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China Tech & APAC Internet Specialist Sales Commentary

Semiconductor • Tech Hardware • Internet

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JPM | China Tech & APAC Internet Daily - revisiting consumer electronics, Asia Tech Tour takeaways, BABA debate

Zoe Xu
+852 2800 8877
zoe.xu@jpmorgan.com

Consumer electronics is quietly back to "buy the dip"? *after optical/AI supply-chain volatility, investors are rotating within tech and re-engaging at low-to-mid teens / high single-digit 2026/27E P/E. With Apple's autumn launch looming, are high-Apple-exposure, good-value proxies worth a visit now? Cowell screens cheapest and has 2H mix tailwinds; Goertek margins held up better than feared; Luxshare is the debate name with softer Q3 guide and an earnings call catalyst. Xiaomi/Sunny remain higher-noise Android proxies.*

Asia Tech Tour takeaways… tightening bottlenecks, broadening spend. *Taiwan/Korea feedback was decisively constructive: AI demand is beating expectations, with NV units stronger from Neo Cloud pocketsand ASICs set for a 50–100% unit ramp next year off a low base. Constraints remain with 3nm wafers, backend/OSAT, substrates, then memory. Power/analog demand look steady, PCs are more resilient, smartphones still soft. Join Gokul and the team for the key takeway call at 11am HKT today. Registration link below*

China Internet…BABA *finally stopped bleeding yesterday (H-share/ADR +1.51%/+0.82%), helped by Jack Ma adding alongside the Tsai/Wu buyback. The debate is still "why equity": debt is more dilution-friendly, but equity can be the lower cost of capital in a constructive tape. Elsewhere,* ***Kanzhun*** *results was inline but surprised with a ~3% dividend and YTD returns ~7%+ incl. buyback;* ***KE*** *beats big on share gains and AI-driven agent efficiency, with rerating gated by a real property recovery. Kanzhun and JOYY remains Daniel's top pick in internet verticals.*

Happening today…

- *Key results: (TECH) Sinnet, Sunwoda, USI, Shennan, Sunny Optical, RoboSense (INTERNET) BILI*
- *11:00am HKT: Asia Tech Tour Key Takeaways call*
- *12:00pm HKT: Luxshare results call*

Read on for more and please share your feedback/pushback!

This week's HKCN Tech & Internet earnings calendar

Date	Earnings	JPM NDR
8/24	**Semi / Hardware:** Luxshare, Eoptolink, Biwin Storage, Cambridge Tech, StarPower 2Q26 results (link), CRM -A (link), OmniVision, KB Laminates **Internet:** PDD (link)	JP Expert Access: Technology And Development Trends In MLCCs For AI Servers - 13:00 HKT- link
8/25	**Semi / Hardware**: Naura, Huaqin, All Winner Tec, Zhuhai CosMx, Maxscend, Dawning info **Internet**: Kanzhun ADR (link), Vipshop (link)	AMA: Earnings update, spotlight on AI trades (09:00 HKT) - link Phancy Group - Founder, CSO, IR (12:00 HKT) - link J.P. Morgan Japan Tech Seminar: Jay Kwon, Albert Hung Japan Tech Team (Kanamoto, Ayanda Shikanai) -13:30 HKT - link (US/UK session) Key Takeaways from Asia Tech Tour (20:00 HKT) - lin
8/26	**Semi / Hardware**: Sinnet, Sunwoda, USI, Shennan Circuit, Sunny Optical (link) Circuit Fabolo, RoboSense (link) **Internet:** MiniMax Group (link)	(Asia Session) Key Takeaways from Asia Tech Tour (11:00 HKT) - link
8/27	**Semi / Hardware**:Victory Giant, Three-Circle, Guangdong FengHua **Internet**: Bilibili (link)	Vipshop - Head of IR (9:30 HKT) - link Shenzhen Xunce Technology - Board Secretary; IR (12:00 HKT) - link



8/28	**Semi / Hardware**:Inspur, V-Test, CMXT, Lingyi iTech, BYDE, Iluvatar, Tongfu Micro, Montage **Internet:** Meituan (link)	Joyy Inc - CFO, Head of IR, IR (9:30 HKT) - link Kanzhun Limited - CFO, IR (11:00 HKT) - link Shenzhen Xunce Technology - Board Secretary, IR (12:00 HKT) - link Silergy Corp - Chairman, IR (21:00 HKT) - link
8/29		
8/30	**Semi / Hardware:** Huafeng, Meta X	

Use the links below to jump straight to each section:

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Save the Dates: J.P. Morgan Technology Events
Catalyst Calendar (Full Version)

Detailed Highlights

BUY THE DIP ON CONSUMER ELECTRONICS?

Consumer electronics is starting to look like a "buy the dip" setup again. After the optical/AI supply chain volatility, it feels like some investors are accelerating the decision to bottom-fish the space; as we discussed yesterday on China optical, when crowded longs stop working, onshore tech specialists tend to maintain a higher cash position or rotate within the sector. Now with a lot of A/H consumer names broadly trading at low-to-mid teens / HSD 2026/27E P/E, the question is how much downside is really left from here… Layer on Apple's autumn launch in a few weeks, and the market is likely to prefer higher-Apple-exposure, "good value for the exposure" names.

- **COWELL** stands out on that screen with a pure-play Apple proxy. 1H26 Apple demand came in better than expected, and mix should improve further in 2H26 with a higher high-end iPhone mix. Incremental growth could come from potentially broader Apple IoT launches. On the newsflow, parent Luxvision has formally applied for a Hong Kong listing, and Cowell reportedly contributes ~80% of group profit. The stock is trading at ~13x/11x JPMe 2026/27E P/E; Cherry Liu's latest read is here
- **GOERTEK** Q226 results also read better than feared on margins. AI glasses, smart wearables, and gaming consoles weighed on 1H, but iPhone demand looks like a stabilizer into 2H, and any new IoT launches would be incremental. It's less "cheap" at ~22.2x/19.9x 2026/27E P/E (JPMe), but the fundamentals look more resilient than the tape suggested; Billy's full take on results note is here
- **LUXSHARE** is increasingly not traded as a pure Apple proxy given the broader business mix. 2Q results were in-line (toward the low end of the preliminary range), and Q3 guidance looked a bit softer. It's trading at ~19.8x/16.0x 2026/27E P/E. The earnings call is today at 3pm HKT; key watch items are optical/copper cable, "physical AI," and any updated view on Leoni profitability.
- **XIAOMI** continues to come up in inbound questions. It's still hard to turn constructive - even if most of the obvious negatives are now out, there's still more noise Apple component names: Android demand is less resilient than Apple's, AI investment is weighing on earnings growth, and EV profitability remains a tough debate. That said, the Xring launch event did ready incrementally positive to us, and the soon-to-take-place SkyNomad launch might surprise? See Gokul's latest views and full list of potential catalysts here
- **SUNNY OPTICAL** remains the Android proxy. Apple exposure is still small but growing; valuation is already back to early-year levels (i.e., before the company's 1H results reframed its ambition in optical). We're hosting management for NDR next week - get in touch to register.

ASIA TECH TOUR TAKEAWAY CALL AT 11AM HKT TODAY

JPM Asia tech tour just wrapped in Taiwan and Korea, and the tone was broadly constructive - AI demand is tracking better than expected, and the spend is widening beyond just the obvious winners. NV unit demand surprised to the upside (helped by Neo Cloud demand pockets), while the ASIC ramp into next year looks very strong off a low base (50–100% unit growth cited). The key gating items are shifting, but the stack still looks tight: leading-edge wafers (3nm) remain the primary bottleneck, followed by backend/OSAT, then substrates, and memory last.

A few other points Gokul noted from the trip:

- Power and analog still screen healthy—no major cracks flagged.
- PCs are proving more resilient than expected; smartphones remain the softer leg.
- Incrementally more positive on OSAT and backend equipment over the next 6–12 months, with capex intent sounding like it's being lifted, not cut.
- Within commodities, substrates came through as "best in class": demand looks strong and supply expansion remains disciplined.

Gokul was more guarded on a few areas - memory (de-spec risk), more commoditized pockets (wafers and MLCC), and the TPU narrative. Full report could be found here. Also please join Gokul and the team on the takeaway call today at 11am HKT

CHINA INTERNET UPDATE: MORE ON BABA/KANZUN AND KE RESULTS/CHINA LLM

BABA finally stopped bleeding, with the H-share/ADR closing +1.51%/+0.82%. Jack MA has reportedly followed the buyback of TSAI/WU, which reads as a tangible confidence signal at a moment when sentiment was wobbling.The core debate investors keep coming back to is still the same: why issue equity? Yes, debt would have been more shareholder-friendly on dilution, but the cost of capital is almost certainly lower especially when the tape is constructive. And the cost of moving onshore cash onhand for overseas investment could be more expensive than you might think...

MINIMAX reports tonight. I'd also like to highlight a call Olivia is hosting a webinar with Hannah Lee, our APAC Equity Thematic an Sustainable Investing Research analyst on Five takeaways from the J.P. Morgan APAC AI implementation survey (8/27, 4PM HKT). Register here

VERTICALS two results came out overnight. Kanzhun and YY are Daniel's top topic, also O/W on KE. Interest are HF-centric and catalysts-driven tho. See Daniel's full take on Kanzhun and KE results here:

- Kanzhun: First Take: Inline 2Q results/3Q revenue guidance vs. consensus; announced annual dividend 3x higher than last year. Kanzhun reported generally in-line 2Q26 revenue/adj. NP (+14% YoY/+9% YoY) compared to Bloomberg consensus. Slower YoY growth in adj. NP vs. revenue was due to a higher tax rate, while adj. OP was +19% in 2Q26 (adj. OPM +1.9ppts YoY). The mid-point of its 3Q26 revenue guidance (Rmb2.41-2.5bn) implies +13% YoY, and also in-line with Bloomberg consensus. However, we believe the guidance is likely below investors' expectations. We estimate (based on revenue and deferred revenue) 2Q26 cash grossing +16% YoY (accelerating from 10% in 1Q26), slightly better than expectations. Kanzhun declared an annual dividend of US$230mn (or 3% of current market cap), nearly triple vs. last year. We believe the dividend amount is a positive surprise, which together with the US$300mn buyback YTD accounts for 7.4% of the total market cap.
- KE Holdings: Upward earnings revisions supported by market share gain and agent efficiency optimization; maintain. KE Holdings' (BEKE) 2Q26 NP beat cons by 32% , mainly supported by: (1) strongergrowth of the new home/existing home segments, (2) improvement in contribution margin of the transactional businesses, supported by AI improving agent efficiency (per-agent order volume up 40%+ YoY) (3) margin expansion in home decoration/rental contribution supported by strong supply chain optimization (renovation) and a revenue mix shift to the high-margin matching service (rentals). Although we expect BEKE's 3Q26 revenue to turn weaker vs. 2Q26 (-11% YoY, vs. -6% in 2Q26), due to slower new home/existing home market growth QTD in 3Q.We expect BEKE's 3Q26 revenue to soften vs. 2Q26 (-11% YoY vs. -6%) on slower new/existing home market growth QTD, though market-share gains should hold. Profit growth should remain strong (JPMe adj. OP RMB2.2bn, +84% YoY) on agency efficiency gains. A bigger re-rating likely needs a sustained China property recovery (see Karl Chan/team), but we stay positive given sizable YTD upward earnings revisions and shareholder returns (5%+ in 2026E).

Sector Key Newsflow

- **Memory Semiconductor Sales** to Quadruple This Year, Gartner Says (The Chosun)
- **Alibaba** Founder Jack Ma Buys More Alibaba HK Shares for Days Running, Topping HK$600 Mln, on Bullish AI Outlook (Moomoo)

- **DeepSeek:** Chinese Hackers Expand Attacks With DeepSeek AI (The Chosun)
- **SMIC**-Led Expansion to Boost China's Advanced Chip Self-Supply to 66% (The Chosun)
- **Krafton** Doubles Subsidiaries, Expands AI, Advertising (The Chosun)
- **Kakao** Shareholders Condemn Spin-Off as Regulatory Loophole (The Chosun)
- **NAURA Technology** Group H1 Net Profit Up 5.05% Y/Y (Reuters)
- **OpenAI** Claims Its New Chips Can Outperform Nvidia Processors in Tests (Bloomberg)
- **Amazon** Raises AI Device Prices as Chip Shortage Spurs Rentals (The Chosun)

Full Research Link

Company Note:

- **KE Holdings (BEKE US):**Upward earnings revisions supported by market share gain and agent efficiency optimization; maintain OW- Daniel Chen (Link)
- **Kanzhun (BZ US, 2076 HK):**First Take: Inline 2Q results/3Q revenue guidance vs. consensus; announced annual dividend 3x higher than last year- Daniel Chen (Link)
- **Goertek - A (002241 CH):**Better-than-feared margin, but lack of new growth engine; maintain Neutral- Billy Feng (Link)
- **LY Corporation (4689 JP):** Moving to an Overweight rating and a ¥680 price target from Not Rated- Junko Yamamura (Link)
- **Grand Process Technology (3131 TT):** Attractive valuation and solid growth guidance; large capacity addition plans in 3Q26 to positively alter stock narrative; OW- Gokul Hariharan (Link)
- **Nationgate Holdings Bhd (NATGATE MK):** Capacity-relief play lifts optical segment demand; upgrade to OW with higher PT of RM2.40- Samuel Tan (Link)

Sector Note:

- **Asia Tech Tour:**Key takeaways- Gokul Hariharan (Link)
- **Global Silicon Wafer Sector:**Key takeaways from the JPM Asia Tech Tour- Jimmy Huang (Link)

Save the Dates: J.P. Morgan Technology Events

Analyst Meetings & JPM Webinars

Title	Speaker / Sector Coverage	Format	Date/Time (HKT)	Registration
(Asia Session) Key Takeaways from Asia Tech Tour	Gokul Hariharan, Albert Hung, Jerry Tsai, Jay Kwon	Virtual	Aug-26 (Wed)11:00 HKT	Register Here
MLCC Supply Chain Call Series	Akinori Kanemoto, Technology - Electronic Components	Virtual	Sep-07-09 (Mon-Wed)	Register Here
Stanley Yang	Korea TMT	Hong Kong; Singapore	Sep-14-16 (Mon-Wed); 17-18 (Thu-Fri)	Please Ask

Corporate Access

Title	Speaker	Format	Date/Time (HKT)	Registration
Vipshop (VIPS US)	Head of IR	Virtual	Aug-27 (Thu) 9:30 HKT	Register Here
Shenzhen Xunce Technology (3317HK)	Board Secretary; IR	Hong Kong	Aug-27-8 (Thu-Fri) 12:00 HKT	Register Here
Joyy Inc (YY US)	CFO, Head of IR, IR	Virtual	Aug-28 (Fri) 9:30 HKT	Register Here
Kanzhun Limited (BZ US)	CFO, IR	Virtual	Aug-28 (Fri) 11:00 HKT	Register Here
Silergy Corp (6415 TT)	Chairman, IR	Virtual	Aug-28 (Fri) 21:00 HKT	Register Here
Bilibili Inc. (BILI US)	CFO, IR	Virtual	Aug-31 (Mon) 10:00 HKT	Register Here
Robosense Technology Co., Ltd (2498 HK)	Head of IR, IR Manager	Hong Kong	Aug-31 (Mon) 12:00 HKT	Register Here
Sunny Optical Technology (2382 HK)	IR	Hong Kong	Aug-31 (Mon) 15:30 HKT	Register Here
Southchip Semiconductor Technology (SHANGHAI) Co., Ltd (688484 CH)	IR Manager	Hong Kong	Sep-1 (Tue) 15:30 HKT	Register Here
Manycore Tech Inc (68 HK)	CFO, IR	Hong Kong	Sep-1 (Tue)	Register Here
Tuya Inc (TUYA US)	COO & CFO, IR	Hong Kong	Sep-3 (Thu) 12:00 HKT	Register Here
Huaqin Co Ltd (3269 HK)	Board Secretary; Head of IR	Hong Kong	Sep-4 (Fri) 12:00 HKT	Register Here
Innoscience Suzhou Technology (2577 HK)	CFO	Hong Kong	Sep-10 (Thu) 12:00 HKT	Register Here
~Deep Dive On Japan'S First Diney Cruise Service – Hear From Director Of Oriental Land Cruise~	Kai Sugawara, General Manager, Corporate Communications Department, Oriental Land Co., Ltd.	Virtual	Sep-28 (Mon) 15:00 HKT	Register Here
Dell Technologies (DELL US)	Head of IR	Virtual	Sep-15 (Tue) 8:00 HKT	Register Here
Micron Technology (MU US)	TBC	Virtual	Oct-6 (Tue) 8:00 HKT	Register Here
Salesforce Inc (CRM US)	IR	Virtual	Oct-13 (Tue) 8:00 HKT	Register Here

Expert Access

Title	Speaker / Sector Coverage	Format	Date/Time (HKT)	Registration
J.P. Morgan Japan Expert Access: HDD And SSD Market Outlook - Japanese	Mr. Kengo Ota | Techno Research System (TSR)	Virtual	Sep-02 (Wed) 15:00 HKT	Register Here
M10 PTFE CCL Explained: What it means for Nan Ya Plastics, Glass Cloth Copper Foil	Mr. Lin, PCB Material Expert	Virtual	Sep-02 (Wed) 16:30 HKT	Register Here

Conferences & Tours

Title	Format	Date/Time (HKT)
11th Annual Asia Tech Tour	Taiwan, Korea, Japan	Aug-17-28 (Mon-Fri)
Japan Industrial Technology Forum	Four Seasons Hotel Tokyo Otemachi	Aug-27-28 (Thu-Fri)
Indonesia Forum	Jakarta	Sep-2-3 (Wed-Thu)
Korea AI Value Chain Tour	Seoul	Sep-7-8 (Mon-Tue)
MLCC Supply Chain Call Series	Virtual	Sep-7-9 (Mon-Wed)
China AI Applications Forum	Hong Kong	Sep-16 (Wed)
India Conference	Mumbai	Sep-21-22 (Mon-Tue)
India TMT Tour	Mumbai, Bangalore	Sep 23-25 (Wed- Fri)
Taiwan PCB Tech Tour	Taipei	Oct-21 (Wed)
APAC Technology, Innovation and Growth Conference (TIG)	Hong Kong	Nov-16-18 (Mon-Wed)
Japan Markets Forum (Save the date)	Four Seasons Hotel Tokyo Otemachi	Dec-01 (Tue)
Thailand Forum	Bangkok	Jan-21-22 (Thu-Fri)

Doko Shuzai (JPM Analyst-led coverage company meetings)

Date	Time & Language		Company	Host	Location	Registration
Tue 25 Aug	11:00-12:00 JST	J	Rigaku Holdings (268A JP)	Mio Shikanai	Zoom	Click
Wed 26 Aug	10:00-11:00 JST	J / E	Sony Group Corp (6758 JP)	Junya Ayada	Zoom	Ask Sales Rep

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Catalyst Calendar (All in HKT)

Jerry Tsai (Taiwan – Technology) jerry.tsai@jpmorgan.com +886 2 2725 9867
Jimmy Huang (Taiwan – Technology) jimmy.huang@jpmorgan.com +886 2 2725 9865
Albert Hung (Taiwan - Tech Hardware) albert.hung@jpmchase.com +886 2 2725 9875
Jay Kwon (Seoul – Semis) jay.h.kwon@jpmorgan.com +82 2758 5725
Junya Ayada (Japan - Technology) junya.ayada@jpmorgan.com +81 3 6736 8631
Mio Shikanai (Japan - Technology) mio.shikanai@jpmorgan.com +81 3 6736 1313

APAC Internet Research:
Alex Yao (China - Internet Large Cap) alex.yao@jpmorgan.com +86 21 6106 6505
Daniel Chen (China Internet and Gaming) daniel.q.chen@jpmorgan.com +86 21 6106 6205
Olivia Xu (China - LLM) olivia.w.xu@jpmorgan.com +86 21 6106 6138
Junko Yamamura (Japan) junko.yamamura@jpmorgan.com +81 3 6736 8644
Ankur Rudra (India) ankur.rudra@jpmorgan.com +65 6801 3237
Henry Wibowo (Indonesia) henry.wibowo@jpmorgan.com +62 21 5291 8526
Ranjan Sharma (Singapore) ranjan.x.sharma@jpmorgan.com +65 6882 1303
Stanley Yang (South Korea) stanley.yang@jpmorgan.com +82 2 758 5712

Global Semis & Tech Hardware Research:
Harlan Sur (US - Semi and Hardware) harlan.sur@jpmorgan.com +1 415 315 6700
Aman Gulani (US - Semi and Hardware) aman.gulani@jpmorgan.com +1 415 315 8915
Samik Chatterjee (US - Hardware and Network) samik.x.chatterjee@jpmorgan.com +1 212 622 0798
Joseph Cardoso (US - Hardware and Network) joseph.cardoso@jpmchase.com +1 212 622 9036
Priyanka Thapa (US - Hardware and network) priyanka.thapa@jpmorgan.com +1 212 622 4935
Sandeep Deshpande (Europe - Tech hardware) sandeep.s.deshpande@jpmorgan.com +44 73 8035 5774

JPMM Page: Click here.

Alternate Contact: Brenda Wong | T: +852 2800 0249| brenda.wong@jpmorgan.com

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Zoe Xu - Specialist Sales – China Technology and APAC Internet [AC]
(852) 2800-8877
zoe.xu@jpmorgan.com

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