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China Hardware and Semiconductors

1Q26 Results Wrap and Inventory Tracker | Beats from AI upcycle, rotation to AI semis and Apple chain

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CITI'S TAKE

48% of 1Q26 results beat, mainly came from AI upcycle, seasonal pull-in and improved pricing. Our China tech inventory tracker indicated relatively healthy inventory level for consumer electronics hardware in 1Q26, while AI hardware held at high level likely due to strategic stocking and strong order indication. Meanwhile, consecutive RF/wireless DIO increase likely suggests Android weakness. We believe shares of Apple chain are likely to react positively towards 2H26 restocking and WWDC expectation. Android chain continues to be under pressure on the expectation of profit squeezed by memory price hike but potential bottoming in 2Q26. AI supply chain will continue its strength given strong AI capex support and ahead of Computex, but likely crowdedly owned and near-term IPO may drag certain fund flows. We pick **Montage, ASMPT** as AI computing beneficiaries, followed by Apple chain **Luxshare, Cowell** and **Lens Tech (H)** and then AI glass player **Conant Optical**.

1Q26 results wrap — For 1Q26, among 29 tech hardware and semis stocks we cover 14/1/14 names reported results beat/in-line/miss. We see results beat mainly come from machine-vision demand recovery **(Hikvision, Dahua)**, AI upcycle (**WUS, DSBJ, USI, Montage, ASMPT, Chroma**), seasonal pull-in (**BOE, TCL**) and improved pricing (**SG Micro, CR Micro, Silan**). During 1Q26 results, we downgraded BYDE to Sell and Lens-A to Neutral. We expect (1) Apple supply chain will see restocking pattern for 2H26 new models and recent iPhone build suggested manageable decline for 2H production demand given iPhone aggressive pricing. (2) AI will likely maintain its strength given Computex and next US CSP capex update ahead while Rubin delay could be potential risk ahead in 2H; (3) Android supply chain share price may continue under pressure given the concern over memory price hike squeezing other components' profit, but restocking in 2H on low channel inventory and new models launch may support in 2H; (4) AI's growing focus on CPU/interconnect benefitting Montage and advanced packaging for ASMPT; (5) positive pricing trend in analog (SG Micro) and power discrete (CR Micro) as industry capacity shifts to AI-related applications.

1Q26 inventory tracker — Our China tech inventory tracker, which aggregated 207 HK/China downstream hardware and 124 upstream semiconductor companies, suggests that **(1) Downstream hardware.** DIO of Distributor were relatively low in 1Q26 but improved vs. 4Q25. In contrast, DIO of PCB and Optical Communications, Display Modules and TVs, and Surveillance were relatively high, and all reached 5-year 1Q high, likely due to preparation for 2Q sales. In conclusion, inventory levels of overall hardware sub-segments stayed healthy. **(2) Upstream semis.** MCU and SPE DIO was 2.1-2.9 months below 3-year 1Q average. In contrast, Memory and RF were about 2.0/1.1 months above 3-year average, and Processor inventory has decreased to healthy level in 1Q26 vs. 4Q25. SPE/IDM/MCU DIO has been declining for the past 3/4/4 quarters while Memory/RF/Analog/Wireless DIO has been rising for the past 3/4/4/4 quarters. Memory saw the most significant addition to DIO, adding 71 days QoQ in 1Q26, while MCU declined 27 days QoQ. Meanwhile, Wafer and RF have been loss making for consecutive 10/9 quarters as of 1Q26.

Sector Views, Top Picks and Actions

Downstream Tech Hardware

Among 207 A-share and H-share downstream tech and communication companies we aggregated, tech hardware companies reported a YoY improvement in revenue driven likely by AI deployment and seasonal pull-in. We noted global smartphone shipment declined 4% YoY, TV flat YoY, PC up 3% YoY and server up 4% QoQ in 1Q26 respectively. We witness that (1) DIO of Distributors were relatively low in 1Q26 but improved vs. 4Q25. Revenue of Distributors increased by 100% YoY/30% QoQ in 1Q26 with YoY stable NPM. (2) DIO of PCB and Optical Communications, Display Modules and TVs, and Surveillance were relatively high, and all reached 5-year 1Q high, likely due to preparation for 2Q sales. For CCL-PCB supply chain, CCL/PCB rose by 7/9 days QoQ, with revenue up by 46%/26% YoY and NPM. Of note, CCL NPM improved for consecutive 6 quarters, while PCB NPM was volatile likely due to capacity ramp-up and raw material price hike pressure.

1Q iPhone build better than expected – Apple reported CY1Q26 (FY2Q26) iPhone sales 22% YoY increase, driven by higher Pro models, showing continuing momentum of premiumization. In March quarter, Apple was constrained mostly on iPhone and to a lesser extent on Macs. Constraints were on availability of advanced nodes. Going into June quarter, Apple is still constrained on iPhone, but a bigger part is Mac models. Apple expects overall company sales (iPhone c.50% mix) to see 14-17% YoY in CY2Q26 suggesting continuous growth momentum in iPhone. Our recent check on iPhone build plan suggested c.250mn iPhone production in 2026, in which iPhone 18 will contribute about 85mn. CY2Q26 production could still see 10% YoY growth, while we believe 2H26 build will see decline YoY. We noted several supply chain companies (DSBJ, Lens Tech, BYDE) will start components production from June/July timeframe.

Android to slow down in 1Q26 while Apple up. IDC announced 1Q26 global smartphone shipment (sell-in) decreased by 4.1% YoY to 289.7mn while China smartphone shipment down by 3.3% YoY. Apple achieved 21.1% share to 61.1mn of shipment (up 3.3% YoY) and Samsung shipment grew 3.6% to 62.8mn. We see Xiaomi / OPPO / vivo posted a 19.1%/9.9%/6.8% YoY decline in 1Q26. In China, Apple iPhone shipment grew 33.3% YoY to 13.1mn, slightly after Huawei of 13.7mn (up 8.1% YoY). We noted OPPO declined 9.5% YoY but we believe Xiaomi also declined over 10% YoY in 1Q26. We expect global/China smartphone shipment to further decline in 2Q26, but Qualcomm commented their China Android revenue is bottoming out in June quarter given the low channel inventory, which may suggest potential restocking to happen in 3Q26 likely for the Android supply chain.

Despite missing results for AI supply chain, long-term thesis intact – Chinese AI supply chain reported mostly misses and in-line 1Q26 results given high expectation, new capacity ramp, FX impact, supply tightness (high-end copper foil, optical chips) etc., in which ASMPT, DSBJ and USI posted beats, but most of AI-PCB missed/in-line and AI optics missed. We are still constructive on 2026 AI supply chain. The upcoming catalyst will be Computex and 2Q26 update of US CSP capex.

Top Picks

- **Luxshare (Buy) –** We believe Apple is supporting Luxshare's business resilience despite memory price hike to its consumer electronic business. Luxshare is also gaining share in laptop ODM business, despite smartphone ODM may get hit. Leoni business is likely to secure profitability, while its organic automotive and communication will drive higher growth. We see upside from Google communication business and OpenAI smart device business in late 2026 and 2027. Our target price of Rmb78.0 is based on 26.0x 2026E P/E, which is set at 1std above historical 5-y ear average, justified by 27% EPS 2024-2027 CAGR.

- **Cowell (Buy) –** We expect 2026 growth to be supported by (1) Cowell's share allocation in iPhone 18 new model periscope could increase to ~50%; (2) Ultrawide CCM of all iPhone 17 models' whole year sales vs. only half year in 2H25. 2027 will be supported by rear main cam opportunity in next generation iPhone. Our target price for Cowell of HK$42.0 is based on 18x 2026E EPS PE, set at 1std above the 1-year average, justified by 25% 2025-2028 earnings CAGR.

- **Lens Tech-H (Buy) –** We believe Lens Tech will benefit from iOS foldable device rollout. We think Android components and assembly business will still see margins pressure but likely bottoming in 2Q range. Our target price for 6613.HK of HK$27.0 is based on 23.0x 2H26-1H27E EPS. The H-share traded at a 25-26% discount to the A-share on 11 July 2025, its listing day. We believe the H-share will likely re-rate to components valuations of EMS due to the upcoming key upgrade cycle, driven by cover glass content upgrade in iOS foldable devices.

- **Conant (Buy) -** We expect higher content/ASP from 2H26E for next generation flagship AI glasses with display. Its core business of RX lenses also looks resilient with continued share gains in the high-end resin lens market globally /in China despite some volatility driven by SEA market pricing pressure and cost concern from Middle East conflict. Along with more visibility of next generation Meta AI glasses, the stock is likely to re-rate for better outlook of smart AI glasses demand. Our target price of HK$68 is based on 27.8x 2027E EPS, which is the average consensus 2027E forward P/E for its RX lenses peers, supported by a 35% earnings CAGR in 2025-28E on our estimates. We believe Conant could be one of the RX lens suppliers for Meta display AI glasses in 2H26-2028.

Semiconductors

We aggregated 124 HK/China semiconductor companies. Inventory increase is most notable in memory and OSAT given persisting memory price hike and rising material costs. Companies are building component inventory anticipating higher costs and even material shortages later on. Demand for smartphone and consumer electronics was hurt severely due to surging memory costs, resulting in revenue/profit decline at consumer-driven names. AI remains a key demand driver, with focus shifting to CPU, memory, interconnectivity, and advanced packaging. Robust AI demand has led industry to allocate more capacity to AI-related applications, resulting in tighter supply for mature-technologies. We see positive pricing trend ahead for analog and power discrete, as well as domestic foundry and OSATs.

- **Montage-A (Buy) –** We view Montage as a rare investment opportunity among China semiconductor names to gain exposure to the global data center expansion. The company is benefitting from increasing CPU and DIMM usage in servers that boosts memory interface growth, while the rising demand for higher bandwidth and memory content pulls forward MDRIMM/CXL adoption. GPM reached 70% in 1Q26 (5ppt/9ppt higher QoQ/YoY) indicating a stronger margin profile going forward. Further growth is supported by new AI connectivity solutions (MRDIMM Gen 2, CXL MXC, and PCIe 6.0 retimer) ramp-up in 2027. Montage-A trades at an unusual 25-30% discount to Montage-H. We expect Montage-A to narrow the valuation gap.

- **ASMPT (Buy) –** We see strong advanced packaging revenue momentum to continue driven by increasing OSAT capex and broadening growth opportunities in TCB and photonics. AI GPU moving to SoIC compound die structure, new EMIB-T advanced packaging technology both require TCB for CoW bonding. Photonic revenue grew 5x YoY in 1Q26 (albeit from low-base) indicating strong 800G/1.6T transceiver demand, with CPO opportunities rising in 1) FAU attach, 2) EIC+PIC, 3) microlens attach, and 4) OE on substrate. Industry valuation has significantly re-rated from robust AI infrastructure investment. Progress in customer TCB/HB orders, potential SMT divestiture would be positive share catalysts to push ASMPT shares higher.

- **OmniVision-A (Buy) –**OmniVision underperformed YTD as memory price hike severely suppressed smartphone and automotive demand. However, demand weakness appeared to have reached bottomed in 1Q26, with 2Q26 guidance pointing to a growth inflection with a 15% QoQ revenue growth and stable GPM. OmniVision is gaining traction in auto (rising ADAS demand, overseas penetration) and emerging/IoT products. We believe the Android weakness is well expected and priced in, while smartphone accounts for a smaller portion of CIS revenue (39% in 2025 to 34%/29% in 2026E/27E). Share prices are undemanding at 20-25x 2027E P/E for OmniVision-A. Any recovery in Android shipments or progress in new emerging products could be positive share catalysts.

1Q26 Results Wrap

Figure 1. Tech Hardware – 1Q26 Results Wrap (Part 1)

Company	1Q26 Rev	1Q26 EPS	2Q/2026 Guidance	2026 Outlook	Citi Comment
Surveillance					
Hikvision	Beat	Beat	In-line	2026 guided to grow high single-digit/ double-digit growth for revenue/net profit	Stay Neutral, await better entry point.
Dahua	Miss	Beat	In-line	2Q26 gross margin to remain relatively stable and consistent with 1Q26 levels. For 2H26, margins may face pressure from increases in upstream component prices.	Maintain Sell on macro uncertainty remaining and limited AI-related edge device contribution.
TransInfo	In-line	Miss	n.a.	We believe overseas geopolitics and raw material prices will likely weigh on its profit in 2026.	We believe the impact from Uniview's addition to Entity List was normalizing but overseas market rebound may take place.
Component					
Luxshare	In-line	in-line	in-line	Luxshare guided 1H26 NP to grow by 18-22% YoY to Rmb7.84-8.11bn, implying 2Q26 NP of Rmb4.3bn (up 20% at mid-pt)	Visible growth engines for the next three years across the smart devices, communication, and automotive segments.
GoerTek	Miss	Miss	n.a.	We expect GoerTek to benefit from iPhone MEMS microphone upgrade and AI smart glass pickup (potential share gain at US AI glasses customers and ramp-up from Chinese smart glass customers).	GoerTek will benefit from iPhone MEMS microphone upgrade and AI smart glass pickup in 2026.
FII	Miss	Miss	In-line	Management is highly confident in achieving significant revenue growth and improved profitability for the full year 2026. For 1Q26, mgmt. expects to show significant YoY growth in revenue and net profits, with AI server and switch offsetting consumer electronics' low season. 2Q26 will be better than 1Q26.	NVL72 shipment expectation reset with yield/margin improvement.
USI	Miss	Beat	In-line	Mgmt. guides that 2Q26 rev could grow by MSD% and 2Q26 OPM could return to 2Q24 level of 3.2%.	We expect any incremental information of pluggable transceiver/CPO orders in next year will drive share price.

Source: Citi Research

Figure 2. Tech Hardware – 1Q26 Results Wrap (Part 2)

Company	1Q26 Rev	1Q26 EPS	2Q/2026 Guidance	2026 Outlook	Citi Comment
Component					
BYDE	Beat	Miss	In-line	Overall revenue from assembly business will decline but profitability is aimed to be stable. Co. targets flattish components business. Co. targets automotive revenue to be in-line or exceeding BYD shipment growth this year. No clear guidance from liquid cooling and power management products for datacenter.	We believe the shares to stay sluggish given 2Q26 results are still under pressure.
Lens Tech	Miss	Miss	In-line	(1) For iOS, foldable model shipment will be 10mn this year and contribution to Lens Tech could start from May. (2) For auto glass, the first production line with annual capacity to support 350k vehicles has started production and there will be total annual capacity to support 1.5mn vehicles by end-2026. The products for Beijing OEMs have started mass production, and for Shanghai OEMs will start in 2H26. (3) Server: Songshan Lake factory will undergo customer verification in Apr-May. (4) Robots: Lens is the sole supplier of head modules for US customers, which has been shipped in small volume and will enter mass production in July. (5) Commercial space: Lens will launch integrated solar wing solutions within this year.	We believe Lens' growth could accelerate in 2027, backed by (1) foldable smartphone and automotive glass business for the Beijing OEM could contribute whole year sales vs. only 2H in 2026; 2) the 20th anniversary version of flagship smartphone models will adopt titanium casing and 3D glass cover design for both front and rear covers.
WUS	Beat	Beat	n.a.	800G switch PCB yield improvement and rising mix to bring higher overall profitability, and China/Thailand plant ramp-up to unlock more capacity.	We expect WUS could see its net profit rising qoq throughout 2026 along with capacity release and new product cycle in 2H26.
Victory Giant	Miss	Miss	n.a.	We believe VGT could see QoQ NP growth thanks to capacity ramp-up and Rubin PCB purchase kick off in 2Q26.	The worst is over.
DSBJ	Miss	Beat	n.a.	Over 10m 800G orders in 2027; 800G will still be DSBJ's main product in 2026-27, most orders will switch to 1.6T in 2028; laser demand could grow at a 100% CAGR in 2027-29 in terms of customers' order indication. External laser sales in 2027 look promising.	Well positioned in AI optics. Any acceleration in DSBJ's 1.6T transceiver will likely bring upside risk to our 2026/2027 estimates.

Source: Citi Research

Figure 3. Tech Hardware – 1Q26 Results Wrap (Part 3)

Company	1Q26 Rev	1Q26 EPS	2Q/2026 Guidance	2026 Outlook	Citi Comment
Optoelectronics					
BOE	In-line	Beat	n.a.	For 2026, mgmt. expects higher area shipment and higher ASP for LCD, and OLED loss to narrow YoY. BOE targets to ship 160mn OLED with better product mix.	Maintain Buy on the name given LCD long-term S/D improving.
TCL	Miss	Beat	In-line	T11 integration and T9 profitability improvement can help TCL 2026 panel biz growth.	Maintain Buy on the name given LCD long-term S/D improving.
AUO	In-line	Miss	In-line	We expect Winter Olympics Game (Feb) and FIFA World Cup (June-July) will support LCD TV demand in 2026. Mobility and vertical business should see steady growth in 2026.	We believe AUO is on the path to betterment, while re-rating needs to be evidenced by earnings delivery.

Source: Citi Research

Figure 3. Tech Semiconductor – 1Q26 Results Wrap (Part 1)

Company	1Q26 Rev	1Q26 EPS	2Q/2026 Guidance	2026 Outlook	Citi Comment
Wafer and Substrate					
SICC	Miss	Miss	n.a.	6'' SiC substrate price will likely be stable in 2026.	The worst seems over on 6'' price stable and 8'' ramping up.
SPE					
ASMPT	In-line	Beat	Beat	Mgmt. guides for 2Q26 revenue of US$540-600mn (HK$4.2-4.7bn) driven mainly by SEMI. Bookings should maintain solid YoY growth trend, while SMT could moderate.	We had expected ASMPT shares to re-rate beyond the company's historical range on industry capex increase and realignment to core businesses and now see new opportunities emerging for TCB (16H HBM, SoIC, EMIB-T) and photonics (CPO attach/placement) that could become substantial drivers in 2027 and beyond.
Chroma	Beat	Beat	n.a.	Looking ahead, we expect revenue to increase further in the subsequent Qtrs given demand upside from SLT, photonics/CPO, ATE and more.	Chroma is well positioned to capture the secular AI infrastructure growth and benefit from growing emphasis on testing solutions, in our view, and likely to be rewarded with share re-rating given its commanding market position in several key testing areas.
Fabless					
Montage	Miss	Beat	n.a.	Mgmt. expects the material shortage to ease in 2Q26 from alternative suppliers. We see revenue upside for Montage via: 1) DIMM interface chip; 2) MRDIMM; and 3) high-speed interconnect solutions. MRDIMM Gen 2, CXL MXC, and PCIe 6.0 retimer should begin volume shipment in 2027. While the 70% GPM in 1Q26 was due in part to constrained low-end sales, we now expect a better margin profile going forward, with growing contribution from new connectivity products.	We remain confident on Montage as a leading beneficiary of CPU upside, supported by a structured product pipeline positioned to meet AI infrastructure demand.
Goodix	Miss	Miss	n.a.	We believe Goodix will continue expanding its ultrasonic FP market share while new products, such as eSE, could spur additional opportunities. That said, we expect challenging outlook and downward earnings revision ahead for Goodix as Android demand faces strong headwinds from DRAM supply constraint.	Downward earnings revision ahead for Goodix as Android demand faces strong headwinds from DRAM supply constraint.

Source: Citi Research

Figure 4. Tech Semiconductor – 1Q26 Results Wrap (Part 2)

Company	1Q26 Rev	1Q26 EPS	2Q/2026 Guidance	2026 Outlook	Citi Comment
Fabless					
Maxscend	Miss	Miss	n.a.	We expect its depressed earnings to persist through 1H26 amid RFFE industry oversupply, Android demand weakness, and stiff industry competition.	We wait for signs of industry inventory clearance before turning more positive on Maxscend.
OmniVision	Miss	Miss	In-line	Mgmt. expects revenue to grow to Rmb7.15-7.54bn in 2Q26 with stable GPM at 28.7%-29.6%. The guidance mid-pt points to a 15% QoQ revenue growth (-2% YoY), driven by recovery in 1) Auto: growing ADAS and overseas high-end EV design-in; 2) Emerging/IoT: action camera, smart glasses, machine visuals. TDDI penetrated into new customers and could see growth of 30%.	Any recovery in Android shipments or progress in new emerging products could be positive share catalysts.
SG Micro	Beat	Beat	n.a.	Looking ahead, we expect a stronger 2026 for SG Micro underpinned by an improved pricing environment, supported by expanding ESS/industrial demand and better supply/demand as industry capacity shifts towards AI-related applications.	Domestic analog vendors could benefit from ASP uplift following price increases by international vendors (such as TXN, ADI), while continuing to expand market share supported by localization initiatives.
Power Semis					
CR Micro	Beat	Beat	n.a.	Looking ahead, we expect positive pricing trend to lift revenue growth for CR Micro but watch for how the increase in depreciation and input costs impact the bottom line.	We expect the ongoing industry recovery to continue to drive CR Micro's revenue/earnings growth. While investor confidence in power semis has improved, industry competition remains intense, constraining earnings growth for industry participants with persisting pricing pressure. We look to new AI-related opportunities (AI server, data center) to provide demand upside.

Source: Citi Research

Figure 5. Tech Semiconductor – 1Q26 Results Wrap (Part 3)

Company	1Q26 Rev	1Q26 EPS	2Q/2026 Guidance	2026 Outlook	Citi Comment
Power Semis					
Silan	Beat	Beat	n.a.	Positive pricing trend, growing industrial/computing demand is driving solid revenue momentum. Rising input cost a potential concern.	We find price recovery in power discrete encouraging signaling the end of industry downturn. That said, overall industry capacity is abundant, and we watch for the sustainability of price recovery.
StarPower	Miss	Miss	n.a.	Outlook remains unclear. IGBT is reportedly replaced by SiC given the SiC decline. GPM could stay under pressure.	Despite potential growth opportunity from emerging applications, including high-power IGBT, SiC MOSFET, GaN for AI servers, IGBT/SiC price decline remains severe on growing industry competition.
OSAT					
JCET	Miss	Miss	n.a.	Despite the soft 1Q26 revenue, we expect AI's increasing emphasis on advanced packaging to keep demand strong.	We see improving OSAT demand and pricing upside driven by expanding computing/networking applications. Chinese OSATs are also benefitting from China's supply localization and overseas vendors' China-for-China strategy.
TSHT	Beat	Miss	n.a.	Solid revenue growth to continue driven by improving end demand across segments.	We believe demand is improving at the Chinese OSATs due to increasing supply localization and overseas vendors' China-for-China strategy.
TFME	Beat	Beat	n.a.	We expect TFME's solid revenue momentum to continue this year, supported by strength at key customer AMD (52% of TFME's FY25 revenue) and strong advanced packaging demand.	We expect strength at key customer AMD to continue driving TFME revenue but continue to monitor margin impact from investment into new products.

Source: Citi Research

Figure 6. Tech Hardware – Capex

Company	Currency	Revenue (bn LC)			Capex (bn LC)			Capex/Rev		
		2025A	2026E	2027E	2025A	2026E	2027E	2025A	2026E	2027E
Surveillance										
Hikvision	CNY	92.5	103.7	114.3	3.6	3.6	3.6	4%	3%	3%
Dahua	CNY	32.7	36.3	39.7	0.7	0.6	0.7	2%	2%	2%
TransInfo	CNY	8.2	8.6	9.6	0.2	0.2	0.2	2%	2%	2%
OEM										
Xiaomi	CNY	496.3	569.4	662.2	13.9	13.4	14.3	3%	2%	2%
Lenovo	USD	69.1	80.3	87.1	0.7	1.1	1.2			
IEIT Systems	CNY	164.8	198.9	246.8	0.2	0.7	1.2	0%	0%	0%
Dawning	CNY	15.0	17.4	20.2	0.9	0.8	0.8	6%	5%	4%
Component										
Luxshare	CNY	332.3	406.0	469.5	17.9	17.8	17.2	5%	2%	2%
GoerTek	CNY	96.6	112.5	131.5	7.1	3.7	3.4	7%	3%	3%
FII	CNY	902.9	1513.9	1943.7	11.3	9.3	9.0	1%	1%	0%
USI		59.2	69.1	80.1	1.3	1.6	1.7			
BYDE	CNY	194.8	207.5	225.1	4.4	4.8	4.6	2%	2%	2%
Lens Tech	CNY	74.4	95.2	114.5	9.4	5.5	6.0	13%	6%	5%
AAC	CNY	34.5	41.1	46.5	2.8	3.0	3.1	8%	7%	7%
OFILM	CNY	22.1	22.2	24.9	0.5	n.a.	n.a.	2%	n.a	n.a
WUS	CNY	18.9	25.6	35.9	3.2	4.1	4.6	17%	16%	13%
Victory Giant	CNY	19.3	33.0	54.1	6.4	9.9	8.5	33%	30%	16%
DSBJ	CNY	40.1	63.1	89.5	4.4	4.9	5.3	11%	8%	6%
Optics										
Cowell	USD	27.3	32.8	39.8	0.6	1.5	2.0	2%	4%	5%
Sunny	CNY	46.9	53.2	59.1	2.3	2.9	2.9	5%	5%	5%
Q Tech	CNY	22.7	25.9	28.9	0.7	0.7	0.7	3%	3%	2%
Conant	CNY	2.4	3.0	3.6	0.3	0.2	0.2			
Optoelectronics										
BOE	CNY	204.6	230.3	253.2	40.1	27.9	27.0	20%	12%	11%
TCL	CNY	184.2	201.3	215.2	16.3	11.8	8.9	9%	6%	4%
AUO	TWD	281.4	291.5	310.5	18.2	19.6	19.4	6%	7%	6%
Compound Semi										
Sanan	CNY	17.9	21.5	23.0	1.4	n.a.	n.a.	8%	n.a	n.a

Note: *For companies with numerical 2026E capex guidance, we use 2026E guidance to calculate the ratio instead of BBG consensus.

Source: Bloomberg, Company, Citi Research

Figure 7. Tech Semiconductor – Capex

Company	Currency	Revenue (bn LC)			Capex (bn LC)			Capex/Rev		
		2025A	2026E	2027E	2025A	2026E	2027E	2025A	2026E	2027E
Wafer and Substrate										
SiCC	CNY	1.5	2.1	2.9	0.4	0.6	0.6	28%	29%	22%
SPE										
ASMPT	HKD	13.7	17.9	21.1	0.4	0.5	0.5	3%	3%	2%
Chroma	TWD	28.3	48.9	66.4	0.7	1.9	2.1	2%	4%	3%
Vital Deeptech	CNY	1.9	2.5	3.3	0.3	0.1	0.1	16%	5%	3%
China Design House										
Montage	CNY	5.5	7.2	9.9	0.3	0.2	0.3			
Goodix	CNY	4.7	5.9	6.8	0.1	0.1	0.2	2%	2%	3%
Maxscend	CNY	3.7	4.7	5.7	0.8	0.8	0.7	22%	18%	13%
Omnivision	CNY	28.9	32.3	37.4	2.3	1.7	1.7	8%	5%	5%
SG Micro	CNY	3.9	4.9	6.0	0.3	0.2	0.2	7%	4%	4%
Power Semis										
CR Micro	CNY	11.1	12.8	14.9	1.5	1.4	1.7	14%	11%	11%
Silan	CNY	13.1	15.5	17.7	1.6	1.4	1.1	13%	9%	6%
StarPower	CNY	4.0	5.0	6.1	2.0	0.6	0.6	50%	13%	10%
OSAT										
JCET	CNY	38.9	44.4	49.6	6.3	5.5	5.4	16%	12%	11%
TSHT	CNY	17.2	20.2	23.3	6.1	5.6	5.0	36%	28%	22%
TFME	CNY	27.9	32.1	36.6	6.2	4.0	4.6	22%	13%	13%

Note: *For companies with numerical 2026E capex guidance, we use 2026E guidance to calculate the ratio instead of BBG consensus.

Source: Bloomberg, Company, Citi Research

Figure 8. Tech Hardware & Semiconductor – Assets Write-offs

Company	Ticker/RIC	DC code	BBG code	Wind code	Currency (mn)	Asset Write-Off				Inventory				Write-off/ Inventory			
						2Q25	3Q25	4Q25	1Q26	2Q25	3Q25	4Q25	1Q26	2Q25	3Q25	4Q25	1Q26
Surveillance																	
Hikvision	002415.SZ	002415.CN	002415 CH	002415.SZ	CNY	(59)	(110)	(119)	(158)	19,125	20,105	20,472	24,382	0%	-1%	-1%	-1%
Dahua	002236.SZ	002236.CN	002236 CH	002236.SZ	CNY	(24)	(38)	(89)	(16)	5,550	6,360	6,090	7,542	0%	-1%	-1%	0%
TransInfo	002373.SZ	002373.CN	002373.CH	002373.SZ	CNY	1	(2)	(93)	(2)	2,515	2,623	1,914	2,395	0%	0%	-5%	0%
OEM																	
IEIT Systems	000977.SZ	000977.CN	000977 CH	000977.SZ	CNY	95	1	(282)	(176)	59,522	57,654	46,508	44,207	0%	0%	-1%	0%
Dawning	603019.SS	603019.CN	603019 CH	603019.SH	CNY	(12)	19	(122)	(12)	3,323	3,231	3,533	4,336	0%	1%	-3%	0%
Component																	
Luxshare	002475.SZ	002475.CN	002475 CH	002475.SZ	CNY	(88)	(315)	(681)	(446)	34,137	51,997	42,333	46,032	0%	-1%	-2%	-1%
GoerTek	002241.SZ	002241.CN	002241 CH	002241.SZ	CNY	(98)	(92)	(814)	(72)	13,449	16,274	13,077	13,557	-1%	-1%	-6%	-1%
FII	601138.SS	601138.CN	601138 CH	601138.SH	CNY	(414)	(28)	(459)	(997)	122,949	164,664	150,913	167,332	0%	0%	0%	-1%
USI	601231.SS	601231.CN	601231 CH	601231.SH	CNY	(30)	14	18	(20)	7,461	8,272	7,977	8,669	0%	0%	0%	0%
Lens Tech	300433.SZ	300433.CN	300433 CH	300433.SZ	CNY	(156)	(157)	(252)	(214)	6,785	7,485	6,932	7,742	-2%	-2%	-4%	-3%
OFILM	002456.SZ	002456.CN	002456 CH	002456.SZ	CNY	(11)	(21)	(42)	(23)	3,031	3,509	3,120	3,150	0%	-1%	-1%	-1%
WUS	002463.SZ	002463.CN	002463 CH	002463.SZ	CNY	(157)	(7)	(12)	(13)	3,099	3,592	4,246	4,913	-5%	0%	0%	0%
Victory Giant	300476.SZ	300476.CN	300476 CH	300476.SZ	CNY	(27)	(3)	(3)	(4)	2,683	2,667	3,162	3,905	-1%	0%	0%	0%
DSBJ	002384.SZ	002384.CN	002384 CH	002384.SZ	CNY	(60)	(78)	(521)	(104)	6,408	7,286	8,929	9,745	-1%	-1%	-6%	-1%
Optoelectronics																	
BOE	000725.SZ	000725.CN	000725 CH	000725.SZ	CNY	(510)	(717)	(2,128)	(135)	27,351	27,858	27,749	25,524	-2%	-3%	-8%	-1%
TCL	000100.SZ	000100.CN	000100 CH	000100.SZ	CNY	(2,022)	(574)	(2,171)	(835)	20,535	21,141	18,371	20,358	-10%	-3%	-12%	-4%
Compound Semi																	
Sanan	600703.SS	600703.CN	600703 CH	600703.SH	CNY	(74)	(56)	(208)	(215)	5,984	6,349	6,595	6,835	-1%	-1%	-3%	-3%
Wafer and substrate																	
SICC	688234.SS	688234.CN	688234 CH	688234.SH	CNY	(6)	(10)	(29)	(8)	1,051	1,127	1,063	1,172	-1%	-1%	-3%	-1%
China Design House																	
Montage	688008.SS	688008.CN	688008 CH	603160.SH	CNY	(3)	(5)	(27)	(3)	630	690	746	807	0%	-1%	-4%	0%
Goodix	603160.SS	603160.CN	603160 CH	603160.SH	CNY	(3)	(5)	(27)	(3)	630	690	746	807	0%	-1%	-4%	0%
Maxscend	300782.SZ	300782.CN	300782 CH	300782.SZ	CNY	(45)	(15)	(125)	(82)	2,757	3,016	3,322	3,419	-2%	0%	-4%	-2%
Omnivision	603501.SS	603501.CN	603501 CH	603501.SH	CNY	(61)	(72)	(76)	(50)	7,954	8,070	8,598	9,382	-1%	-1%	-1%	-1%
SG Micro	300661.SZ	300661.CN	300661 CH	300661.SZ	CNY	(51)	(40)	(46)	(66)	1,156	1,362	1,448	1,592	-4%	-3%	-3%	-4%
Power Semis																	
CR Micro	688396.SS	688396.CN	688396 CH	688396.SH	CNY	(5)	(30)	(64)	(28)	2,134	2,279	2,279	2,342	0%	[illegible]	[illegible]	[illegible]
Silan	600460.SS	600460.CN	600460 CH	600460.SH	CNY	(88)	(78)	(53)	(121)	3,782	3,727	3,882	3,876	-2%	[illegible]	[illegible]	[illegible]
StarPower	603290.SS	603290.CN	603290 CH	603290.SH	CNY	(2)	(2)	(25)	(10)	1,574	1,682	1,664	1,761	0%	[illegible]	[illegible]	[illegible]
OSAT																	
JCET	600584.SS	600584.CN	600584 CH	600584.SH	CNY	(18)	(16)	(30)	(38)	3,541	3,727	3,811	4,408	-1%	[illegible]	[illegible]	[illegible]
TSHT	002185.SZ	002185.CN	002185 CH	002185.SZ	CNY	(1)	(13)	(81)	(0)	2,344	2,662	2,843	3,262	0%	[illegible]	[illegible]	[illegible]
TFME	002156.SZ	002156.CN	002156 CH	002156.SZ	CNY	(48)	(17)	(71)	(0)	3,387	4,171	4,220	4,811	-1%	[illegible]	[illegible]	[illegible]

Source: Citi Research, Company, Wind

Figure 9. Tech Hardware & Semiconductor – Consensus and revisions

Company	Ticker/RIC	Rating	Currency	Revenue (bn)			Trend	EPS			Trend	Net margin			Trend	Con. EPS 1m chg		Con. EPS 3m chg	
				2025A	2026E	2027E		2025A	2026E	2027E		2025A	2026E	2027E		2026E	2027E	2026E	2027E
Surveillance																			
Hikvision	002415.SZ	Neutral	CNY	93	104	114		1.5	1.7	2.0		15.3%	15.5%	16.1%		0.9%	0.6%	0.9%	0.6%
Dahua	002236.SZ	Sell	CNY	33	36	40		1.2	1.2	1.4		11.8%	11.2%	11.8%		-3.1%	-2.5%	-3.9%	-3.1%
TransInfo	002373.SZ	Sell	CNY	8	9	10		0.2	0.3	0.5		3.3%	6.0%	7.4%		-5.7%	-6.2%	-5.7%	-6.2%
OEM																			
Xiaomi	1810.HK	Buy	HKD	496	569	662		1.7	1.4	1.9		9.1%	6.6%	7.6%		-5.0%	-4.2%	-28.9%	-25.0%
Lenovo	0922.HK	Buy	USD	69	80	87		0.1	0.1	0.1		2.0%	2.2%	2.1%		0.8%	0.7%	3.1%	2.9%
IEIT	000977.SZ	Neutral	CNY	165	198	245		1.6	2.4	3.2		1.5%	1.8%	2.0%		-6.2%	0.8%	-5.8%	0.8%
Dawning	603019.SS	Sell	CNY	15	17	20		1.5	2.1	2.5		14.5%	17.2%	18.1%		-3.8%	-3.3%	-3.2%	-3.8%
Component																			
Luxshare	002475.SZ	Buy	CNY	332	406	469		2.3	3.0	3.7		5.0%	5.3%	5.8%		-0.9%	0.6%	-1.2%	1.0%
GoerTek	002241.SZ	Buy	CNY	97	113	132		1.1	1.1	1.4		4.1%	3.6%	3.7%		-4.8%	-4.4%	-4.4%	-4.4%
FII	601138.SS	Buy	CNY	903	1,514	1,944		1.8	3.1	4.1		3.9%	4.1%	4.2%		-0.9%	1.2%	-0.7%	1.4%
USI	601231.SS	Buy	CNY	59	69	80		0.8	1.1	1.5		3.1%	3.7%	4.3%		0.1%	0.5%	-1.7%	3.2%
BYDE	0285.HK	Sell	HKD	195	208	225		1.7	1.7	2.3		2.0%	1.9%	2.3%		-33.6%	-28.7%	-43.6%	-39.6%
Lens Tech	300433.SZ	Neutral	CNY	74	95	115		0.8	1.1	1.4		5.4%	5.9%	6.4%		-8.4%	-5.8%	-14.1%	-10.0%
AAC	2018.HK	Buy	HKD	35	41	47		2.4	2.8	3.3		7.9%	7.8%	8.3%		-0.7%	-0.4%	-3.1%	-0.1%
OFILM	002456.SZ	Sell High Risk	CNY	22	22	25		0.0	0.1	0.2		0.2%	1.2%	2.1%		0.0%	-3.2%	-30.4%	-9.1%
WUS	002463.SZ	Buy	CNY	19	26	36		2.0	2.8	4.1		20.2%	22.1%	22.9%		1.5%	4.6%	2.3%	10.6%
Victory Giant	300476.SZ	Buy	CNY	19	33	54		5.0	10.1	16.7		22.4%	27.4%	27.9%		-2.9%	-1.6%	-2.4%	-1.6%
DSBJ	002384.SZ	Buy	CNY	40	63	90		0.8	3.4	6.6		3.5%	10.1%	14.3%		9.2%	27.0%	18.7%	69.0%
Optics																			
Cowell	1415.HK	Buy	HKD	27.3	32.8	39.8		1.7	2.2	2.7		5.6%	5.8%	5.9%		0.0%	-1.4%	-0.7%	-4.1%
Sunny	2382.HK	Buy	HKD	47	53	59		4.6	4.3	5.1		10.7%	8.7%	9.3%		0.0%	2.0%	0.9%	3.2%
Q Tech	1478.HK	Neutral	HKD	23	26	29		1.4	0.8	1.0		7.2%	3.7%	4.0%		-7.9%	-4.3%	-12.3%	-7.7%
Conant	2276.HK	Buy High Risk	HKD	2	3	4		1.3	1.6	2.1		25.5%	27.4%	29.2%		-0.1%	3.3%	-1.5%	2.4%
Optoelectronics																			
BOE	000725.SZ	Buy	CNY	205	230	253		0.2	0.2	0.3		2.9%	3.9%	4.8%		-7.6%	0.0%	-9.6%	0.0%
TCL	000100.SZ	Buy	CNY	184	201	215		0.2	0.3	0.5		2.5%	3.5%	4.4%		2.6%	2.4%	3.6%	4.3%
AUO	2409.TW	Neutral	TWD	281	292	311		0.9	0.2	0.5		2.4%	0.5%	1.4%		-35.8%	-7.5%	-34.0%	-3.1%
Compound Semi																			
Sanan	600703.SS	Sell	CNY	18	21	23		-0.1	0.2	0.2		-2.0%	3.6%	4.1%		-8.6%	-21.3%	-8.6%	-21.3%
Wafer and Substrate																			
SICC	688234.SS	Sell High Risk	CNY	1	2	3		-0.5	0.3	0.8		-14.2%	5.8%	14.6%		-7.1%	-7.3%	-35.3%	10.8%
SPE																			
ASMPT	0522.HK	Buy	HKD	14	18	21		2.2	3.9	5.8		6.6%	9.1%	11.3%		18.0%	21.0%	19.6%	21.4%
Chroma	2360.TW	Buy	TWD	28	49	66		27.5	39.6	58.0		41.3%	34.4%	37.2%		13.0%	20.6%	46.5%	68.5%
Vital Deeptech	600641.SS	Sell	CNY	1.9	2.5	3.3		-0.1	0.2	0.3		-6.8%	6.1%	8.8%		-8.1%	-6.8%	-8.1%	-6.8%
China Design House																			
Montage	688008.SS	Buy	CNY	5.5	7.2	9.9		2.0	2.8	3.8						2.5%	2.7%	-0.6%	3.0%
Goodix	603160.SS	Buy	CNY	4.7	5.9	6.8		1.8	1.9	2.2		17.7%	14.5%	14.7%		2.5%	7.3%	-1.3%	1.8%
Maxscend	300782.SZ	Sell	CNY	3.7	4.7	5.7		-0.5	0.5	1.3		-7.9%	4.6%	11.5%		-41.8%	-23.4%	-47.8%	-27.5%
Omnivision	603501.SS	Buy	CNY	29	32	37		3.4	3.7	4.7		14.0%	13.8%	15.3%		-7.6%	-6.6%	-23.5%	-21.9%
SG Micro	300661.SZ	Buy	CNY	3.9	4.9	6.0		0.9	1.5	2.0		14.0%	17.1%	19.4%		-1.0%	1.0%	-1.5%	0.3%
Power Semis																			
CR Micro	688396.SS	Neutral	CNY	11	13	15		0.5	1.0	1.4		6.0%	n.a.	11.9%		-0.9%	-5.0%	4.6%	0.4%
Silan	600460.SS	Neutral	CNY	13	16	18		0.2	0.6	0.9		3.1%	6.3%	7.8%		0.3%	0.2%	0.3%	0.2%
StarPower	603290.SS	Neutral	CNY	4.0	5.0	6.1		1.7	2.7	3.6		10.1%	12.9%	14.1%		-14.6%	-13.3%	-15.5%	-14.7%
OSAT																			
JCET	600584.SS	Buy	CNY	39	44	50		0.9	1.2	1.6		4.0%	4.9%	5.7%		-6.3%	-4.7%	-6.3%	-4.7%
TSHT	002185.SZ	Buy	CNY	17	20	23		0.2	0.3	0.4		4.1%	4.9%	5.4%		0.0%	0.0%	-24.1%	-20.8%
TFME	002156.SZ	Buy	CNY	28	32	37		0.8	1.0	1.3		4.4%	4.9%	5.2%		-2.5%	-0.6%	1.5%	4.5%

Source: Bloomberg, Citi Research

Figure 10. Tech Hardware & Semiconductor – PL Trend

	Currency	Revenue		NP		1Q26 GPM (%)			1Q26 OPM (%)			1Q26 NPM (%)		
Company	(bn)	1Q26	YoY	1Q26	YoY	1Q26	QoQ	YoY	1Q26	QoQ	YoY	1Q26	QoQ	YoY
Surveillance														
Hikvision	CNY	20.72	11.8%	2.78	36.4%	49.1	2.0	4.2	19.2	-0.8	6.4	13.4	-4.8	2.4
Dahua	CNY	6.90	10.3%	0.70	6.8%	43.8	5.5	3.6	13.7	9.5	6.9	10.1	6.8	-0.3
TransInfo	CNY	1.31	-18.4%	0.00	-98.3%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.3	-2.4	-13.5
OEM														
Inspur	CNY	35.47	-24.3%	0.60	30.7%	6.6	1.8	3.2	1.7	-0.2	1.1	1.7	-0.4	0.7
Dawning	CNY	3.20	23.7%	0.23	22.2%	26.6	-12.8	0.5	2.6	-18.2	-0.9	7.1	-12.6	-0.1
Component														
Luxshare	CNY	83.89	35.8%	3.66	20.2%	11.9	0.5	0.7	3.9	0.6	-0.2	4.4	-0.2	-0.6
GoerTek	CNY	18.66	14.4%	0.50	7.3%	13.8	5.3	1.4	3.2	6.2	1.0	2.7	-2.1	-0.2
FII	CNY	251.08	56.5%	10.59	102.5%	7.4	-0.1	0.6	5.3	-0.1	1.4	4.2	-0.1	1.0
USI	CNY	13.35	-2.2%	0.42	24.6%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3.1	-0.7	0.7
BYDE*	CNY	80.61	2.6%	1.78	-35.0%	5.3	-1.6	-1.7	1.8	-0.8	-0.8	2.2	0.5	-1.3
Lens Tech	CNY	14.14	-17.1%	-0.15	-134.9%	14.6	-1.2	2.9	0.5	-7.0	-1.6	-1.1	-6.7	-3.6
AAC*	CNY	13.32	18.4%	1.64	29.8%	23.0	2.4	0.5	10.4	1.7	1.4	12.3	6.8	1.1
OFILM	CNY	3.73	-23.6%	-0.25	319.8%	7.4	-4.4	-3.0	-3.8	-8.5	-5.6	-6.6	-8.4	-5.4
WUS	CNY	6.21	53.9%	1.24	62.9%	35.6	0.0	2.9	24.0	0.0	2.6	20.0	-0.3	1.1
Victory Giant	CNY	5.52	28.0%	1.29	39.9%	34.5	0.9	1.1	29.2	3.8	3.2	23.3	2.7	2.0
DSBJ	CNY	13.14	52.7%	1.11	143.5%	19.3	4.6	5.2	11.9	12.3	4.9	8.4	7.2	3.1
Optics														
Cowell*	USD	1.36	132.2%	0.13	25.7%	9.5	-2.0	-2.0	6.6	-0.1	0.5	9.5	6.0	-8.1
Sunny*	CNY	19.65	4.2%	2.99	84.7%	19.6	-0.2	0.3	16.8	8.3	8.1	15.2	6.8	6.6
Q Tech*	CNY	8.83	15.1%	1.19	623.4%	8.0	0.6	1.1	10.5	6.9	6.0	13.4	9.8	11.3
Conant*	CNY	1.08	11.0%	0.28	29.7%	42.9	2.0	4.9	30.9	2.0	7.1	26.3	1.1	3.8
Optoelectronics														
BOE	CNY	51.00	0.8%	1.71	5.8%	15.6	-3.8	-0.2	6.1	2.6	0.8	3.3	0.8	0.2
TCL	CNY	43.48	8.4%	1.56	53.7%	12.5	-1.7	-0.8	2.6	3.0	-0.2	3.6	0.5	1.1
AUO	TWD	69.03	-4.3%	-1.14	-134.7%	11.9	1.1	-0.3	n.a.	n.a.	n.a.	-1.7	-5.8	-6.2
Sanan	CNY	2.91	-32.6%	0.07	-68.2%	18.5	10.1	2.1	3.4	10.8	-4.3	2.3	13.0	-2.6
Wafer and substrate														
SICC	CNY	0.37	-10.4%	-0.06	-810.4%	19.1	25.0	-3.5	-2.3	36.0	-3.6	-16.6	42.8	-18.6
SPE														
ASMPT*	HKD	6.53	0.7%	0.69	2168.3%	35.5	-4.8	-3.6	10.9	5.9	10.1	10.5	6.9	10.1
Chroma	TWD	11.86	72.7%	3.86	82.1%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	32.6	2.9	1.7
Vital Deeptech	CNY	0.54	178.2%	-0.02	-17.5%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-3.2	15.4	7.5
China Design House														
Montage	CNY	1.46	19.5%	0.85	61.3%	69.8	5.3	9.3	61.0	18.2	21.6	58.0	14.9	15.0
Goodix	CNY	0.97	-9.0%	0.12	-40.0%	40.9	0.6	-2.5	10.4	2.5	-0.3	12.1	-1.1	-6.3
Maxscend	CNY	0.83	9.5%	-0.14	209.5%	18.5	-4.3	-12.6	-15.1	1.4	-10.8	-17.4	-4.7	-11.3
Omnivision	CNY	6.41	-0.9%	0.50	-41.9%	29.4	-1.9	-1.7	9.9	-5.3	-5.2	7.8	-4.0	-5.5
SG Micro	CNY	1.10	39.1%	0.12	107.0%	51.6	-0.7	2.6	11.6	-11.0	4.2	11.3	-7.3	3.7
Power Semis														
CR Micro	CNY	2.86	21.3%	0.33	296.6%	25.5	-0.8	0.2	17.0	9.7	10.3	11.5	7.0	8.0
Silan	CNY	3.52	17.3%	0.21	40.6%	19.8	3.1	-1.5	7.1	7.9	1.0	5.9	4.5	1.0
StarPower	CNY	0.86	-6.0%	0.03	-74.3%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3.1	0.8	-8.2
OSAT														
JCET	CNY	9.17	-1.8%	0.29	42.7%	14.5	-0.7	1.9	4.7	-1.6	0.8	3.2	-2.8	1.0
TSHT	CNY	4.80	34.5%	0.09	-568.4%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.8	-1.7	2.3
TFME	CNY	7.48	22.8%	0.33	224.5%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4.4	-0.2	2.7

Notes: *denotes we use 2H25 data instead 1Q26, accordingly we use HoH data instead of QoQ data

Source: Bloomberg, Company, Citi Research

Figure 11. Tech Hardware & Semiconductor – Operating Capability

		Inventory Days			AR Days			AP Days			CCC		
Company	Currency	end-4Q25	end-1Q26	Chg	end-4Q25	end-1Q26	Chg	end-4Q25	end-1Q26	Chg	end-4Q25	end-1Q26	Chg
Surveillance													
Hikvision	CNY	144.3	158.0	13.7	154.3	139.6	-14.7	142.0	101.9	-40.1	156.5	195.7	39.1
Dahua	CNY	106.0	121.2	15.2	200.8	182.8	-18.0	98.8	82.4	-16.4	207.9	221.6	13.7
TransInfo	CNY	141.5	n.a.	n.a.	177.6	n.a.	n.a.	230.8	n.a.	n.a.	88.3	n.a.	n.a.
OEM													
Xiaomi	CNY	73.7	n.a.	n.a.	12.4	n.a.	n.a.	102.0	n.a.	n.a.	-15.9	n.a.	n.a.
Lenovo	USD	50.1	n.a.	n.a.	55.9	n.a.	n.a.	84.2	n.a.	n.a.	21.8	n.a.	n.a.
IEIT Systems	CNY	101.5	113.7	12.2	27.5	41.1	13.6	53.2	77.8	24.6	75.8	76.9	1.2
Dawning	CNY	129.9	127.0	-2.9	65.1	55.8	-9.2	125.1	83.5	-41.6	69.8	99.3	29.5
Component													
Luxshare	CNY	46.2	47.2	1.1	46.3	41.8	-4.4	87.8	68.3	-19.6	4.6	20.8	16.2
GoerTek	CNY	50.5	51.0	0.5	60.0	36.7	-23.2	90.5	64.2	-26.3	20.0	23.5	3.5
FII	CNY	51.3	56.8	5.5	50.3	42.2	-8.0	46.7	50.2	3.5	54.9	48.8	-6.0
USI	CNY	53.6	n.a.	n.a.	63.1	n.a.	n.a.	74.8	n.a.	n.a.	41.9	n.a.	n.a.
BYDE*	CNY	44.1	39.6	-4.6	41.8	48.6	6.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Lens Tech	CNY	40.9	43.2	2.3	53.4	41.3	-12.1	86.0	68.1	-17.9	8.3	16.4	8.1
AAC*	CNY	67.1	62.3	-4.8	71.8	83.5	11.7	68.0	79.0	11.0	70.9	66.9	-4.0
OFILM	CNY	59.8	60.0	0.2	129.6	104.0	-25.6	137.6	110.4	-27.2	51.8	53.6	1.8
WUS	CNY	99.8	104.2	4.4	93.3	91.2	-2.1	121.1	118.0	-3.1	71.9	77.4	5.5
Victory Giant	CNY	76.1	85.9	9.9	96.9	96.6	-0.4	132.7	135.4	2.6	40.2	47.1	6.9
DSBJ	CNY	79.8	77.6	-2.3	81.9	69.9	-12.0	111.2	97.1	-14.1	50.5	50.4	-0.1
Optics													
Cowell*	USD	26.0	31.8	5.7	27.1	54.0	26.9	35.0	63.8	28.8	18.1	21.9	3.9
Sunny*	CNY	60.9	68.6	7.7	69.6	72.1	2.4	81.0	87.9	6.9	49.6	52.8	3.2
Q Tech*	CNY	36.6	40.0	3.4	85.5	93.0	7.5	86.4	105.6	19.2	35.7	27.5	-8.3
Conant*	CNY	148.5	167.6	19.2	65.0	63.4	-1.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Optoelectronics													
BOE	CNY	54.0	53.7	-0.3	62.9	60.6	-2.3	76.2	77.3	1.1	40.7	36.9	-3.8
TCL	CNY	41.1	44.6	3.6	46.1	40.4	-5.7	70.0	71.5	1.6	17.2	13.5	-3.7
AUO	TWD	51.3	n.a.	n.a.	39.3	n.a.	n.a.	77.3	n.a.	n.a.	13.3	n.a.	n.a.
Compound semi													
Sanan	CNY	141.3	156.7	15.4	130.9	143.0	12.0	59.5	60.0	0.6	212.7	239.6	26.9
Wafer and substrate													
SICC	CNY	296.3	318.2	22.0	147.9	146.9	-1.0	144.4	118.6	-25.8	299.7	346.5	46.8
SPE													
ASMPT*	HKD	312.3	262.3	-49.9	102.9	90.7	-12.2	57.7	58.8	1.1	357.5	294.2	-63.3
Chroma	TWD	224.3	n.a.	n.a.	96.7	n.a.	n.a.	97.4	n.a.	n.a.	223.5	n.a.	n.a.
Vital Deeptech	CNY	726.9	n.a.	n.a.	73.0	n.a.	n.a.	23.1	n.a.	n.a.	776.8	n.a.	n.a.
China Design House													
Montage	CNY	110.5	116.9	6.3	32.0	34.7	2.8	29.4	30.6	1.2	113.1	121.0	7.9
Goodix	CNY	87.7	92.4	4.7	42.9	41.3	-1.6	45.6	36.1	-9.6	85.0	97.7	12.7
Maxscend	CNY	385.0	370.6	-14.4	57.8	43.8	-13.9	104.5	79.0	-25.5	338.3	335.4	-2.8
Omnivision	CNY	141.8	152.2	10.3	53.0	52.3	-0.7	35.1	43.1	7.9	159.7	161.4	1.7
SG Micro	CNY	249.4	246.9	-2.4	27.9	20.5	-7.4	59.6	55.7	-3.8	217.7	211.7	-6.0
Power Semis													
CR Micro	CNY	98.1	96.9	-1.3	88.7	86.7	-2.0	62.6	59.7	-2.8	124.2	123.8	-0.4
Silan	CNY	134.1	128.4	-5.6	134.8	137.9	3.1	107.9	107.0	-1.0	160.9	159.3	-1.6
StarPower	CNY	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
OSAT													
JCET	CNY	41.6	44.2	2.7	56.2	51.3	-4.9	79.2	70.7	-8.5	18.6	24.8	6.2
TSHT	CNY	61.1	n.a.	n.a.	60.6	n.a.	n.a.	94.2	n.a.	n.a.	27.4	n.a.	n.a.
TFME	CNY	57.9	n.a.	n.a.	72.4	n.a.	n.a.	94.6	n.a.	n.a.	35.6	n.a.	n.a.

Notes: *denotes we use end-2H25 data instead of end 1Q26.

Source: Bloomberg, Company, Citi Research

Figure 12. Tech Hardware & Semiconductor – Solvency Ratio

Company	Ticker	Net Debt to Equity (%)			Current Ratio(x)			Cash Ratio(x)			Interest Coverage Ratio(x)		
		2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Surveillance													
Hikvision	002415 CH	-37.8	-31.5	-40.9	2.4x	2.4x	2.4x	1.1x	1.1x	1.1x	36.5x	40.0x	90.3x
Dahua	002236 CH	-29.4	-17.6	-12.7	2.6x	2.6x	2.6x	0.7x	0.7x	0.7x	20.6x	63.9x	-189.6x
TransInfo	002373 CH	-27.1	-29.8	-33.1	1.9x	1.9x	1.9x	0.8x	0.8x	0.8x	29.4x	-42.3x	69.0x
OEM													
Xiaomi	1810 HK	-47.4	-34.1	-24.7	1.3x	1.3x	1.3x	0.6x	0.6x	0.6x	15.7x	145.3x	15.5x
Lenovo	992 HK	47.0	39.9	65.9	0.9x	0.9x	0.9x	0.2x	0.2x	0.2x	13.1x	12.7x	12.3x
Inspur	000977 CH	25.4	28.8	16.6	1.4x	1.4x	1.4x	0.2x	0.2x	0.2x	22.3x	12.4x	5.4x
Dawning	603019 CH	-21.7	-22.3	-26.9	1.8x	1.8x	1.8x	0.9x	0.9x	0.9x	36.0x	42.7x	169.7x
Component													
Luxshare	002475 CH	12.5	4.2	20.8	1.1x	1.1x	1.1x	0.5x	0.5x	0.5x	15.7x	15.0x	15.2x
GoerTek	002241 CH	13.4	13.8	14.2	1.1x	1.1x	1.1x	0.4x	0.4x	0.4x	9.5x	11.8x	9.9x
FII	601138 CH	-23.5	-18.1	NA	1.4x	1.4x	1.4x	0.3x	0.3x	0.3x	11.7x	14.1x	NA
USI	601231 CH	-17.1	-26.2	-35.5	1.9x	1.9x	1.9x	0.8x	0.8x	0.8x	8.5x	8.2x	9.7x
BYDE	285 HK	20.3	16.7	-21.7	1.2x	1.2x	1.2x	0.4x	0.4x	0.4x	39.4x	21.0x	27.1x
Lens Tech	300433 CH	9.7	5.9	0.0	1.2x	1.2x	1.2x	0.4x	0.4x	0.4x	16.1x	23.0x	36.5x
AAC	2018 HK	12.3	12.6	8.9	1.5x	1.5x	1.5x	0.6x	0.6x	0.6x	10.1x	12.8x	15.5x
OFILM	002456 CH	152.7	140.5	134.9	0.9x	0.9x	0.9x	0.1x	0.1x	0.1x	3.7x	4.8x	5.7x
WUS	002463 CH	11.2	19.4	16.6	1.5x	1.5x	1.5x	0.3x	0.3x	0.3x	23.2x	27.3x	38.2x
Victory Giant	300476 CH	80.4	62.4	39.1	1.0x	1.0x	1.0x	0.2x	0.2x	0.2x	16.5x	18.5x	42.8x
DSBJ	002384 CH	50.1	50.0	66.3	1.0x	1.0x	1.0x	0.2x	0.2x	0.2x	11.4x	8.5x	9.5x
Optics													
Cowell	1415 HK	-17.6	16.6	-19.1	1.7x	1.7x	1.7x	0.5x	0.5x	0.5x	8.2x	9.7x	18.7x
Sunny	2382 HK	-23.2	-19.6	-19.8	1.6x	1.6x	1.6x	0.8x	0.8x	0.8x	6.7x	10.1x	17.9x
Q Tech	1478 HK	14.2	-9.3	-23.4	1.1x	1.1x	1.1x	0.4x	0.4x	0.4x	3.4x	6.2x	19.7x
Conant	2276 HK	-9.0	-13.2	-13.4	3.6x	3.6x	3.6x	0.9x	0.9x	0.9x	16.9x	28.3x	59.8x
Optoelectronics													
BOE	000725 CH	35.9	35.1	34.2	1.4x	1.4x	1.4x	0.7x	0.7x	0.7x	8.9x	10.4x	13.4x
TCL	000100 CH	88.3	103.7	97.4	1.0x	1.0x	1.0x	0.4x	0.4x	0.4x	5.8x	5.0x	6.6x
AUO	2409 TT	22.4	36.8	37.4	1.1x	1.1x	1.1x	0.5x	0.5x	0.5x	3.6x	7.4x	8.5x
Compound Semi													
Sanan	600703 CH	5.3	15.8	19.9	1.5x	1.5x	1.5x	0.5x	0.5x	0.5x	13.4x	13.3x	26.9x
Wafer and substrate													
SICC	688234 CH	-17.6	-7.3	-25.7	3.4x	3.4x	3.4x	2.1x	2.1x	2.1x	613.5x	60.2x	8.4x
SPE													
ASMPT	522 HK	-3.7	-2.2	-7.3	3.6x	3.6x	3.6x	1.2x	1.2x	1.2x	11.4x	6.1x	11.9x
Chroma	2360 TT	-5.8	-4.4	-13.4	2.9x	2.9x	2.9x	0.9x	0.9x	0.9x	89.3x	140.1x	345.9x
Vital Deeptech	600641 CH	-34.6	-37.3	15.4	2.8x	2.8x	2.8x	0.4x	0.4x	0.4x	3.8x	-2.5x	-8.6x
China Design House													
Montage	688008 CH	-58.4	-74.0	-71.9	14.3x	14.3x	14.3x	12.1x	12.1x	12.1x	389.7x	819.6x	1221.8x
Goodix	603160 CH	-42.0	-51.0	-59.4	4.6x	4.6x	4.6x	3.7x	3.7x	3.7x	13.3x	58.3x	75.6x
Maxscend	300782 CH	-6.6	11.7	21.5	2.0x	2.0x	2.0x	0.5x	0.5x	0.5x	575.1x	26.0x	5.5x
Omnivision	603501 CH	7.6	-1.3	-11.1	2.1x	2.1x	2.1x	1.0x	1.0x	1.0x	4.4x	13.2x	19.1x
SG Micro	300661 CH	-52.7	-45.4	-39.5	3.7x	3.7x	3.7x	2.0x	2.0x	2.0x	129.2x	223.6x	54.2x
Power Semis													
CR Micro	688396 CH	-44.5	-35.4	-37.4	2.9x	2.9x	2.9x	1.9x	1.9x	1.9x	35.1x	51.3x	255.9x
Silan	600460 CH	2.8	12.9	32.1	1.9x	1.9x	1.9x	0.7x	0.7x	0.7x	1.5x	5.0x	8.2x
StarPower	603290 CH	-13.8	7.2	NA	3.3x	3.3x	3.3x	0.9x	0.9x	0.9x	612.0x	280.6x	NA
OSAT													
JCET	600584 CH	0.4	1.0	12.9	1.3x	1.3x	1.3x	0.6x	0.6x	0.6x	16.7x	12.2x	14.1x
TSHT	002185 CH	18.7	30.7	38.0	1.0x	1.0x	1.0x	0.5x	0.5x	0.5x	11.1x	10.8x	12.4x
TFME	002156 CH	64.9	66.7	80.6	0.8x	0.8x	0.8x	0.3x	0.3x	0.3x	7.6x	9.0x	10.5x

Source: Bloomberg, Citi Research

Figure 13. Citi China Tech Hardware & Semiconductor Coverage – Valuation Table

Company	Ticker	Rating	Analyst	TP	Price	Mar Cap	ETR %	P/S (x)		P/E (x)		EPS Growth		P/BV (x)		ROE		Div. Yield	
					05-May	(US$M)		2026	2027	2026	2027	2025	2026	2026	2027	2026	2027	2026	2027
Surveillance								**2.3**	**2.1**	**21.1**	**18.7**			**2.0**	**1.8**	**10.3%**	**10.4%**	**1.7%**	**1.9%**
Hikvision	002415.SZ	Neutral	Kyna Wong	33.7	36.3	48,694	-5%	3.4	3.2	21.6	18.9	15%	13%	3.3	2.8	16.4%	16.0%	2.8%	3.2%
Dahua	002236.SZ	Sell	Kyna Wong	19.3	18.5	8,897	6%	1.8	1.6	15.4	14.2	44%	-5%	1.5	1.4	10.1%	10.1%	2.0%	2.1%
TransInfo	002373.SZ	Sell	Kyna Wong	4.4	9.0	2,071	-51%	1.7	1.6	26.3	23.1	137%	23%	1.2	1.1	4.6%	5.0%	0.4%	0.4%
OEM								**2.6**	**0.7**	**33.7**	**15.1**			**3.6**	**2.2**	**15.0%**	**18.0%**	**1.3%**	**3.3%**
Xiaomi	1810.HK	Buy	Kyna Wong	37.0	30.5	100,786	21%	1.4	1.2	26.9	18.7	40%	-34%	2.2	2.0	11.0%	13.4%	n.a.	n.a.
Lenovo	0992.HK	Buy	Kyna Wong	12.6	11.6	18,427	12%	0.2	0.2	11.7	11.6	34%	9%	2.8	2.5	25.1%	22.6%	0.0	0.0
IEIT	000977.SZ	Neutral	Karen Huang	70.0	69.8	14,996	1%	0.6	n.a.	26.0	n.a.	57%	23%	3.7	n.a.	15.7%	n.a.	0.3%	n.a.
Dawning	603019.SS	Sell	Karen Huang	26.0	93.0	19,913	-72%	8.1	n.a.	70.3	n.a.	2%	21%	5.6	n.a.	8.4%	n.a.	0.2%	n.a.
Component								**2.7**	**1.7**	**32.5**	**19.1**			**4.7**	**3.6**	**17.6%**	**22.6%**	**1.4%**	**1.5%**
Luxshare	002475.SZ	Buy	Kyna Wong	77.0	67.0	71,470	15%	1.2	1.1	24.4	19.6	23%	20%	4.7	3.8	21.2%	21.5%	0.3%	0.3%
GoerTek	002241.SZ	Buy	Kyna Wong	38.0	24.5	12,725	57%	0.7	0.6	18.2	16.1	40%	24%	2.1	1.8	12.1%	12.1%	2.1%	2.3%
FII	601138.SS	Buy	Karen Huang	101.0	62.9	182,687	62%	0.7	0.6	16.2	12.6	51%	120%	4.0	3.0	28.1%	27.4%	3.4%	4.3%
USI	601231.SS	Buy	Karen Huang	48.0	37.8	13,222	28%	1.4	1.1	37.5	20.7	13%	20%	3.7	3.3	10.7%	17.0%	1.2%	1.4%
BYDE	0285.HK	Sell	Kyna Wong	22.6	27.1	7,792	-16%	0.3	0.3	15.9	10.8	-18%	-5%	1.4	1.3	9.3%	12.4%	0.6%	0.9%
Lens Tech	300433.SZ	Neutral	Kyna Wong	30.0	25.7	19,854	20%	1.9	1.4	31.1	19.1	8%	5%	2.4	2.2	7.8%	12.0%	2.8%	2.8%
AAC	2018.HK	Buy	Kyna Wong	40.0	39.3	5,829	2%	1.3	1.1	17.0	13.2	40%	-4%	1.5	1.4	9.3%	10.9%	0.8%	0.8%
OFILM	002456.SZ	Sell-H	Kyna Wong	9.6	8.7	4,282	10%	1.2	1.1	85.4	45.8	-124%	2503%	6.7	5.9	8.2%	13.7%	n.a.	0.1%
WUS	002463.SZ	Buy	Karen Huang	119.0	102.6	28,898	17%	7.6	5.0	34.2	19.9	47%	51%	6.5	5.2	25.5%	29.1%	0.7%	1.1%
Victory Giant	300476.SZ	Buy	Karen Huang	415.0	328.5	41,964	27%	7.8	3.8	33.1	15.8	279%	96%	7.3	5.2	31.0%	38.2%	0.3%	0.7%
DSBJ	002384.SZ	Buy	Karen Huang	225.0	186.7	50,074	20%	5.1	3.1	44.8	15.9	22%	438%	11.7	6.7	30.2%	53.9%	n.a.	n.a.
Optics								**2.4**	**1.9**	**17.2**	**13.2**			**3.1**	**2.5**	**19.2%**	**20.0%**	**1.2%**	**1.7%**
Cowell	1415.HK	Buy	Kyna Wong	42.0	32.9	3,650	28%	0.8	0.7	13.9	12.9	66%	35%	3.6	2.8	29.8%	24.5%	n.a.	n.a.
Sunny	2382.HK	Buy	Kyna Wong	88.0	66.6	9,170	33%	1.4	1.3	16.2	12.4	72%	-15%	1.9	1.7	12.7%	14.7%	0.8%	1.0%
Q Tech	1478.HK	Neutral	Kyna Wong	9.0	8.7	1,332	5%	0.4	0.4	13.9	9.6	435%	-56%	1.4	1.2	10.0%	13.5%	1.9%	2.7%
Conant	2276.HK	Buy-H	Kyna Wong	68.0	45.6	2,953	50%	6.9	5.4	24.9	18.2	20%	33%	5.6	4.5	24.5%	27.2%	1.0%	1.4%
Displays								**0.5**	**0.5**	**18.2**	**19.5**			**1.2**	**1.1**	**7.4%**	**6.5%**	**2.8%**	**3.5%**
BOE	000725.SZ	Buy	Karen Huang	5.0	4.1	22,058	24%	0.7	0.7	22.0	17.1	4%	27%	1.1	1.0	5.0%	6.1%	1.6%	
TCL	000100.SZ	Buy	Karen Huang	5.4	4.3	13,004	31%	0.4	0.4	14.3	14.0	153%	41%	1.4	1.3	9.7%	9.5%	4.2%	4.3%
AUO	2409.TW	Neutral	Karen Huang	15.0	17.9	4,267	-13%	0.5	0.4	n.a.	27.6	323%	-107%	1.1	1.1	-0.3%	3.9%	2.8%	2.8%
Compound Semi																			
Sanan	600703.SS	Sell	Karen Huang	13.0	13.7	9,985	-5%	3.5	3.2	n.a.	457.7	-92%	-331%	1.9	1.9	-0.1%	0.4%	n.a.	n.a.
Wafer and substrate																			
SICC	688234.SS	Sell-H	Karen Huang	43.0	101.0	6,354	-57%	37.1	33.3	n.a.	3,626.7	-108%	-5%	6.6	6.6	-0.2%	0.2%	n.a.	n.a.
SPE								**14.4**	**11.5**	**145.1**	**90.3**			**11.7**	**10.3**	**22.3%**	**28.4%**	**0.9%**	**1.2%**
ASMPT	0522.HK	Buy	Kevin Chen	180.0	163.3	8,708	12%	4.0	3.5	45.9	33.8	34%	218%	4.2	4.0	9.4%	12.1%	1.2%	1.7%
Chroma	2360.TW	Buy	Kevin Chen	2500.0	2235.0	30,107	13%	18.2	13.8	50.7	35.9	62%	120%	27.6	23.9	56.6%	71.4%	1.3%	1.9%
Vital Deeptech	600641.SS	Sell	Kevin Chen	13.0	27.6	3,829	-53%	21.1	17.3	338.8	201.1	-84%	340%	3.1	3.1	0.9%	1.5%	0.0%	0.1%
China Design House								**11.7**	**9.2**	**48.4**	**37.0**			**5.9**	**5.2**	**13.5%**	**14.5%**	**0.4%**	**0.5%**
Montage	688008.SS	Buy	Kevin Chen	245.0	173.3	29,088	42%	29.6	21.5	59.1	42.3	58%	50%	9.3	7.9	20.0%	20.2%	0.3%	0.5%
Goodix	603160.SS	Buy	Kevin Chen	90.0	64.9	4,425	40%	4.9	4.4	32.4	28.4	37%	11%	3.0	2.8	9.5%	10.1%	0.8%	0.9%
Maxscend	300782.SZ	Sell	Kevin Chen	57.0	99.6	8,386	-43%	8.3	6.8	62.7	44.4	20%	75%	4.7	4.2	7.7%	10.0%	0.1%	0.2%
Omnivision	603501.SS	Buy	Kevin Chen	130.0	98.3	17,913	33%	4.1	3.5	28.5	22.6	22%	3%	3.4	3.0	13.5%	14.0%	0.5%	0.5%
SG Micro	300661.SZ	Buy	Kevin Chen	100.0	91.9	8,355	9%	11.4	9.6	59.2	47.3	37%	39%	9.4	8.0	17.0%	18.3%	0.2%	0.3%
Power Semis								**4.7**	**4.2**	**40.6**	**32.9**			**3.3**	**3.0**	**8.5%**	**10.0%**	**0.4%**	**0.6%**
CR Micro	688396.SS	Neutral	Kevin Chen	47.0	56.7	11,016	-17%	6.1	5.6	47.4	42.4	50%	38%	3.0	2.8	6.5%	6.9%	0.2%	0.2%
Silan	600460.SS	Neutral	Kevin Chen	30.0	28.9	7,041	4%	3.1	2.8	38.0	30.1	216%	82%	3.5	3.2	9.5%	11.1%	0.4%	0.8%
StarPower	603290.SS	Neutral	Kevin Chen	110.0	103.9	3,644	6%	5.0	4.2	36.5	26.0	-15%	40%	3.3	3.0	9.4%	12.1%	0.6%	0.8%
OSAT								**2.2**	**2.0**	**46.6**	**38.0**			**3.2**	**2.9**	**7.5%**	**8.4%**	**0.3%**	**0.4%**
JCET	600584.SS	Buy	Kevin Chen	42.0	45.6	11,936	-8%	1.8	1.6	30.0	24.6	39%	21%	2.5	2.3	8.8%	9.9%	0.3%	0.4%
TSHT	002185.SZ	Buy	Kevin Chen	11.5	13.1	6,269	-12%	2.3	2.1	59.6	47.5	-5%	20%	2.4	2.3	4.1%	4.9%	0.4%	0.5%
TFME	002156.SZ	Buy	Kevin Chen	48.0	51.8	11,503	-7%	2.5	2.2	50.2	41.9	90%	21%	4.6	4.2	9.6%	10.5%	0.1%	0.2%

Note: Closing as of 5-May-2026

Source: dataCentral, Citi Research

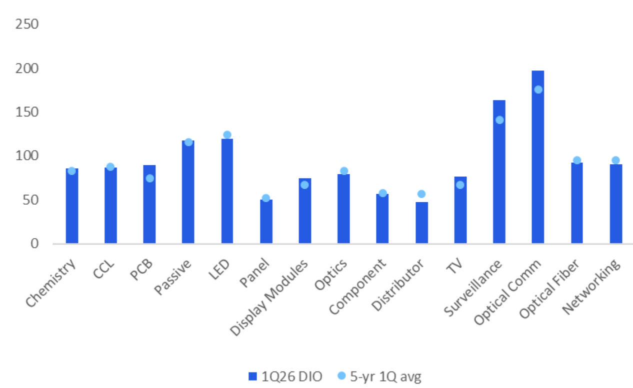
Inventory Tracker

Figure 14. Tech Hardware Summary – 1Q26 Revenue, NI and Inventory

	Revenue		NI		Loss?	From loss	Inventory		DIO		DIO Trend	GPM Trend	NPM Trend
	YoY	QoQ	YoY	QoQ		to profit?	YoY	QoQ	YoY	QoQ	3-yr	3-yr	3-yr
Chemistry	10%	-5%	-12%	77%	N	N	15%	0%	3.9	-1.7			
CCL	46%	6%	146%	16%	N	N	23%	17%	-4.7	7.1			
PCB	26%	-7%	36%	8%	N	N	53%	16%	19.5	9.0			
Passive	36%	10%	36%	18%	N	N	32%	9%	9.9	1.6			
LED	-1%	-17%	-6%	-125%	N	Y	13%	5%	5.8	5.7			
Panel	3%	-5%	1%	101%	N	N	4%	1%	-0.6	0.0			
Display Modules	12%	-4%	-3%	-38%	N	N	13%	15%	3.5	8.4			
Optics	-2%	-24%	-25%	-42%	N	N	9%	3%	-1.1	2.8			
Component	8%	-24%	-3%	-370%	N	Y	20%	8%	7.6	3.2			
Distributor	100%	30%	106%	144%	N	N	36%	-4%	-4.7	-12.2			
TV	5%	-10%	-28%	-29%	N	N	7%	14%	6.5	8.4			
Surveillance	11%	-27%	22%	-33%	N	N	27%	20%	36.0	26.1			
Optical Comm	99%	18%	137%	28%	N	N	62%	21%	5.7	10.2			
Optical Fiber	31%	-11%	53%	441%	N	N	17%	13%	4.7	6.9			
Networking	34%	-12%	56%	-13%	N	N	22%	7%	-14.1	0.4			

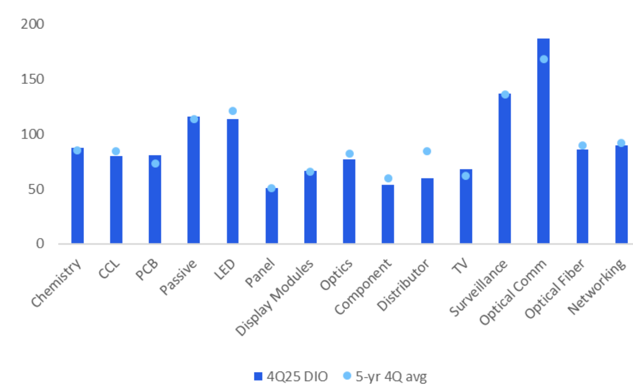
Source: Wind, Company Reports, Citi Research

Figure 15. Tech Hardware – 1Q26 DIO vs. 5-yr 1Q Average



Source: Citi Research, Wind, Company Reports

Figure 16. Tech Hardware – 4Q25 DIO vs. 5-yr 4Q Average



Source: Company Reports, Wind, Citi Research

Figure 17. Tech Hardware: Inventory Breakdown (as of Dec-25)

	Raw Material	WIP	Finished Goods	Others
Chemistry	31%	9%	41%	19%
CCL	40%	12%	25%	24%
PCB	26%	26%	45%	4%
Passive	20%	23%	36%	22%
LED	24%	16%	41%	20%
Panel	29%	20%	49%	2%
Display Modules	38%	20%	34%	9%
Optics	33%	17%	38%	12%
Component	35%	20%	41%	4%
Distributor	0%	0%	81%	18%
OEM	28%	7%	55%	10%
PC	45%	6%	37%	11%
TV	28%	5%	21%	46%
Surveillance	30%	5%	55%	10%
Optical Comm	27%	27%	25%	21%
Optical Fiber	12%	8%	19%	61%
Networking	52%	12%	31%	4%

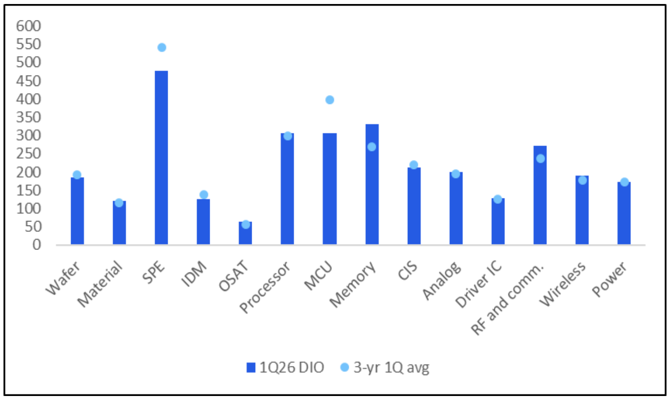
Source: Company Reports, Wind, Citi Research

Figure 18. Tech Semiconductor Summary - 1Q26 Revenue, NI and Inventory

	Revenue		NI		Loss?	From loss	Inventory		DIO		DIO Trend	GPM Trend	NPM Trend
	YoY	QoQ	YoY	QoQ		to profit?	YoY	QoQ	YoY	QoQ	3-yr	3-yr	3-yr
Wafer	21%	3%	91%	-53%	Y	N	19%	6%	5.6	1.5			
Material	28%	3%	13%	46%	N	N	32%	25%	10.6	17.8			
SPE	28%	-22%	102%	117%	N	N	15%	4%	-74.6	-8.1			
IDM	21%	-2%	59%	404%	N	N	6%	4%	-12.9	-1.1			
OSAT	14%	-7%	30%	-61%	N	N	37%	15%	11.9	6.6			
Processor	64%	2%	110%	133%	N	N	32%	6%	-31.3	-17.0			
MCU	19%	1%	23%	512%	N	N	-17%	-4%	-117.0	-26.8			
Memory	142%	50%	1807%	233%	N	N	112%	39%	111.8	70.6			
CIS	7%	-12%	-26%	-35%	N	N	16%	4%	-0.8	5.1			
Analog	30%	1%	-99%	-98%	N	N	46%	10%	23.5	6.5			
Driver IC	32%	10%	1013%	-209%	N	Y	16%	29%	5.5	22.5			
RF and comm.	15%	-10%	44%	26%	Y	N	31%	9%	40.0	11.4			
Wireless	0%	0%	-27%	-81%	N	N	25%	9%	33.4	17.8			
Power	5%	-10%	-29%	20%	N	N	19%	6%	7.2	5.8			

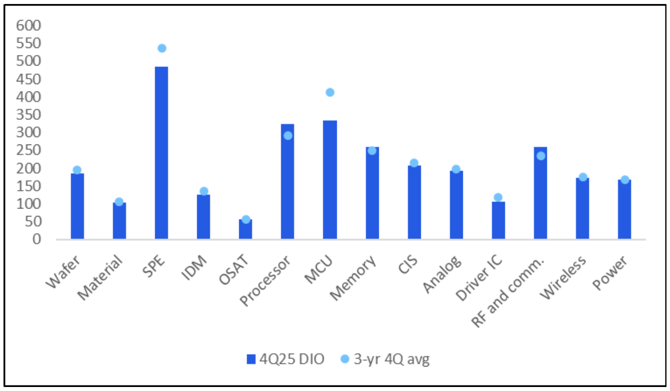
Source: Citi Research, Company Reports, Wind

Figure 19. Tech Semiconductor – 1Q26 DIO vs. 3-yr 1Q Average



Source: Company Reports, Wind, Citi Research

Figure 20. Tech Semiconductor - 4Q25 DIO vs. 3-yr 4Q Average



Source: Company Reports, Wind, Citi Research

Figure 21. Tech Semiconductor: Inventory Breakdown (as of Dec-25)

	Raw Material	WIP	Finished Goods	Others
Wafer	50%	17%	28%	5%
Material	36%	15%	47%	2%
SPE	35%	15%	38%	12%
IDM	18%	18%	27%	37%
OSAT	65%	18%	16%	1%
Processor	34%	17%	26%	23%
MCU	24%	29%	34%	13%
Memory	41%	12%	35%	12%
CIS	29%	31%	38%	2%
Analog	28%	9%	35%	28%
Driver IC	22%	17%	39%	22%
RF and comm.	14%	1%	14%	71%
Wireless	31%	0%	38%	31%
Power	32%	12%	19%	36%

Source: Company Reports, Wind, Citi Research

Companies Mentioned:

Advanced Micro Devices (AMD.O; US$355.26; 2; 05 May 26; 16:00) | Alphabet Inc (GOOGL.O; US$388.43; 1; 05 May 26; 16:00) | Analog Devices (ADI.O; US$404.77; 1; 05 May 26; 16:00) | Apple, Inc. (AAPL.O; US$284.18; 1; 05 May 26; 16:00) | Lens Technology (6613.HK; HK$18.25; 1; 06 May 26; 16:10) | Meta Platforms Inc (META.O; US$604.96; 1; 05 May 26; 16:00) | Montage Technology (6809.HK; HK$321.6; 1; 06 May 26; 16:10) | OmniVision (0501.HK; HK$88.0; 1; 06 May 26; 16:10) | Qualcomm Inc (QCOM.O; US$186.55; 2; 05 May 26; 16:00) | Samsung Electronics (005930.KS; W266000.0; 1; 06 May 26; 15:45) | Texas Instruments Inc (TXN.O; US$281.0; 1; 05 May 26; 16:00)