Morgan Stanley | RESEARCH

IDEA

August 23, 2026 06:31 PM GMT

China AI Foundation Models | Asia Pacific

1H26 Results Preview

MORGAN STANLEY ASIA LIMITED+

Gary Yu
Equity Analyst
Gary.Yu@morganstanley.com +852 2848-6918

Lydia Lin
Equity Analyst
Lydia.Lin@morganstanley.com +852 2239-1572

Yang Liu
Equity Analyst
Yang.Liu@morganstanley.com +852 2239-1911

GREATER CHINA IT SERVICES AND SOFTWARE

Asia Pacific

Industry View **In-Line**

As China open-weight models gain market share with improved n, we see potential ARR upside and upcoming model releases as near-term catalysts. Reiterate OW on MiniMax/Z.ai, and highlight MiniMax's recent ARR boost by H3, multiple model releases upcoming, and cheap valuations.

Key Takeaways

- We estimate ARRs of US$600mn for MiniMax and US$1.2bn for Z.ai in August, and expect them to reach US$1bn and US$2bn, respectively, by year end.
- We await M3.1 in August and M3 Pro (~3T) in September/October from MiniMax, along with GLM 6.0 from Z.ai in October.
- MiniMax and Z.ai trade at 15.5x and 33.7 P/ARR (MSe 2026e year-end ARR), respectively.

MiniMax:

- **ARR:** MiniMax's latest disclosed ARR was US$400mn+ in May (vs. US $150mn+ in February). We estimate ARR of US$600mn in August, and expect it to reach US$1bn by year end with potential upside after recent the H3 release.
- **1H26 P&L:** We forecast revenue of US$115mn (MaaApp US$55mn; MaaS US $60mn), GPM of 29.5% (vs. 25.4% in 2025) as inference efficiency and higher MaaS (vs. MaaApp) mix offset higher text (vs. multimodal) mix, and a non-IFRS OP loss of US$228.3mn (vs. a US$290.5mn loss in 2025) including R&D expenses of US$230mn in 1H26 (vs. US$253mn in 2025).
- **Model releases:** 1) M3.1 in August; 2) M3 Pro (~3T) in September/October.

Z.ai:

- **ARR:** Z.ai's latest disclosed ARR was US$1bn in Jun (vs. US$250bn+ in March). We estimate ARR of US$1.2bn in August, and expect it to reach US $2bn by year end with potential upside after the recent GLM 5.3 release and 3P expansion.
- **1H26 P&L:** We forecast revenue of Rmb967mn (on-premise Rmb267mn; cloud-based Rmb700mn); GPM of 31.9% (vs. 41% in 2025), as higher cloud mix (72% in 1H26 vs. 26% in 2025) more than offsets price hikes (cloud-based GPM 25% in 1H26 vs. 19% in 2025); and a non-IFRS OP loss of Rmb2.3bn (vs. a Rmb3.2bn loss in 2025) including R&D expenses of Rmb2.3bn (vs. Rmb3.2bn in 2025).
- **Model releases:** 1) GLM 6.0 (~3T) in October.

AlphaSignals Earnings Preview

Focus KPI	Focus KPI Surprise	Likely impact to consensus EPS*
MiniMax 0100.HK		
ARR	⬆ Very likely upside surprise	– Largely unchanged
• MSe: US$600mn in Aug, US$1bn by year end		
Z.AI CO., LTD. 2513.HK		
ARR	⬆ Likely upside surprise	– Largely unchanged
• MSe: US$1.2bn in Aug, US$2bn by year end		

*Likely impact to consensus EPS is for the next 12 months
Source: Company data, Morgan Stanley Research

1H26 Results Preview

Exhibit 1: MiniMax

Years Ending December 31 US$ '000	1Q25	9M25	4Q25	2025	1H26E
AI-native products	10,135	38,020	15,055	53,075	55,000
Open Platform and other AI-based enterprise services	5,061	15,417	10,546	25,963	60,000
Total revenue	**15,196**	**53,437**	**25,601**	**79,038**	**115,000**
% YoY					
Cost of revenue	12213	40961	17998	58959	81,050
Gross profit	**2,983**	**12,476**	**7,603**	**20,079**	**33,950**
% GP margin	20%	23%	30%	25%	30%
S&M expenses	24,874	39,325	12,571	51,896	40,250
R&D expenses	63,516	180,312	72,459	252,771	230,000
G&A expenses	5,271	22,074	14,739	36,813	26,450
Operating profit/(loss) - MS denifition	**(90,678)**	**(229,235)**	**(92,166)**	**(321,401)**	**(262,750)**
% OP margin	-596.7%	-429.0%	-360.0%	-406.6%	-228%
SBC & others	2,394	12,256	18,655	30,911	34,500
Operating profit/(loss) - MS denifition (Non-IFRS)	**(88,284)**	**(216,979)**	**(73,511)**	**(290,490)**	**(228,250)**
% OP margin (Non-IFRS)	-581.0%	-406.0%	-287.1%	-367.5%	-198%
Non-operating items	**(151,684)**	**(282,778)**	**(1,267,438)**	**(1,550,216)**	**7,814**
Other income and gaines, net	9,612	31,232	9,137	40,369	8,297
Finance costs	(208)	(511)	(161)	(672)	(483)
FV loss on financial liabilities	(161,120)	(313,477)	(1,276,373)	(1,589,850)	-
Impairment losses on financial assets, net	32	(22)	(41)	(63)	-
Profit/(loss) before tax	**(242,362)**	**(512,013)**	**(1,359,604)**	**(1,871,617)**	**(254,936)**
% PBT margin	-1594.9%	-958.2%	-5310.7%	-2368.0%	-221.7%
Income tax expense	-	-	-	-	-
% of PBT	0.0%	0.0%	0.0%	0.0%	0.0%
Minority interests					
Net profit/(loss)	**(242,362)**	**(512,013)**	**(1,359,604)**	**(1,871,617)**	**(254,936)**
% NP margin	-1595%	-958%	-5311%	-2368%	-222%
Extraodinary	163,514	325,733	1,295,028	1,620,761	34,500
Net profit/(loss) (Non-IFRS)	**(78,848)**	**(186,280)**	**(64,576)**	**(250,856)**	**(220,436)**
% NP margin (Non-IFRS)	-518.9%	-348.6%	-252.2%	-317.4%	-191.7%

Source: Company, Morgan Stanley Research (E) estimates

Exhibit 2: Z.ai

Years Ending December 31 Rmb mn	1H24	2H24	1H25	2H25	1H26E	% YoY
On-premise deployment	27	237	162	372	267	65%
Cloud-based deployment	18	30	29	161	700	2305%
Total revenue	**45**	**268**	**191**	**533**	**967**	**407%**
% YoY	0%	0%	325%	99%	407%	
Cost of revenue	23	114	95	332	658	590%
On-premise deployment	17	157	96	165	133	40%
Cloud-based deployment	5	(4)	(0)	36	175	-150962%
Gross profit	**22**	**154**	**95**	**201**	**308**	**223%**
% GP margin	48.9%	57.5%	50.0%	38%	32%	
S&M expenses	144	243	209	182	250	20%
R&D expenses	859	1,336	1,595	1,586	2,312	45%
G&A expenses	51	82	185	320	324	75%
Total operating expenses	**1,055**	**1,662**	**1,988**	**2,088**	**2,887**	**45%**
Operating profit/(loss) - MS denifition	**(1,033)**	**(1,508)**	**(1,893)**	**(1,887)**	**(2,578)**	**36%**
% OP margin	-2300.0%	-563.6%	-991.7%	-353.7%	-266.6%	
Operating profit/(loss) (MS, non-IFRS)	**(1,029)**	**(1,488)**	**(1,734)**	**(1,488)**	**(2,260)**	**30%**
% OP margin	-2290.6%	-556.4%	-908.5%	-278.9%	-233.8%	
Non-operating items	**(203)**	**(215)**	**(465)**	**(473)**	**(11)**	-98%
Interest income	4	9	5	10	5	0%
Finance costs	(12)	(26)	(53)	(21)	(15)	-72%
Share of profits/(losses) of associates	0	21	14	41	14	0%
Other income	0	6	0	0	-	-100%
Impairment losses on financial assets	(1)	(16)	(11)	(11)	(15)	41%
Changes in FV (FVPL)	7	59	10	15	-	-100%
Changes in the carrying amount of financial instruments issued to investors	(201)	(268)	(429)	(508)	-	-100%
Profit/(loss) before tax	**(1,236)**	**(1,722)**	**(2,358)**	**(2,360)**	**(2,590)**	**10%**
% PBT margin	-2751.2%	-643.9%	-1235.3%	-442.5%	-267.8%	
Income tax expense	-	-	-	-	-	
% of PBT	0.0%	0.0%	0.0%	0.0%	0.0%	
Non-controlling interests	-	(2)	(7)	(13)	(7)	
Net profit/(loss) attributable to equity holders	**(1,236)**	**(1,721)**	**(2,351)**	**(2,347)**	**(2,583)**	**10%**
% NP margin	-2751.2%	-643.3%	-1231.8%	-440.0%	-267.1%	
Adjusted net profit/(loss) (non-IFRS)	**(1,030)**	**(1,435)**	**(1,752)**	**(1,430)**	**(2,272)**	**30%**
% NP margin	-2293.9%	-536.6%	-917.9%	-268.1%	-235.0%	

Source: Company, Morgan Stanley Research (E) estimates

Valuation Methodology and Risks

MiniMax (0100.HK)

We use a discounted cash flow (DCF) methodology to value the company, assuming a 15% WACC and 3% terminal growth. Our PT implies 32x P/S for 2027.

Risks to Upside

- Launching global SOTA model
- Eased market competition

Risks to Downside

- Geopolitical risk
- Intensified competition and price war
- Model performance lagging peers

Z.AI CO., LTD. (2513.HK)

We apply discounted cash flow (DCF) methodology to value the company, assuming a 15% WACC and 3% terminal growth. Our price target implies 42x P/S for 2027.

Risks to Upside

- Launching global SOTA model
- Global expansion working with overseas CSP
- Easing market competition

Risks to Downside

- Computing constraints
- Model performance lagging peers
- Geopolitical risk

The Stock Ratings described below apply to Morgan Stanley's Fundamental Equity Research and do not apply to Debt Research produced by the Firm.

For disclosure purposes only (in accordance with FINRA requirements), we include the category headings of Buy, Hold, and Sell alongside our ratings of Overweight, Equal-weight, Not-Rated and Underweight. Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks we cover. Overweight, Equal-weight, Not-Rated and Underweight are not the equivalent of buy, hold, and sell but represent recommended relative weightings (see definitions below). To satisfy regulatory requirements, we correspond Overweight, our most positive stock rating, with a buy recommendation; we correspond Equal-weight and Not-Rated to hold and Underweight to sell recommendations, respectively.

	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1529	42%	442	47%	29%	750	43%
Equal-weight/Hold	1582	43%	396	42%	25%	773	44%
Not-Rated/Hold	3	0%	1	0%	33%	1	0%
Underweight/Sell	560	15%	97	10%	17%	217	12%
Total	3,674		936			1741	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

Analyst Stock Ratings

Overweight (O). The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Equal-weight (E). The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not-Rated (NR). Currently the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Underweight (U). The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

Analyst Industry Views

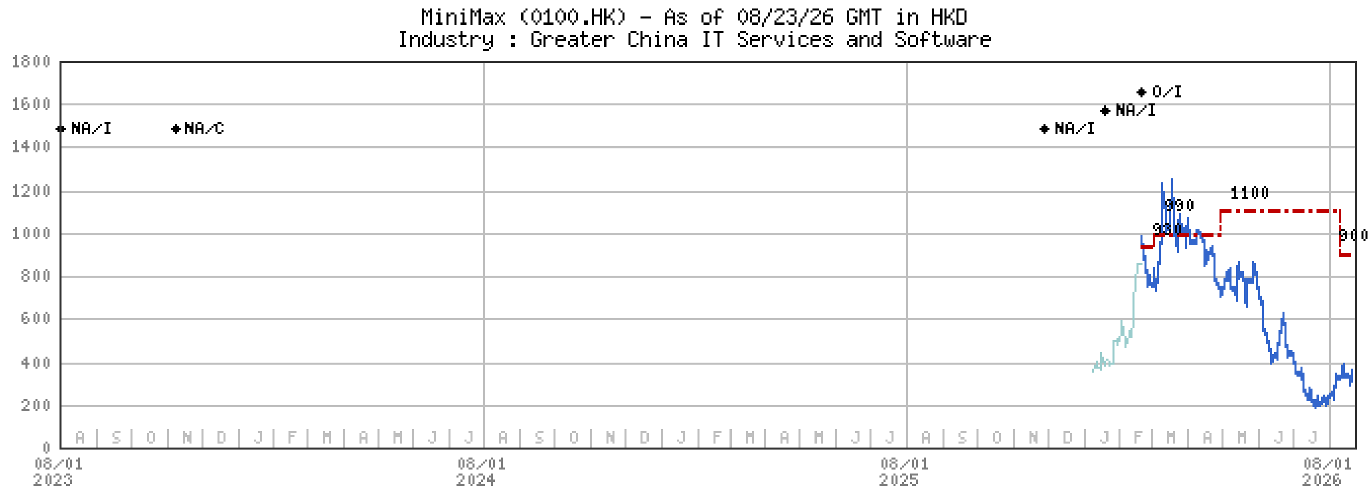
Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

In-Line (I): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark, as indicated below.

Cautious (C): The analyst views the performance of his or her industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark, as indicated below.

Benchmarks for each region are as follows: North America - S&P 500; Latin America - relevant MSCI country index or MSCI Latin America Index; Europe - MSCI Europe; Japan - TOPIX; Asia - relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

Stock Price, Price Target and Rating History (See Rating Definitions)



Stock Rating History: 8/1/21 : NA/I; 11/8/23 : NA/C; 11/28/25 : NA/I; 1/20/26 : NA/I; 2/20/26 : O/I

Price Target History: 1/20/26 : NA; 2/20/26 : 930; 3/3/26 : 990; 4/28/26 : 1100; 8/10/26 : 900

Source: Morgan Stanley Research   Date Format : MM/DD/YY   Price Target   No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst)   Stock Price (Covered by Current Analyst)
Stock and Industry Ratings (abbreviations below) appear as ◆ Stock Rating/Industry View
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)
Effective January 13, 2014, the stocks covered by Morgan Stanley Asia Pacific will be rated relative to the analyst's industry (or industry team's) coverage.
Effective January 13, 2014, the industry view benchmarks for Morgan Stanley Asia Pacific are as follows: relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

Stock Rating History: 2/20/26 : O/I

Price Target History: 2/20/26 : 560; 4/28/26 : 990; 8/10/26 : 1700

Source: Morgan Stanley Research   Date Format : MM/DD/YY   Price Target   No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst)   Stock Price (Covered by Current Analyst)
Stock and Industry Ratings (abbreviations below) appear as ◆ Stock Rating/Industry View
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)
Effective January 13, 2014, the stocks covered by Morgan Stanley Asia Pacific will be rated relative to the analyst's industry (or industry team's) coverage.
Effective January 13, 2014, the industry view benchmarks for Morgan Stanley Asia Pacific are as follows: relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

Important Disclosures for Morgan Stanley Smith Barney LLC Customers

Important disclosures regarding any material conflict of interest that can reasonably be expected to have influenced Morgan Stanley Smith Barney LLC's choice of a third-party research provider or the subject company of a third-party research report, are available on the Morgan Stanley Wealth Management disclosure website at www.morganstanley.com/online/ res.

For Morgan Stanley specific disclosures, you may refer to https://www.morganstanley.com/eqr/disclosures/webapp/generalresearch.

Each Morgan Stanley research report is reviewed and approved on behalf of Morgan Stanley Smith Barney LLC. This review and approval is conducted by the same person who reviews the research report on behalf of Morgan Stanley. This could create a conflict of interest.

Other Important Disclosures

Morgan Stanley Research policy is to update research reports as and when the Research Analyst and Research Management deem appropriate, based on developments with the issuer, the sector, or the market that may have a material impact on the research views or opinions stated therein. In addition, certain Research publications are intended to be updated on a regular periodic basis (weekly/monthly/quarterly/annual) and will ordinarily be updated with that frequency, unless the Research Analyst and Research Management determine that a different publication schedule is appropriate based on current conditions.

Morgan Stanley is not acting as a municipal advisor and the opinions or views contained herein are not intended to be, and do not constitute, advice within the meaning of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Morgan Stanley produces an equity research product called a "Tactical Idea." Views contained in a "Tactical Idea" on a particular stock may be contrary to the recommendations or views expressed in research on the same stock. This may be the result of differing time horizons, methodologies, market events, or other factors. For all research available on a particular stock, please contact your sales representative or go to Matrix at http://www.morganstanley.com/matrix.

Morgan Stanley Research is provided to our clients through our proprietary research portal on Matrix and also distributed electronically by Morgan Stanley to clients. Certain, but not all, Morgan Stanley Research products are also made available to clients through third-party vendors or redistributed to clients through alternate electronic means as a convenience. For access to all available Morgan Stanley Research, please contact your sales representative or go to Matrix at http://www.morganstanley.com/matrix.

Any access and/or use of Morgan Stanley Research is subject to Morgan Stanley's Terms of Use (http://www.morganstanley.com/terms.html). By accessing and/or using Morgan Stanley Research, you are indicating that you have read and agree to be bound by our Terms of Use (http://www.morganstanley.com/terms.html). In addition you consent to Morgan Stanley processing your personal data and using cookies in accordance with our Privacy Policy and our Global Cookies Policy (http://www.morganstanley.com/privacy_pledge.html), including for the purposes of setting your preferences and to collect readership data so that we can deliver better and more personalized service and products to you. To find out more information about how Morgan Stanley processes personal data, how we use cookies and how to reject cookies see our Privacy Policy and our Global Cookies Policy (http://www.morganstanley.com/privacy_pledge.html). Please use the provided link to review the Terms and Conditions and Most Important Terms and Conditions for Morgan Stanley India Company Private Limited (https://www.morganstanley.com/assets/pdfs/about-us-global-offices/india/Terms_and_conditions.pdf) and the following link to review the audit report (https://ny.matrix.ms.com/eqr/research/webapp/researchdocs/MSICPL_Morgan_Stanley_Research_Audit_Report.pdf).

If you do not agree to our Terms of Use and/or if you do not wish to provide your consent to Morgan Stanley processing your personal data or using cookies please do not access our research.

Morgan Stanley Research does not provide individually tailored investment advice. Morgan Stanley Research has been prepared without regard to the circumstances and objectives of those who receive it. Morgan Stanley recommends that investors independently evaluate particular investments and strategies, and encourages investors to seek the advice of a financial adviser. The appropriateness of an investment or strategy will depend on an investor's circumstances and objectives. The securities, instruments, or strategies discussed in Morgan Stanley Research may not be suitable for all investors, and certain investors may not be eligible to purchase or participate in some or all of them. Morgan Stanley Research is not an offer to buy or sell or the solicitation of an offer to buy or sell any security/instrument or to participate in any particular trading strategy. The value of and income from your investments may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities/instruments prices, market indexes, operational or financial conditions of companies or other factors. There may be time limitations on the exercise of options or other rights in securities/instruments transactions. Past performance is not necessarily a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. If provided, and unless otherwise stated, the closing price on the cover page is that of the primary exchange for the subject company's securities/instruments.

The fixed income research analysts, strategists or economists principally responsible for the preparation of Morgan Stanley Research have received compensation based upon various factors, including quality, accuracy and value of research, firm profitability or revenues (which include fixed income trading and capital markets profitability or revenues), client feedback and competitive factors. Fixed Income Research analysts', strategists' or economists' compensation is not linked to investment banking or capital markets transactions performed by Morgan Stanley or the profitability or revenues of particular trading desks.

The "Important Regulatory Disclosures on Subject Companies" section in Morgan Stanley Research lists all companies mentioned where Morgan Stanley owns 1% or more of a class of common equity securities of the companies. For all other companies mentioned in Morgan Stanley Research, Morgan Stanley may have an investment of less than 1% in securities/instruments or derivatives of securities/instruments of companies and may trade them in ways different from those discussed in Morgan Stanley Research. Employees of Morgan Stanley not involved in the preparation of Morgan Stanley Research may have investments in securities/instruments or derivatives of securities/instruments of companies mentioned and may trade them in ways different from those discussed in Morgan Stanley Research. Derivatives may be issued by Morgan Stanley or associated persons.

With the exception of information regarding Morgan Stanley, Morgan Stanley Research is based on public information. Morgan Stanley makes every effort to use reliable, comprehensive information, but we make no representation that it is accurate or complete. We have no obligation to tell you when opinions or information in Morgan Stanley Research change apart from when we intend to discontinue equity research coverage of a subject company. Facts and views presented in Morgan Stanley Research have not been reviewed by, and may not reflect information known to, professionals in other Morgan Stanley business areas, including investment banking personnel.

Morgan Stanley Research personnel may participate in company events such as site visits and are generally prohibited from accepting payment by the company of associated expenses unless pre-approved by authorized members of Research management.

Morgan Stanley may make investment decisions that are inconsistent with the recommendations or views in this report.

To our readers based in Taiwan or trading in Taiwan securities/instruments: Information on securities/instruments that trade in Taiwan is distributed by Morgan Stanley Taiwan Limited ("MSTL"). Such information is for your reference only. The reader should independently evaluate the investment risks and is solely responsible for their investment decisions. Morgan Stanley Research may not be distributed to the public media or quoted or used by the public media without the express written consent of Morgan Stanley. Any non-customer reader within the scope of Article 7-1 of the Taiwan Stock Exchange Recommendation Regulations accessing and/or receiving Morgan Stanley Research is not permitted to provide Morgan Stanley Research to any third party (including but not limited to related parties, affiliated companies and any other third parties) or engage in any activities regarding Morgan Stanley Research which may create or give the appearance of creating a conflict of interest. Information on securities/instruments that do not trade in Taiwan is for informational purposes only and is not to be construed as a recommendation or a solicitation to trade in such securities/instruments. MSTL may not execute transactions for clients in these securities/instruments.

Certain information in Morgan Stanley Research was sourced by employees of the Shanghai Representative Office of Morgan Stanley Asia Limited for the use of Morgan Stanley Asia Limited. Morgan Stanley is not incorporated under PRC law and the research in relation to this report is conducted outside the PRC. Morgan Stanley Research does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. PRC investors shall have the relevant qualifications to invest in such securities and shall be responsible for obtaining all relevant approvals, licenses, verifications and/or registrations from the relevant governmental authorities themselves. Neither this report nor any part of it is intended as, or shall constitute, provision of any consultancy or advisory service of securities investment as defined under PRC law. Such information is provided for your reference only.

Morgan Stanley Research is disseminated in Brazil by Morgan Stanley C.T.V.M. S.A. located at Av. Brigadeiro Faria Lima, 3600, 6th floor, São Paulo - SP, Brazil; and is regulated by the Comissão de Valores Mobiliários; in Mexico by Morgan Stanley México, Casa de Bolsa, S.A. de C.V which is regulated by Comision Nacional Bancaria y de Valores. Paseo de los Tamarindos 90, Torre 1, Col. Bosques de las Lomas Floor 29, 05120 Mexico City; in Japan by Morgan Stanley MUFG Securities Co., Ltd. and, for Commodities related research reports only, Morgan Stanley Capital Group Japan Co., Ltd; in Hong Kong by Morgan Stanley Asia Limited (which accepts responsibility for its contents) and by Morgan Stanley Bank Asia Limited; in Singapore by Morgan Stanley Asia (Singapore) Pte. (Registration number 199206298Z) and/or Morgan Stanley Asia (Singapore) Securities Pte Ltd (Registration number 200008434H), regulated by the Monetary Authority of Singapore (which accepts legal responsibility for its contents and should be contacted with respect to any matters arising from, or in connection with, Morgan Stanley Research) and by Morgan Stanley Bank Asia Limited, Singapore Branch (Registration number T14FC0118J); in Australia to "wholesale clients" within the meaning of the Australian Corporations Act by Morgan Stanley Australia Limited A.B.N. 67 003 734 576, holder of Australian financial services license No. 233742, which accepts responsibility for its contents; in Australia to "wholesale clients" and "retail clients" within the meaning of the Australian Corporations Act by Morgan Stanley Wealth Management Australia Pty Ltd (A.B.N. 19 009 145 555, holder of Australian financial services license No. 240813, which accepts responsibility for its contents; in Korea by Morgan Stanley & Co International plc, Seoul Branch; in India by Morgan Stanley India Company Private Limited having Corporate Identification No (CIN) 15305, regulated by the Securities and Exchange Board of India ("SEBI") and holder of licenses as a Research Analyst (SEBI Registration No. INH000001105); Stock Broker (SEBI Stock Broker Registration No. INZ000244438), Merchant Banker (SEBI Registration No. INM000011203), and depository participant with National Securities Depository Limited (SEBI Registration No. IN-DP-NSDL-567-2021) having registered office at Altimus, Level 39 & 40, Pandurang Budhkar Marg, Worli, Mumbai 400018, India; Telephone no. +91-22-61181000; Compliance Officer Details: Mr. Tejarshi Hardas, Tel. No.: +91-22-61181000 or Email: tejarshi.hardas@morganstanley.com; Grievance officer details: Mr. Tejarshi Hardas, Tel. No.: +91-22-61181000 or Email: msic-compliance@morganstanley.com. Morgan Stanley India Company Private Limited (MSICPL) may use AI tools in providing research services. All recommendations contained herein are made by the duly qualified research analysts; in Canada by Morgan Stanley Canada Limited; in Germany and the European Economic Area where required by Morgan Stanley Europe S.E., authorised and regulated by Bundesanstalt fuer tungsaufsicht (BaFin) under the reference number 149169; in the US by Morgan Stanley & Co. LLC, which accepts responsibility for its contents. Morgan Stanley & Co. International plc, authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, disseminates in the UK research that it has prepared, and research which has been prepared by any of its affiliates, only to persons who (i) are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Order"); (ii) are persons who are high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended) may otherwise lawfully be communicated or caused to be communicated. RMB Morgan Stanley Proprietary Limited is a member of the JSE Limited and A2X (Pty) Ltd. RMB Morgan Stanley Proprietary Limited is a joint venture owned equally by Morgan Stanley International Holdings Inc. and RMB Investment Advisory (Proprietary) Limited, which is wholly owned by FirstRand Limited. The information in Morgan Stanley Research is being disseminated by Morgan Stanley Saudi Arabia, regulated by the Capital Market Authority in the Kingdom of Saudi Arabia, and is directed at Sophisticated investors only.

Morgan Stanley Hong Kong Securities Limited is the liquidity provider/market maker for securities of Chinasoft International Ltd, Kingdee International Software Group, Kingsoft Cloud Holdings, Kingsoft Corp Ltd, Meitu Inc, MiniMax, Z.AI CO., LTD. listed on the Stock Exchange of Hong Kong Limited. An updated list can be found on HKEx website: http://www.hkex.com.hk.

The information in Morgan Stanley Research is being communicated by Morgan Stanley & Co. International plc (DIFC Branch), regulated by the Dubai Financial Services Authority (the DFSA) or by Morgan Stanley & Co. International plc (ADGM Branch), regulated by the Financial Services Regulatory Authority Abu Dhabi (the FSRA), and is directed at Professional Clients only, as defined by the DFSA or the FSRA, respectively. The financial products or financial services to which this research relates will only be made available to a customer who we are satisfied meets the regulatory criteria of a Professional Client. A distribution of the different MS Research ratings or recommendations, in percentage terms for Investments in each sector covered, is available upon request from your sales representative.

The information in Morgan Stanley Research is being communicated by Morgan Stanley & Co. International plc (QFC Branch), regulated by the Qatar Financial Centre Regulatory Authority (the QFCRA), and is directed at business customers and market counterparties only and is not intended for Retail Customers as defined by the QFCRA.

As required by the Capital Markets Board of Turkey, investment information, comments and recommendations stated here, are not within the scope of investment advisory activity. Investment advisory service is provided exclusively to persons based on their risk and income preferences by the authorized firms. Comments and recommendations stated here are general in nature. These opinions may not fit to your financial status, risk and return preferences. For this reason, to make an investment decision by relying solely to this information stated here may not bring about outcomes that fit your expectations.

Indicators and trackers referenced in Morgan Stanley Research may not be used as, or treated as, a benchmark under Regulation EU 2016/1011, or any other similar framework.

The issuers and/or fixed income products recommended or discussed in certain fixed income research reports may not be continuously followed. Accordingly, investors should regard those fixed income research reports as providing stand-alone analysis and should not expect continuing analysis or additional reports relating to such issuers and/or individual fixed income products.

Morgan Stanley may hold, from time to time, material financial and commercial interests regarding the company subject to the Research report.

Registration granted by SEBI and certification from the National Institute of Securities Markets (NISM) in no way guarantee performance of the intermediary or provide any assurance of returns to investors. Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

INDUSTRY COVERAGE: Greater China IT Services and Software

COMPANY (TICKER)	RATING (AS OF)	PRICE* (08/21/2026)
Gary Yu		
MiniMax (0100.HK)	O (02/20/2026)	HK$347.20
Z.AI CO., LTD. (2513.HK)	O (02/20/2026)	HK$1,129.00
Lydia Lin		

Beisen Holding Limited (9669.HK)	O (06/23/2025)	HK$3.09
Chinasoft International Ltd (0354.HK)	U (05/04/2026)	HK$3.73
Glodon Co. Ltd. (002410.SZ)	E (08/23/2023)	Rmb9.01
Hundsun Technologies Inc. (600570.SS)	U (04/07/2025)	Rmb21.31
Meitu Inc (1357.HK)	O (10/01/2024)	HK$4.43
Yang Liu		
Beijing Kingsoft Office Software Inc (688111.SS)	U (08/26/2024)	Rmb240.50
Kingdee International Software Group (0268.HK)	O (08/03/2026)	HK$8.25
Kingsoft Cloud Holdings (KC.O)	O (07/07/2026)	US$11.14
Kingsoft Corp Ltd (3888.HK)	E (07/21/2025)	HK$24.56
Sangfor Technologies Inc (300454.SZ)	E (07/05/2024)	Rmb120.60
Tuya Inc. (TUYA.N)	O (11/29/2023)	US$1.80
Wangsu Science & Technology (300017.SZ)	U (11/12/2024)	Rmb15.54
Yonyou Network Technology Co Ltd (600588.SS)	U (11/12/2024)	Rmb10.75

Stock Ratings are subject to change. Please see latest research for each company.

* Historical prices are not split adjusted.