Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52348.4	(1.1)	0.1	3.1	8.9
S&P 500	7482.7	(0.3)	(0.0)	1.0	9.3
FTSE 100	10489.0	(1.7)	0.1	1.1	5.6
AS30	8979.3	(0.3)	0.5	1.4	(0.4)
CSI 300	4755.5	(0.8)	(4.1)	0.9	2.7
FSSTI	5369.6	0.5	4.0	8.2	15.6
HSCEI	8084.2	4.0	7.0	(3.1)	(9.3)
HSI	24199.5	3.0	5.8	(1.9)	(5.6)
JCI	5873.4	(1.9)	3.1	9.9	(32.1)
KLCI	1683.6	0.0	1.6	0.2	0.2
KOSPI	7246.8	(5.3)	(12.7)	(3.2)	72.0
Nikkei 225	66819.1	(2.1)	(5.2)	4.4	32.7
SET	1576.3	(1.7)	(0.8)	0.9	25.1
TWSE	45734.4	0.6	(2.7)	5.1	57.9
BDI	2871.0	(0.1)	12.1	(1.5)	53.0
CPO (RM/mt)	4490.5	0.0	0.2	(0.2)	14.2
Brent Crude (US$/bbl)	78.0	5.2	9.0	(17.2)	28.2

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Small & Mid-Caps Corporate Day	Singapore	09 Jul	09 Jul
Analyst Marketing on 2H Thai Strategy and Healthcare Sector presentation	Malaysia	13 Jul	15 Jul

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
Jun Inflation (PPI, CPI)	China	09 Jul
Jun Money Supply (M2, M1, M0)	China	09-15 Jul
Jun Trade Balance, Exports, Imports	China	14 Jul
2Q GDP (YoY, YTD YoY, SA QoQ)	China	15 Jul
Jun Retail Sales	China	15 Jul
Jun Industrial Production	China	15 Jul
Jun Fixed Assets Ex Rural	China	15 Jul
Jun Surveyed Jobless Rate	China	15 Jul

Please click on the page number to move to the relevant page

Top Stories

Sector Update | Household Durables Page 3

For 2Q26, we expect household durables companies' sales growth to remain on track, with overseas sales offsetting weakness in the domestic market. We forecast low- to mid-single-digit growth for Midea, and flat to low single-digit growth for Haier. Rising raw material costs and foreign exchange losses are expected to weigh on bottom line performance. We forecast a low single-digit net profit growth for Midea on a reported basis (including fair value gains). Maintain OVERWEIGHT. Our top pick is Midea.

Company Update | AIA Group (1299 HK/**BUY**/HK$73.70/Target: HK$100.00) Page 6

China's tightening of outbound investment regulations triggered a selloff in AIA due to market concern over the impact on its MCV business. We do not expect a total shutdown, given that there are no changes to the regulatory framework governing cross-border insurance. In the worst-case scenario, our 2027 EV and VONB forecasts would fall by 8%/21%, resulting in a 14% target price reduction. We believe this regulatory risk is overblown, making AIA's valuation increasingly attractive. Maintain BUY; target price: HK$100.00.

Company Update | Alibaba Group (9988 HK/**BUY**/HK$107.50/Target: HK$190.00) Page 9

Alibaba's 1Q27 outlook appears stronger than expected, with resilient CMR and narrower EBITA pressure suggesting easing subsidy intensity, while cloud growth is expected to accelerate to 45% yoy with margin improvement. Beyond near-term earnings, Alibaba is expanding its AI ecosystem through data centres, AI-powered Alipay, Qwen-Robot and Bailian's partnerships with leading AI labs, supporting broader cloud demand and token-based monetisation visibility. Maintain BUY with a higher target price of HK$190.00 (US$194.00).

Company Update | Tencent Holdings (700 HK/**BUY**/HK$473.80/Target: HK$680.00) Page 12

Tencent's Hy3 official launch marks visible progress in foundation model capabilities, supported by a stronger benchmark performance, coding and agent upgrades, and competitive pricing. Broader deployment across Tencent's ecosystem supports real-world usage feedback and faster model iteration. Early traction, including 20x token growth and 6x growth in users voluntarily selecting Hy3, suggests improving user acceptance and stronger relevance in enterprise productivity and workflow-oriented AI use cases. Maintain BUY with a higher target price of HK$680.00.

Technical Analysis

Lenovo Group | 992 HK Page 16

Support levels: HK$20.06/HK$19.68
Resistance levels: HK$26.32/HK$27.42

KE Holdings | 2423 HK Page 16

Support levels: HK$37.98/HK$37.04
Resistance levels: HK$45.18/HK$48.72

Consumer

OVERWEIGHT
(Maintained)

Household Durables: 2Q26 Results Preview

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Highlights

- For 2Q26, we expect household durables companies' sales growth to remain on track, with overseas sales to offset weakness in the domestic market. We forecast low- to mid-single-digit growth for Midea, and flat to low single-digit growth for Haier.
- Rising raw material costs and foreign exchange losses are expected to weigh on bottom line performance. We forecast low single-digit net profit growth for Midea on a reported basis (including fair value gains).
- Maintain OVERWEIGHT. Our top pick is Midea.

Segmental Rating

Segment	Rating
Household durables	OVERWEIGHT (Maintained)

Source: UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price (lcy)	Target Price (lcy)
Midea	000333 CH	BUY	79.41	112.60

Source: Bloomberg, UOB Kay Hian

Analysis

- **Sales: Overseas to offset domestic weakness.** In 2Q26, household durables companies' overseas sales are expected to offset weakness in the domestic market. In the US, Haier is likely to see sequential easing of pressure, with part of the weather-impacted demand from 1Q26 postponed into 2Q26. In Europe, air conditioner (AC) sales experienced rapid growth during the summer heatwave. We estimate Haier's AC sales have recorded double-digit growth ytd, while Midea's PortaSplit shipments have doubled to more than 200,000 units ytd. This suggests AC sales in Europe may contribute a low single-digit share to overall group sales for both Haier and Midea.

  In our view, although the immediate sales boost is limited, this provides an opportunity for Chinese household durables players to strengthen brand reputation and improve bargaining power with local channels, leveraging cross-selling opportunities across product categories to drive long-term growth.

- **Raw material price pressure higher in 2Q26; expected to ease in 3Q-4Q26.** Household durables companies are expected to face greater raw material price pressure in 2Q26 vs 1Q26, though they have already implemented price hikes to mitigate the negative impact. However, we believe these headwinds have largely been priced in. Looking ahead, with raw material prices easing recently and the lower-cost procurement gradually beginning to kick in, household durables companies should experience reduced pressure in 3Q-4Q26.

- **Full-year target likely to be maintained.** We expect household durables companies' sales growth in 2Q26 to remain on track. For Midea, we forecast low- to mid-single-digit growth, driven primarily by overseas business, particularly the expansion of original brand manufacturing (OBM). For Haier, we estimate flat to low single-digit growth, with the domestic market remaining flat yoy and overseas markets outperforming domestic sales.

  On the profit front, rising raw material costs and foreign exchange losses are expected to weigh on performance. We forecast low single-digit net profit growth for Midea on a reported basis (including fair value gains). For the full year, we believe household durables companies are likely to maintain their targets, with Midea aiming for mid- to high single-digit revenue growth with a stable net margin, while Haier targets mid-single-digit revenue growth also with a stable net margin.

Valuation/Recommendation

- **Maintain OVERWEIGHT on the household durables sector; our top pick is Midea.** We like Midea's strategy of evolving into a technology-driven global industrial group by 2030 through the steady expansion of its to business (ToB) business, the OBM-driven growth under overseas to consumer (ToC) expansion, and solid execution. Furthermore, Midea stands out among China consumer companies for its generous shareholder returns, aiming to distribute total net profit through dividends and share buybacks over the next three years. The stock currently trades at a 2026 dividend yield of 5.7%, and when including share buybacks, the total shareholder return could reach 7.8%. In addition, Midea holds a 0.75% stake in ChangXin Memory Technologies (CXMT). The potential gains from this investment should offer further upside to long-term shareholder returns, in our view.

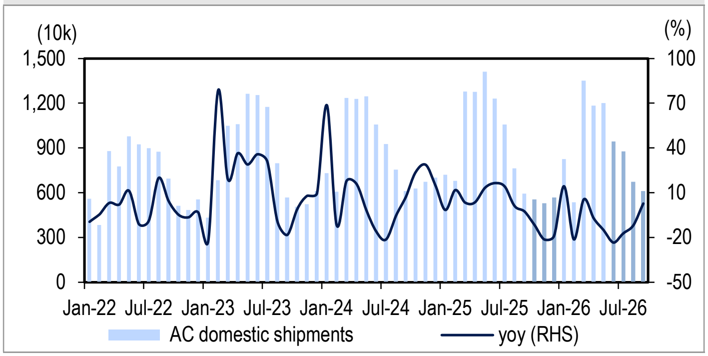
  We use the SOTP valuation methodology to derive a target price of Rmb112.60, implying 18.2x 2026F PE and 17.0x 2027F PE. The stock currently trades at 12.8x 2026F PE and 12.0x 2027F PE.

Peer Comparison

Company	Ticker	Rec	Price 8-Jul-26 (lcy)	Target Price (lcy)	Upside to TP (%)	Market Cap (US$m)	---------PE--------- 2026F (x)	2027F (x)	---------P/B-------- 2026F (x)	2027F (x)	EV/EBITDA 2026F (x)	2027F (x)	ROE 2026F (%)	Yield 2026F (%)
Haier Smart Home	6690 HK	BUY	20.32	29.40	44.7	26,626.82	8.0	7.3	1.3	1.2	5.7	5.1	15.6	7.2
Midea	000333 CH	BUY	79.41	112.60	41.8	88,626.91	12.8	12.0	2.6	2.5	10.6	9.6	20.6	5.7

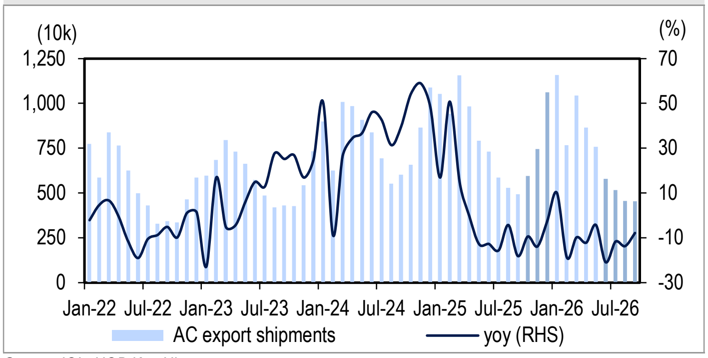
Source: Bloomberg, UOB Kay Hian

AC Domestic Shipments



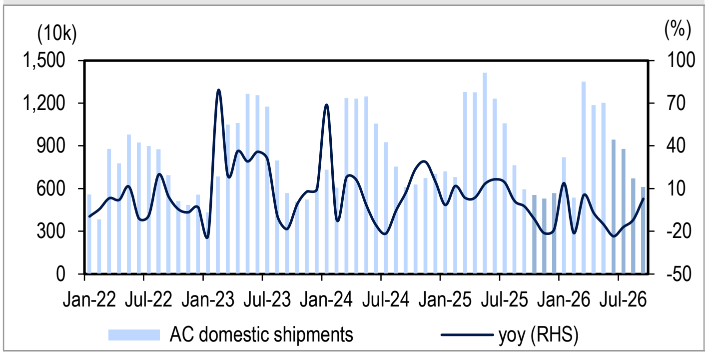
Source: IOL, UOB Kay Hian

AC Export Shipments



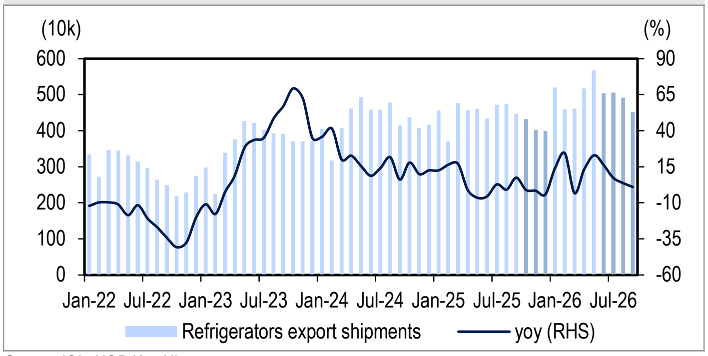
Source: IOL, UOB Kay Hian

Refrigerators Domestic Shipments



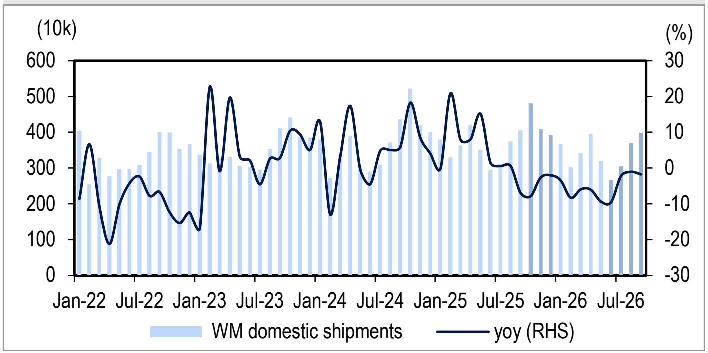
Source: IOL, UOB Kay Hian

Refrigerators Export Shipments



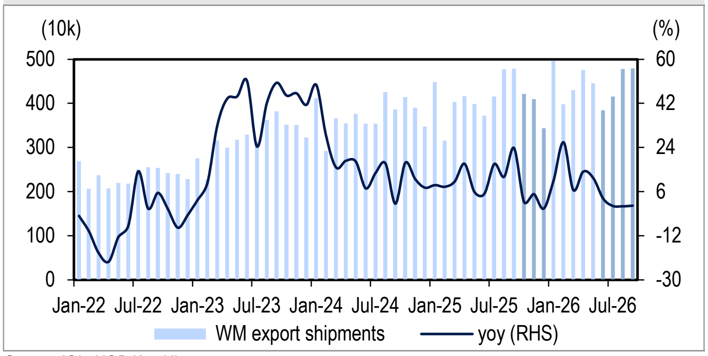
Source: IOL, UOB Kay Hian

Washing Machines Domestic Shipments



Source: IOL, UOB Kay Hian

Washing Machines Export Shipments



Source: IOL, UOB Kay Hian

AIA Group (1299 HK)

Value Buy As Regulatory Risks Are Likely Overblown

Highlights

- We believe the market may be overreacting to the potential impact on AIA's MCV business from China's recent tighter regulations on outbound investment, as a blanket ban is not our base case.
- We expect VONB growth to moderate to 13% yoy in 2Q26, given the high base effect in Mainland China and Hong Kong.
- Maintain BUY with a lower target price of HK$100.00, implying 1.5x P/EV.

Analysis

- **Share price weakness since Jun 26.** AIA Group's (AIA) share price has fallen 12% since Jun 26 and we attributed it to the introduction of tighter regulations on outbound investment (Decree No. 837) by the China government as the market is concerned about its potential impact on AIA's Mainland China visitor (MCV) business. In addition, the sluggish Hong Kong market performance (HSI: -10% ytd) and conclusion of the previous US$1.7b buyback plan have also contributed to the weakness.
- **MCV business in danger?** The MCV business accounted for 51% of AIA Hong Kong's value of new business (VONB) in 2025, or 21% at the group level. We do not expect a blanket ban on new MCV-related businesses, as Decree No. 837 does not directly target cross-border insurance purchases. Rules governing Hong Kong's MCV business have remained strict over the past decade, requiring that all regulated advice, sales, and contract negotiations take place physically in Hong Kong through licensed intermediaries.
- **Business as usual.** AIA noted that its MCV business operations, including insurance sales and premium payments, remain undisrupted. On cross-border payments, AIA clarified that restrictions on mainland investment account openings have no impact on its business, as 90% of MCV premiums are received from existing Hong Kong bank accounts. Meanwhile, the average policy size of MCV business is around US$20,000, well within the US$50,000 annual individual forex quota.
- **Some regulatory uncertainty remains to be clarified.** According to the State Administration of Foreign Exchange (SAFE), the purchase of offshore life insurance and investment-linked products by mainland residents falls under financial and capital account transactions, given that the underlying assets of insurance funds involve global multi-asset allocations. As such, further regulatory clarity from Chinese regulators is still needed. Management noted that it would conduct a product review and redesign around the underlying asset allocation if there are any regulatory changes.

Key Financials

Year to 31 Dec (US$m)	2024	2025	2026F	2027F	2028F
Insurance service result	19,314	21,618	23,717	26,265	27,950
Net investment result	5,769	6,910	7,565	8,378	9,016
Net profit (rep./act.)	6,836	6,243	8,269	8,933	9,507
OPAT	6,605	7,103	7,951	8,706	9,254
New business profit	4,712	5,513	6,475	7,398	8,283
EPS (US$)	61.8	59.2	79.3	86.9	92.8
OPAT (US$ cent)	59.7	67.3	76.3	84.7	90.3
PE (x)	17.2	18.0	13.4	12.2	11.5
P/EV (x)	1.7	1.50	1.3	1.2	1.0
Dividend yield (%)	2.1	2.3	2.7	2.9	3.2
ROE (%)	16.8	14.9	18.0	17.4	16.6
Consensus net profit	-	-	7,674	8,573	9,373
UOBKH/Consensus (x)	-	-	1.08	1.04	1.01

Source: AIA Group, Bloomberg, UOB Kay Hian

BUY (Maintained)	
Share Price	HK$73.70
Target Price	HK$100.00
Upside	35.7%
Previous TP	HK$109.00

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Stock Data

GICS sector	Financials
Bloomberg ticker	1299 HK
Shares issued (m)	10,346.6
Market cap (HK$m)	762,547.7
Market cap (US$m)	97,246.4
3-mth avg daily t'over	363.9

Price Performance (%)

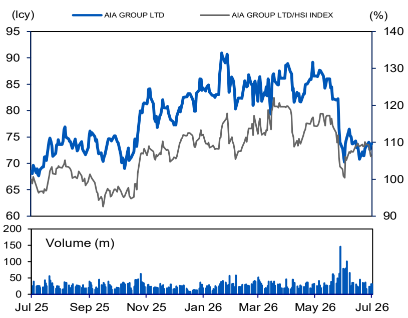
52-week high/low				HK$92.15/HK$67.50
1mth	3mth	6mth	1yr	YTD
(0.4)	(14.5)	(12.2)	7.7	(7.8)

Major Shareholders	%
Blackrock Inc	6.0

Balance Sheet Metrics

FY26 EV/Share (US$)	8.4
FY26 Solvency Ratio (%)	211.8

Price Chart



Source: Bloomberg

Company Description

AIA Group provides life insurance products and services. The company offers life, medical, and health protection and savings insurance products. AIA Group serves customers worldwide.

- **Worst-case scenario might not be that bad.** Our worst-case scenario assumes a blanket ban on new MCV businesses alongside retroactive action against existing businesses (an outcome we view as highly unlikely). Our key assumptions are: a) zero new MCV businesses from 2H26 onwards; and b) a 20% haircut to Hong Kong's value-in-force (VIF) business, reflecting higher surrender rates should renewal premium payments be restricted. Under this scenario, we estimate a 12%/21%/21% cut to our 2026-28E VONB forecasts and a 5-8% reduction to our embedded value (EV) estimates. Consequently, our target price would be revised down by 14% to HK$94, 28% above the current share price.
- **We see a buying opportunity as the market might be overestimating the risk.** AIA faced a similar scenario during the COVID lockdown period, with AIA Hong Kong's VONB down 52% yoy in 2020 due to the absence of new MCV sales. However, AIA was trading at a much higher valuation range of 1.4x-2.0x forward P/EV then (vs. 1.1x currently).
- We view a total shutdown of MCV business as unlikely, though some degree of regulatory tightening remains on the cards. As such, we believe the prevailing depressed valuation could attract long-term investors, with the upcoming 1H26 results serving as a key catalyst for re-rating, provided AIA can sustain its VONB growth momentum in Mainland China and other ASEAN markets, while providing more clarity on MCV sales amid the latest regulatory developments.
- **Expecting VONB growth to moderate in 2Q26.** We expect AIA to deliver 15% yoy VONB growth in 1H26, mainly driven by 17% annualised premium equivalent (ANP) growth, partly offset by 1.1ppt margin compression amid continued product mix shift in China. Our forecast implies 13% VONB growth in 2Q26 (vs 1Q26: 17%), as China and Hong Kong face high bases during the quarter. However, demand from ASEAN markets is expected to remain resilient. ANP for AIA Thailand increased 7.5% yoy in 5M26, a notable recovery from a 2% decline in 1Q26, and we expect Singapore and Malaysia to report accelerated VONB growth against an easier base in 2Q26.

Valuation/Recommendation

- **Maintain BUY with a lower target price of HK$100.00** to factor in our VONB revisions and we assign a lower P/EV multiple of 1.5x 2026F P/EV (previously: 1.7x), reflecting a relatively soft growth outlook on AIA Hong Kong and higher discount rate.

Earnings Revision/Risk

- We cut our 2026/27/28 VONB growth forecasts by 3.5%/1.8%/3.6% respectively, reflecting lower growth in Hong Kong.
- We also trim our 2026 OPAT forecast by 2.4% to factor in lower net investment results.

P/EV Band

Source: UOB Kay Hian, Bloomberg

Profit & Loss

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Insurance revenue	21,618	23,717	26,265	27,950
Insurance expenses	-14,243	-15,606	-17,282	-18,291
Net expenses from reinsurance contracts held	(465)	(545)	(604)	(643)
Insurance services results	**6,910**	**7,565**	**8,378**	**0**
Investment income	1,936	3,783	3,806	3,900
Other income	1,054	1,079	1,106	1,134
G&A exp of non-insurance ops	n.a.	n.a.	n.a.	n.a.
Pre-tax profit	**7,471**	**9,877**	**10,664**	**11,344**
Tax	(1,204)	(1,580)	(1,706)	(1,815)
Minorities	(24)	(28)	(24)	(22)
Net profit	**6,243**	**8,269**	**8,933**	**9,507**
Net profit (adj.)	6,243	8,269	8,933	9,507
OPAT	**7,103**	**7,951**	**8,706**	**9,254**
CSM base	64,945	72,538	81,393	91,213
ANP	9,484	10,939	12,247	13,243
VONB	**5,513**	**6,475**	**7,398**	**8,283**

Balance Sheet

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Cash	9,609	10,605	11,277	12,179
Loans and advances	4,509	5,179	5,697	6,133
Investments (equity & fixed inc)	302,750	332,427	366,836	396,203
Reinsurers' share of ins liabilities	7,893	9,077	9,985	10,484
Policyholder accts (ins & inv)	866	909	955	1,003
Associates & JVs	2,062	2,083	2,103	2,124
Fixed assets (incl prop)	9,208	10,050	9,850	10,302
Other assets	8,526	9,060	9,543	10,054
Total assets	**345,423**	**379,390**	**416,245**	**448,482**
Assets sold (repo agreement)	5,910	5,615	5,334	5,067
Insurance contract liabilties	264,382	295,427	330,178	369,077
Other liabilities	31,523	29,488	26,206	13,833
Total liabilities	**301,815**	**330,529**	**361,718**	**387,977**
Shareholders' funds	43,245	48,434	54,113	60,103
Minority interest - accumulated	363	426	414	402
Total equity & liabilities	**345,423**	**379,390**	**416,245**	**448,482**
Embedded Value	**76,811**	**84,265**	**93,972**	**104,250**

Operating ratio

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Capital-related				
Shareholders' funds/total assets	12.5	12.8	13.0	13.4
Total Assets/equity (x)	8.0	7.8	7.7	7.5
Liquidity				
Liquid assets/short-term liabilities	80.3	83.9	88.8	89.6
Liquid assets/total assets	4.8	4.8	4.6	4.6
Valuation (%)				
P/EV (x)	1.5	1.3	1.2	1.0
Adjusted P/E (x)	18.0	13.4	12.2	11.5
Dividend Yield	2.3	2.7	2.9	3.2
Payout ratio	41.7	35.9	36.0	36.6

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Growth				
Gross premiums, yoy chg	11.9	9.7	10.7	6.4
APE, yoy chg	8.8	14.2	12.8	0.0
NBP, yoy chg	11.3	13.9	12.4	9.0
Investment income, yoy chg	-46.4	95.4	0.6	2.5
Net profit, yoy chg	-8.7	32.4	8.0	6.4
Profitability				
Net investment yield	3.6	3.2	3.2	3.2
Total investment yield	5.9	5.6	5.2	4.9
NBM as % of APE	58.1	59.2	60.4	62.5
Reported ROE	14.9	18.0	17.4	16.6
Adjusted ROE	14.9	18.0	17.4	16.6

Alibaba Group (9988 HK)

1QFY27 Results Preview: Cloud Reaccelerates; E-commerce Margins Surprise Positively

Highlights

- We came away incrementally more positive following Alibaba's 1QFY27 pre-results briefing. The key message is that both domestic e-commerce and cloud outperformed expectations, while competitive intensity continues to moderate, supporting improving profitability. Beyond near-term earnings, Alibaba is expanding its AI ecosystem through data centres, AI-powered Alipay, Qwen-Robot and Bailian's partnerships with leading AI labs, supporting broader cloud demand and token-based monetisation visibility.
- Maintain BUY with a higher target price of HK$190.00 (US$194.00).

Analysis

- **Better-than-expected CMR growth.** Under the new accounting treatment (merchant subsidies netted against revenue), customer management revenue (CMR) is expected to decline 7-8% yoy. On a like-to-like basis, CMR grew 1-2%, slightly above our consensus estimates. Domestic e-commerce EBITA is expected to decline only 3-4% yoy, significantly better than prior expectations of about 8%, implying a narrower gap between revenue and profit growth as subsidy intensity and price competition eased. Management characterised this year's 618 as the most rational in recent years, suggesting improving industry discipline.
- **Cloud growth accelerates with margin improvement.** Cloud revenue growth is expected to accelerate to 45% yoy, up from 38% yoy in the previous quarter, significantly ahead of expectations and helping ease concerns over model companies reducing cloud usage. Management also indicated that cloud growth could continue to accelerate in coming quarters. Cloud margin is expected to improve to 11-12%, versus 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.
- **Long-term cloud margin outlook.** Management also reiterated Alibaba Cloud's long-term margin target of around 20%. On the consolidation of T-Head into Alibaba Cloud, management indicated that most of T-Head's output is either used by Alibaba Cloud or sold externally through Alibaba Cloud, suggesting limited impact on group revenue due to internal eliminations. Despite T-Head remaining loss-making, Alibaba Cloud's margin improvement suggests solid underlying profitability momentum.
- **Local services.** Quick commerce losses are expected to narrow to around Rmb10b in the June quarter, versus Rmb18b in the March quarter and well ahead of prior expectations of Rmb14b, indicating a meaningful moderation in food delivery subsidies and a more rational competitive environment.

Key Financials

Year to 31 Mar (Rmbm)	2025	2026	2027F	2028F	2029F
Net turnover	996,347	1,023,670	1,140,394	1,278,934	1,423,787
EBITDA	181,839	96,055	155,634	218,692	290,396
Operating profit	140,905	50,150	95,106	149,630	212,881
Net profit (rep./act.)	129,470	105,904	82,092	123,902	175,365
Net profit (adj.)	158,122	60,658	116,529	160,689	212,410
EPS (Fen)	855.3	329.3	643.8	891.8	1,184.1
PE (x)	10.9	28.3	14.5	10.5	7.9
P/B (x)	1.8	1.7	1.4	1.3	1.1
EV/EBITDA (x)	9.7	18.4	11.3	8.1	6.1
Dividend yield (%)	0.1	0.1	0.1	0.1	0.1
Net margin (%)	13.0	10.3	7.2	9.7	12.3
Net debt/(cash) to equity (%)	(7.1)	(5.2)	(6.8)	(7.3)	(11.1)
ROE (%)	12.8	10.1	7.2	9.5	11.7
Consensus net profit	-	-	107,111.1	146,383.0	185,514.1
UOBKH/Consensus (x)	-	-	1.09	1.10	1.14

Source: Alibaba Group, Bloomberg, UOB Kay Hian

BUY (Maintained)	
Share Price	HK$107.50
Target Price	HK$190.00
Upside	76.7%
Previous TP	HK$188.00

Analyst(s)
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+86 21 5404 7225 ext 808

Stock Data

GICS Sector	Consumer Discretionary
Bloomberg ticker	9988 HK
Shares issued (m)	19,206.3
Market cap (HK$m)	2,064,678.5
Market cap (US$m)	263,355.2
3-mth avg daily t'over (US$m)	1,392.4

Price Performance (%)

52-week high/low: HK$186.2/HK$88.65

1mth	3mth	6mth	1yr	YTD
(12.2)	(9.3)	(29.6)	2.0	(24.7)

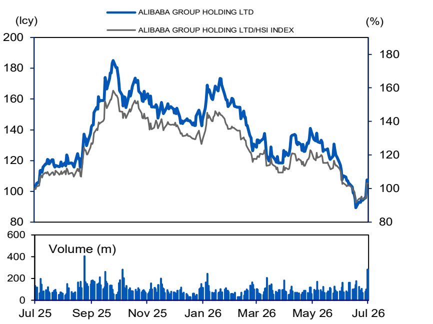
Major Shareholders

	%
JP Morgan Chase & Co	12.31

Balance Sheet Metrics

FY26 NAV/Share (Rmb)	65.21
FY26 Net Cash/ Share (Rmb)	4.44

Price Chart



Source: Bloomberg

Company Description

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

- **Heavy investment in Qwen continues.** "All Others" is expected to report an EBITA loss of about Rmb17b, improving sequentially but remaining below expectations. Management indicated it will provide greater disclosure on Qwen App and model training costs going forward. We believe AI training expenses remain elevated, although improved transparency should help investors better assess the economics of Alibaba's AI investments.
- **AIDC (Alibaba International Digital Commerce) EBITA to turn positive,** with combined China Commerce + AIDC EBITA broadly flat yoy, reflecting improving profitability despite continued investment. Alibaba is also reorganising its commerce reporting structure to better align domestic and international operations and enhance cross-platform synergies. Going forward, the business will be grouped into four segments: a) China ToC commerce (Taobao/Tmall CMR and direct sales, excluding wholesale), b) International ToC commerce (AIDC retail), c) Global ToB commerce (1688 and AIDC wholesale), and d) Instant retail (Quick Commerce, Freshippo and Tmall Supermarket). Management highlighted ecosystem synergies, including shared supply chains between Quick Commerce and Freshippo, cross-listing Taobao merchants on Lazada, and deploying AccioWork AI agents across AIDC before expanding to 1688. We view the reorganisation as supportive of greater operating efficiency and cross-border commerce monetization.
- **AI ecosystem expansion.** Alibaba continues to expand its AI ecosystem across cloud, consumer applications and embodied AI. New France data centres strengthen its global cloud footprint, AI-powered Alipay and Qwen-Robot broaden AI adoption across consumer and robotics use cases.
- **Bailian drives AI cloud monetisation.** Alibaba Cloud is expanding Bailian into an open AI platform by integrating leading domestic AI models. We believe a broader model ecosystem, unified SDK and flexible pricing will improve platform stickiness, drive token consumption and support long-term AI cloud monetisation.

Valuation/Recommendation

- **Maintain BUY with a higher target price of HK$190.00** (US$194.00), based on FY27 SOTP. Our target price implies 25.5x FY27F PE. Alibaba is trading at 14.5x FY27F PE, against a 43% EPS three-year CAGR from FY27-30.

Earnings Revision/Risk

- We leave our FY27 revenue forecast largely unchanged and raise earnings estimates by 3% driven by improving core commerce profitability, better-than-expected AI monetisation and improving AI cost economics, representing revenue and earnings growths of 11%/86% for FY27, respectively, implying a net margin of 10.5%.
- 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.

12-Month Forward PE Band

Source: Bloomberg UOB Kay Hian

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)	(HK$) per share
Core commerce	Alibaba China E-commerce Group	523	212	2	4	848	100	848	46
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	6	60	1,317	100	1,317	71
Maas		30		30		900		900	48
All Others	Freshippo, Cainiao, Alibaba Health, Hujing DME, Amap, Intelligent Information Platform	294	12		3	35	100	35	2
Total Core+initiatives valuation								**3,300**	**177**
Net cash								94	5
Total								3,529	190
# of shares								18,618	

Source: UOB Kay Hian

Profit & Loss

Year to 31 Mar (Rmbm)	2026	2027F	2028F	2029F
Net turnover	1,023,670.0	1,140,394.1	1,278,934.4	1,423,786.7
EBITDA	96,055.0	155,634.3	218,691.6	290,395.6
Deprec. & amort.	45,905.0	60,528.1	69,061.3	77,514.2
EBIT	50,150.0	95,106.2	149,630.4	212,881.4
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	107,250.8	159,193.0	222,445.1
Tax	(30,045.0)	(26,477.2)	(36,873.4)	(48,979.1)
Minorities	1,465.0	1,318.5	1,582.2	1,898.6
Net profit	105,904.0	82,092.1	123,901.9	175,364.7
Net profit (adj.)	60,658.0	116,529.3	160,688.6	212,409.5

Balance Sheet

Year to 31 Mar (Rmbm)	2026	2027F	2028F	2029F
Fixed assets	282,699.0	354,627.4	430,366.0	497,647.4
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	163,042.1	187,547.2	269,197.9
Other current assets	479,239.0	521,249.1	569,760.1	620,527.3
Total assets	**1,909,570.0**	**2,123,181.6**	**2,350,510.7**	**2,638,753.7**
ST debt	28,224.0	28,224.0	28,224.0	28,224.0
Other current liabilities	448,174.0	503,929.3	561,358.8	623,798.9
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	1,221,842.2	1,386,522.3	1,606,583.8
Minority interest	57,539.0	57,539.0	57,539.0	57,539.0
Total liabilities & equity	**1,909,570.0**	**2,123,182.6**	**2,350,511.7**	**2,638,754.7**

Cash Flow

Year to 31 Mar (Rmbm)	2026	2027F	2028F	2029F
Operating	**76,213.0**	**152,735.0**	**200,299.4**	**262,653.1**
Profit fo the year	134,484.0	107,250.8	159,193.0	222,445.1
Tax	(30,045.0)	(26,477.2)	(36,873.4)	(48,979.1)
Deprec. & amort.	45,905.0	60,528.1	69,061.3	77,514.2
Associates	(2,785.0)	(3,625.6)	(3,453.6)	(3,553.6)
Working capital changes	90,385.3	13,745.3	8,918.5	11,672.9
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)	(200,617.5)	(223,374.3)	(233,339.3)
Capex (growth)	(122,021.0)	(125,443.4)	(140,682.8)	(142,378.7)
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)	31,512.1	24,505.1	81,650.6
Beginning cash & cash equivalent	147,230.0	131,530.0	163,042.1	187,547.2
Changes due to forex impact	(4,004.0)	0.0	0.0	0.0
Ending cash & cash equivalent	**131,530.0**	**163,042.1**	**187,547.2**	**269,197.9**

Key Metrics

Year to 31 Mar (%)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	9.4	13.6	17.1	20.4
Pre-tax margin	13.1	9.4	12.4	15.6
Net margin	10.3	7.2	9.7	12.3
ROA	5.7	4.1	5.5	7.0
ROE	10.1	7.2	9.5	11.7
Growth				
Turnover	2.7	11.4	12.1	11.3
EBITDA	(47.2)	62.0	40.5	32.8
Pre-tax profit	(16.4)	(20.3)	48.4	39.7
Net profit	(18.2)	(22.5)	50.9	41.5
Net profit (adj.)	(61.6)	92.1	37.9	32.2
EPS	(61.5)	95.5	38.5	32.8
Leverage				
Debt to total capital	6.3	5.9	5.6	5.2
Debt to equity	7.1	6.6	6.2	5.7
Net debt/(cash) to equity	(5.2)	(6.8)	(7.3)	(11.1)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.

Tencent Holdings (700 HK)

Tencent Hy3 Upgrade Enhances AI Capability And Ecosystem Integration

BUY (Maintained)

Share Price	HK$473.80
Target Price	HK$680.00
Upside	43.5%
Previous TP	HK$670.00

Analyst(s)
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Highlights

- Tencent's Hy3 official launch marks visible progress in foundation model capabilities, supported by a stronger benchmark performance, coding and agent upgrades, and competitive pricing. Broader deployment across Tencent's ecosystem supports real-world usage feedback and faster model iteration. Early traction, including 20x token growth and 6x growth in users voluntarily selecting Hy3, suggests improving user acceptance and stronger relevance in enterprise productivity and workflow-oriented AI use cases. Maintain BUY with a higher target price of HK$680.00.

Analysis

- **HY3 significantly improves the reliability of AI agents.** The most significant breakthrough is HY3's ability to move beyond simple Q&A to complete complex, multi-step tasks. HY3's agent capabilities now handle multi-step tasks, directly generating finished PPT, Word, Excel, PDF, and HTML files in Yuanbao from natural language prompts. Its hallucination rate has fallen from 12.5% to 5.4%, making outputs substantially more trustworthy for enterprise use. At the same time, enhanced coding and agent capabilities improve performance across complex workflows, including software development, financial modelling and front-end design. We view this as an early indication that Tencent Holdings (Tencent) is strengthening its base-model competitiveness and narrowing the gap with leading frontier models.
- **Cost-performance remains a key differentiator.** Hy3 is positioned as a relatively compact model, with 295B total parameters and 21B active parameters, making it smaller than many larger domestic and overseas frontier models. Beyond model size, Hy3 is also priced more competitively, with GLM-5.2 priced at around 7x higher than Hy3. This could support more efficient deployment and lower inference costs, making Tencent's AI offering more competitive in price-sensitive enterprise and office productivity scenarios.
- **Deep integration across the Tencent ecosystem.** Unlike standalone AI models, HY3 benefits from deep integration across Tencent's ecosystem, creating a flywheel where real-world usage continuously improves model performance. It has already driven strong adoption in **WorkBuddy/CodeBuddy** (user selection up **6x**), enhanced reasoning in **ima**, expanded **Marvis'** task execution capabilities, and improved AI-powered customer service and gaming assistants. We believe this ecosystem integration positions HY3 as a practical AI agent platform, enabling the transition from chatbot-style interactions to workflow automation across Tencent's consumer and enterprise applications.

Key Financials

Year to 31 Dec (Rmbm)	2024	2025	2026F	2027F	2028F
Net turnover	660,257	751,766	831,552	913,418	995,464
EBITDA	221,456	258,027	293,158	322,526	358,516
Operating profit	208,099	241,562	276,621	305,389	340,779
Net profit (rep./act.)	194,073	224,842	243,863	269,380	301,069
Net profit (adj.)	222,703	259,626	279,078	308,536	343,506
EPS	2,350.7	2,790.9	3,072.3	3,389.8	3,766.4
PE	17.5	14.7	13.4	12.1	10.9
P/B	3.9	3.2	3.2	2.6	2.2
EV/EBITDA	16.5	14.1	12.4	11.3	10.2
Dividend yield	1.1	1.3	1.4	1.6	1.7
Net margin	29.4	29.9	29.3	29.5	30.2
Net debt/(cash) to equity	(13.3)	(11.6)	(15.2)	(6.9)	(9.2)
ROE	21.8	21.1	21.4	21.1	19.4
Consensus net profit	-	-	276,365.2	303,908.3	337,934.3
UOBKH/Consensus (x)	-	-	1.01	1.02	1.02

Source: Tencent, Bloomberg, UOB Kay Hian

Stock Data

GICS Sector	Communication Services
Bloomberg ticker	700 HK
Shares issued (m)	9,092.4
Market cap (US$m)	4,307,965.1
Market cap (US$m)	549,366.2
3-mth avg daily t'over (US$m)	1,809.9

Price Performance (%)

52-week high/low				HK$683/HK$411
1mth	3mth	6mth	1yr	YTD
4.5	(3.1)	(24.1)	(5.6)	(20.9)

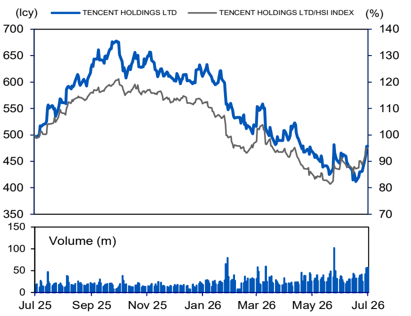
Major Shareholders

Major Shareholders	%
Naspers	23.2

Balance Sheet Metrics

FY26 NAV/Share (Rmb)	126.73
FY26 Net Cash/ Share (Rmb)	19.32

Price Chart



Source: Bloomberg

Company Description

The company is one of the largest comprehensive internet service providers.

- Accelerating AI adoption across Tencent's application ecosystem. Key areas of potential breakthrough include:
  - **AI productivity:** Hy3 could materially enhance WorkBuddy/CodeBuddy, improving coding, document generation and enterprise workflow automation, supporting Tencent's expansion into enterprise AI.
  - **Consumer AI assistant:** Better reasoning and agent capabilities should strengthen Yuanbao's competitiveness, driving user engagement and increasing AI-assisted search and task completion.
  - **WeChat ecosystem:** Over time, Hy3 could enable more capable AI agents within WeChat, including personal assistants, Mini Program automation and AI-powered commerce, significantly expanding user scenarios.
  - **Gaming:** Hy3 has also been deployed in WeGame's AI game assistant for Path of Exile, improving output accuracy and user experience.
  - **Content creation:** Integration across Tencent's gaming, video and content platforms could improve AI-generated content, creator tools and personalised recommendations.
  - **Cloud monetisation:** Wider API adoption and enterprise deployment should reinforce Tencent Cloud's AI offerings, although we expect ecosystem monetisation to remain the primary strategic objective.

  Compared with Alibaba, which monetises AI primarily through cloud and enterprise software, and ByteDance, which focuses on consumer AI applications, Tencent is uniquely positioned to integrate frontier models into its massive social, content and productivity ecosystem. We believe the largest upside from Hy3 will likely come from higher engagement and ecosystem monetisation, rather than standalone API revenue. The monetisation potential can be viewed across three progressively larger value-creation stages: a) AI-native mini programs and agent-callable skills enable Weixin to become a more comprehensive transaction platform; and b) long-term upside scenario, if Weixin becomes the primary entry point for online consumption and captures a larger share of merchant marketing budgets.

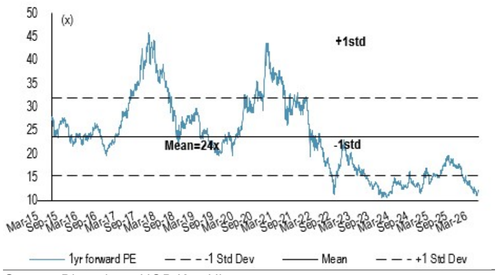
- **Coding and agent upgrades targeting higher-value use cases.** Hy3's significant improvement in code generation and agent capabilities vs Hy2 strengthens its applicability in higher-value productivity scenarios, including software development, workflow automation, document generation and task execution. These use cases are more closely linked to enterprise productivity and developer efficiency than general AI assistance, making them more relevant for practical adoption across Tencent's cloud and enterprise ecosystem. We believe this update improves Hunyuan's commercial relevance by expanding its role from a general-purpose model toward more workflow-oriented AI applications.

Tencent Cloud Coding Plan

Tencent Cloud Coding Plan			
Package	Lite	Pro	
Standard pricing	Rmb40 / month	Rmb200 / month	
Usage limit	1,200 requests per 5 hours, 9,000 requests per week, 18,000 requests	6,000 requests per 5 hours, 45,000 requests per week, 90,000 requests per month	
Code Assistant Joint Subscription for CodeBuddy and WorkBuddy			
Package	Standard	Premium	Flagship
Standard pricing	Rmb99 / month	Rmb199 / month	Rmb999 / month
Consecutive monthly subscription	Rmb70 / month	Rmb140 / month	Rmb700 / month
Model deployment	All available	All available	All available
Auto tasks	15	30	99
Personal assistants	5	8	10
Projects	10	15	20
Collaboration	5 users per project	8 users per project	10 users per project
Scenario	Daily light assistance	High-frequency, office	Complex
Enterprise Solution CodeBuddy and WorkBuddy Inclusive			
Package	Enterprise SaaS	Enterprise Private Cloud	
Standard pricing	Rmb198 / pp / month	Rmb316 / pp / month	
Dedicated network access	Not available	Available	
Dedicated enterprise plugin	Not available	Available	
Dedicated service instance	Not available	Available	
Tenant data isolation	Not available	Available	

Source: UOB Kay Hian

12-Month Forward PE Band



Source: Bloomberg UOB Kay Hian

- **2Q26 preview.** We forecast Tencent's 2Q26 revenue growing 11.8% yoy to Rmb206.2b, with non-GAAP net profit rising 10.8% yoy to Rmb69.9b, implying a 33.9% margin. This compares with Bloomberg consensus of Rmb203.9b revenue, up 10.5% yoy, and Rmb69.1b non-GAAP net profit, implying a 33.9% margin. By segment, we expect online games revenue to increase 13.7% yoy to Rmb67.3b, driven by domestic games growth of 11.7% yoy and international games growth of 18.0% yoy. Advertising revenue is expected to grow 18.8% yoy to Rmb42.5b, while FBS revenue is forecast to rise 9.3% yoy to Rmb62.7b, supported by cloud revenue growth of 22.0% yoy and fintech growth of 7.0% yoy. We anticipate gross profit and operating profit jumping 11.3% yoy and 15.5% yoy to Rmb116.9b and Rmb69.4b, respectively. Overall, we expect 2Q26 results to be broadly in line, with potential upside from online games partly offset by softer FBS growth.
- **Game pipeline remains solid.** Tencent's game pipeline remains well supported by recent and upcoming launches. The company launched Just Dance: Party on 2 July, with Rust scheduled for 9 July and Control Resonant scheduled for 24 September. Additional upcoming titles, including Monster Hunter Outlanders, Rainbow Six Siege and Animula Nook, should further support content visibility and revenue momentum in the upcoming quarters.

Valuation/Recommendation

- **Maintain BUY on Tencent with a higher target price of HK$680.00** based on our 2027 SOTP valuation and do not incorporate Weixin Agent revenue into our 2026 forecasts, with a lower PE adopted for online games from 18x to 16x. Our target price implies 17.4x 2027F PE. The company trades at 13.4x 2026F PE and 12.1x 2027F PE, 1SD below its historical mean of 24x.
- We believe Tencent's core businesses, including advertising, gaming, Mini Programs, payments and operating leverage, provide a resilient earnings base to fund AI investment. The recent Weixin Agent beta has improved visibility into Tencent's AI roadmap, which we believe could drive a valuation rerating as investors gain confidence in commercialisation, amid contingent on continued product rollout, improving AI cost economics and greater disclosure of user and transaction metrics.

Earnings Revision/Risk

- We leave our 2027 revenue estimate largely unchanged and we trim our 2027 non-IFRS net profit forecast by 1%, implying a 10%/11% yoy revenue and earnings growth respectively and a net margin 34%.
- **Key risks:** Increasing disruption from AI-related content; increasing competition; regulatory risks; and slowing growth from game revenue.

Share Price Catalyst

- a) Higher revenue and operating efficiency driven by increasing adoption of AI, b) improving online advertising from WeChat video accounts, c) game licence approval, and d) higher capex for AI.

SOTP-Based Valuation

(Rmbm)	2027F revenue	2027F non-GAAP earnings	Valuation 2027 (x)	Value (lcy b)	Tencent holding (%)	Est. fair value to Tencent (Rmbb)	Fair value to Tencent (US$b)	Fair value/ share (HK$)
Online game (PC + Mobile game)	290,568	112,902	16x PE	1,806	100	1,806	266	216
Social networking (QQ + Wexin VAS)	139,099	54,048	16x PE	865	100	865	127	103
Online ads	196,624	64,551	22x PE	1,420	100	1,420	209	170
Payment	209,561	31,434	15x PE	472	100	472	69	56
Cloud	77,566		6x PS	465	100	465	69	56
Total EV	913,418	262,934	16x PE	4,091	100	4,091	406	600
Investees	**% owned**		**Rmb/sh.**			**Valuatio**		
Total (10% discount)						476	72	58
2027F Net cash per share (HK$)								21
Target price (HK$)								**680**

Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Net turnover	751,766.0	831,551.5	913,417.7	995,463.8
EBITDA	258,027.0	293,158.3	322,526.0	358,516.4
Deprec. & amort.	16,465.0	16,537.0	17,137.0	17,737.0
EBIT	241,562.0	276,621.3	305,389.0	340,779.4
Total other non-operating income	27,077.0	17,186.0	18,904.6	20,795.1
Associate contributions	23,740.0	16,220.0	6,917.0	6,917.0
Net interest income/(expense)	(15,130.0)	(12,764.7)	(12,764.7)	(12,764.7)
Pre-tax profit	277,249.0	297,262.6	318,445.9	355,726.8
Tax	(47,448.0)	(52,101.0)	(47,766.9)	(53,359.0)
Minorities	(4,959.0)	(1,299.0)	(1,299.0)	(1,299.0)
Net profit	224,842.0	243,862.6	269,380.0	301,068.8
Net profit (adj.)	259,626.0	279,078.3	308,535.7	343,506.4

Balance Sheet

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Fixed assets	176,942.0	188,738.0	289,514.1	379,726.5
Other LT assets	1,266,584.0	1,215,716.0	1,318,053.6	1,431,349.2
Cash/ST investment	384,819.0	430,904.0	358,156.9	413,024.4
Other current assets	210,641.0	216,032.0	237,104.9	260,145.7
Total assets	**2,038,986.0**	**2,051,390.0**	**2,202,829.5**	**2,484,245.9**
ST debt	42,618.0	51,114.0	51,114.0	51,114.0
Other current liabilities	370,133.0	402,758.0	187,518.5	224,642.4
LT debt	208,369.0	207,881.0	207,881.0	207,881.0
Other LT liabilities	176,801.0	178,010.0	178,010.0	178,010.0
Shareholders' equity	1,154,152.0	1,127,652.0	1,426,983.7	1,671,276.2
Minority interest	86,913.0	83,975.0	83,975.0	83,975.0
Total liabilities & equity	**2,038,986.0**	**2,051,390.0**	**2,135,482.3**	**2,416,898.5**

Cash Flow

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Operating	**303,052.0**	**274,868.9**	**292,330.9**	**320,124.1**
Profit fo the year	277,249.0	297,262.6	318,445.9	355,726.8
Tax	(47,448.0)	(52,101.0)	(47,766.9)	(53,359.0)
Deprec. & amort.	16,465.0	16,537.0	17,137.0	17,737.0
Associates	(23,740.0)	(16,220.0)	(6,917.0)	(6,917.0)
Working capital changes	(17,182.0)	27,234.0	18,578.6	14,083.0
Non-cash items	0.0	0.0	0.0	0.0
Other operating cashflows	97,708.0	2,156.3	(7,146.7)	(7,146.7)
Investing	**(83,762.0)**	**(49,726.2)**	**(220,250.6)**	**(221,244.9)**
Capex (growth)	(79,198.0)	(87,603.3)	(109,610.1)	(99,546.4)
Investment	0.0	0.0	0.0	0.0
Others	(4,564.0)	37,877.1	(110,640.5)	(121,698.5)
Financing	**(136,165.0)**	**(111,808.5)**	**(41,258.6)**	**(44,011.7)**
Dividend payments	(43,580.2)	(50,748.2)	(54,612.2)	(60,376.7)
Proceeds from borrowings	15,130.0	12,764.7	12,764.7	12,764.7
Loan repayment	0.0	0.0	0.0	0.0
Others/interest paid	(107,714.8)	(73,825.0)	588.9	3,600.3
Net cash inflow (outflow)	83,125.0	113,334.1	30,821.7	54,867.5
Beginning cash & cash equivalent	132,519.0	214,001.0	327,335.1	358,156.9
Changes due to forex impact	(1,643.0)	0.0	0.0	0.0
Ending cash & cash equivalent	**214,001.0**	**327,335.1**	**358,156.9**	**413,024.4**

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	34.3	35.3	35.3	36.0
Pre-tax margin	36.9	35.7	34.9	35.7
Net margin	29.9	29.3	29.5	30.2
ROA	11.8	11.9	12.7	12.8
ROE	21.1	21.4	21.1	19.4
Growth				
Turnover	13.9	10.6	9.8	9.0
EBITDA	16.5	13.6	10.0	11.2
Pre-tax profit	14.8	7.2	7.1	11.7
Net profit	15.9	8.5	10.5	11.8
Net profit (adj.)	16.6	7.5	10.6	11.3
EPS	18.7	10.1	10.3	11.1
Leverage				
Debt to total capital	16.8	17.6	14.6	12.9
Debt to equity	21.7	23.0	18.1	15.5
Net debt/(cash) to equity	(11.6)	(15.2)	(6.9)	(9.2)

Source: TradingView

Lenovo Group (0992 HK)

Last price: HK$22.32
Support levels: HK$20.06/HK$19.68
Resistance levels: HK$26.32/HK$27.42

Technical View:

Price executed a tactical bounce from its gap support zone, structurally reinforcing its bullish posture via a rising window. The RSI remains firmly established above its 50-neutral baseline and is curling upward. With major overhead supply completely neutralised below this threshold, the technical framework firmly favours an immediate advance to test historical all-time highs.

Average timeframe: Around two weeks.

Source: TradingView

KE Holdings (2423 HK)

Last price: HK$40.38
Support levels: HK$37.98/HK$37.04
Resistance levels: HK$45.18/HK$48.72

Technical View:

Price maintained its structural stability above the gap support zone originated on 2 July. Simultaneously, market velocity is expanding as the RSI rises steadily toward its 50-neutral baseline. This confluence of clean window preservation and recovering momentum heavily skews the probability matrix toward a sustained upward expansion.

Average timeframe: Around two weeks.

Analyst

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