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Investor Presentation | Asia Pacific

Asia Summer School: China's AI Path

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CHINA INTERNET AND OTHER SERVICES

Asia Pacific

Industry View

Attractive

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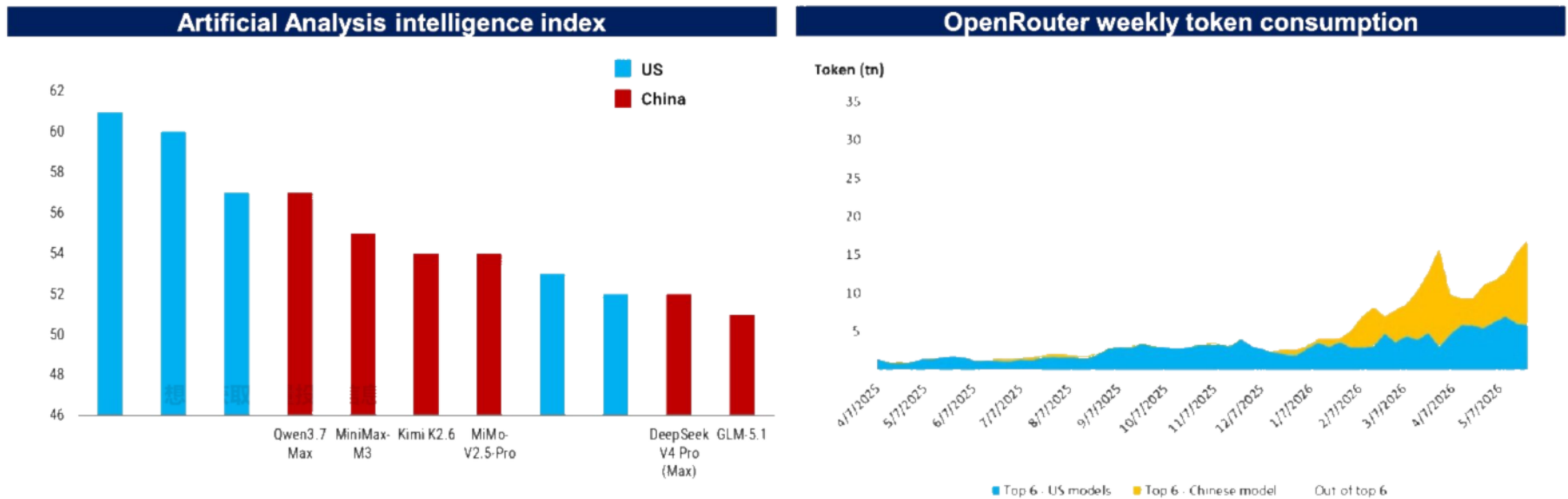
China's AI Path: Summer School 2026

China AI Value Chain

Applications	      Meituan  Trip.com  ANT FINANCIAL  Insilico Medicine  XtalPi  UNITREE
Models	 Alibaba  ByteDance  xiaomi  Tencent  Baidu百度  deepseek  Moonshot AI  MINIMAX  Z.A  StepFun  KUAISHOU
Infrastructure	 GDS万国数据  世纪互联 VNET  PARATERA 并行  FOXCONN  润泽科技发展有限公司 Range Technology Development Co., Ltd.  INNO LIGHT  Alibaba Cloud  VolcanoEngine  Kingsoft Cloud
Chips	 SMIC  EMPYREAN  天数智芯 Iluvatar CoreX  Cambricon  壁仞科技 BIREN TECHNOLOGY  HUAWEI  NAURA 北方华创  寒武纪  META X 沐曦
Energy	 Envicool  WEICHAI 潍柴  Sieyuan 思源电气  安徽应流集团 ANHUI YINGLIU GROUP

Global SOTA Model

- Model performance criteria: intelligence level, price, speed
- China contributes over half of the top 10 SOTA models globally as a major competitor to the US
- AI model strategy: “Open” China vs. “Proprietary” US



Source: Artificial Analysis, OpenRouter, updated as Jun 2026; “Open” stands for open-weighted AI models.

China Frontier Foundation Model Players

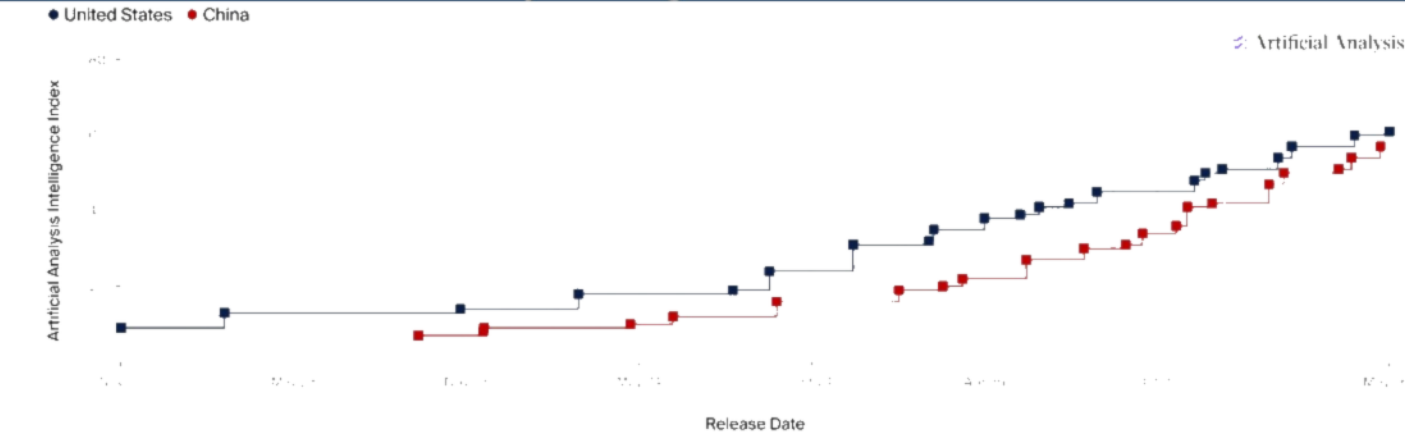
China Frontier Foundation Model Players

AI lab	Alibaba	MiniMax	Z.ai	Moonshot	DeepSeek	Xiaomi
Model	Qwen3.7-Plus	M3	GLM-5.1	K2.6	V4-Pro	MiMoV2.5Pro
Release date	May-26	Jun-26	Apr-26	Apr-26	Apr-26	Apr-26
License	Proprietary	Open Weight	Open Weight	Open Weight	Open Weight	Open Weight
Total parameter (B)	n.a	500*	754	1000	1600	1000
Context window (K)	1000	1000	200	256	1000	1000
API price (Rmb/mn tokens)						
Input (uncached)	4.00	6.30	7.00	6.50	3.00	3.00
Input (cached read)	n.a	1.26	1.65	1.10	0.02	0.03
Output	16.00	25.20	24.28	27.00	6.00	6.00
AA Intelligence Index	53	55	51	54	52	54
ARR (US\$mn)	n.a	300 (Apr)	250 (Mar)	n.a	n.a	n.a

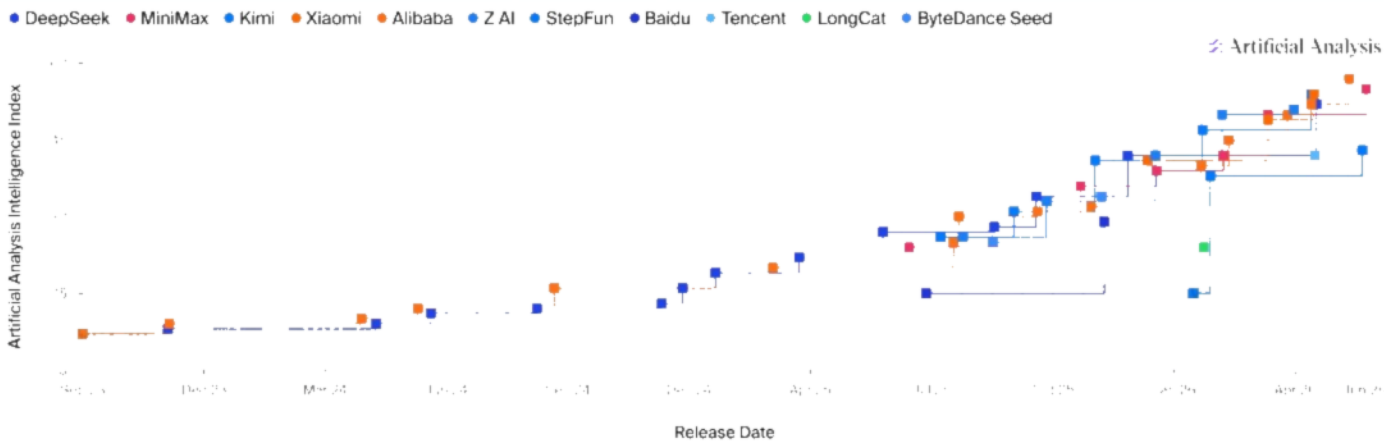
Source: Morgan Stanley Research *estimates

Global SOTA Model Performance Over Time

Artificial Analysis intelligence index over time: China vs. US



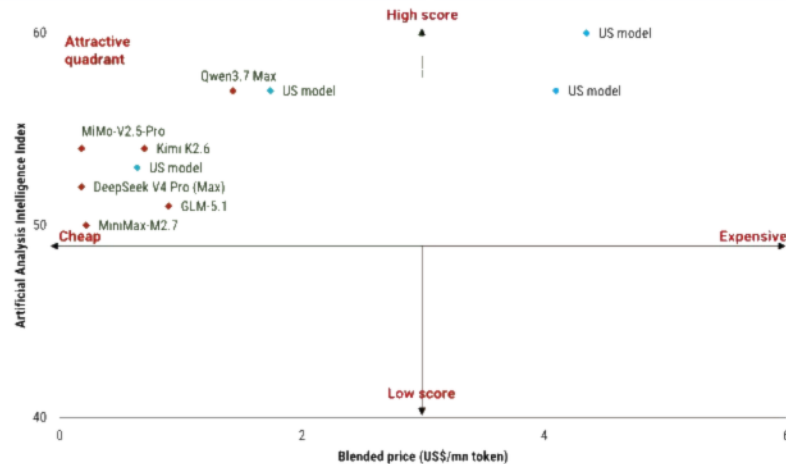
Artificial Analysis intelligence index over time: China models



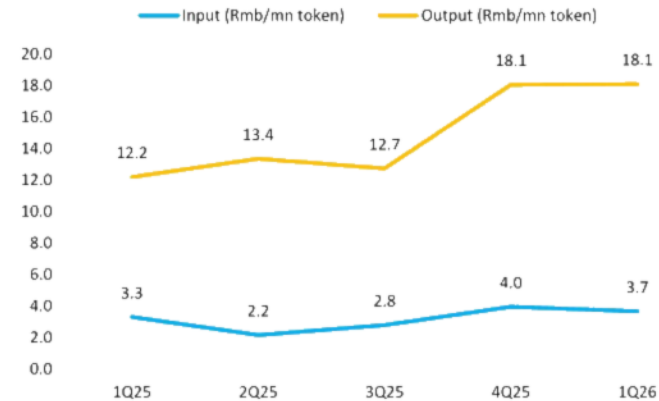
Source: Artificial Analysis

Global SOTA Model Intelligence vs. Price

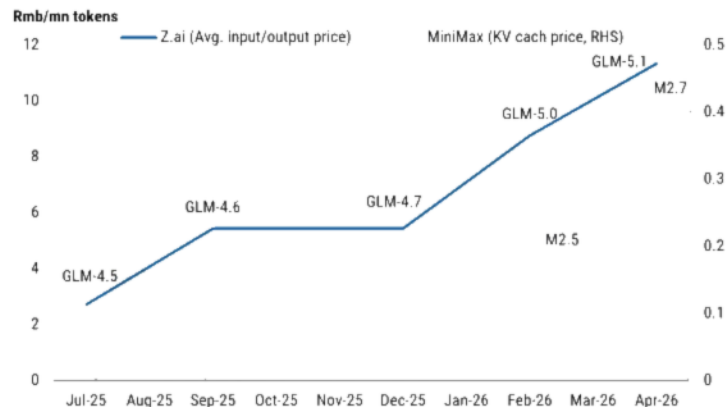
Artificial Analysis intelligence index vs. price



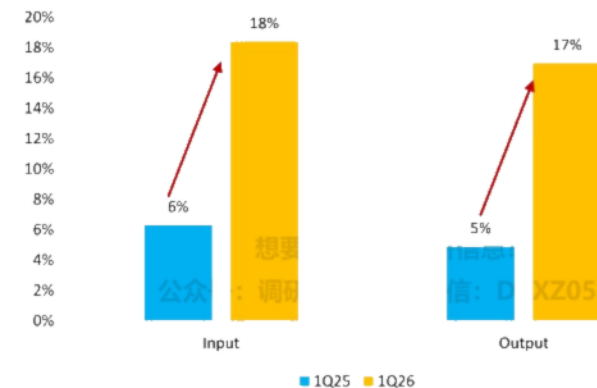
China leading LLMs average price



Z.ai and MiniMax price trend



China leading LLMs price as % of US peers



Source: Artificial Analysis, Morgan Stanley Research, Averaged API price of Alibaba (Qwen2.5-Max, Qwen3, Qwen3-Max, Qwen3.5), ByteDance (Doubao-1.5-pro, Doubao-seed-1.6, Doubao-seed-1.8, Doubao seed-2.0-pro), Baidu (Ernie 4.5, Ernie x1, Ernie x1.1, Ernie 5.0-Thinking-Preview), Tencent (Hunyuan-T1, HY 2.0), MiniMax (MiniMax-Text-01, MiniMax-M1, MiniMax-M2, MiniMax-M2.1, MiniMax-M2.5, MiniMax-M2.7), Z.ai (GLM-4-Plus, GLM-4.5, GLM-4.6, GLM-4.7, GLM-5), Moonshot (Kimi-latest-128k, K2, K2.5), DeepSeek (DeepSeek-R1, DeepSeek-V3.2). Input price averaged with cached and uncached and all context length.

Global Top Multi-modal Models

Artificial Analysis text-to-video leaderboard

Rank	Range	Creator	Model	Elo
1	1 - 2	 ByteDance Seed	Dreamina Seedance 2.0 720p	1,214
2	1 - 2	 Alibaba-ATH	HappyHorse-1.0	1,209
3	1 - 1	 KlingAI	Kling 3.0 Omni 1080p (Pro)	1,185
4	1 - 1	 KlingAI	Kling 3.0 1080p (Pro)	1,097
5	4 - 6	 Google	Veo 3.1	1,092
6	4 - 6	 Google	Veo 3.1 Fast	1,092
7	10 - 10	 KlingAI	Kling 3.0 720p (Standard)	1,086
8	10 - 11	 OpenAI	Sora 2 (December)	1,086
9	10 - 11	 KlingAI	Kling 3.0 Omni 720p (Standard)	1,084
10	7 - 11	 Vidu	Vidu Q3 Pro	1,078

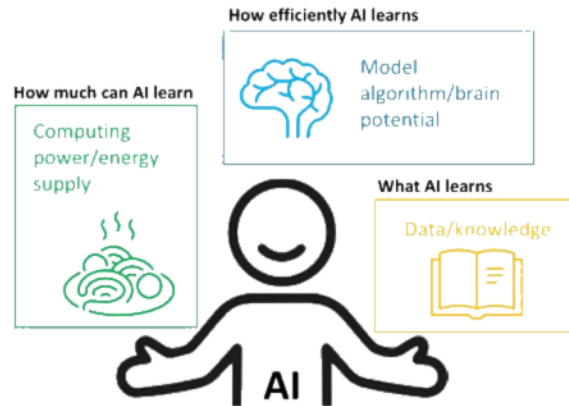
Artificial Analysis image-to-video leaderboard

Rank	Range	Creator	Model	Elo
1	1 - 1	 ByteDance Seed	Dreamina Seedance 2.0 720p	1,180
2	2 - 2	 Alibaba-ATH	HappyHorse-1.0	1,170
3	10 - 10	 Google	Veo 3.1 Fast	1,093
4	10 - 10	 xAI	grok-imagine-video	1,092
5	10 - 11	 Google	Veo 3.1	1,086
6	10 - 11	 PixVerse	PixVerse V6	1,085
7	10 - 11	 KlingAI	Kling 3.0 1080p (Pro)	1,082
8	10 - 11	 KlingAI	Kling 3.0 720p (Standard)	1,077
9	10 - 11	 Google	Veo 3.1 Lite	1,068
10	10 - 11	 KlingAI	Kling 3.0 Omni 1080p (Pro)	1,064

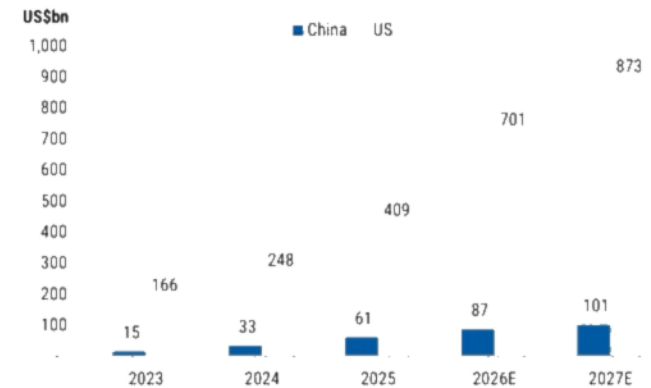
Source: Artificial Analysis, Morgan Stanley Research, updated by May 2026

AI Model Competition – Compute, Data and Algorithm

Key factors of AI models

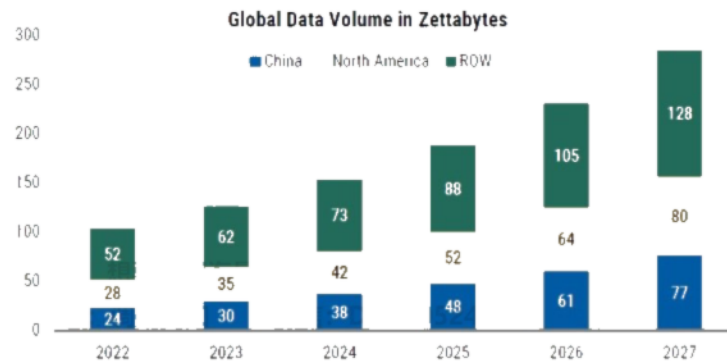


China vs. US hyperscaler capex



Source: Company data, Morgan Stanley Research estimates. Chinese hyperscalers include Alibaba, Tencent, Baidu, Bytedance, Kuaishou. US hyperscalers include Google, Meta, Microsoft, Amazon, Oracle.

Global data volume in zettabytes



Source: IDC

Key persons at China AI labs

AI lab	Key person	Age	Role
Alibaba	Jingren Zhou	n.a	Head of Qwen BG, Chief AI Architect
Bytedance	Yonghui Wu	n.a	Head of Foundation AI Research (Seed)
Tencent	Shunyu Yao	28	Chief AI Scientist, Head of AI Infra Department and LLM
DeepSeek	Wenfeng Liang	41	Founder, CEO
MiniMax	Junjie Yan/IO	37	Founder, Chair, CEO, CTO
Z.ai	Jie Tang	49	Co-founder, Chief Scientist
Moonshot	Zhilin Yang	34	Founder, CEO
Xiaomi	Fuli Luo	31	Head of AI Model team

China's Competitive Edge – Algorithm Innovation to Improve Efficiency

Summary of major China AI lab algorithm innovations

Chinese AI lab	Model	Algorithm innovation
Model architecture design		
MiniMax	abab 6	Attention strategy: First adopter of Mixture of Experts (MoE) with large parameter in China
MiniMax	abab 6.5	Attention mechanism: Lightning Attention
DeepSeek	DeepSeek V2	Attention mechanism: Multi-Head Latent Attention
DeepSeek	DeepSeek V3	Attention strategy: DeepSeek MoE with Shared Experts and Routed Experts
DeepSeek	DeepSeek V3	Attention mechanism (improvement): Manifold-Constrained Hyper-Connections (mHC)
DeepSeek	DeepSeek V3.2	Attention mechanism: DeepSeek Sparse Attention (DSA)
Moonshot	Kimi K2.5	Attention mechanism: Kimi-Linear/Kimi-Delta Attention (KDA)
Moonshot	Kimi K2.5	Attention mechanism (improvement): Attention Residual
Z.ai	GLM-5	Attention mechanism: MLA (Multi-Latent Attention): 256 + Moon Split
DeepSeek	DeepSeek V4	Attention mechanism: Hybrid attention architecture that combines Compressed Sparse Attention (CSA) and Heavy Compressed Attention (HCA)
Pre-training		
Z.ai	GLM-1	Pre-training task design: Autoregressive Blank-filling
DeepSeek	DeepSeek V3	Model quantization: Dual-scale FP8 Training
Alibaba	Qwen 3	Data curation & diversity: Instance-level mixture optimization via automatic dataset evaluation system on 10T-level token
Alibaba	Qwen 3	Synthetic data: Multi-modal data expansion with Native Dynamic Resolution of Qwen-VL
Moonshot	Moonlight	Model scaling techniques: Moon (MomentUm Orthogonalized by Newton-schulz) optimization on large-scale models
Post-training		
DeepSeek	DeepSeek V3 and R1	Reinforcement Learning: Group Relative Policy Optimization (GRPO)
Moonshot	Kimi K1.5	CoT scaling: long2short
Z.ai	GLM-5	RL optimization: Scalable Lightweight Infrastructure for Multi-agent Environment (SLIME)
Whole process enhancement		
Alibaba	Qwen-Math/Qwen2.5	SFT+RL: Rationale Consistency
Inference efficiency management (KV cache compression)		
DeepSeek	DeepSeek V2	Memory module: Engram
Moonshot	Moonshot-v1	KVCache-centric disaggregated architecture: Mooncake

Source: Company data, Morgan Stanley Research

AI Chipsets – China vs. US Value Chain – a Decoupling of AI Compute

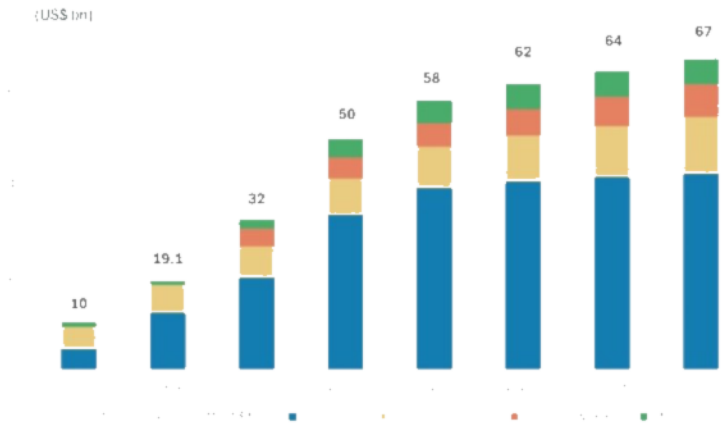
Artificial Analysis intelligence index over time: China vs. US



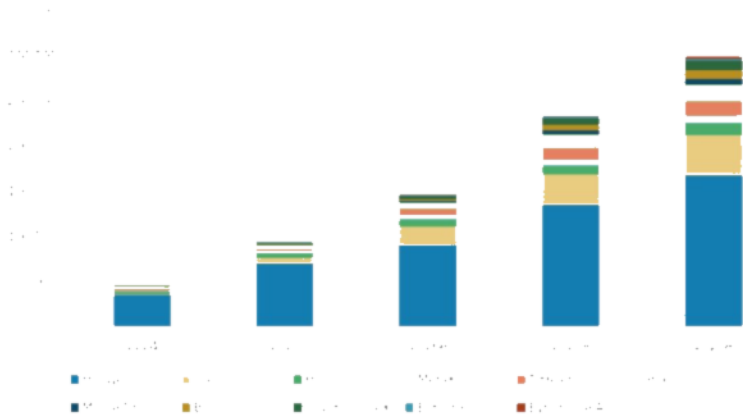
Source: Morgan Stanley Research

We Expect China AI GPU TAM to Grow to US\$67bn by 2030e

We expect China AI chip TAM to grow to US\$67bn by 2030



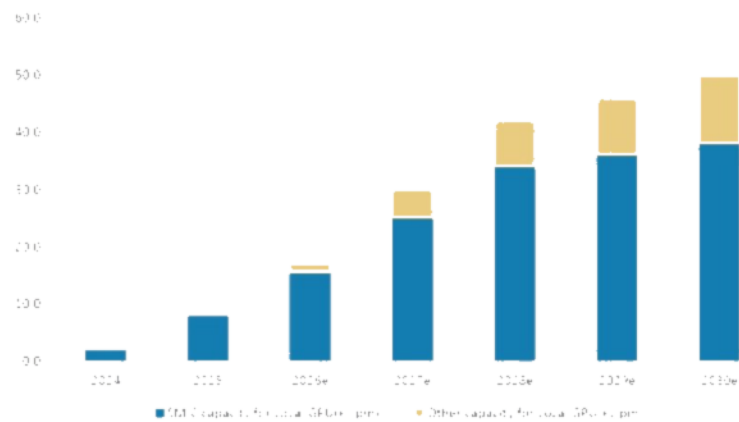
AI accelerators' revenue trend



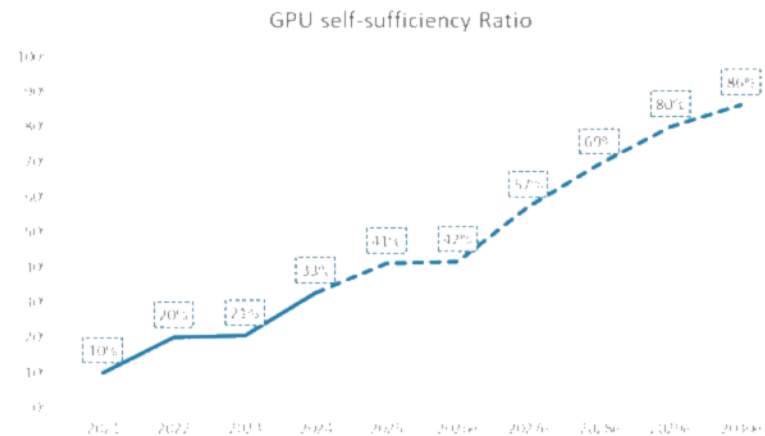
Source: Company data, Morgan Stanley Research. E = Morgan Stanley Research estimates.

China's Advanced Node Capacity Expansion to Fulfil Local AI GPU Production Demand

Chinese advanced node capacity may support US\$58 AI accelerator revenue in 2030



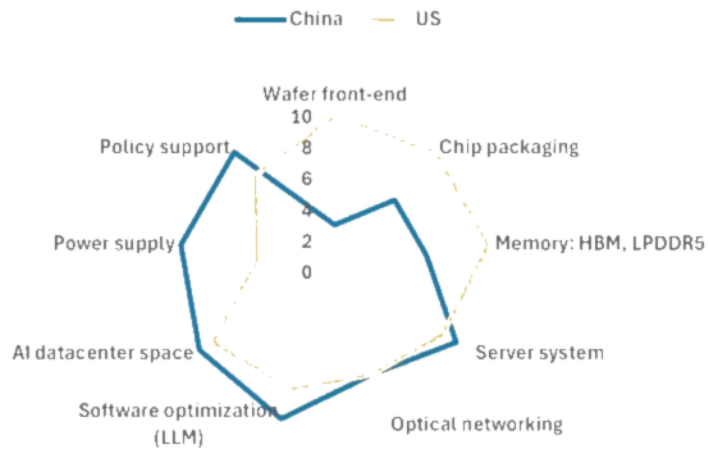
We expect China AI chip self-sufficiency to reach 86% in 2030e (US\$58bn / US\$67bn)



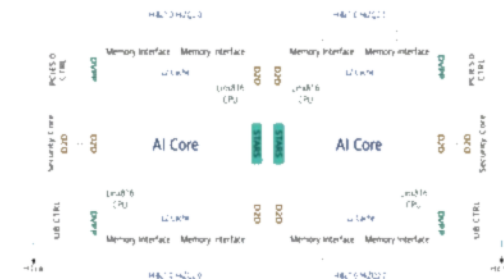
Source: Company data, Morgan Stanley Research (e) estimates.

China's Infrastructure Strength Narrows Perceived Technology Gap

Nine factors comparison between US and China AI – Chip, System, Infrastructure



Die shot of Ascend 950



Huawei CloudMatrix 384 A3 SuperPod



Step 1: If one compute die is not powerful, package more dies into a single chip.

Step 2: If one chip is not powerful enough, build larger racks and clusters.

Step 3: If one fab is not sufficient, expand manufacturing capacity.

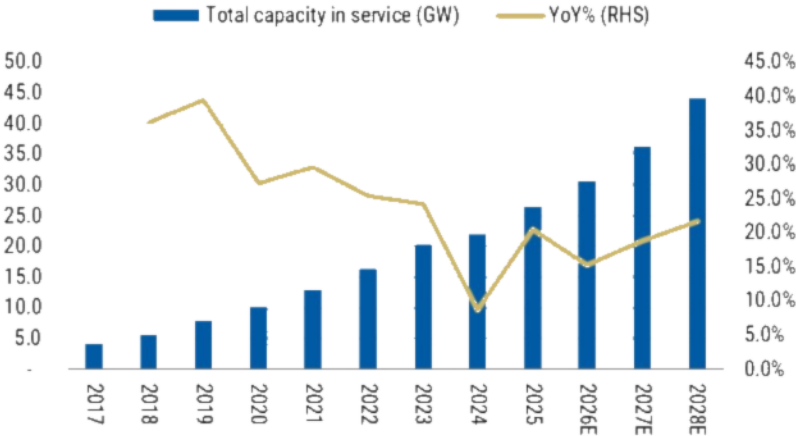
Chinese AI accelerator vendors – we focus on Cambricon, MetaX and Iluvatar

Company	Ticker	GPU Product	Node	GPGPU/ASIC	Foundry sourcing viability	Sovereign background	Affiliated design house	AI inference performance
 HUAWEI	Private	950, 910C, 910B	7nm	ASIC	✓	✓	X	↗
 寒武纪	688256-SS	MLU series	7nm	ASIC	✓	X	X	↗
 HYGON	688041-SS	DCU	7nm	GPGPU	✓	✓	X	→
 沐曦	688802-SH	MXC series; MXG series	7nm/12nm	GPGPU	✓	X	X	→
 摩尔线程 MOORE THREADS	688795-SH	MUSA MTT S5000, S4000	7nm/12nm	GPGPU	▲	X	X	→
 壁仞科技 BIREN TECHNOLOGY	6082-HK	BR100	7nm/12nm	GPGPU	▲	X	X	↘
 天数智芯 Iluvatar CoreX	9903-HK	TianGai-100 series, Zhikai-100 Series	7nm	GPGPU	✓	X	X	→
 T-HEAD	Currently under H-share listing counseling process	Hangguang 800, PPU	12nm	GPGPU	✓	X	✓	↗
 燧原科技	Currently under A-share listing counseling process	S60, I20, L600	12nm	ASIC	▲	X	✓	↘

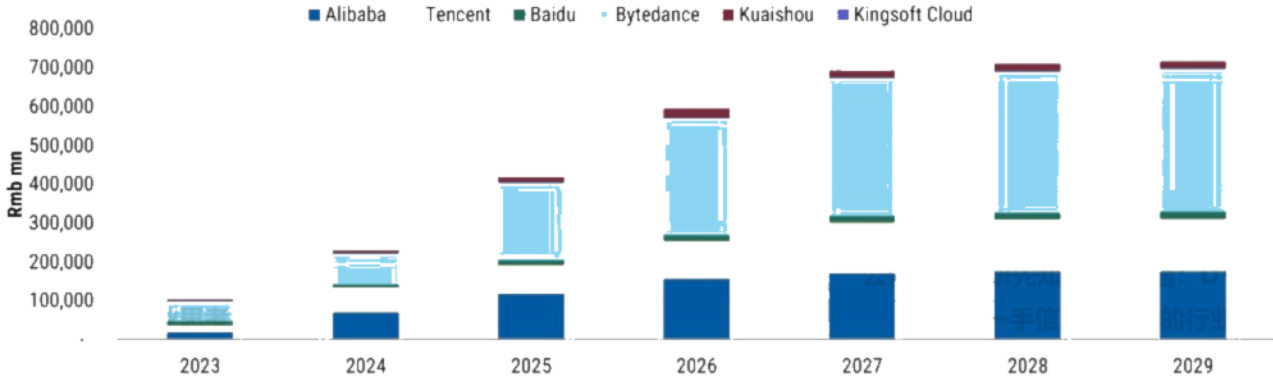
Source: Company data, Morgan Stanley Research.

Cloud infra: Data Centers

China data center capacity



China hyperscalers' capex (GPU leasing not included)



Cloud infra: Data Centers

Data centers in cloud era vs. AI era

	Cloud era	AI era
Rack density	5kW	10-30kW now, higher in future
Hyperscale order	5-20MW	50MW+
Preferred location	Tier 1 markets for low latency	Remote areas for scale and low cost
CSPs' In-house strategy	Outsource in tier 1 markets; In-house in remote sites	Prefer outsourcing for time-to-market and flexibility
Move-in speed	Usually 1-2 years depending on the demand	As fast as 6 months
Delivery time	Usually 1-2 years of construction	6-9 months construction through pre-fab model
Supply side	Power quota scheme; tight in tier 1 market, loose in remote areas	Large DC clusters must be in East Data West Computation nodes; NDRC strictly controlling the supply through construction permit
Cost of capital	High due to high interest rate and lack of alternate financing vehicle	Low interest environment and availability of REITs for alternative financing

Key IDC players

Tier 1 market players

Remote players



CHINDATA
金信数据集团

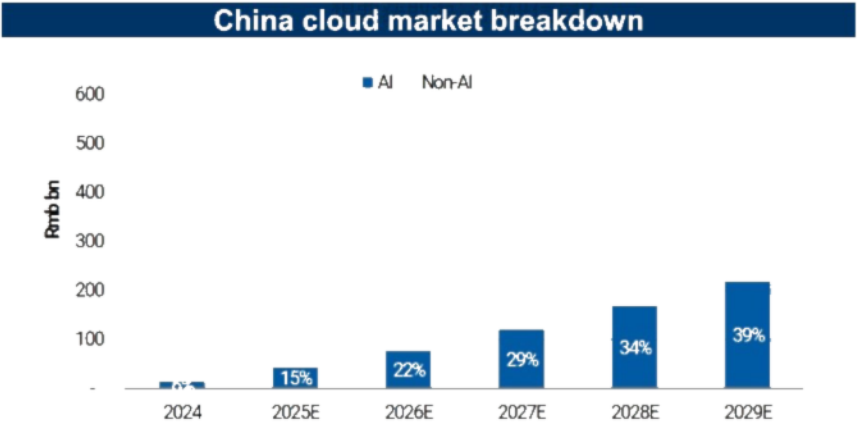
中金数据
CENTRIN DATA

DATA
中联数据

Source: Morgan Stanley Research, PwC

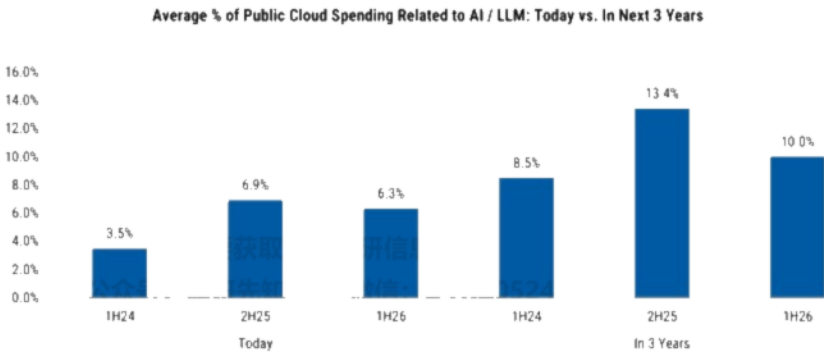
AI Cloud Market Overview

AI cloud vs. traditional cloud		
	Cloud era	AI era
Datacenter	CPU based	GPU based
	Tier 1 cities	Remote area
IaaS	Computing	Model training
	Storage	Model inferencing
	Networking	
PaaS/MaaS	Database	Vector database
	Middleware	MaaS
	Operating system	
SaaS	ERP	Chatbot
	Office software	Coding agent
	CRM	



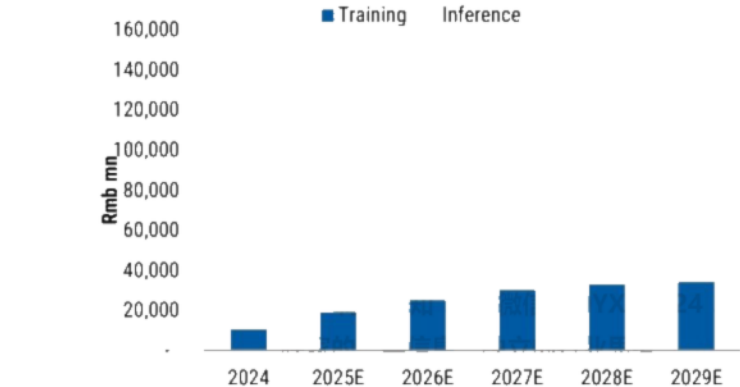
Source: IDC estimates, Morgan Stanley Research

China CIO Survey: public cloud spending related to AI



Source: AlphaWise, Morgan Stanley Research

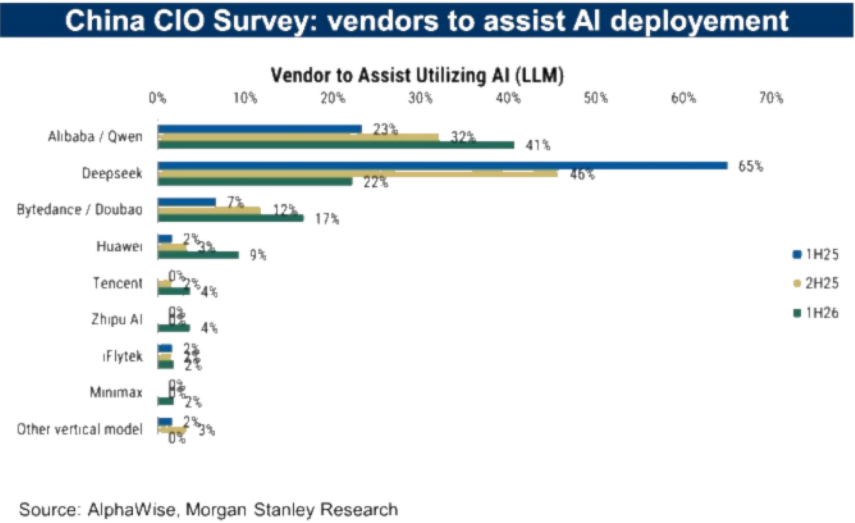
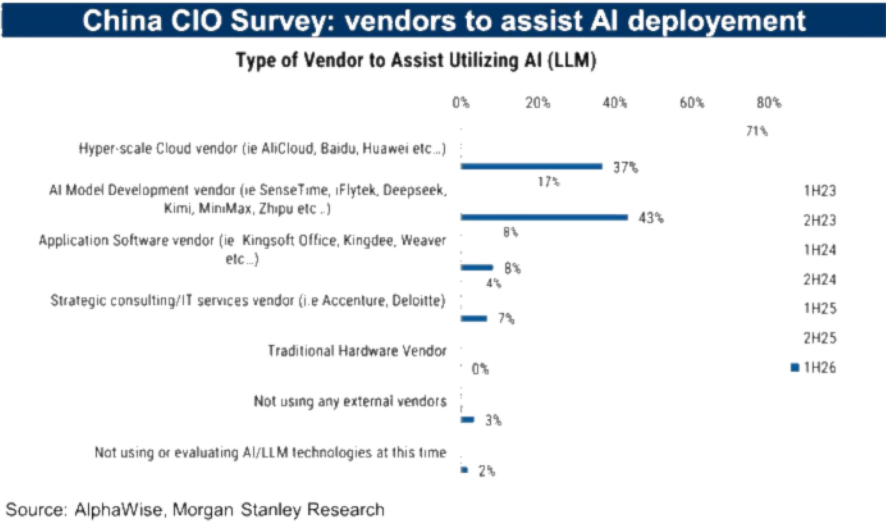
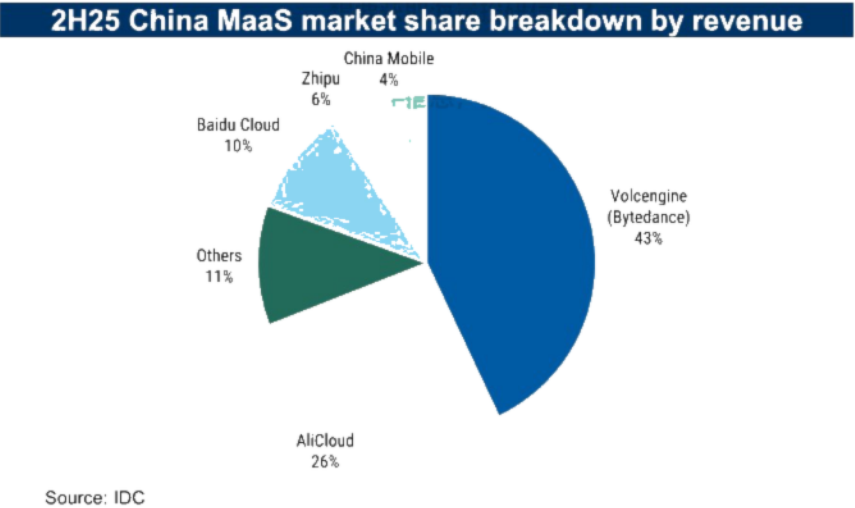
China AI cloud market breakdown



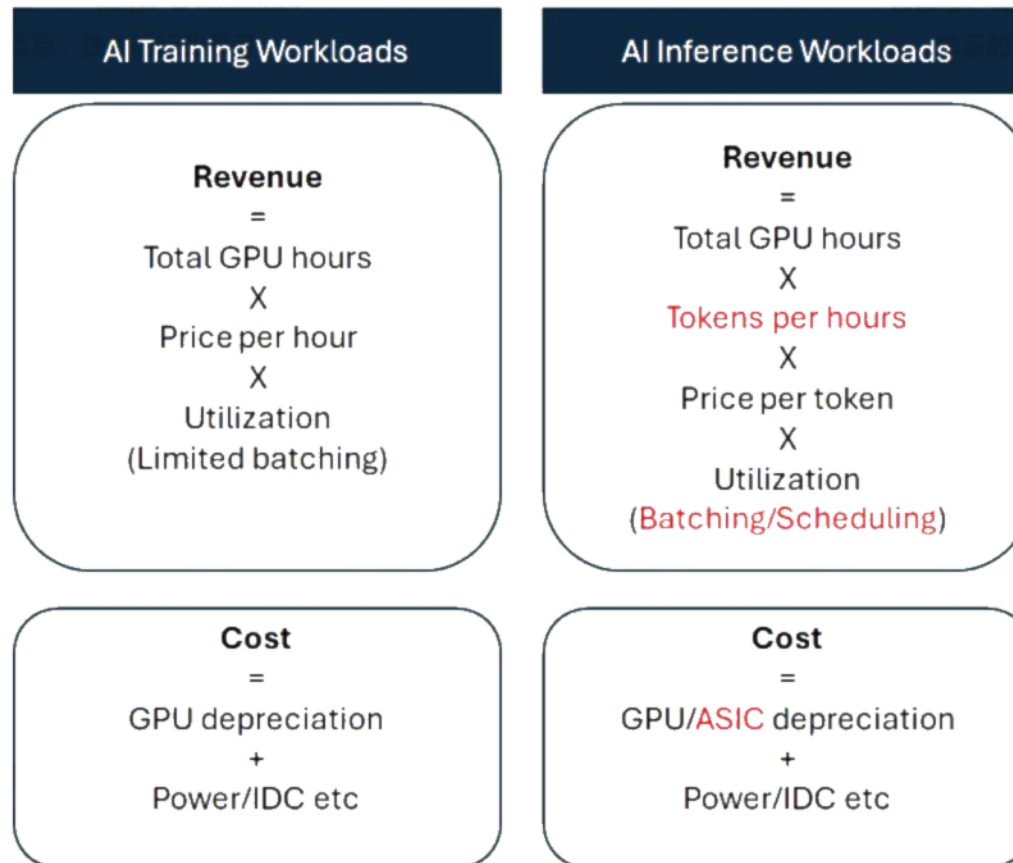
Source: IDC estimates, Morgan Stanley Research

AI Cloud Market Overview

Major AI cloud players				
	Alibaba Alibaba Cloud	ByteDance Volcengine	Tencent Tencent Cloud	Baidu Baidu Cloud
Cloud				
Chipset	T-head	Developing	N/A	Kunlunxin
Model family	Qwen	Doubao/ Seed	Huanyuan	Ernie
Model family	Wan AI	Seedance Seedream	YouTu	Ernie
MaaS/PaaS	Bailian (model studio) PAI	Volcano Ark Coze HuAgent	Tencent Cloud Platform T1 Platform ADP	Qianfan PaddlePaddle
2C Apps	Qwen chatbot Quark Amap	Doubao CapCut Dreamina	Yuanbao ima AI search	Ernie Chatbot AI search Baidu Drive
2B Agents	Lingma JVS Claw DingTalk	Trae Agent ArkClaw Lark	QClaw CodeBuddy Workbuddy Tencent Meeting/WeCom	DuClaw Comate



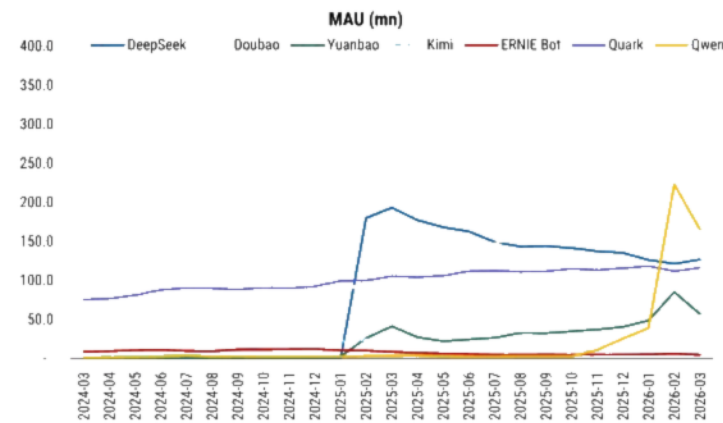
AI Cloud – From Training to Inference



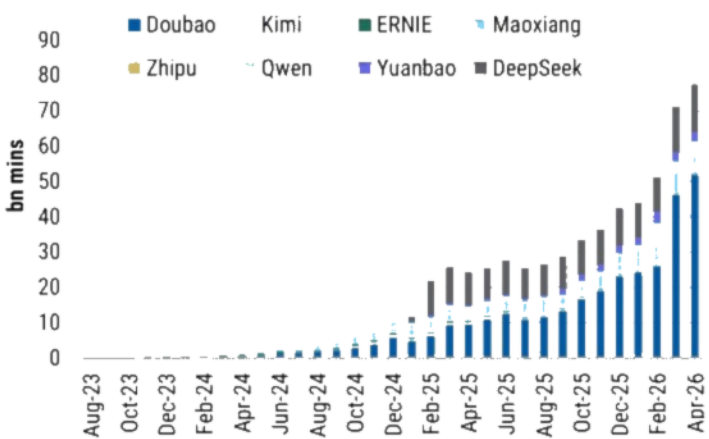
Source: Company data, Morgan Stanley Research

2C AI Application Overview

China major toC AI app MAU



China major toC AI app time spent



China major toC AI app

Tool	Developer	Key positioning	Special features	Primary use case
Yuanbao	Tencent	General AI assistant, chatbot based	Integrated with WeChat ecosystem, can search through WeChat public content or upload documents from WeChat	Content creating, gaming, emotional interactions, research
Quark	Alibaba	All round AI search engine, supports generic queries, work related support, casual conversational interactions	Supports multimedia upload/generation; Supports e-commerce search results from Taobao/JD	Casual and light weight, more for emotional interactions or content generation
Qwen	Alibaba	General AI assistant, chatbot based	Integrated with Quark, support multimodal upload/generation	Content creating, gaming, emotional interactions, research
DeepSeek	DeepSeek	Technical tasks, coding, reasoning	Chatbot, does not support image generation	Coding, research, document
Ernie Bot	Baidu	Multimodal AI integrated with Baidu ecosystem	Chatbot, supports multimedia generation	Enterprise solutions, genera
Doubao	ByteDance	Casual, Light weight, social media entertainment	Chatbot, support media to video/text generation	Casual chat, emotional inter, content creation
Kimi	Moonshot AI	Long context document analysis	Chatbot, similar to DeepSeek layout	Academic research, profess, generation

Source: Questmobile, Morgan Stanley Research



2C AI Application – WeChat as Precursor to AI Agent

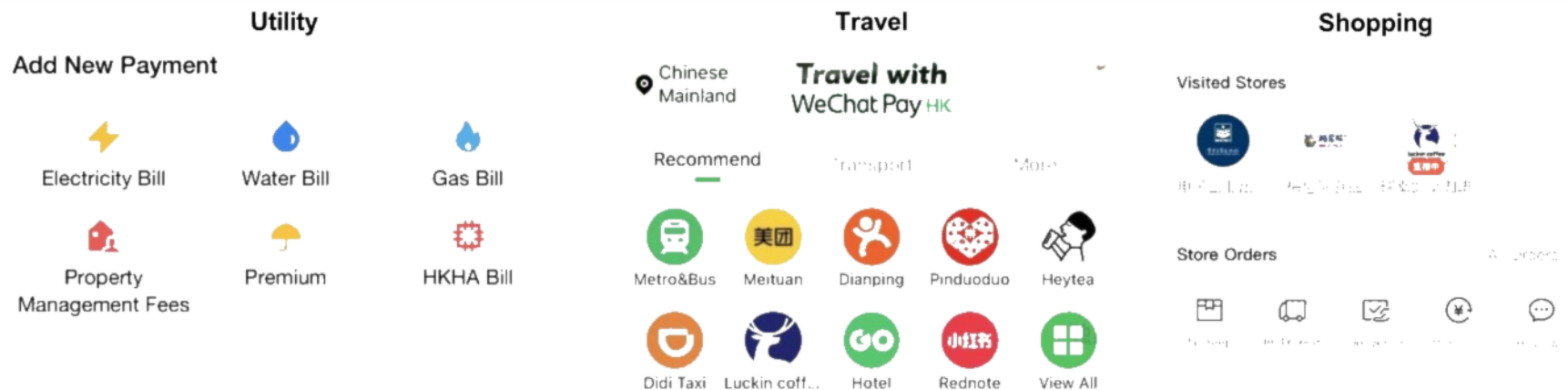
Facts about WeChat in July 2025

- **1.1bn** MAU in China
- **44.6** average sessions/user in daily basis
- **99.4mins** average daily time spent/users

WeChat ecosystem



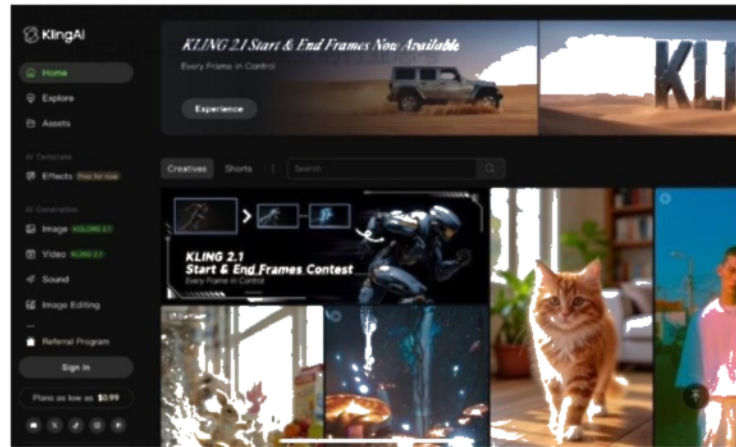
Diversified life scenarios on WeChat



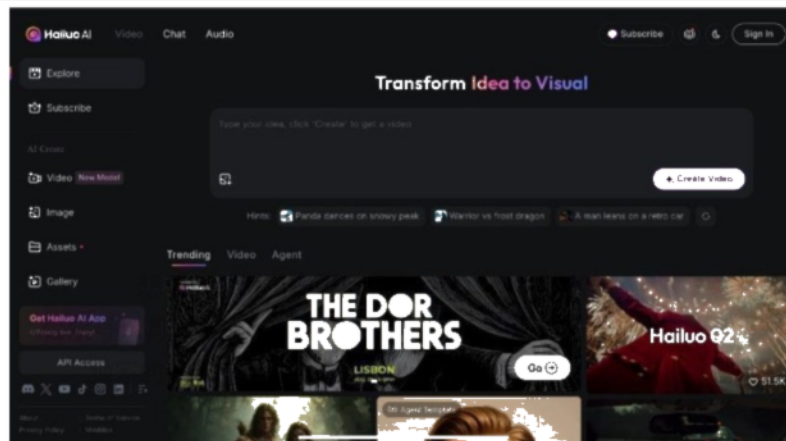
Source: Questmobile, Morgan Stanley Research

2P AI Application – Content Creator

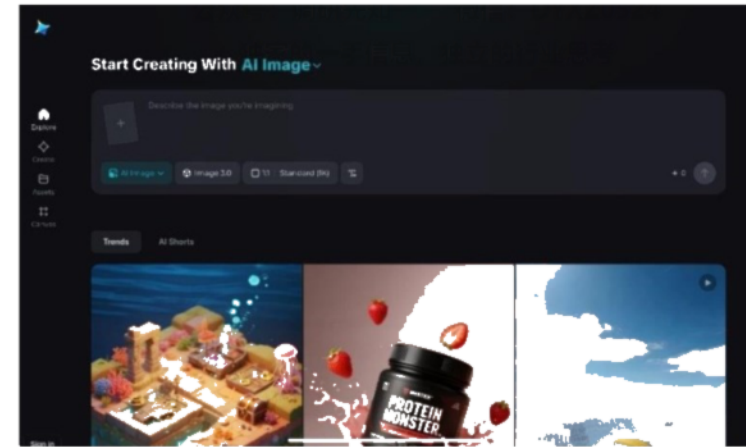
Kuaishou Kling



Hailuo



ByteDance Dreamina



Content creation market

Professionals
(Designers,
Producers)

Prosumers

(Marketers, Knowledge
Workers, Businesses)

General consumers

(Hobbyists, Enthusiasts, K-12,
Social Media Users)

Source: Company data/websites, Morgan Stanley Research

2P AI Application – Agents

	Official launch date	LLMs available	Key highlights
OpenClaw	Launched in Nov-25 under the name ClawBot, gained traction in late-January	- Minimax (recommended) - All other LLMs are available to connect through API	- Requires technical self-hosted setup, on local computer
China's OpenClaw Products	Mostly launched in the week of March 9	China's opensource LLMs	- One-click installation on either local computer or cloud-based service - Connect with Chinese messaging apps like WeChat, WeCom, Feishu, Dingtalk, etc. - Pre-built skills that are suitable for China's internet environment
Tencent - Lighthouse Cloud-based OpenClaw	January 26, 2026	- Tencent Cloud Model Coding plan	- Cloud-based service
Tencent - WorkBuddy	March 9, 2026	Hunyuan-2.0-Instruct, Deepseek-V3.2/-V3-1-Terminus, GLM-5.0/4.7, Kimi-K2.5/K2-Thinking, MiniMax-M2.5	- Install on local computer - 151 pre-built plug-ins including 300+ Skills
Tencent - QClaw	March 20, 2026	Hunyuan-2.0-Instruct, Deepseek-V3.2/-V3-1-Terminus, GLM-5.0/4.7, Kimi-K2.5/K2-Thinking, MiniMax-M2.5	- Install on local computer
ByteDance - ArkClaw	March 9, 2026	Doubao-Seed-2.0-pro/lite/Code, Doubao-Seed-Code, GLM-5/4.7, Deepseek-V3.2, Kimi-K2.5, Minimax-M2.5	- Cloud-based service - Integration with ByteDance ecosystem (Doubao-Seed-2.0 series & Feishu & ArkClaw), better performance for complex tasks - Flexible selection on latest mainstream models, massive built-in Skills library - Connect with Feishu (recommended)

2P AI Application – Agents (cont'd)

ByteDance – Feishu Miaoda	March 9, 2026	Same as the above, or own coding plan	- Smooth integration with Feishu tools
Alibaba - JWS Claw	March 12, 2026	- Bailian Coding Plan - Qwen 3.5, Kimi-K2.5, GLM-5, etc.	- Cloud-based service and local hosted both supported - no connection with messaging apps, has a separate JWS Claw app
Baidu - DuClaw	March 11, 2026	- Qianfan Coding Plan - GLM-5, Minimax-M2.5, Deepseek, Kimi-K2.5	- Cloud-based service
MiniMax - MaxClaw	February 26, 2026	MiniMax series	- Cloud-based service
Zhipu - AutoClaw	March 10, 2026	Pony-Alpha-2 (Specialized for AutoClaw)	- One-click installation on local computer - Connect with Feishu (recommended) - 50+ pre-built Skills including: Media content creation and publishing, write websites, smart email, Deep integration with Feishu, marketing and SEO, code development, vertical scenarios like investment/academic research
Kimi - Kimi Claw	February 18, 2026	Multiple models	- Cloud-based service - 5,000+ Skills from ClawHub

Source: Company data, Morgan Stanley Research

2B AI Application – Early Adoption Cases

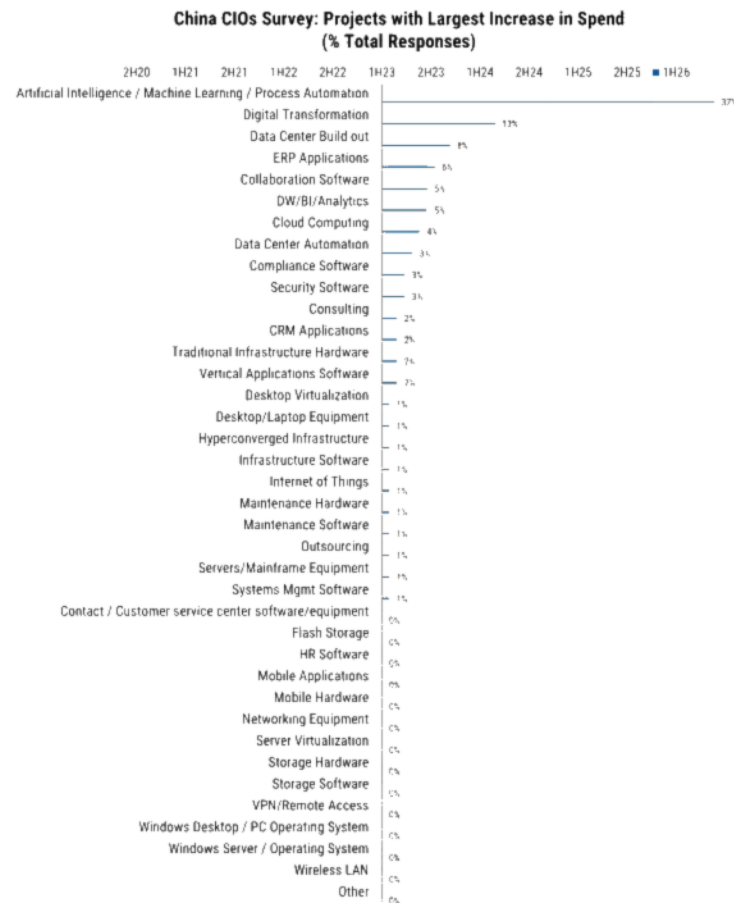
China major toB AI application scenarios

Advertising & Digital Content	Financials	Healthcare	Energy & Industrials	E-commerce	Office
Marketing Efficiency	AI Portfolio Management	New Drug Development	Energy Usage Analytics	Product Description & Image Generation	Document Summary & Rewrite
Enhanced Ad Targeting	Financial Advisors	Medical Imaging	Energy Trading Enhancement	Customer Services	PPT Generation
Recommendation Engine	Credit Review	Pathology Detection	Labor Scheduling	Data Analysis	Knowledge Base
Higher Ad Conversion	Compliance Check	Identify Biomarkers	Leak Detection & Track Emissions	Demand Prediction	Email/IM Summary
Ad Auction Dynamics	Investment Research	Clinical Decision Support (CDSS)	Geological Models	Inventory Management	Spreadsheet Formula Generation
Content Creation	Customer Service	Analysis of Genomic Data	AI Tools for Pipelines	AI Human Model	
Customized Travel Itineraries		Physician Point of Service Tools			
Videl Game Development					

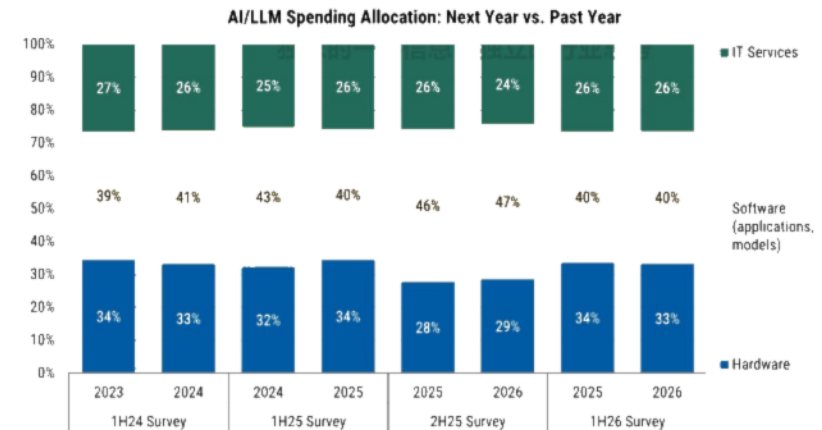
Source: Morgan Stanley Research

2B AI Application – Early Adoption Cases

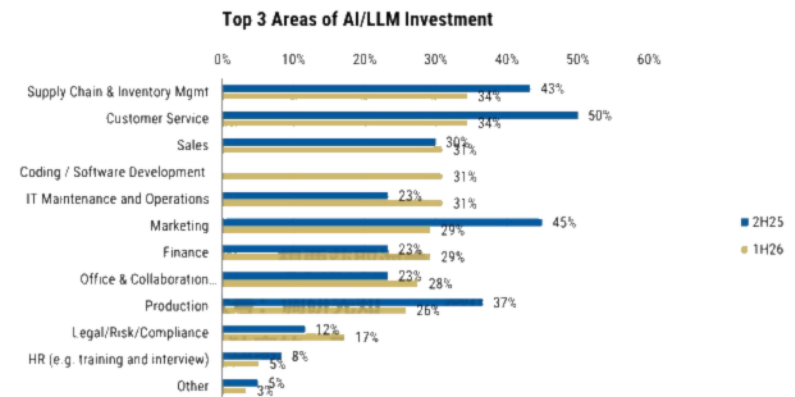
China CIO Survey: IT project importance



China CIO Survey: AI spending allocation



China CIO Survey: AI investment initiatives



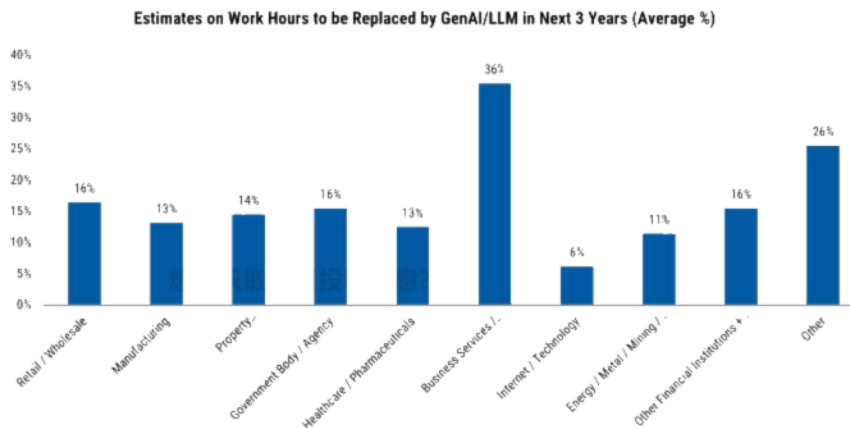
Source: AlphaWise, Morgan Stanley Research

2B AI Application – Enterprise Adoption

Public cloud vs. GenAI major milestone

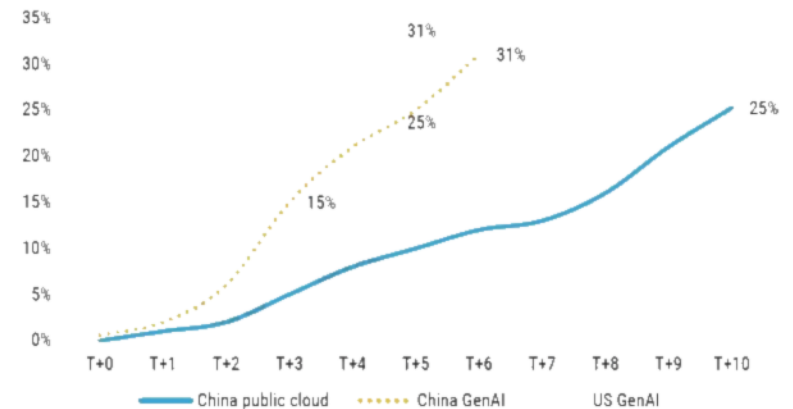
Milestone	Public Cloud	GenAI
Foundation theory	1983: Utility Computing by Sun	2017: Transformer by Google
First product	2002: AWS	2018: OpenAI GPT-1
Commercialization	2006: AWS EC2	2022: OpenAI GPT-3.5
China's first product	2009: Alibaba	2023: Baidu Ernie Bot
China mass adoption	2013: Alibaba, Tencent Cloud, Qingshan Cloud, UCloud	2025: DeepSeek-R1, Alibaba Qwen2.5-Max, ByteDance Doubao 1.5-pro

Work hours to be replaced by GenAI in next 3 years in China



Source: AlphaWise China CIO Survey 1H26, Morgan Stanley Research

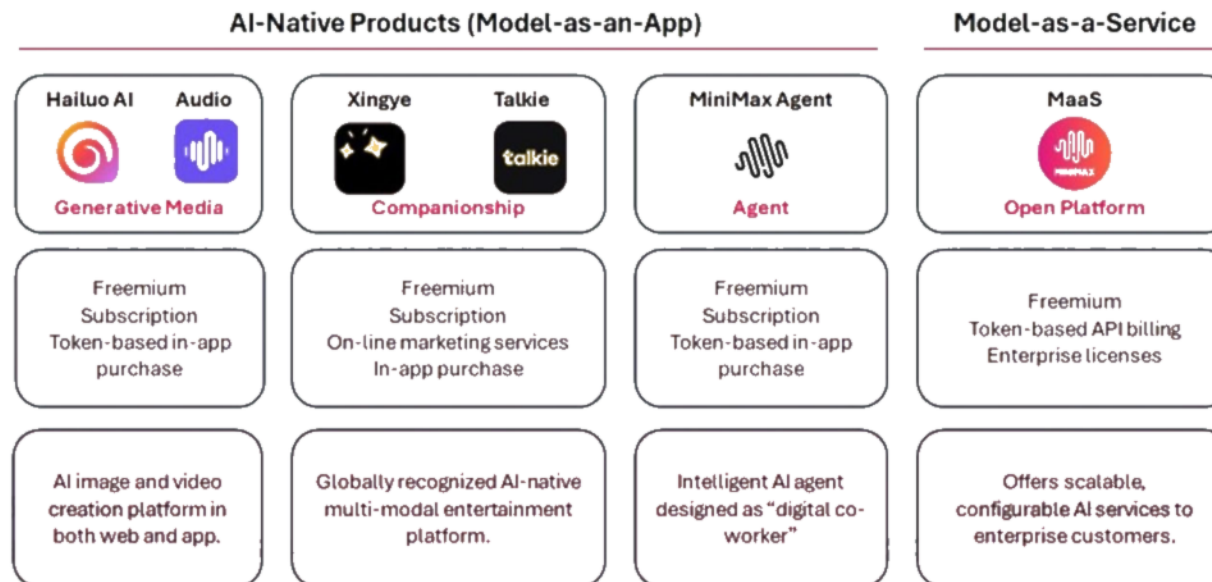
Enterprise workload penetration estimates



Source: Morgan Stanley Research, US GenAI workload penetration estimated by US research team

MiniMax

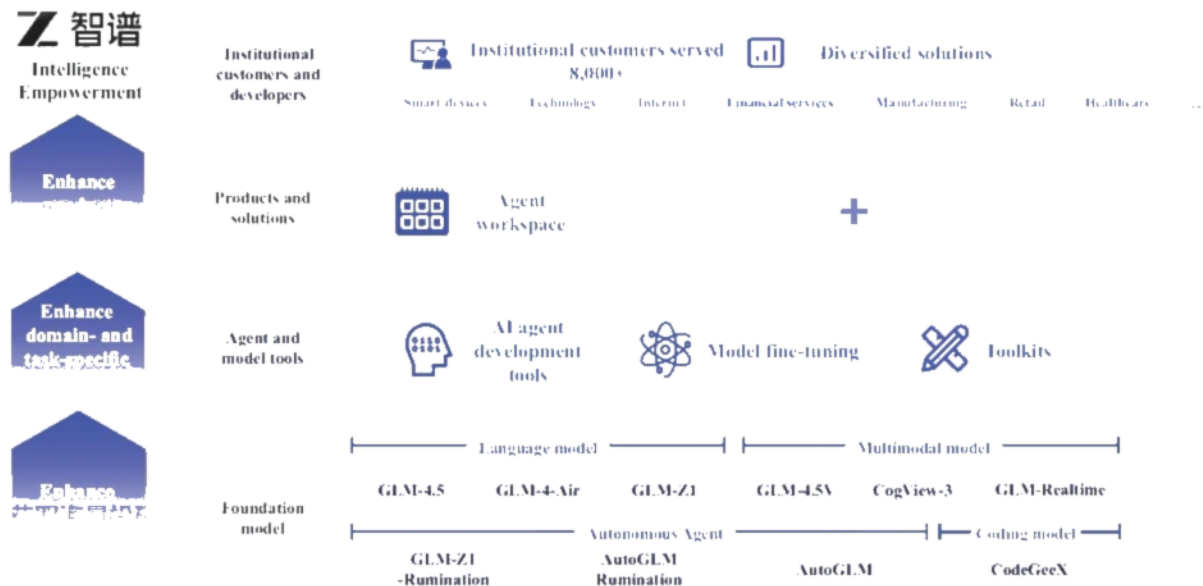
- **Model** – The only standalone AI lab in China focusing on full-modality capabilities – both LLMs and multi-modal models.
- **Revenue stream** – Cloud-based MaaS and applications including Generative Media (Hailuo & Audio), Agents and Companionship (Xingye & Talkie)
- **Global exposure** – Over 70% of revenue contributed by overseas market
- **Efficiency** – Prioritizing balance of model performance, inference cost and speed



Source: Morgan Stanley Research

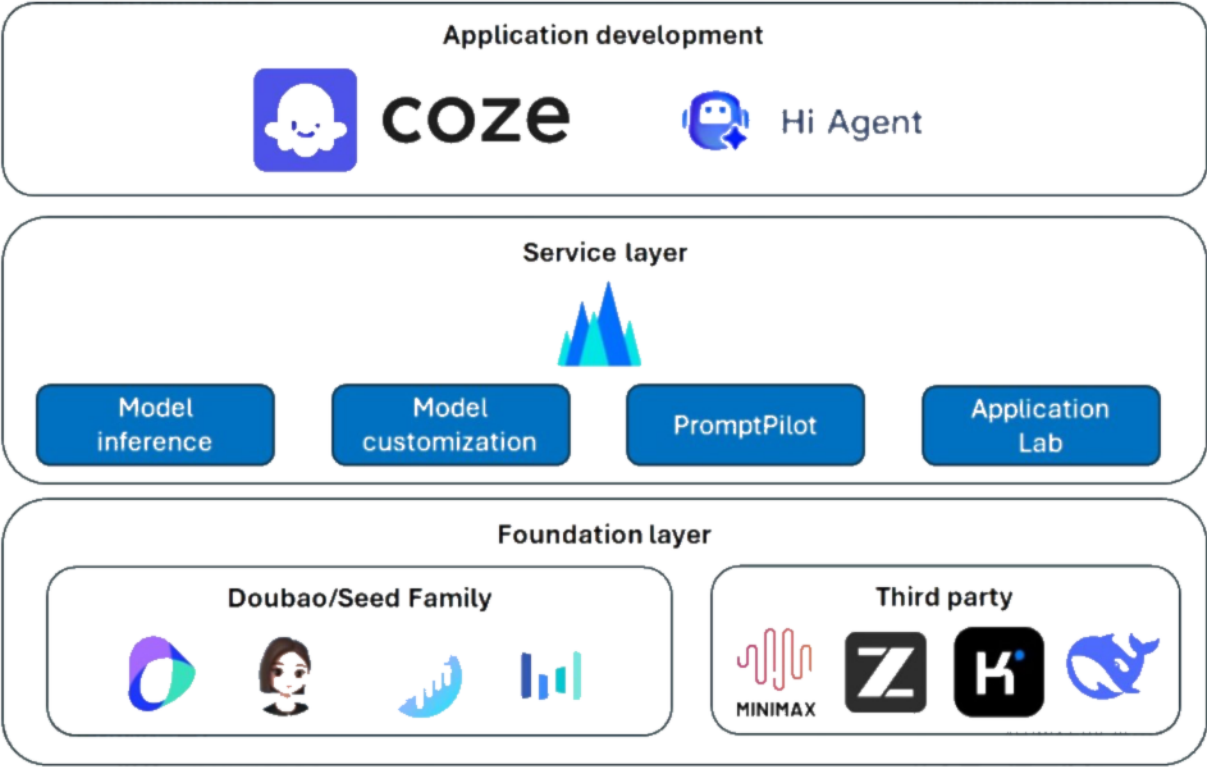
Z.ai

- **Model** – Purely focuses on LLMs, specializing in coding, agents and reasoning
- **Revenue stream** – MaaS only with cloud (API + subscription) and on-prem deployment
- **Premium market** – Focusing on high value productivity market with high API pricing
- **Academic background** – Originated from Tsinghua University's leading academic lab



Source: Z.ai

ByteDance: The New Disrupter



Source: Morgan Stanley Research

Alibaba

- **Qwen** – The world's most widely used open-source model family, surpassed 1bn cumulative downloads on Hugging Face as of January 21, 2026.
- **Established Alibaba token hub** – Comprise existing Alibaba units Tongyi Laboratory (multimodal foundation model), MaaS Business Line, Qwen (2C agentic application), Wukong (2B agentic application) and AI Innovation (new AI applications, businesses models, and markets).
- **Cloud growth to accelerate** – Guided for US100bn revenue in five years, 40%+ CAGR.
- **Capex** – We expect further upside from Rmb380bn+ three-year guidance.

AI + Cloud Businesses

 Alibaba Cloud

 Qwen

 平头哥

 Qwen

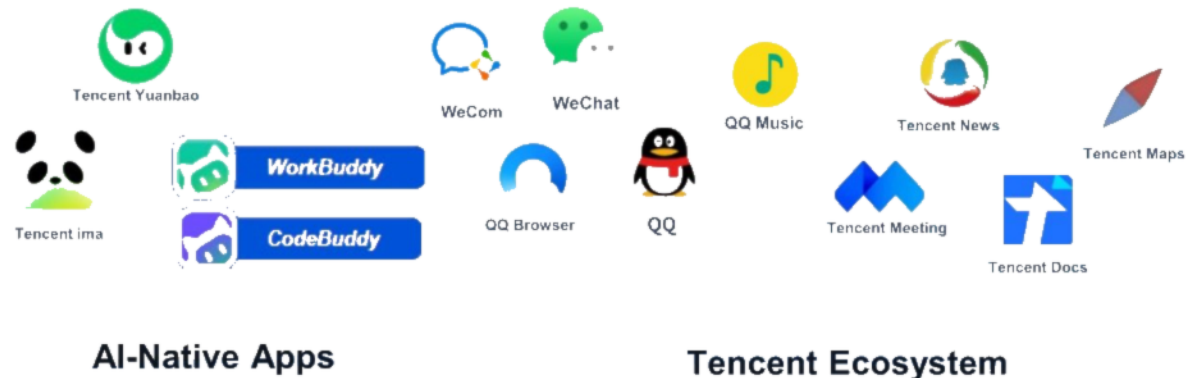
Source: Alibaba

Tencent: Stepping Up AI Investment in 2026

Key products:

- **Foundation model Hunyuan:** Scale up to larger models; co-design process with other Tencent product teams
- **Yuanbao AI chat bot:** information aggregators, most overlap with, and substitute, search use cases; Core experience will benefit from HY 3.0 deployment and future improvement within Yuanbao
- **Productivity AI:** Early lead in agentic AI deployment, WorkBuddy, CodeBuddy and Claws
- **Weixin AI:** Under development

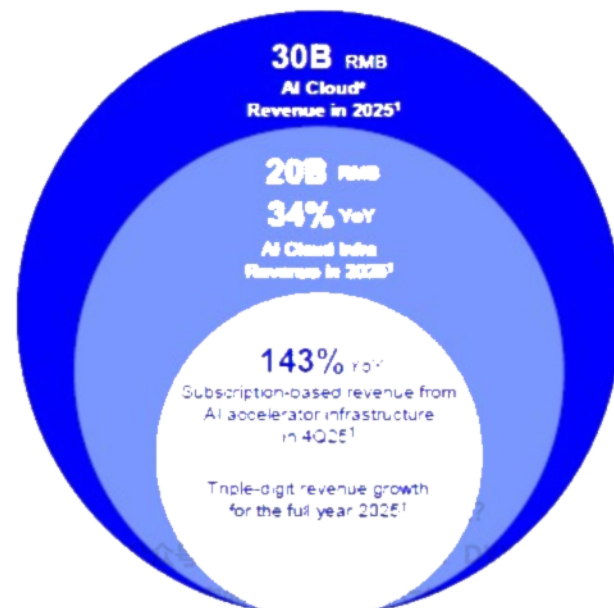
Will double investment in New AI for new opportunities in 2026 (spent Rmb18 billion in 2025 – including talent, data, training for HY, inference and marketing for Yuanbao)



Source: Company data, Morgan Stanley Research

Baidu

- **Baidu Core AI-powered Revenue:** Surpassed Rmb11bn in 4Q, accounting for 43% of Baidu revenue.
- **Subscription-based revenue** from AI accelerator infrastructure grew 143% year over year 4Q, achieving triple-digit growth for the full year 2025.
- **Apollo Go** delivered 3.4 million fully driverless operational rides with weekly rides peaking at over 300k during the quarter. Total rides increased by over 200% YoY. Globally operating in 26 cities.



Accelerating Global Expansion

- ✓ **Uber** partnership: initial rollouts in the Middle East, the UK and Asia
- ✓ **Lyft** partnership: initial deployments in the UK and Germany

26 Cities

Global footprint²

Europe

- ✓ **London:** partnered with Uber and Lyft to bring Apollo Go robotaxi services in 2026.
- ✓ **Switzerland:** established a strategic partnership with PostBus and initiated testing in St. Gallen recently.

The United Arab Emirates

- ✓ **Abu Dhabi:** launched fully autonomous ride-hailing services.
- ✓ **Dubai:** secured Dubai's first fully driverless testing permit; partnered with Uber to launch Apollo Go on the Uber platform.

Chinese Mainland

- ✓ 100% fully driverless operations
- ✓ Beijing, Shanghai, Shenzhen, Wuhan, Chengdu, Chongqing, Haikou, Sanya, etc.

South Korea

- ✓ Entered the South Korean market, starting with the Seoul metropolitan area.

Hong Kong

- ✓ Open-road testing areas incl. the southern district, North Lantau, Kowloon, Kwun Tong and Tsuen Wan district.

Source: Company data, Morgan Stanley Research

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