dragged by the distributor business, whose revenue declined by a low double digit. Management attributed the weakness to channel destocking together with multiple headwinds such as forex and shipping costs, despite GMV still growing by mid-single digits. Distributor inventory stood at 7-8 months, around 1-2 months above the normal level. Looking ahead, the company will continue to streamline its overseas network with a greater focus on quality, targeting net closures of 140-150 distributor stores in 2026 (net closures of 110 stores in 9M26). Management believes the distributor business could gradually stabilise as early as 1Q27. For the North America market, GMV grew 20-25% yoy in 3Q26 and 30-35% in 9M26, with 9M26 SSSG reaching low single digit, on track in achieving its 2026 targets of Rmb4b in revenue and Rmb400m in profit.
- **Reiterates 2026 full-year guidance; margin could improve in 2027.** Management reiterated its 2H26 and full-year guidance. For 2H26, it targets revenue to grow by high single digits, which could bring the full-year revenue growth to mid-teens. The full-year adjusted operating profit is expected to decline by a high single digit, with operating margin down 3-4ppt. While management has yet to provide specific guidance for 2027, it indicated that margins could improve from 2026 levels.

Earnings Revision/Risk

- **Lower our 2026/27 earnings forecasts by 1%/3% respectively.** We keep 2026 revenue forecast unchanged but lower our 2027 revenue forecast by 2%. We keep our 2026/27 gross margin estimates unchanged. We raise our 2026/27 selling and distribution expenses ratio by 0.2ppt/0.2ppt, respectively. Thus, our 2026/27 adjusted earnings (excluding exceptional items and share-based compensation) estimates are cut by 1%/3% respectively.

Valuation/Recommendation

- **Maintain BUY, keep target price unchanged at US$17.50.** We roll over our DCF-based target price to 2027 and keep our target price unchanged at US$17.50. Our target price implies 14.3x 2026F PE and 12.8x 2027F PE. The stock currently trades at 9.9x 2026F PE and 8.8x 2027F PE.

Revenue By Segment

(Rmbm)	3Q26	2Q26	3Q25	yoy chg (%)	qoq chg (%)
MINISO brand	6,122	5,340	5,221	17.2	14.6
- Mainland China	3,770	3,222	2,909	29.6	17.0
- Offline business	3,333	2,849	2,572	29.6	17.0
- Online business	437	373	337	29.5	17.2
- Overseas	2,352	2,118	2,312	1.7	11.1
TOP TOY brand	503	470	575	(12.5)	6.9
Others	1	1	1	48.9	72.7

Source: Miniso, UOB Kay Hian

Number Of Stores

	3Q26	2Q26	3Q25
MINISO China	4,726	4,665	4,407
(1) By type			
Directly operated stores	13	15	21
Third party stores	4,713	4,650	4,386
(2) By region			
Tier 1	605	611	584
Tier 2	1,953	1,928	1,817
Tier 3 and below	2,168	2,126	2,006
MINISO overseas	3,577	3,644	3,424
(1) By type			
Directly operated stores	823	580	637
Third party stores	2,754	2,849	2,787
(2) By region			
Asia excluding China	1,728	1,793	1,748
North America	565	536	421
Latin America	717	726	684
Europe	345	356	337
Others	222	233	234
TOP TOY	362	365	307
Directly operated stores	69	63	42
Third party stores	293	302	265
Total	8,665	8,674	8,138

Source: Miniso, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Net turnover	21,443.8	24,719.5	27,269.5	29,899.7
EBITDA (adj.)	4,877.3	4,463.8	5,143.3	5,796.5
Deprec. & amort.	1,206.3	1,131.0	1,361.0	1,591.0
EBIT (adj.)	3,671.0	3,332.8	3,782.3	4,205.6
Net interest income/(expense)	(326.5)	(565.0)	(490.0)	(406.8)
Pre-tax profit (adj.)	1,913.3	2,274.3	3,126.0	3,649.3
Tax	(703.5)	(568.6)	(781.5)	(912.3)
Minorities	(4.8)	(6.7)	(9.2)	(10.8)
Net profit	1,205.0	1,699.0	2,335.3	2,726.2
Net profit (adj.)	2,898.2	2,571.0	2,875.4	3,164.9

Balance Sheet

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Fixed assets	2,109.4	2,773.5	3,357.6	3,861.7
Other LT assets	12,437.8	13,107.4	13,626.9	13,996.3
Cash/ST investment	6,817.1	4,181.5	1,873.7	516.7
Other current assets	7,269.2	8,338.2	9,248.5	10,114.5
Total assets	28,633.5	28,400.6	28,106.6	28,489.1
ST debt	1,751.0	2,153.9	1,815.4	1,561.5
Other current liabilities	6,721.9	7,053.2	7,135.6	7,311.7
LT debt	5,415.4	4,061.6	3,046.2	2,284.6
Other LT liabilities	4,025.9	4,025.9	4,025.9	4,025.9
Shareholders' equity	10,618.8	10,998.8	11,967.1	13,178.1
Minority interest	100.5	107.2	116.5	127.3
Total liabilities & equity	28,633.5	28,400.6	28,106.6	28,489.1

Cash Flow

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Operating	2,577.9	2,134.4	2,913.0	3,673.6
Pre-tax profit	1,913.3	2,274.3	3,126.0	3,649.3
Tax	(703.5)	(568.6)	(781.5)	(912.3)
Deprec. & amort.	1,206.3	1,131.0	1,361.0	1,591.0
Associates	834.5	0.0	0.0	0.0
Working capital changes	(1,360.7)	(737.7)	(827.9)	(689.8)
Non-cash items	171.8	35.5	35.5	35.5
Other operating cashflows	(187.3)	(568.6)	(781.5)	(912.3)
Investing	(7,019.5)	(2,500.0)	(2,500.0)	(2,500.0)
Capex (growth)	(997.7)	(1,000.0)	(1,000.0)	(1,000.0)
Investments	(31,075.3)	0.0	0.0	0.0
Proceeds from sale of assets	25,117.9	0.0	0.0	0.0
Others	(64.4)	(1,500.0)	(1,500.0)	(1,500.0)
Financing	4,969.2	(2,270.1)	(2,720.8)	(2,530.6)
Dividend payments	(1,357.7)	(1,319.1)	(1,367.0)	(1,515.2)
Issue of shares	0.0	0.0	0.0	0.0
Proceeds from borrowings	4,737.1	800.0	800.0	800.0
Loan repayment	(2,124.4)	(1,751.0)	(2,153.9)	(1,815.4)
Others/interest paid	3,714.3	0.0	0.0	0.0
Net cash inflow (outflow)	527.6	(2,635.7)	(2,307.8)	(1,356.9)
Beginning cash & cash equivalent	6,328.1	6,817.1	4,181.5	1,873.7
Changes due to forex impact	(38.6)	0.0	0.0	0.0
Ending cash & cash equivalent	6,817.1	4,181.5	1,873.7	516.7

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin (adj.)	22.7	18.1	18.9	19.4
Pre-tax margin (adj.)	17.6	12.7	14.1	14.2
Net margin (adj.)	13.5	10.4	10.5	10.6
ROA	12.4	9.0	10.2	11.2
ROE	27.7	23.8	25.0	25.2
Growth				
Turnover	26.2	15.3	10.3	9.6
EBITDA (adj.)	12.5	(8.5)	15.2	12.7
Pre-tax profit (adj.)	10.0	(16.9)	22.6	10.1
Net profit	6.5	(11.3)	11.8	10.1
Net profit (adj.)	6.5	(11.3)	11.8	10.1
EPS (adj.)	6.5	(11.3)	11.8	10.1
Leverage				
Debt to total capital	50.0	35.5	28.6	22.7
Debt to equity	68.5	57.5	42.3	30.6
Net debt/(cash) to equity	(6.6)	9.1	16.8	18.0
Interest cover (x)	14.9	7.9	10.5	14.3

Tencent Music Entertainment Group (1698 HK)

3Q26: Revenue Misses But Earnings Hold Up

Highlights

- TME's 3Q26 revenue rose 5.6% yoy to Rmb8.9b, 2-3% below our and consensus expectations, driven by online music services (+10% yoy), partly offset by weaker social entertainment revenue (-16% yoy). Non-GAAP operating profit declined 1% yoy to Rmb2.7b, with adjusted operating profit margin dipping 1ppt yoy on disciplined S&M spending, despite higher G&A expenses (+18% yoy). Adjusted net profit increased 2% yoy to Rmb2.4b, slightly below our estimates, but ahead of street expectations.
- Downgrade to HOLD with a lower target price of HK$38.00.

3Q26 Results

Year to 31 Dec (Rmbm)	3Q25	2Q26	3Q26	QoQ	YoY	UOBKH	Var	Cons	Var
Revenue	8,463	8,933	8,941	0.1%	5.6%	9,217	-3.0%	9,139	-2.2%
Music-related services	6,969	7,605	7,682	1.0%	10.2%	8,016	-4.2%		
Social entertainment / others	1,494	1,328	1,259	-5.2%	-15.7%	1,201	4.9%		
Cost of sales	4,781	4,984	5,118	2.7%	7.0%	5,260	-2.7%		
Gross profit	3,682	3,949	3,823	-3.2%	3.8%	3,957	-3.4%	3,887	-1.6%
Gross margin	43.5%	44.2%	42.8%	(1 ppt)	(1 ppt)	43%	(0 ppt)		
Operating expenses	1,311	1,295	1,532	18%	17%	1,409	9%		
S&M	260	236	295	25%	13%	330	-11%		
G&A	433	416	575	38%	33%	396	45%		
R&D	618	643	662	3%	7%	682	-3%		
Non-GAAP OP	3,032	3,340	3,097	-7.3%	2.1%	3,123	-1%		
Non-GAAP OPM	35.8%	37.4%	34.6%	(3 ppt)	(1 ppt)	34%	1 ppt		
Non-GAAP NP	2,418	2,686	2,450	-8.8%	1.3%	2,487	-1.5%	2,357	3.9%
Non-GAAP NPM	29.3%	31.1%	28.3%	(3 ppt)	(1 ppt)	28%	1 ppt		
Non-GAAP diluted EPS (RMB)	1.54	1.70	1.55	-9.0%	0.6%	1.58	-1.8%	1.46	6.3%

Source: TME, UOB Kay Hian

Analysis

- **Music-related services growth moderated.** Tencent Music Entertainment Group's (TME) music-related services revenue rose 10.2% yoy (vs 2Q26: 11.0%) to Rmb7.68b in 3Q26, 4.2% below our estimate. Membership revenue grew 9.2% yoy (vs 2Q26: 8.1%) to Rmb4.99b, as the SVIP programme grew in both paying users and ARPPU, alongside the consolidation of Ximalaya. Revenue from marketing and consumption services grew 12.1% yoy (vs 2Q26: 16.2%) to Rmb2.70b, driven by artist-related merchandise and offline performance related services, including collaborations with Silence Wang. Meanwhile, social entertainment revenue declined 15.7% yoy to Rmb1.26b.
- **Margin pressure from IP-related business expansion.** Gross profit grew 3.8% yoy to Rmb3.82b, with gross margin declining 0.7ppt yoy and 1.4ppt qoq to 42.8%, reflecting a higher revenue contribution from lower-margin merchandise and offline concerts. Operating expenses increased 16.9% yoy, mainly due to the Ximalaya consolidation and acquisition-related intangible asset amortisation. Non-IFRS net profit attributable to shareholders increased 1.9% yoy to Rmb2.45b with net margin down 1ppt to 28.3%.

Key Financials

Year to 31 Dec (Rmbm)	2024	2025	2026F	2027F	2028F
Net turnover	28,401	32,902	35,632	38,311	40,966
EBITDA	6,489	8,411	9,087	9,547	10,047
Operating profit	7,349	9,678	10,444	11,041	11,684
Net profit (rep./act.)	7,109	11,353	9,539	10,027	10,766
Net profit (adj.)	8,136	9,924	10,531	11,118	11,912
EPS	257.2	317.3	338.2	354.8	380.1
PE	11.7	9.5	8.9	8.5	7.9
P/B	1.4	1.1	1.2	1.4	1.3
EV/EBITDA	12.2	9.4	8.7	8.3	7.9
Dividend yield	0.0	0.0	0.0	0.0	0.0
Net margin	25.0	34.5	26.8	26.2	26.3
Net debt/(cash) to equity	(19.4)	(10.5)	(29.1)	(34.9)	(41.8)
ROE	11.5	15.3	12.1	14.1	15.6
Consensus net profit	-	-	9,747.9	10,478.8	11,334.1
UOBKH/Consensus (x)	-	-	1.08	1.06	1.05

Source: TME, Bloomberg, UOB Kay Hian

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HOLD (Downgraded)

Share Price	HK$35.36
Target Price	HK$38.00
Upside	7.5%
Previous TP	HK$53.00

Stock Data

Sector	Communication Services
Bloomberg ticker	1698 HK
Shares issued (m)	1,636.7
Market cap (HK$m)	116,744.7
Market cap (US$m)	14,879.7
3-mth avg daily t'over (US$m)	5.7

Price Performance (%)

52-week high/low				HK$74.75/HK$30.36
1mth	3mth	6mth	1yr	YTD
3.9	2.8	4.6	(52.3)	(48.8)

Major Shareholders (%)

Spotify Technology S.A	16.0

Balance Sheet Metrics

FY26 NAV/Share (Rmb)	25.06
FY26 Net Debt/Share (Rmb)	7.30

Price Chart



Source: Bloomberg

Company Description

TME is the world's largest online music platform by monthly average users, with the biggest market share of about 70%. It operates leading music apps including QQ Music, Kugou Music, Kuwo Music and WeSing.

- **Ximalaya and pan-IP monetisation offer incremental growth opportunities**. TME continued to expand its premium audio catalogue and integrate Ximalaya's content into its broader music ecosystem. Meanwhile, stronger artist partnerships, concert operations and merchandise offerings are supporting higher user spending beyond traditional music subscriptions. We believe these initiatives could broaden TME's long-term monetisation opportunities, although the near-term revenue mix shift may dilute margins
- **IP ecosystem broadened across music, audio and live events.** TME renewed its contract with HYBE, securing 30-day early release arrangements for selected major K-pop releases. TME also renewed its partnership with YH Entertainment Group, and staged four stadium concerts for rapper GAI that drew over 120,000 attendees. Ximalaya added more than 10,000 motion comics, which featured an upgraded playback interface and an AI assistant to improve discovery and personalisation.
- **Strong cash position supports shareholder returns.** TME ended 3Q26 with Rmb51.5b in cash, deposits and short-term investments, up from Rmb44.2b in 2Q26, partly reflecting its US$1b bond issuance. The company repurchased US$300m worth of ADSs during the quarter, demonstrating its commitment to shareholder returns.

Valuation/Recommendation

- **Downgrade TME to HOLD and lower our target price to HK$38.00** (US$10.00 per ADS). We lower our target multiple to 10x 2027F PE from 13x to reflect intensifying competition, potential margin pressure and uncertainty over AI-related disruption in the music industry. TME trades at 9.6x 2027F PE, one standard deviation below its historical mean of 14x.

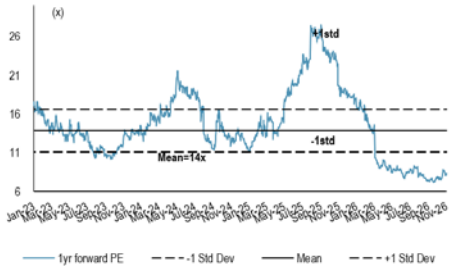
Earnings Revision/Risk

- We maintain our 2026 revenue and non-GAAP net profit forecasts at Rmb35.8b (+8.7% yoy) and Rmb10.3b (+3.6% yoy) respectively, implying a non-GAAP net margin of 28.8%.
- **Key risks:** a) Interruption from rising AI content; b) slower net add growth, whereby the retention rate falls with every increase in ARPPU; and c) increasing competition from Soda Music.

Share Price Catalyst

- a) Better-than-expected music services revenue driven by ARPPU hikes; b) upward earnings revisions driven by operating leverage from higher-margin segments including music subscription and advertisement, and c) greater synergy from Ximalaya.

12-Month Forward PE Band



Source: Bloomberg; UOB Kay Hian

Profit & Loss

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Net turnover	32,902.0	35,632.1	38,310.6	40,966.2
EBITDA	8,411.0	9,086.9	9,546.5	10,046.9
Deprec. & amort.	(1,267.0)	(1,356.8)	(1,494.3)	(1,636.9)
EBIT	9,678.0	10,443.7	11,040.8	11,683.8
Total other non-operating income	2,674.0	613.4	613.4	613.4
Associate contributions	0.0	0.0	0.0	0.0
Net interest income/(expense)	925.0	719.4	724.4	831.8
Pre-tax profit	13,277.0	11,776.4	12,378.7	13,128.9
Tax	(1,924.0)	(2,237.5)	(2,351.9)	(2,363.2)
Minorities	0.0	0.0	0.0	0.0
Net profit	11,353.0	9,538.9	10,026.7	10,765.7
Net profit (adj.)	9,924.0	10,531.3	11,118.5	11,912.4

Balance Sheet

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Fixed assets	1,201.0	1,645.0	481.8	524.3
Other LT assets	68,863.0	77,418.0	63,599.9	64,757.9
Cash/ST investment	8,470.0	22,633.0	22,553.0	30,680.3
Other current assets	23,988.0	20,661.0	21,384.4	21,981.1
Total assets	102,522.0	122,357.0	108,019.1	117,943.5
ST debt	0.0	0.0	0.0	0.0
Other current liabilities	14,589.0	17,166.0	18,007.6	19,173.1
LT debt	0.0	0.0	0.0	0.0
Other LT liabilities	4,883.0	24,610.0	24,610.0	24,610.0
Shareholders' equity	80,287.0	77,742.0	64,662.1	73,435.2
Minority interest	2,763.0	2,839.0	739.5	725.2
Total liabilities & equity	102,522.0	122,357.0	108,019.1	117,943.5

Cash Flow

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Operating	10,231.0	15,527.2	12,396.2	13,783.6
Profit fo the year	13,277.0	11,776.4	12,378.7	13,128.9
Tax	(1,924.0)	(2,237.5)	(2,351.9)	(2,363.2)
Deprec. & amort.	(1,267.0)	(1,356.8)	(1,494.3)	(1,636.9)
Associates	0.0	0.0	0.0	0.0
Working capital changes	(125.0)	(3,986.0)	(83.4)	(534.3)
Non-cash items	0.0	0.0	0.0	0.0
Other operating cashflows	270.0	11,331.1	3,947.2	5,189.0
Investing	(10,227.0)	(4,892.2)	(2,718.9)	(2,820.7)
Capex (growth)	(305.0)	(71.3)	(76.6)	(81.9)
Investment	0.0	0.0	0.0	0.0
Others	(9,922.0)	(4,821.0)	(2,642.3)	(2,738.8)
Financing	(4,649.0)	(3,393.7)	(2,835.5)	(2,835.5)
Dividend payments	0.0	(3,393.7)	(2,835.5)	(2,835.5)
Proceeds from borrowings	0.0	0.0	0.0	0.0
Loan repayment	(243.0)	0.0	0.0	0.0
Others/interest paid	(4,406.0)	0.0	0.0	0.0
Net cash inflow (outflow)	(4,645.0)	7,241.3	6,841.8	8,127.3
Beginning cash & cash equivalent	13,164.0	8,470.0	15,711.3	22,553.0
Changes due to forex impact	(49.0)	0.0	0.0	0.0
Ending cash & cash equivalent	8,470.0	15,711.3	22,553.0	30,680.3

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	25.6	25.5	24.9	24.5
Pre-tax margin	40.4	33.1	32.3	32.0
Net margin	34.5	26.8	26.2	26.3
ROA	11.8	8.5	8.7	9.5
ROE	15.3	12.1	14.1	15.6
Growth				
Turnover	15.8	8.3	7.5	6.9
EBITDA	29.6	8.0	5.1	5.2
Pre-tax profit	52.4	(11.3)	5.1	6.1
Net profit	59.7	(16.0)	5.1	7.4
Net profit (adj.)	22.0	6.1	5.6	7.1
EPS	23.4	6.6	4.9	7.1
Leverage				
Debt to total capital	0.0	0.0	0.0	0.0
Debt to equity	0.0	0.0	0.0	0.0
Net debt/(cash) to equity	(10.5)	(29.1)	(34.9)	(41.8)

Sino Land (83 HK)

Takeaways From Visit To One Marina Project

Highlights

- We visited One Marina on 16 Nov 26. The project has sold about 75% of its 451 units, with 85% of the 400 units launched taken up. The latest price list averaged HK$21,588 psf after discounts, which is 16% above the first list. About half of the buyers are Putonghua-speaking and about 40% are investors.
- We expect Sino Land's FY27 property sales to stay on track, with One Marina and La Mirabelle II selling well and the Kai Tak project of about 2,000 units due to be launched next year at a low land cost. Stable property sales, resilient rental income and over HK$2b of interest income should support FY27 earnings.
- Maintain BUY with an unchanged target price of HK$14.00.

Analysis

- **Strong sales at One Marina.** Sino Land launched about 400 units and achieved nearly 84% sell-through rate in 10 days. Two-bedroom units below 400 sqm were the most popular type, with ASP of HK$18,588 to HK$21,588 for price list projects. Tender units are priced higher, with an estimated ASP of around HK$26,000. We attribute the strong sales to the following factors: a) good location (near To Kwa Wan station, sea views, close to Kai Tak); b) an affordable ticket size, with two-bedroom units priced at around HK$8m; c) 3.3-metre floor-to-floor height; and d) a gross rental yield of 3.3-3.9% as implied by monthly rents of HK$60-70 psf in the area.
- **Buyer sentiment improved marginally in 4Q26 vs 3Q26,** helped by HSBC and Hang Seng Bank continuing to offer fixed-rate mortgages. Although the fixed rate rose 20bps to 2.93%, it is still below the prevailing mortgage rate and hedges against a potential P-rate hike.
- **Talent inflow and resilient local demand support the end-user market.** Based on Pinyin names, we estimate about half of buyers are from the Mainland, which suggests there is no solid evidence of mainland demand weakening, at least for mass-market units. This also shows that urban Kowloon is well recognised among Mainland buyers, helped by the Kai Tak development. Local demand is holding steady, supported by a low unemployment rate. Both new talents and local end-users favour practical two-bedroom units, which make up 80% of One Marina.

Key Financials

Year to 30 Jun (HK$m)	2025	2026	2027F	2028F	2029F
Net turnover	8,183	9,273	7,037	6,795	6,319
EBITDA	2,805	3,018	2,335	2,470	2,306
Operating profit	2,647	2,848	2,245	2,380	2,216
Net profit (rep./act.)	4,019	4,589	4,911	5,251	5,032
Net profit (adj.)	5,118	4,789	4,911	5,251	5,032
EPS (HK$)	57.5	51.2	50.2	51.6	47.6
PE (x)	18.3	20.6	21.0	20.4	22.1
P/B (x)	0.6	0.6	0.6	0.6	0.6
EV/EBITDA (x)	16.8	15.6	20.2	19.1	20.5
Dividend yield (%)	5.5	5.5	5.5	5.5	5.5
Net margin (%)	49.1	49.5	69.8	77.3	79.6
Net debt/(cash) to equity (%)	(29.0)	(30.4)	(30.6)	(30.9)	(31.1)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.	n.a.
ROE (%)	2.4	2.7	2.8	2.9	2.7
Consensus net profit (HK$m)	-	-	4,930.8	5,212.5	5,037.0
UOBKH/Consensus (x)	-	-	1.00	1.01	1.00

Source: Sino Land, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	HK$10.53
Target Price	HK$14.00
Upside	+33.0%

Stock Data

GICS sector	Real Estate
Bloomberg ticker:	83 HK
Shares issued (m):	9,586.1
Market Cap (HK$m):	100,941.6
Market cap (US$m):	12,865.7
3-mth avg t'over (US$m):	11.5

Price Performance (%)

52-week high/low				HK$13.26/HK$9.71
1mth	3mth	6mth	1yr	YTD
0.3	2.6	(16.8)	(0.8)	3.0

Major Shareholders (%)

Ng Chee Siong	61.74

Balance Sheet Metrics

FY26 NAV/Share (HK$)	17.81
FY26 Net Cash/ Share (HK$)	5.00

Price Chart



Source: Bloomberg, UOB Kay Hian

Company Description

Sino Land, through its subsidiaries, develops and invests in properties, trades and invests in securities, and provides financing services. The company also operates hotels and provides building management services.

One Marina Vs A Comparable Primary Project Nearby

	One Marina (Sino Land)	One Victoria Cove (Henderson)
Location	Wing Kwong St, Hung Hom	Bailey St, Hung Hom
Developers	Sino Land, China Merchants Land, URA	Henderson, Hysan, Empire Group
No. of units	451	1,296 (4 phases)
GFA	25,884 sq m / ~278,613 sq ft (max.)	66,654 sq m / ~717,458 sq ft (max.)
Land cost	HK$2.39b, or HK$8,571 psf (Oct 22)	1HK$8.19b, or about HK$11,400 psf of GFA (Sep 21)
Unit size (sq ft, saleable)	339-1,147	330-642 (first list)
Unit type	1BR: 14; 2BR: 393; 3BR: 41; 4BR: 3	2–3BR (all phases)
First price list	27 Oct 26; avg HK$18,588 psf	14 Apr 26; avg HK$18,666 psf
Latest price list	List 4 (10 Nov 26); avg HK$21,588 psf	List 2 (20 Apr 26); avg HK$19,940 psf
Units launched	347	910
Sell-through	334 units sold (84% of launched/74% of total); ~HK$3.0b	810 sold (89% of launched/62.5% of total); ~HK$6.85bn
Key date	Sep 28	Aug 27

Source: Sino Land, Henderson Land, HK01, Ming Pao, The Standard, UOB Kay Hian

- **FY27 sales on track; Kai Tak next.** One Marina is the main new launch this year, with 334 units sold for nearly HK$3.0b as of 14 Nov 26. The other major project, La Mirabelle, has sold 1,239 units for HK$10.7b, as of end-October, implying a sell-through rate of around 50%. We view this year's sales on track. For 2027, the Kai Tak project near Sung Wong Toi MTR Station will be the key launch. With its low land cost (HK$5,400) and prime location, the project is expected to be a key margin driver of Sino Land.

Valuation/Recommendation

- **Maintain BUY with an unchanged target price of HK$14.00.** For FY27, we expect: a) stable revenue and margins from property sales, b) a resilient rental portfolio, and c) over HK$2b of interest income (+8% yoy per our estimation), as the 10-year US Treasury yield averaged 4.86% in Jul-Nov 26, up 66bps yoy, which will support a resilient earnings base and stable DPS. Sino Land is currently trading at 5.5% dividend yield. We view Sino Land as our preferred defensive play against the risk of higher interest rates.

Earnings Revision/Risk

- **None**.

Share Price Catalyst

- Lower-than-expected HIBOR; faster property sales.

Profit & Loss

Year to 30 Jun (HK$m)	2026	2027F	2028F	2029F
Net turnover	9,273.0	7,036.9	6,795.3	6,318.6
EBITDA	3,018.0	2,335.0	2,470.5	2,305.7
Deprec. & amort.	170.0	90.0	90.0	90.0
EBIT	2,848.0	2,245.0	2,380.5	2,215.7
Total other non-operating income	801.0	464.0	464.0	464.0
Associate contributions	-119.0	648.3	750.7	533.8
Net interest income/(expense)	1,877.0	2,028.2	2,122.9	2,260.1
Pre-tax profit	5,407.0	5,385.4	5,718.0	5,473.6
Tax	-774.0	-456.6	-467.0	-442.1
Minorities	-44.0	-18.3	0.0	0.0
Net profit	4,589.0	4,910.6	5,251.0	5,031.5
Net profit (adj.)	4,789.0	4,910.6	5,251.0	5,031.5

Balance Sheet

Year to 30 Jun (HK$m)	2026	2027F	2028F	2029F
Fixed assets	71,523.0	71,559.3	71,595.6	71,632.0
Other LT assets	41,876.0	43,221.5	43,990.7	44,521.5
Cash/ST investment	58,022.0	63,216.8	71,708.6	81,816.3
Other current assets	20,308.0	21,245.7	22,571.9	24,352.1
Total assets	191,729.0	199,243.3	209,866.8	222,321.7
ST debt	2,259.0	6,025.5	12,626.2	21,327.0
Other current liabilities	7,975.0	7,975.0	7,975.0	7,975.0
LT debt	2,892.0	2,892.0	2,892.0	2,892.0
Other LT liabilities	4,220.0	4,220.0	4,220.0	4,220.0
Shareholders' equity	173,875.0	177,604.5	181,627.3	185,381.4
Minority interest	508.0	526.3	526.3	526.3
Total liabilities & equity	191,729.0	199,243.3	209,866.8	222,321.7

Cash Flow

Year to 30 Jun (HK$m)	2026	2027F	2028F	2029F
Operating	1,964.0	5,476.0	7,983.4	9,338.3
Profit fo the year	5,407.0	5,385.4	5,718.0	5,473.6
Tax	-774.0	-456.6	-467.0	-442.1
Deprec. & amort.	170.0	90.0	90.0	90.0
Associates	119.0	-648.3	-750.7	-533.8
Working capital changes	-896.0	2,828.7	5,274.6	6,920.6
Non-cash items	-2,599.0	-1,798.7	-1,956.9	-2,245.4
Other operating cashflows	537.0	75.4	75.4	75.4
Investing	11,714.0	899.8	1,736.7	2,046.7
Capex (growth)	-226.0	-126.3	-126.3	-126.3
Investment	40,101.0	41,446.5	42,215.7	42,746.5
Capex (growth)	309.0	0.0	0.0	0.0
Others	-28,470.0	-40,420.4	-40,352.7	-40,573.4
Financing	192.0	-1,181.0	-1,228.3	-1,277.4
Dividend payments	-958.0	-1,181.0	-1,228.3	-1,277.4
Proceeds from borrowings	1,925.0	0.0	0.0	0.0
Loan repayment	-1,202.0	0.0	0.0	0.0
Others/interest paid	427.0	0.0	0.0	0.0
Net cash inflow (outflow)	13,870.0	5,194.8	8,491.8	10,107.6
Beginning cash & cash equivalent	44,013.0	58,022.0	63,216.8	71,708.6
Changes due to forex impact	139.0	0.0	0.0	0.0
Ending cash & cash equivalent	58,022.0	63,216.8	71,708.6	81,816.3

Key Metric

Year to 30 Jun (%)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	32.5	33.2	36.4	36.5
Pre-tax margin	58.3	76.5	84.1	86.6
Net margin	49.5	69.8	77.3	79.6
ROA	2.4	2.5	2.6	2.3
ROE	2.7	2.8	2.9	2.7
Growth				
Turnover	13.3	(24.1)	(3.4)	(7.0)
EBITDA	7.6	(22.6)	5.8	(6.7)
Pre-tax profit	20.9	(0.4)	6.2	(4.3)
Net profit	14.2	7.0	6.9	(4.2)
Net profit (adj.)	(6.4)	2.5	6.9	(4.2)
EPS	(11.1)	(1.8)	2.8	(7.9)
Leverage				
Debt to total capital	2.9	4.8	7.9	11.5
Debt to equity	3.0	5.0	8.5	13.1
Net debt/(cash) to equity	(30.4)	(30.6)	(30.9)	(31.1)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.

Technical Analysis

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Sun Hung Kai Properties (0016 HK)

Last price:	HK$110.40
Support levels:	HK$107.40/HK$103.50
Resistance levels:	HK$117.70/HK$125.00

The price held above its resistance-turned-support zone during recent pullback testing. The RSI remains in bullish territory and is turning upward directly from its neutral 50 level. If the price remains supported above the converted polarity floor, we see continued upward progression toward higher overhead resistance targets.

Average timeframe: Around two weeks.



China Longyuan Power Group (0916 HK)

Last price:	HK$5.475
Support levels:	HK$5.385/HK$5.185
Resistance levels:	HK$5.90/HK$6.13

The price held at its resistance-turned-support zone, printing a hammer candlestick pattern during recent pullback testing. The RSI remains solidly in bullish territory. If the price remains supported above the hammer low and converted polarity floor, we see continued upward progression toward higher overhead resistance targets.

Average timeframe: Around two weeks.

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