CHINA MUSINGS

Investor FAQs on Large-Scale IPOs

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ChangXin Memory Technologies (CXMT), a Chinese DRAM maker, completed its primary listing on Shanghai Stock Exchange's STAR market on July 27, raising US$8.6bn (US$9.8bn if incl. greenshoe) in IPO proceeds. In this China Musings, we address investor FAQs related to large-scale IPOs.

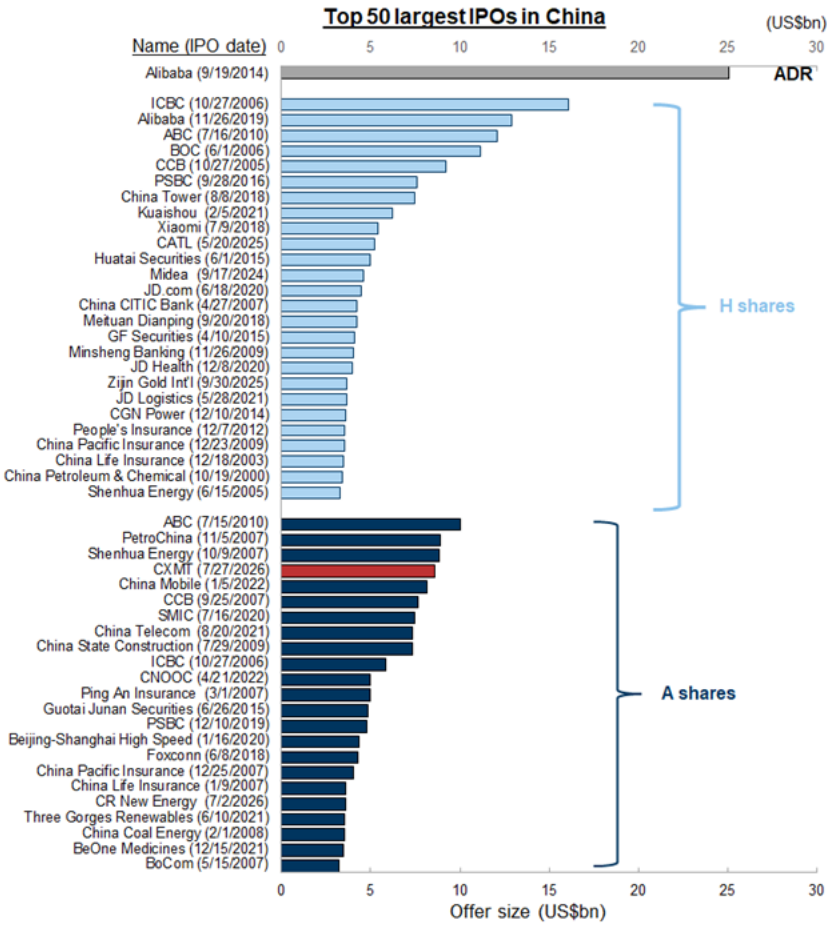
1. **CXMT's IPO in a historical context?** At US$8.6bn offer size and US$484bn market cap (based on 27 July 2026 close), it is the largest A-share Tech IPO, the 4th largest (in USD terms) in A shares, and it ranks the 2nd largest in the aggregate China equity universe by total market cap.
2. **How did large IPOs trade in the past?** 30%+ 1D and 1M returns on average for the top-50 largest Chinese IPOs, but with high market and sector variations.
3. **Historical performance of large IPOs?** Headline indexes tended to weaken before but recover shortly post the issuances. The V-shaped pattern is more pronounced in A shares, likely due to strong retail participation there.
4. **Sentiment boost or liquidity drain for sector peers?** Listed comparables of new IPOs typically traded sideways before but traded better after the event.
5. **Macro and market liquidity implications?** Liquidity often tightened 2 weeks ahead of the listing dates, and cash turnover usually rose post the transactions.
6. **Fast-track inclusion?** Per SSE's index methodology, a newly listed large-cap company could be eligible for fast-track inclusion to the STAR50 Index in 1–3 months, but may require 12–18 months for MSCI China/CSI300 inclusion.
7. **Pro-forma index weights and potential flows?** We estimate that CXMT with a market cap of US$484bn (as of July 27 close) would represent approximately 7% of the STAR50 Index upon its initial inclusion. Moreover, our analysis suggests a hypothetical company with a market cap of US$400-600bn could potentially lead to US$12-17bn of passive buying cumulatively by 4Q27.
8. **US sanction risks?** Designation on the 1260H CMC list by itself doesn't prevent US persons from trading a company's securities.
9. **What's next for China IPO market?** It will likely stay active, with US$30bn and US$33bn of new IPO supply in A and H shares in 2H26 on GS forecasts.
10. **Strategy?** We screen for (1) GS Buy-rated names in AI Hard Tech and Semi cohort for a potential V-shaped recovery trade; and (2) existing index constituents that might experience passive index selling.

Investors should consider this report as only a single factor in making their investment decision. For Reg AC certification and other important disclosures, see the Disclosure Appendix, or go to www.gs.com/research/hedge.html.

1) CXMT's IPO in a historical context?

- ChangXin Memory Technologies (CXMT), a Chinese memory chipmaker which accounted for about 8% of global DRAM market share as of 4Q25, completed its IPO on the Shanghai Stock Exchange's STAR market on July 27, **raising US$8.6bn (potentially US$9.8bn with greenshoe) in IPO proceeds**.
- On its debut listing day (July 27), CXMT (688825 CH) traded to Rmb49.00 (+466%) compared to its IPO offer price of Rmb8.66. It's worth noting that, per the trading rules by the SSE, new IPOs on STAR Board are not subject to any daily price caps in their first 5 days of listing, but a +/-20% daily limit will apply thereafter.
- At US$8.6bn realized fund raising (ex-greenshoe) and US$484bn market cap (as of July 27 close), **the listing is the largest A-share Tech IPO, and the 4th largest in the A-share market since 1990 (in USD terms)**. It is also the largest company by market cap in A shares, and the 2nd largest across the aggregate A, H, and ADR universe.

Exhibit 1: Top-50 Chinese IPOs across the 3 major listing locations in the history of Chinese equities

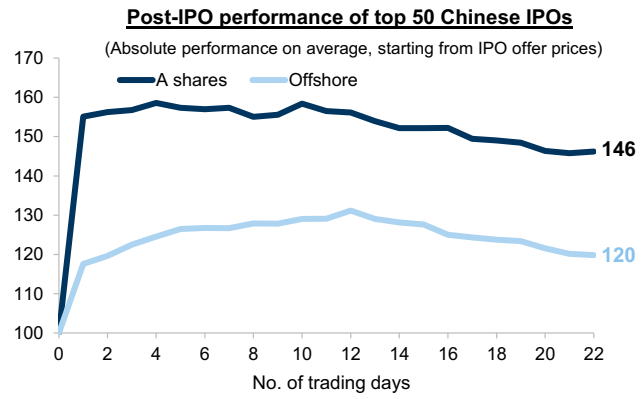


Source: Bloomberg, Factset, compiled by Goldman Sachs Global Investment Research

2) How did large IPOs trade in the past?

- Using the top-50 largest IPOs in China onshore and offshore markets (22 A shares, 27 H shares and 1 ADR) historically as our study universe, we note that **they generally performed well immediately post their debuts**, gaining 34% on day 1 and 31% over the first 21 trading days on average (vs offer prices).
- They also tended to outperform their local benchmarks shortly after their debuts, **posting average 1-month excess returns of 49% in A shares and 18% in H shares**.
- The return divergence is nevertheless fairly significant along various vectors, with **A-share listings typically outperforming the offshore deals**, and Healthcare IPOs lagging from a sector standpoint.

Exhibit 2: On average, large-scale Chinese IPOs tended to perform well post their listings



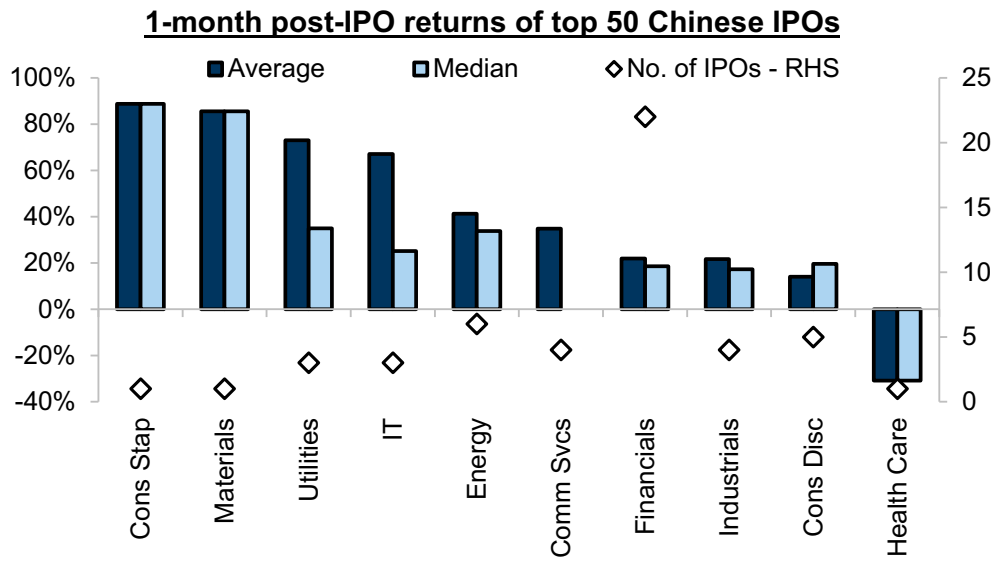
Source: Wind, Bloomberg, Compiled by Goldman Sachs Global Investment Research

Exhibit 3: Large IPOs usually outperformed their local benchmarks, posting an average 1-month excess return of 49% in A shares and 18% in H shares



Source: Wind, Bloomberg, Compiled by Goldman Sachs Global Investment Research

Exhibit 4: Significant post-listing return disparity of large IPOs across sectors

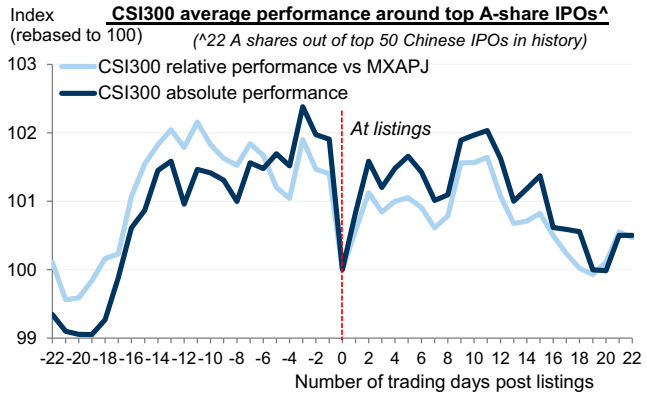


Source: Wind, FactSet, Compiled by Goldman Sachs Global Investment Research

3) Historical performance of large IPOs?

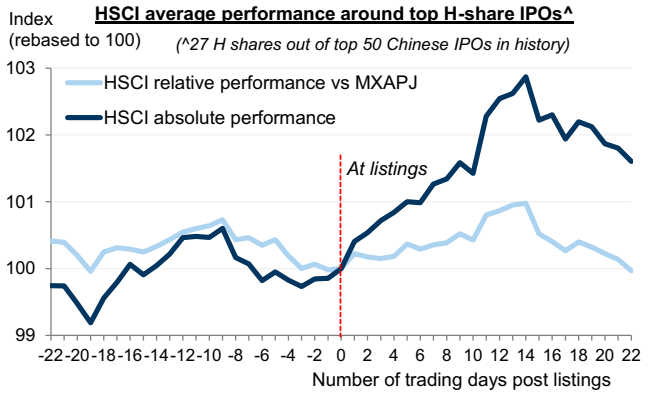
- In our top-50 largest Chinese IPOs universe, **the A-share index benchmark (CSI300) tended to trade softly (-2% on average)** and underperform the regional benchmark (MXAPJ) by around 1% around one week before the new issuances. However, the **index usually reversed the short-term weakness** thereafter, recovering 2% 1 week after the events.
- **The pre-listing weakness seems less pronounced in Hong Kong** as the market was mostly flat or range-trading before the issuances, and importantly, the benchmark often traded well after the listings as those large deals could sometimes be seen as a sentiment and liquidity boost.
- **The tactical 'V-shaped' pattern for A shares at the index level, possibly due to strong retail participation there, could weaken somewhat** given regulatory reforms and IPO pricing liberalization/enhancements that have been made in the past decade. For instance, the requirement of 100% capital lock-up equivalent to individual investors' full IPO subscription amount was scrapped in 2016 and the implicit IPO valuation pricing cap of 23x trailing P/E was also removed in 2023, both likely reducing and helping smooth the liquidity impacts of large IPOs than would otherwise be the case, in our view.

Exhibit 5: A clear "V-shaped" pattern around the issuance dates of large IPOs in the past



Source: Factset, Bloomberg, Compiled by Goldman Sachs Global Investment Research

Exhibit 6: HK market tends to trade well post large IPOs

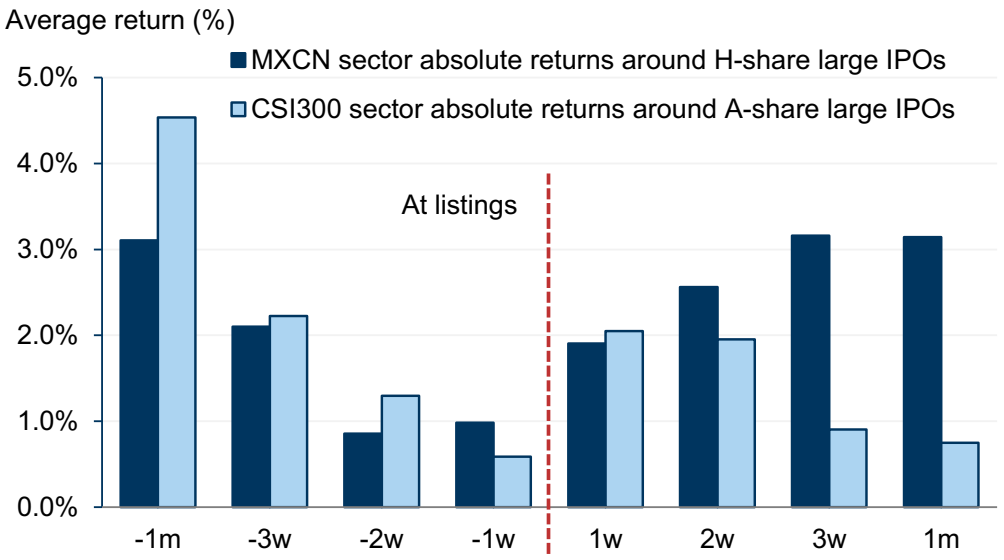


Source: Factset, Bloomberg, Compiled by Goldman Sachs Global Investment Research

4) Sentiment boost or liquidity drain for sector peers?

- Focusing on the sectors to which the IPOs belong, we observe that **existing (listed) comparables often traded sideways or gave up previous gains** 1 month before large IPOs' debut in both A shares and in Hong Kong. However, contrary to common perception that they could be taken as funding sources for the new IPOs, the sector peers usually managed to hold up well before the new listings came to the market.
- It's also noteworthy that, similar to the V-shaped trading pattern at the index level, **the sector peers tended to trade better post the event**, gaining 2-3% on average one month after the IPOs' debut for offshore listings, although the positive spillover effects in A shares were less noticeable. This suggests to us that successful listings could be regarded as a market-clearing event and generally boost overall sector sentiment, everything else being equal.

Exhibit 7: Large IPOs usually boded well for their sector peers in the offshore market

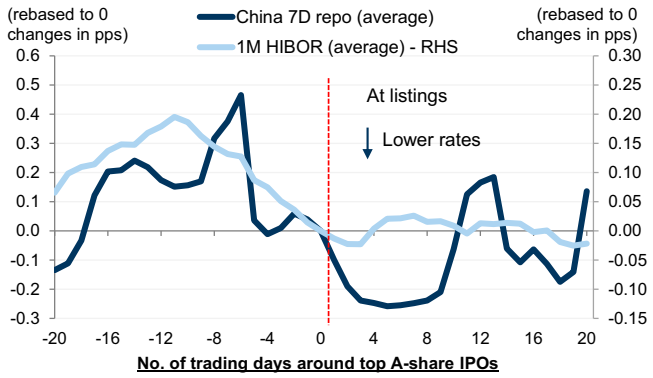


Source: Factset, Compiled by Goldman Sachs Global Investment Research

5) Macro and market liquidity implications?

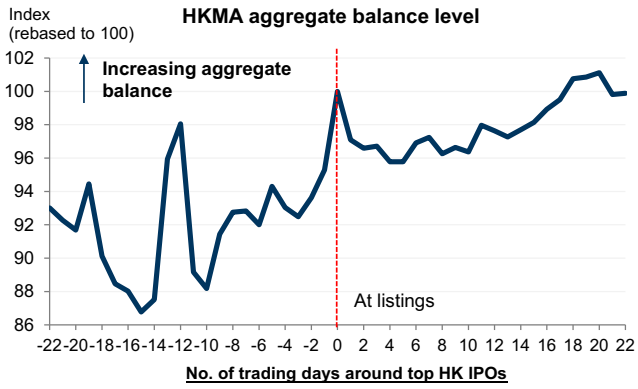
- On interest rates, we note that **front-end proxies such as the 7-day REPO and 1-month HIBOR often increased in the lead-up to the large IPO issuances**, peaking around 2 weeks before the actual listing dates. This may reflect the temporary liquidity tightness due to the capital lock-up in the IPO subscription process. However, the situation usually eased shortly after the listings as (excess) liquidity returned to the inter-bank system in HK where the aggregate balance tended to rise with stable HKD spot exchange rates.
- The easing in macro liquidity conditions often resulted in **noticeable improvements in market liquidity and appetite for equity allocations,** with cash turnover in both A shares and HK markedly strengthening and domestic A-share active funds raising equity exposures by as much as 1pp post the issuance dates.

Exhibit 8: Front-end rates usually rose ahead of large-scale IPO listings



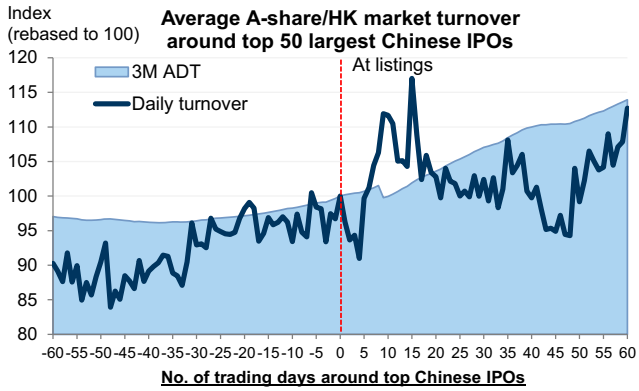
Source: Wind, Compiled by Goldman Sachs Global Investment Research

Exhibit 9: Macro liquidity often eased after large-scale IPO listings in HK



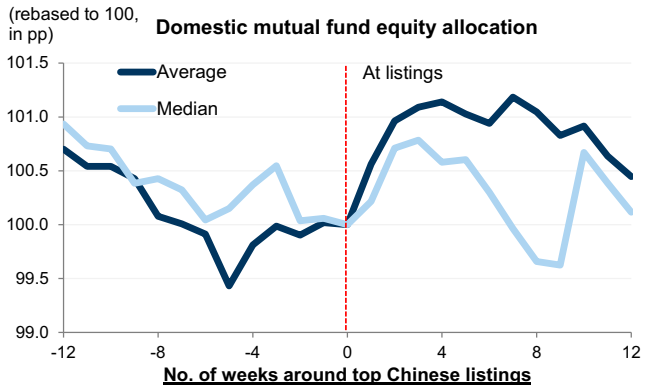
Source: Bloomberg, Compiled by Goldman Sachs Global Investment Research

Exhibit 10: Market turnover usually strengthened post significant A-share IPO listings



Source: Bloomberg, Compiled by Goldman Sachs Global Investment Research

Exhibit 11: Onshore mutual funds' allocation to equities often increased post large-IPO listings



Source: Wind, Compiled by Goldman Sachs Global Investment Research

6) Fast-track index inclusion?

- Based on the latest index methodology published by the SSE, **a newly listed large-cap company could be eligible for fast-track inclusion to the STAR50 Index as early as 1 month post-listing,** subject to the approval by the Index Advisory Committee and other market cap requirements (top-3 by total market cap on the STAR board). For sector-specific benchmarks, such an issuer could potentially be added to the STAR Chip and CNI Chip Index during the next scheduled index rebalancing, typically within 1-2 quarters post listing.
- Inclusion to the SSE A-Share Index is a pre-condition for Northbound Stock Connect eligibility for non-A+H dual listings. If the newly listed company ranks in the top 10 by market capitalization on the SSE, it could be fast-tracked into the index within 3 months of listing, thereby paving the way for **Northbound Connect inclusion shortly thereafter**. Otherwise, under the standard 1-year listing history rule, it would be added to the SSE A-Share Index 12 months post-listing and gain Northbound eligibility in the subsequent month.
- As Northbound eligibility is a prerequisite for MSCI inclusion for A-shares, **the company might be eligible for MSCI addition in the following quarter index review** if it achieves its Northbound status as discussed above.
- For broad-market benchmarks such as the CSI 300 and CSI A500, STAR board constituents are generally subject to a 1-year listing history requirement. Hence, **a newly listed STAR board company could be added to these indexes during the first semi-annual index review following its one-year listing anniversary.**

Exhibit 12: Fast-Track index eligibility and entry criteria for newly listed large-cap companies on the SSE STAR Board

	Index Name	# constituents (current)	Passive tracking AUM (US$bn)	Eligible for fast track inclusion
Onshore Index	**STAR50**	50	24.7	Top 3 by mkt cap: 1-month listing history^ Top 5 by mkt cap: 3-month listing history
	SHCOMP	2224	3.6	Top 10 by mkt cap: 3-month listing history Others: 1-year listing history
	SSE50	50	4.6	-
	SSE A-Share	2284	-	Top 10 by mkt cap in SSE: 3-month listing history Others: 1-year listing history
	CSI300	300	49.0	STAR Board: 1-year listing history
	CSI A500	500	29.9	STAR Board: 1-year listing history
	STAR Chip	50	12.2	Top 5 by mkt cap: 3-month listing history Others: 6-month listing history
	CSI Chip	50	1.4	STAR Board: 1-year listing history
	CNI Chip	30	6.1	Top 3 by mkt cap: 3-month listing history Others in STAR Board: 1-year listing history
Northbound Connect		3265	-	Prerequisite: SSE A-Share Index inclusion + Avg mkt cap>Rmb5bn & liquidity criteria (for non A+H, non WVR)
Offshore Index	**MSCI China**	576	203.8^^	Prerequisite: Northbound Stock Connect eligibility
	MSCI China A	410	103.5	Prerequisite: Northbound Stock Connect eligibility

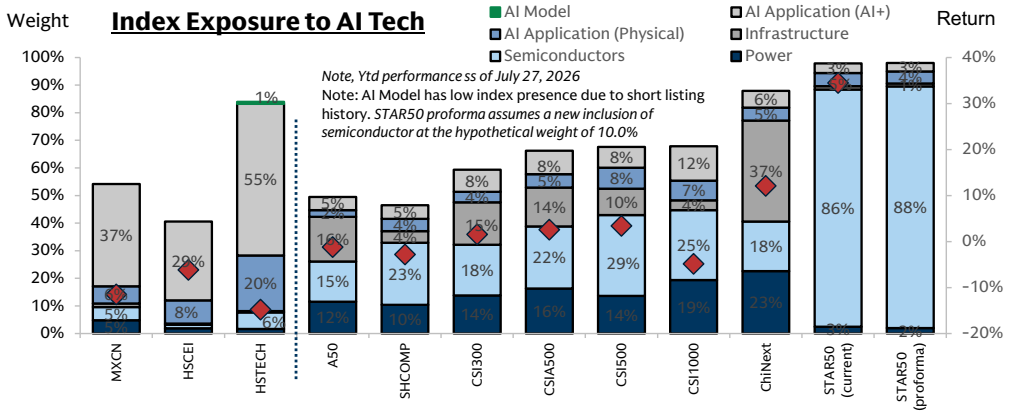
Note: ^Under the SSE STAR 50 Index methodology, newly listed companies ranking in the top 3 by daily average market capitalization since their IPO can be fast-tracked for inclusion after 1 month of trading, subject to formal review and approval by the Index Advisory Committee; ^^The passive tracking AUM for MSCI China includes both direct index-tracking assets and the pro-rata portion of passive assets tracking broader regional and global benchmarks—such as MSCI ACWI, EM, AEJ, and APJ—calculated based on China's respective weight in those indices.

Source: MSCI, HSI, SSE, FactSet, Goldman Sachs Global Investment Research

7) Pro-forma index weights and potential flows?

- Large-cap IPOs generally represent smaller weights in the benchmark indices initially, before growing as more shares are floated. Based on CXMT's current market cap of US$484bn (as of July 27 close), we estimate that the company **would represent approximately 7% of the STAR50 Index** upon its initial inclusion. Thematically, this addition would modestly raise the STAR50 Index's Hard Tech exposure by approximately 1 percentage point (from **94% to 95%**), further cementing the benchmark's status as a leading proxy for AI Hard Tech and semiconductor/memory industries.
- With more than Rmb177bn/US$26bn AUMs across active and passive strategies and mandates tracking STAR50 as the underlier, we calculate that inclusion of a hypothetical company with a US$400-600bn market cap could result in it receiving US$1.9-2.5bn assuming its free float reaches 30%.
- Moreover, such a hypothetical company would account for approximately 3.0%-4.6% of the CSI300, 1.0%-1.4% of the MSCI China, 5.5%-8.3% of the MSCI China A, and 10.0% (maximum index weight for STAR50 constituents) of the STAR50 Index assuming it reaches a free float ratio of 30% by the end of 2027 following inclusion to these indexes. This would in turn result in around US$12-17bn of potential passive inflows for the stock cumulatively by 4Q27, ceteris paribus.

Exhibit 13: The addition of a large-cap semiconductor company to STAR50 would further cement its status as a leading Chinese "Hard Tech" proxy



Source: Wind, FactSet, Goldman Sachs Global Investment Research

Exhibit 14: Pro-forma index weights of a large A-share IPO entering major indices

(US$bn)	AUM	Cumulative Passive Flows (Proforma Index Weight)			
Index	Passive	3M	6M	12M	36M
MSCI China	204			2.0-2.9 (1.0%-1.4%)	3.3-4.9 (1.6%-2.4%)
MSCI China A	104			5.8-8.6 (5.5%-8.3%)	9.6-14.4 (9.2%-13.8%)
CSI300	49			1.5-2.2 (3.0%-4.6%)	2.5-3.7 (5.1%-7.6%)
STAR50	25	1.4-2.1 (5.8%-8.7%)	1.9-2.5 (7.9%-10.0%)	~2.5 (10.0%)	~2.5 (10.0%)
Total		*1.4-2.1*	*1.9-2.5*	*12-17*	*18-26*

**Note: Illustrative passive flow estimates are based on hypothetical range of US$400bn-US$600bn market cap as of July 27 market close. Index weights are derived from current constituent data. MSCI-related AUM estimates are based on a bottom-up aggregation of benchmark-tracking funds and adjusted for China allocations, while CSI 300 and STAR 50 AUM figures are sourced from Wind. We assume a free-float ratio of 7%/9%/30%/50% after 3/6/12/36 months, respectively. The analysis further assumes the company may become eligible for accelerated inclusion into relevant domestic indices.*

Source: MSCI, HSI, SSE, Bloomberg, Goldman Sachs Global Investment Research

8) US sanction risks?

- ChangXin Memory Technologies, Inc. was **added to the Chinese Military Companies List (CMC)**, also known as the 1260H list governed by the US Department of War (DoW) in January 2025, and has remained on the list as of the latest update by the US DoW in June 2026.
- This list prohibits the US DoW from purchasing goods, services, or technology directly from a 1260H designated entity. However, the **CMC designation, by itself, doesn't prevent US persons from investing in or engaging in securities transaction with the subject companies.** In fact, the list includes several large listed Chinese companies that feature significantly in global equity benchmarks and are frequently traded by US and international investors.
- US investors' **ability to invest in Chinese equities will however be restricted if the stocks are added to the Non-SDN Chinese Military-Industrial Complex Companies List** (NS-CMIC), which is governed by the Office of Foreign Assets Control (OFAC) under the US Treasury Department. At present, the NS-CMIC contains 68 Chinese companies but CXMT isn't on the list.

Exhibit 15: Various US restriction lists have different implications on merchandising trade and security investment

Department		Lists	Reasons	Consequences	# of Chinese entities	Examples	Historical removal cases
Department of Commerce	Bureau of Industry and Security (BIS)	Denied Persons List	Violation of regulatory provisions in EAR, IEEPA, ISA, AECA	Not to be involved in any way with any merchandise **exported** from the US	12	Manten Electronics	ZTE was once removed in 2018
		Unverified List	BIS inability to confirm bona fide end-use by such entities	Ineligible to receive items subject to Export Administration Regulations (EAR); to be moved to Entity List if BIS can't complete an end-user check in a specified timeframe	222	AECC South Industry, Lihang Tech, Lightstar Tech, Changhe Aircraft Industries, Jiangxi Hongdu Aviation	Dozens of companies having been removed, including Wuxi Biologics
		Entity List	Conducting activity violating U.S. national security or interests	Specific license requirements for the **export,** reexport and/or transfer (in-country) of specified items	~1000	Huawei, Academy of Military Medical Sciences, China Communications Construction Company, Hikvision, YMTC	AMEC
		Military End User (MEU) List^^	Determined by the U.S. Government to be 'military end users'	Subject to specific license requirements for the **export,** reexport and/or transfer (in-country) of specified items (mostly related to US national security)	70	Aero Engine Corporation of China (AECC), Aviation Industry Corporation of China (AVIC)	Zhejiang Perfect New Material
Department of the Treasury	Office of Foreign Assets Control (OFAC)	Specially Designated Nationals (SDN) List	Variety of reasons, including but not limited providing material support to a sanctioned party	US assets and property frozen; restrictions on all the **business** activities with US; secondary sanctions may apply	885+	Poly Technologies, Wuhan Tianyu Info Industry, XPCC	COSCO Shipping Tanker (Dalian)
		Non-SDN Chinese Military-Industrial Complex Companies (NS-CMIC) List	Development of military, intelligence, and other security apparatuses directly threatening U.S.	Restricts U.S. persons from **the purchase or sale of publicly traded securities** of any entity identified on NS-CMIC List	68	China Telecom, China Mobile, China Unicom, Hikvision, Huawei, SMIC, CCCC, CRCC, CSSC, CGN, CNNC, AVIC	-
	Office of Investment Security (OIS)	Outbound Investment Security Program ("Reverse CFIUS")	Addressing US investments in certain national security technologies and products in countries of concern	Prohibits or requires notification of certain investments by "US persons" or their foreign subsidiaries in "covered foreign (i.e. China) persons"	Mainly in 3 sectors: Semiconductors and microelectronics, Quantum information technologies, Artificial intelligence (AI)		-
Department of War^^^		Communist Chinese Military Companies (CCMC) Lists	Relationships with Chinese military defined under NDAA Section 1237	Referred by Trump's EO 13959 (Securities investments ban) but Biden replaced this CCMC List with the Treasury-managed NS-CMIC List in Jun 2021	43	COMAC, CSIC, and Gowin Semiconductor	Luokung, Xiaomi
		Chinese Military Companies (CMC) Lists	Relationships with Chinese military defined under NDAA Section 1260H (update annually by 2030)	Currently "red-flag"; new contracts with US government prohibited	188	Alibaba, Baidu, BYD, NIO (added on June 8, 2026) Tencent, CATL, COSCO, China Telecom, China Unicom, AVIC, SenseTime, CXMT, YMTC, Qihoo 360	CRCC, CSC, IDG Capital, AMEC. SMIC HK, Hesai (re-instated), etc.
Department of Homeland Security		UFLPA Entity List	Companies and organizations identified by the Forced Labor Enforcement Task Force (FLETF) as engaging in forced labor	Restrictions on all importation of goods mined, produced, or manufactured by the entities	144	Hoshine Silicon, Hetian Taida Apparel, Daqo New Energy, XPCC	-
The Office of Management and Budget (OMB) & DOD		US Biosecure Act *(signed into law in Dec 2025)*	Risk to national security based on its research or multiomic data collection	Prohibit federal agencies from procuring or obtaining biotech equipment or services by these entities	5	BGI, MGI, Complete Genomics, Wuxi AppTec and Wuxi Biologics	-

Note: ^Include both entities and individuals; ^^to be consolidated into BIS Entity List; also referred to as Department of Defense (DoD)

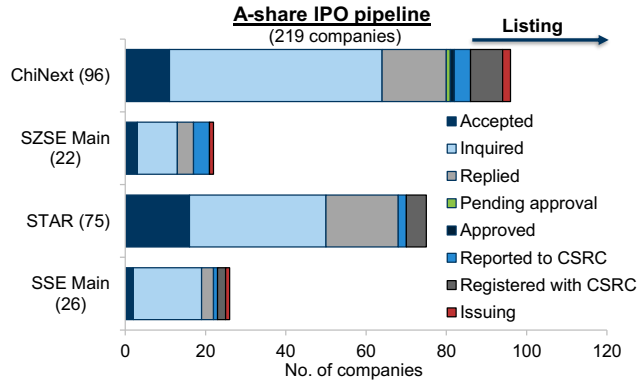
Source: Bureau of Industry and Security, Office of Foreign Assets Control, Department of War, Department of Homeland Security

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9) What's next for China IPO markets?

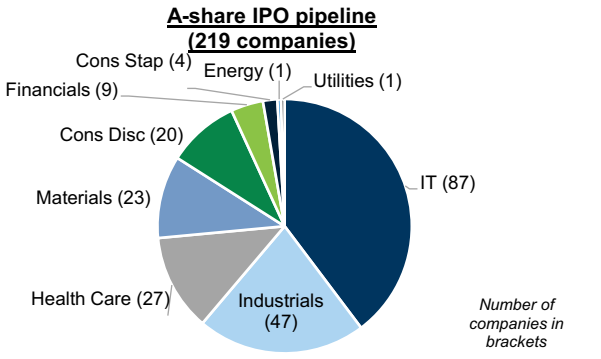
- Per Wind's compilation, **the A-share IPO pipeline currently contains more than 200 companies**. ChiNext and STAR are the two main venues for these pending IPOs (78% of total), reflecting the gradual shifts in economic growth drivers and the demand for financing from emerging companies in tech-related industries.
- In 1H26, more than 70 companies made their debuts in A shares, raising a total of Rmb71bn/US$10bn via IPOs, 0.4% of mid-26 A-share listing market cap. The aggregate new equity supply would be close to US$67bn in the first six months of the year including follow-ons and convertible bonds, **potentially reaching US$150bn in total for the full year of 2026** (US$30bn from IPOs in 2H26) on our top-down forecast.
- The IPO market also looks active in HK, with 100 companies having completed their primary listings so far this year and raising US$35bn in total. The new listings were heavily skewed towards (Hard) Tech, Industrials, and the healthcare sector, which are also dominating the IPO pipeline in HK per HKEx's statistics. **With the new equity supply in HK potentially surpassing US$30bn** (US$60bn including post-IPO financing) in 2H26 per our forecast, we recently highlighted 3 specific IPO-focused strategies for investors to trade for alpha in this market. See here for details.

Exhibit 16: More than 200 onshore companies are going through their A-share listing process



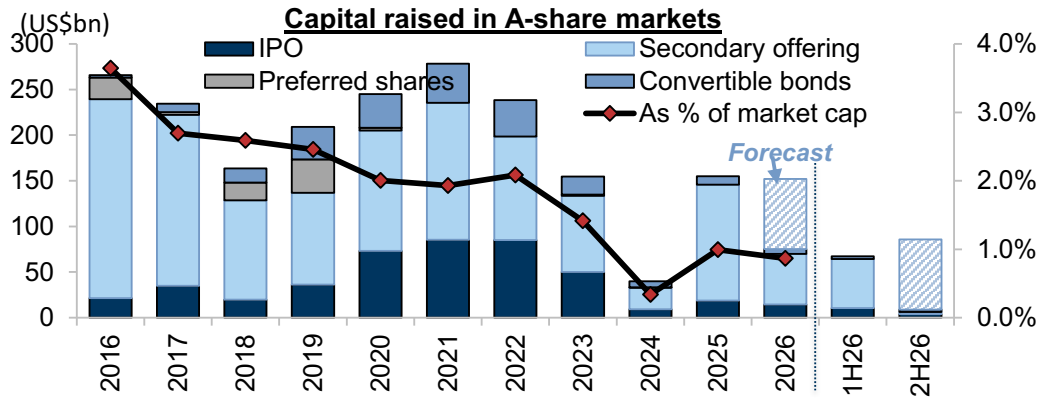
Source: Wind, Compiled by Goldman Sachs Global Investment Research

Exhibit 17: Technology, Industrials, and Healthcare are the main sources contributing to the A-share IPO pipeline



Source: Wind, Compiled by Goldman Sachs Global Investment Research

Exhibit 18: We expect US$150bn capital to be raised in A-share markets in FY2026



Source: Wind, Goldman Sachs Global Investment Research

10) Strategy?

1. **The V-shaped recovery trade**: The liquidity and sentiment impacts from large-scale IPOs could generate tactical trading opportunity in select sector or thematic comparables. We screen for GS Buy-rated names in the **Semi and Tech Hardware cohorts** to trade for alpha should the V-shaped pattern manifest itself post CXMT's listing.
2. **Index inclusion flows**: The potential inclusion of CXMT into key benchmarks could drive capital re-allocation among passive and active mandates domestically and abroad. Specifically, we screen for existing STAR50 constituents that could see weight dilution and index-rebalancing selling if CXMT's index weight rises.

Exhibit 19: GS Buy-rated names in the Tech sector (excluding solar) for potential V-shaped recovery trade

		Tech HW or Semiconductors									*B*
Ticker	Name	GICS Industry Group	Quoted Price	Quoted Ccy	Total listed Mkt Cap (US$bn)	ADVT (US$mn)	25-27E EPS CAGR (%)	26E P/E (X)	26E P/B (X)	26E DY (%)	GS Ratings
China Onshore GS Buy-rated Hard Tech Stocks											
601138 CG	Foxconn	Tech HW	57	CNY	166	1808	51	18.4	5.4	2.3	B
688256 CG	Cambricon	Semiconductors	1209	CNY	112	2161	119	119.1	41.7	0.1	B
688981 CG	SMIC (A)	Semiconductors	144	CNY	108	1403	36	172.4	7.6	0.0	B
300502 CS	Eoptolink	Tech HW	510	CNY	105	3344	76	36.3	20.0	0.3	B
002371 CS	NAURA	Semiconductors	677	CNY	73	990	41	63.2	11.0	0.1	B
603986 CG	Gigadevice	Semiconductors	432	CNY	45	2802	109	46.8	11.3	0.4	B
600183 CG	Shengyi Tech	Tech HW	123	CNY	44	1025	59	51.2	14.6	1.3	B
688008 CG	Montage (A)	Semiconductors	190	CNY	35	1870	47	61.5	13.9	0.4	B
300394 CS	TFC Optical	Tech HW	214	CNY	34	2183	61	64.3	27.8	0.5	B
002463 CS	WUS	Tech HW	115	CNY	33	1286	54	37.3	11.4	0.6	B
002916 CS	Shennan Circuits	Tech HW	324	CNY	33	611	49	43.2	10.2	1.1	B
688012 CG	AMEC	Semiconductors	343	CNY	32	1074	48	94.0	12.4	0.1	B
300476 CS	Victory Giant	Tech HW	224	CNY	32	1926	81	25.4	5.3	1.3	B*
688521 CG	VeriSilicon	Semiconductors	225	CNY	17	888	-	332.8	33.5	0.0	B
002600 CS	Lingyi	Tech HW	12	CNY	13	414	41	26.3	3.1	0.6	B
603296 CG	Huaqin Co.(A)	Tech HW	73	CNY	9	258	26	20.0	3.6	1.5	B
688019 CG	Anji Micro	Semiconductors	225	CNY	8	258	33	44.9	11.3	0.2	B
688234 CG	SICC	Semiconductors	93	CNY	6	268	-	230.8	6.1	0.0	B
688802 CG	MetaX	Semiconductors	821	CNY	2	242	-	8049	24.9	0.0	B
002792 CS	Tongyu Communication	Tech HW	24	CNY	2	265	22	297.8	-	0.1	B
China Offshore GS Buy-rated Hard Tech Stocks											
1810 HK	Xiaomi	Tech HW	28	HKD	76	664	2	22.2	2.1	0.0	B
1347 HK	Hua Hong	Semiconductors	143	HKD	44	550	127	152.2	4.7	0.0	B
992 HK	Lenovo	Tech HW	21	HKD	34	295	30	16.1	3.8	2.1	B
9903 HK	Iluvatar	Semiconductors	520	HKD	17	88	-	-	37.6	0.0	B
2018 HK	AAC	Tech HW	39	HKD	6	34	17	14.3	1.4	1.0	B
ACMR UW	ACM Research	Semiconductors	83	USD	5	140	61	38.3	3.4	0.0	B
6082 HK	Biren	Semiconductors	34	HKD	5	69	-	-	-	0.0	B
2577 HK	InnoScience	Semiconductors	44	HKD	5	83	-	-	9.1	0.0	B
Median					17	422	48	46.8	7.8	0.3	

*Note: Prices as of Jul 20, 2026; Total listed market cap include all listings (A+H+ADR); EPS CAGR, valuation items, dividend yields and ratings are based on GS sector analysts' view; B=Buy. * indicates conviction list. We keep one ticker for dual-listed stocks.*

Source: IBES, FactSet, Goldman Sachs Global Investment Research

Exhibit 20: Top-10 STAR50 index constituents that could see the largest fund outflows or days of selling as CXMT is added to the index

Top 10 potential outflows or top 10 days of selling

Ticker	Name	GICS Sector	Cum. potential passive outflows^ (US$mn)	Est. days of selling^^	Quoted Price	Quoted Currency	Listed Mkt Cap (US$bn)	6M ADVT (US$mn)	2025-27E EPS CAGR (%)	26E P/E (X)	26E PEG (x)	26E P/B (X)
Top 10 STAR50 constituents that may have the largest potential outflows as CXMT is added to the index												
688256 CG	Cambricon	IT	210	0.3	1,249.0	CNY	116	2,173	-	123	2.3	43.1
688981 CG	SMIC	IT	202	0.4	145.1	CNY	55	1,439	42	174	6.2	7.7
688041 CG	Hygon	IT	198	0.4	312.0	CNY	107	1,429	53	159	3.3	27.4
688012 CG	AMEC	IT	189	0.5	375.2	CNY	53	1,116	44	103	2.7	13.6
688008 CG	Montage	IT	156	0.2	225.5	CNY	38	1,903	57	73	2.0	16.5
688347 CG	Hua Hong	IT	116	0.5	341.0	CNY	21	746	70	483	17.9	12.8
688072 CG	Piotech	IT	108	0.5	743.0	CNY	32	631	57	123	2.8	26.5
688498 CG	Yuanjie	IT	107	0.4	1,445.0	CNY	26	869	-	257	2.5	59.5
688120 CG	Hwatsing	IT	77	0.6	258.6	CNY	19	361	18	90	2.5	14.6
688521 CG	VeriSilicon	IT	73	0.2	223.0	CNY	17	898	-	330	2.3	33.2
Top 10 STAR50 constituents that may have the largest days of selling as CXMT is added to the index												
688271 CG	United Imaging	Healthcare	40	1.1	113.9	CNY	14	113	36	40	1.9	4.0
688009 CG	CRSC	IT	10	0.9	5.2	CNY	7	33	8	14	1.3	1.1
688065 CG	Cathay Biotech	Materials	12	0.8	45.0	CNY	4	43	19	38	3.5	1.8
688538 CG	Everdisplay	IT	10	0.8	2.4	CNY	5	35	-	-	-	-
688617 CG	APT Medical	Healthcare	13	0.9	214.8	CNY	4	45	22	30	1.3	7.7
688578 CG	Allist	Healthcare	26	0.7	124.6	CNY	8	106	36	21	1.1	6.1
689009 CG	Ninebot	Consumer	17	0.7	39.3	CNY	3	74	36	15	0.4	3.6
688120 CG	Hwatsing	IT	77	0.6	258.6	CNY	19	361	18	90	2.5	14.6
688361 CG	Skyverse	IT	64	0.6	334.3	CNY	12	324	-	310	3.8	21.3
688506 CG	Biokin	Healthcare	20	0.6	331.8	CNY	20	94	-	-	-	24.9
Average			86	0.6	-	-	29	640	37	137	3.3	17.9

*Notes: Prices as of Jul 23; Valuation items are I/B/E/S consensus. ^ We consider the passive funds tracking STAR50 and assume FIF reaches 30% 12-month after IPO and a 10% pro-forma weight in STAR50 index. ^^ Days of selling is estimated as the potential passive funds outflows/(1/3*6m ADVT), assuming the daily fund selling does not exceeed 1/3 of the daily turnover.*

Source: FactSet, IBES, Goldman Sachs Global Investment Research