NAVIGATING CHINA INTERNET & AI MODELS

What to do from here; key themes & refreshed ideas into year-end



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Coming out of the results season, and the Asia Leaders and Communacopia + Technology conferences, we highlight key themes & focus areas across the China Internet sector & AI models and refresh our sub-sector preferences (lifting Games/Entertainment on defensive growth and Internet verticals/Education on compelling valuations) and the key stock ideas accordingly (Tencent, NetEase, Alibaba, VNET, New Oriental (new), Beike (new), JD and MiniMax). Key investor themes/focuses have surrounded: **1)** the mixed set up for 3Q results, where we expect soft consumption to weigh on eCom/Ads/Local services growth and see Games/Cloud/Internet verticals as sub-sectors with relatively more defensive/resilient growth drivers; **2)** AI cloud growth, where we see potentials for further beat-and-raise on tight compute demand and positive read-across from US hyperscalers (we lift Alibaba Cloud growth to 53% for Sep qtr, prior 50%); yet with investor concerns on sources of capex funding/sustainability of elevated ROICs, **3)** intensifying competition between AI models with narrower performance gaps/evolving rhetoric on pacing of the frontier, where cost efficiencies, financial strength and harness products are becoming more important differentiating drivers, **4)** the increased focus on AI agent applications around workplace (To-B & To-C) & personal AI assistants (To-C, read-across from recent US players' new consumer agent launches), with investments into user acquisitions that could drive sustainable data flywheel yet draws questions on ROI/long-term retention, and **5)** evolving AI policies/regulations/taxes.

Under the backdrop of share price weaknesses year-to-date and post-2Q results, we assess where mega-cap valuations stand vs. past valuation troughs, EPS revision outlook, FCF situation/USD funding needs, and refresh our sub-sector preferences lifting Games & Entertainment to #1, Cloud & Data Centers down to #2, Verticals/Education to #3, eCommerce from #3 to #4, and AI models from #4 to #5. We update our Tencent and Alibaba TP/estimates factoring in AI application investments, and Alibaba's latest fund raisings as announced by the company.

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With broad sector share price weaknesses (year-to-date/recent declines post 2Q results, Exhibit 5), key themes/focuses from investors have focused on five key topics:

1. Soft macro and implications for 3Q top line set-up: we note mixed comments on quarter-to-date trends, from weaker travel demand, to continued soft consumer spending and a later Apple product shipment this year to weigh on eCom/ads/local services' 3Q top line, alongside continued elevated 3Q absolute capex spend quarter-on-quarter from hyperscaler mega-caps. These being said, we expect AI cloud growth and AI cloud margins to be bright spots on strong token demand, elevated AI server rental prices (boosting payback period for GPU-as-a-Service to 2-3 years) and margin boost from CPU/overall cloud price hikes since Apr 2026. We see Games/Cloud/Internet verticals as key sub-sectors with relatively more defensive growth into the 3Q, 4Q set up.

2. AI cloud growth with potential for further beat-and-raise on tight compute demand and read-across from US hyperscalers, yet with concerns on sources of capex funding/when is capex peaking for hyperscalers/sustainability of elevated ROICs. Investor focuses have been on the negative FCF at Alibaba and Tencent in the past quarter, sources of capex funding (given Alibaba and Z.AI's recent equity fundings) and sustainability of ROIC (the maths in reaching 3-year payback time for Alibaba's current capex, and sustainability of even shorter payback times for AI-compute focused hyperscalers and neoclouds overseas, referencing recent Communacopia + Technology conference takeaways, summary from James Schneider, summary from Eric Sheridan).

3. Intensifying competition between AI models with narrower performance gaps/ Shifting discussions about how fast AI technology is advancing where cost efficiencies, financial strength and harness products are becoming more important differentiating drivers. We see a larger step up in R&D needed on post-training given tighter access to Chain-of-Thought data sets, and controlling of the harness/orchestration layer will drive a more sustainable data feedback loop for model improvement and eventual recursive self-improvement. We believe Chinese AI models have reached critical level of intelligence (our earlier China LLM primer) with rising context window and cost efficiencies that can sufficiently deliver cost-competitive virtual worker/white-collar job tasks, and thus see co-work/virtual employee agents as the key next focuses with rising AI employee penetration by industries (from coding, to increasing focus in finance, legal, accounting and more, Exhibit 42).

4. The increased focus on AI agent applications around workplace (To-B & To-C, Exhibit 40) & personal AI assistants (To-C, with read-across from recent US players' new consumer agent launches including Muse from Meta, report link), with investments into user acquisitions thatcould drive sustainable data flywheel, yet draws questions on ROI/long-term retention**.** On the enterprise side, we see an ongoing competition between mega-caps for data feedback loop between Tencent's WorkBuddy, Alibaba's QwenWork and ByteDance's Doubao Work. We believe workplace agent products like WorkBuddy and QwenWork are showing resemblan eCommerce platforms' analogy, i.e. building stickiness through a combi model) and 3P offerings (selection of other models). On the consumer A believe Tencent Weixin's Xiaowei (that is in pilot testing phase) continue well positioned given trust, scale, Mini-Program ecosystem, and payme most well embedded within the Weixin ecosystem vs. Doubao/Qwen st



with various relatively segregated 'walled garden' ecosystems.

5. Evolving AI policies/regulations/taxes that could determine access to compute/market access in each overseas market and the long-term post-tax profit assumptions of internet platforms/AI model companies. We highlight key investors focuses around policy risks on AI model distillation, transactions with US suppliers, access to overseas AI leased compute and high-tech industry preferential tax rates. As highlighted in our earlier report, we note High and New Tech Enterprise (HNTE) status is re-considered/re-applied every three years, whereby most China internet mega-caps will need to seek renewal of HNTE status by 4Q 2026, with some others up for renewal in 2027/2028. There has also been recent concerns around individual income tax on certain assets held in offshore trusts and related income/dividend gains (detailed tax types see Exhibit 46) that have weighed on recent HK-listed shares, as per press reports.

What to do from here?

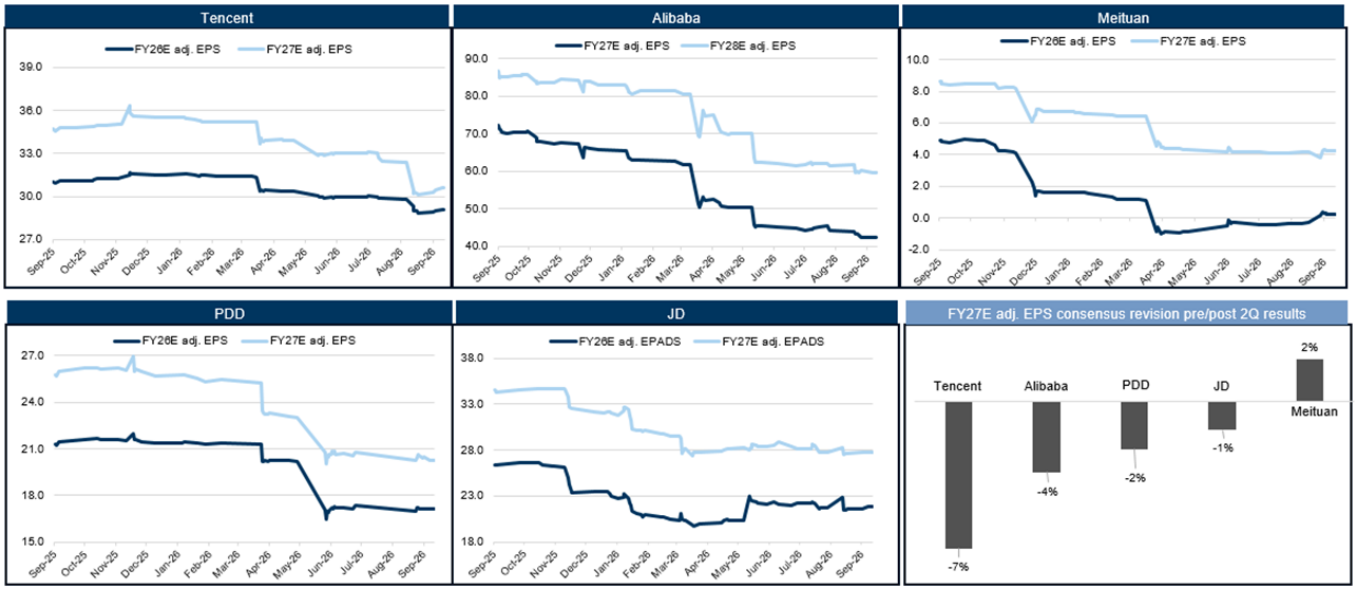
Under the backdrop of share price weaknesses year-to-date and post-2Q results (Exhibit 5), we assess where mega-cap valuations stand vs. past valuation troughs (Exhibit 3), EPS revision outlook (Exhibit 1), FCF situation/USD funding needs (Exhibit 4), and refresh our sub-sector preferences lifting Games & Entertainment to #1 (Tencent and NetEase), Cloud & Data Centers down to #2 (Alibaba and VNET), lifting Verticals/Education to #3 (from #5, New Oriental (new) and Beike (new)), eCommerce from #3 to #4 (JD), and AI models from #4 to #5 (MiniMax).

- **Tencent with marked improved visibility on its AI stack/positioning across models/applications over the past 6 months (at 13X 26E P/E, -11% downside to trough valuations), where we see forward EPS revisions should bottom over 2H26, with our trimmed -2%/-5%/0% EPS growth for 3Q26E/4Q26E/FY27E (prior: 4%/0%/5%); with strong core profits and unique offshore-dominated US$130bn investment portfolio to more than fund near-term elevated capex/prepayments; and with management public comments on no equity raising plans):** Despite Tencent's near-term profit growth pressure from the AI investment ramp-up, we believe its year-to-date underperformance already reflects EPS compression/valuation contraction due to concerns about near-term estimate cuts and long-duration AI investments that will take time to prove out. We believe the next Hy model launches, WorkBuddy user retention/paying ratio metrics and Weixin Xiaowei adoption, alongside any renewed commitment to Tencent Cloud as China's Top 3 hyperscaler will be key share price drivers over the next 6-12 months. We also fine-tune our 2026E-28E net profit by -3%~-8%, on the back of continued AI-related investments (e.g. Hunyuan, WorkBuddy, Xiaowei), with our SOTP-based 12-month target price at HK$650 (prior: HK$670). We now estimate 0%/-5% EPS growth for 3Q/4Q26E.
- **Alibaba (at 14X 26E P/E, -16% downside to trough valuations, EPS revision already bottomed since last quarter, with cloud growth accelerating; ongoing capex needs exceed OpCF but with management comments of no further equity funding plans within FY27):** We believe Alibaba's results have delivered positive developments including cloud growth as a bright spot, higher certainty on ROIC despite capex uplift, inflection in EPS growth (from Sep-quarter). This was supported by improving quick commerce UE (with halving of losses for FY27E/28E

and profit turnaround by FY29E being on track) and increased disclosures that we expect to drive greater appreciation of Alibaba's SOTP framework around Cloud + T-Head and AI models/applications. We continue to expect Alibaba to deliver a solid EPS recovery of +64%/+33% yoy for FY27E/FY28E (with strong inflection from Sep quarter),driven by continued leadership in its AI + Cloud business in China with further acceleration in cloud growth, and a recovery in overall eCommerce profits with narrowing quick commerce losses. We update our estimate for Alibaba, factoring in a faster Sep-quarter cloud growth to 53% (prior: 50%) on strong GPU-as-a-Service & MaaS demand and the recent completed HK$80bn equity raising. We fine-tune our estimates and update our 12-m TP of BABA to US$177/HK$172 (prior: US$186/HK$180) mainly to reflect dilution effects from equity raising.

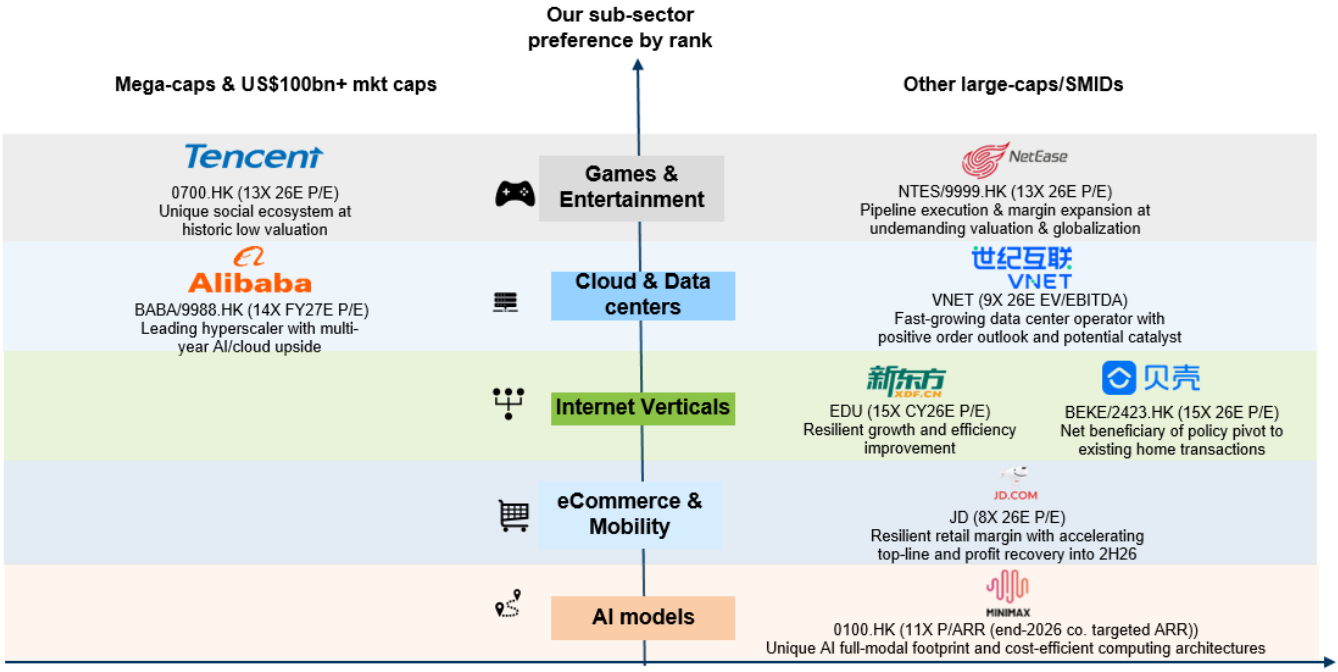
We also include our detailed views by company, our sub-sector recap post results and latest monthly top apps tracker in the later sections. We note Weixin time spent growth (+3% yoy) and continued strong Douyin app engagement performance (main app +29% yoy/Lite +28% yoy) with ByteDance's continued share gain by time spent (see Exhibit 75) via short-form video apps (Douyin/Red Fruit) and AIGC applications (Doubao).

Exhibit 1: Consensus EPS revision ahead of 3Q results



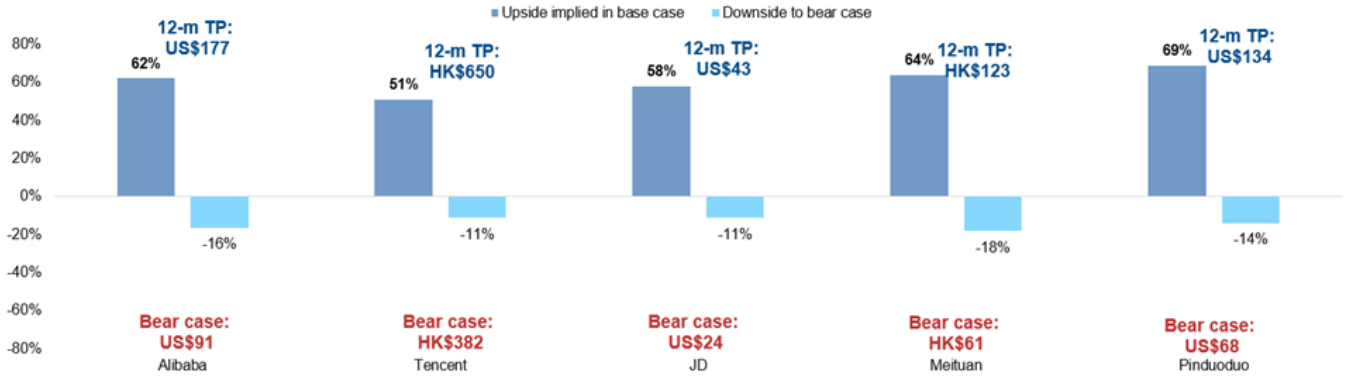
Source: Visible Alpha Consensus Data, Data compiled by Goldman Sachs Global Investment Research

Exhibit 2: China Internet key stock ideas by preferred sub-sector: we lay out our refreshed key stock ideas amongst mega-caps, and large/SMID caps
Pricing as of Sep 11, 2026



Source: Goldman Sachs Global Investment Research

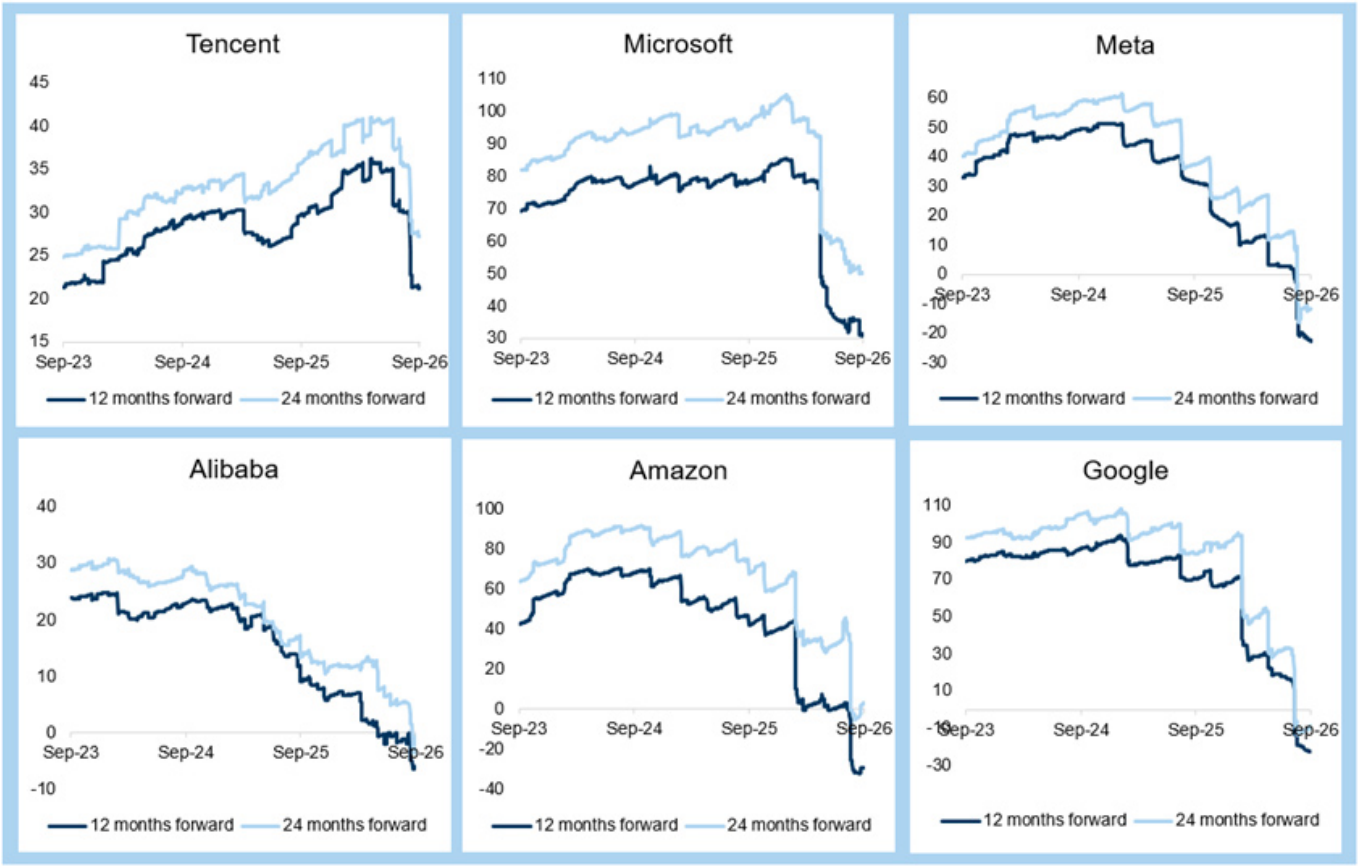
Exhibit 3: We see favorable risk-reward for China internet mega-caps - for upside to our base case 12-month target prices vs. downside implied to Jun-2026 trough & our bear case scenario



Upside/downside vs. last close. Our bear case is based on Jun 2026 trough P/E multiples, applied to 2026E EPS (2027E for Meituan). Trough multiples are 13x for Alibaba, 12x for Tencent, 8x for JD, 15x for Meituan and 7x for PDD.

Source: Goldman Sachs Global Investment Research, Bloomberg

Exhibit 4: Forward free cash flow estimate revisions (BBG consensus) at Chinese hyperscalers Tencent & Alibaba vs. US peers
US$bn



Source: Bloomberg

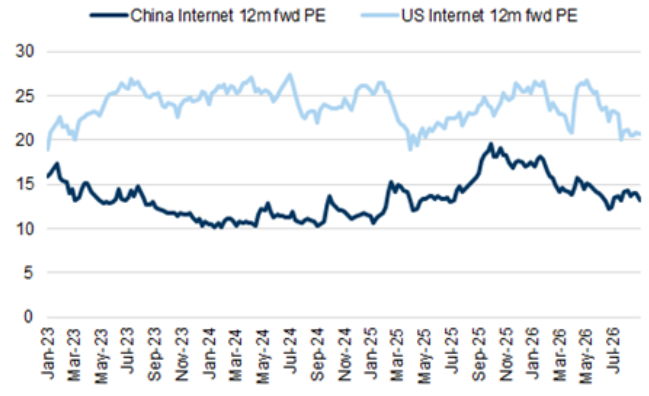
Exhibit 5: China Internet: Share price performance and valuation
Pricing as of Sep 11

Share price performance	Market cap	Past 1-week	Past 1-month	Past 3-month	Year-to-date	1 Year	PE 26E	Rev Growth 25-27E	EPS Growth 25-27E
Z.AI	47,081	-26%	-34%	-28%	587%	NM	NM	494%	NM
MiniMax	11,410	-25%	-24%	-32%	115%	NM	NM	372%	NM
Range Intelligent	14,871	-3%	-10%	-17%	16%	15%	39X	43%	28%
SUNeVision	1,654	-4%	12%	2%	15%	-20%	18X	11%	15%
KE Holdings	18,931	-6%	-3%	0%	5%	-16%	15X	-3%	46%
TAL Education Group	6,600	-5%	-1%	28%	3%	10%	12X	21%	11%
New Oriental	8,834	-6%	5%	20%	-3%	2%	14X	14%	18%
Shanghai Athub	3,014	-5%	-13%	-9%	-7%	-17%	NM	9%	21%
JD.com	42,904	-4%	-14%	-5%	-8%	-21%	8X	9%	29%
Kingsoft Cloud	3,030	-9%	-15%	-7%	-9%	-41%	NM	36%	NM
GDS Holdings	5,991	-2%	-6%	-5%	-20%	-20%	13X	14%	NM
Kanzhun	7,608	-3%	2%	20%	-21%	-33%	13X	16%	14%
NetEase	73,392	-3%	-7%	-8%	-22%	-23%	13X	8%	13%
Full Truck Alliance	8,774	-6%	-12%	-3%	-27%	-41%	11X	5%	15%
Meituan	59,733	-8%	-18%	-4%	-28%	-22%	NM	17%	NM
VIPShop	8,519	-6%	-14%	-10%	-30%	-31%	6X	2%	6%
Alibaba	262,327	-3%	-13%	-3%	-30%	-30%	18X	13%	28%
VNET Group	1,735	-1%	-15%	-29%	-31%	-31%	NM	21%	NM
Tencent	529,587	-3%	-7%	-8%	-31%	-32%	13X	14%	9%
Pinduoduo	114,952	-5%	-13%	-5%	-33%	-38%	8X	11%	11%
Xiaomi	86,631	-7%	0%	1%	-35%	-52%	25X	12%	-7%
DiDi Global	17,307	-5%	0%	-3%	-36%	-49%	NM	14%	6%
JD Health	14,013	-6%	-11%	-8%	-38%	-50%	14X	20%	14%
Baidu	32,036	-8%	-13%	-21%	-39%	-18%	16X	5%	-1%
Alibaba Health	6,214	-4%	-9%	-14%	-42%	-58%	19X	17%	9%
Trip.com	24,796	-5%	-14%	-16%	-48%	-48%	13X	13%	-15%
Kuaishou	17,191	-7%	-25%	-32%	-53%	-57%	13X	-1%	-27%
Tongcheng-Elong	2,967	-12%	-23%	-26%	-54%	-53%	6X	13%	14%
Tencent Music Entertainment	12,401	-5%	-8%	-15%	-56%	-69%	9X	10%	6%
Median		-5%	-12%	-8%	-29%	-32%	13X	13%	13%

AI models	-26%	-29%	-30%	351%	
Education	-5%	2%	24%	0%	6%
Cloud/Data Center	-4%	-8%	-10%	-9%	-20%
Game	-3%	-7%	-8%	-26%	-27%
Vertical	-5%	-3%	0%	-28%	-43%
Local services	-8%	-18%	-4%	-28%	-22%
eCommerce	-6%	-16%	-13%	-31%	-37%
Healthcare tech	-5%	-10%	-11%	-40%	-54%
OTA	-8%	-18%	-21%	-51%	-51%

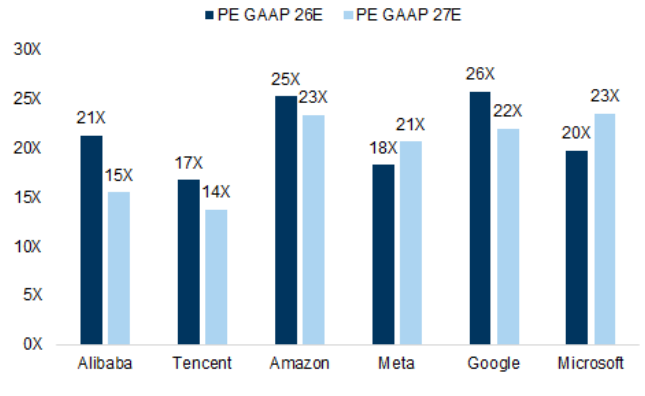
Source: Company data, Goldman Sachs Global Investment Research

Exhibit 6: China Internet vs. U.S. Internet: 12-month forward PE valuation: China internet is currently trading at 13X median forward 12-m non-GAAP P/E vs. US at 21X GAAP median)



Source: Bloomberg

Exhibit 7: GAAP P/E comparison indicates a larger valuation gap between China and US mega-cap internet companies



Source: Bloomberg

Exhibit 8: China Internet comps table
Pricing as of Sep 15, 2026

Company	Primary Analyst	Ticker	fx	Last Price	Target Price	+/- Side	Rating	Mkt Cap (US$mn)	Net Cash % of Mkt Cap	PE n-Gaap 26E	PE n-Gaap 27E
China Internet											
Alibaba	Ronald Keung, CFA	BABA	$	109.34	186.00	70.1%	Buy	262,423	8.5%	18.4x	13.1x
Alibaba HK	Ronald Keung, CFA	9988.HK	HK$	107.20	180.00	67.9%	Buy	262,417	8.5%	18.4x	13.1x
Alibaba Health	Lincoln Kong, CFA	0241.HK	HK$	2.93	4.20	43.6%	Neutral	6,017	27.6%	18.3x	16.5x
Autohome	Timothy Zhao	ATHM	$	21.35	21.00	-1.6%	Neutral	2,411	12.9%	15.6x	13.9x
Autohome HK	Timothy Zhao	2518.HK	HK$	42.00	41.00	-2.4%	Neutral	2,418	12.9%	15.7x	13.9x
Baidu	Lincoln Kong, CFA	BIDU	$	90.39		#VALUE!	Not Rated	31,682	65.5%	16.3x	11.9x
Baidu HK	Lincoln Kong, CFA	9888.HK	HK$	88.90		#VALUE!	Not Rated	31,781	65.3%	16.4x	11.9x
Beijing Sinnet Technology Co Ltd.	Timothy Zhao	300383.SZ	Rmb	10.98	11.20	2.0%	Sell	2,943	-3.7%	NM	NM
Damai Entertainment	Lincoln Kong, CFA	1060.HK	HK$	0.50	0.82	64.0%	Buy	1,891	22.2%	17.5x	14.2x
DiDi Global	Ronald Keung, CFA	DIDIY	$	3.52	5.20	47.7%	Buy	17,209	8.4%	NM	14.0x
East Buy	Timothy Zhao	1797.HK	HK$	25.96	15.00	-42.2%	Sell	3,547	12.3%	31.5x	25.3x
Focus Media Information Technolog	Lincoln Kong, CFA	002027.SZ	Rmb	4.69	6.80	45.0%	Buy	10,099	4.3%	12.2x	11.9x
Full Truck Alliance	Ronald Keung, CFA	YMM	$	8.06	11.70	45.2%	Buy	8,656	23.4%	11.2x	9.5x
G-bits	Lincoln Kong, CFA	603444.SS	Rmb	371.61	365.00	-1.8%	Sell	3,991	15.7%	14.4x	14.4x
GDS Holdings	Timothy Zhao	GDS	$	30.44	49.00	61.0%	Buy	5,917	-7.2%	12.4x	NM
GDS Holdings	Timothy Zhao	9698.HK	HK$	29.86	48.00	60.8%	Buy	5,920	-7.1%	12.4x	NM
iQIYI	Lincoln Kong, CFA	IQ	$	1.00	1.40	40.0%	Neutral	980	-10.7%	NM	9.1x
JD.com	Ronald Keung, CFA	JD	$	27.09	43.00	58.7%	Buy	42,951	51.6%	8.4x	6.5x
JD.com HK	Ronald Keung, CFA	9618.HK	HK$	106.30	169.00	59.0%	Buy	42,975	51.6%	8.4x	6.5x
JD Health	Lincoln Kong, CFA	6618.HK	HK$	34.80	59.00	69.5%	Buy	14,036	57.7%	14.0x	12.0x
JD Industrials	Ronald Keung, CFA	7618.HK	HK$	13.68	17.90	30.8%	Buy	4,377	20.4%	18.7x	13.0x
Kanzhun	Timothy Zhao	BZ	$	15.04	22.00	46.3%	Buy	6,958	46.2%	12.1x	10.6x
Kanzhun	Timothy Zhao	2076.HK	HK$	60.20	85.00	41.2%	Buy	7,104	45.3%	12.3x	10.8x
KE Holdings	Timothy Zhao	BEKE	$	16.21	25.00	54.2%	Buy	18,126	52.8%	14.6x	12.6x
KE Holdings	Timothy Zhao	2423.HK	HK$	42.82	66.00	54.1%	Buy	18,314	52.2%	14.2x	12.3x
Kingsoft Cloud	Timothy Zhao	KC	$	9.52	18.00	89.1%	Buy	2,896	-3.9%	NM	NM
Kuaishou	Lincoln Kong, CFA	1024.HK	HK$	29.80	38.00	27.5%	Neutral	16,386	64.1%	12.7x	10.3x
Meituan	Ronald Keung, CFA	3690.HK	HK$	74.75	123.00	64.5%	Buy	59,447	40.0%	NM	17.2x
Mango	Lincoln Kong, CFA	300413.SZ	Rmb	16.73	13.30	-20.5%	Sell	4,666	5.7%	38.3x	24.0x
MiniMax	Ronald Keung, CFA	0100.HK	HK$	234.60	760.00	224.0%	Buy	9,913	4.9%	NM	NM
NetEase*	Lincoln Kong, CFA	NTES	$	119.49	168.00	40.6%	Buy	75,855	30.9%	13.8x	11.6x
NetEase HK*	Lincoln Kong, CFA	9999.HK	HK$	187.10	263.00	40.6%	Buy	75,715	30.9%	13.7x	11.2x
New Oriental	Timothy Zhao	EDU	$	56.26	70.00	24.4%	Buy	8,904	61.9%	14.4x	12.3x
New Oriental	Timothy Zhao	9901.HK	HK$	43.86	55.00	25.4%	Buy	8,850	62.3%	16.2x	13.7x
Offcn Education	Timothy Zhao	002607.SZ	Rmb	1.89	1.30	-31.2%	Sell	1,738	5.3%	42.7x	22.3x
Perfect World	Lincoln Kong, CFA	002624.SZ	Rmb	9.88	14.00	41.7%	Neutral	2,858	15.3%	14.8x	11.3x
Pinduoduo	Ronald Keung, CFA	PDD	$	78.08	134.00	71.6%	Buy	115,350	52.4%	8.3x	6.4x
Range Intelligent	Timothy Zhao	300442.SZ	$	60.91	109.00	79.0%	Buy	14,842	-4.9%	39.4x	35.2x
SUNeVision	Timothy Zhao	1686.HK	HK$	5.43	6.00	10.6%	Neutral	1,634	-12.3%	18.2x	15.6x
Shanghai Athub	Timothy Zhao	603881.SS	Rmb	23.45	27.50	17.3%	Neutral	3,014	4.6%	93.6x	88.9x
TAL Education Group	Timothy Zhao	TAL	$	11.75	15.90	35.3%	Buy	6,567	54.0%	12.1x	11.1x
Tencent	Ronald Keung, CFA	0700.HK	HK$	438.80	670.00	52.7%	Buy	542,374	0.1%	12.9x	12.0x
Tencent Music Entertainment	Lincoln Kong, CFA	1698.HK	HK$	31.68	46.00	45.2%	Buy	12,687	39.0%	8.9x	8.4x
Tencent Music Entertainment	Lincoln Kong, CFA	TME	$	7.89	11.70	48.3%	Buy	12,392	39.9%	8.7x	8.2x
Tongcheng-Elong	Simon Cheung, CFA	0780.HK	HK$	10.50	24.00	128.6%	Buy	2,947	7.5%	6.0x	5.2x
Trip.com	Simon Cheung, CFA	TCOM	$	39.25	70.00	78.3%	Buy	24,942	8.7%	13.4x	8.6x
Trip.com HK	Simon Cheung, CFA	9961.HK	HK$	311.20	545.00	75.1%	Buy	25,213	8.6%	13.5x	8.7x
Tuhu	Timothy Zhao	9690.HK	HK$	12.56	13.00	3.5%	Neutral	1,231	81.9%	16.2x	12.6x
Tuya	Timothy Zhao	TUYA	$	1.77	3.00	69.5%	Buy	1,090	94.8%	14.4x	13.4x
VIPShop	Ronald Keung, CFA	VIPS	$	12.09	16.50	36.5%	Neutral	8,259	29.7%	6.2x	4.5x
VNET Group	Timothy Zhao	VNET	$	5.96	14.00	134.9%	Buy	1,634	-12.4%	NM	NM
Weibo	Timothy Zhao	WB	$	6.61	7.80	18.0%	Neutral	1,795	30.2%	5.1x	4.7x
Weibo HK	Timothy Zhao	9898.HK	HK$	52.45	61.00	16.3%	Neutral	1,816	29.8%	5.1x	4.7x
Weimob	Timothy Zhao	2013.HK	HK$	0.82	1.00	22.7%	Neutral	425	2.1%	42.2x	25.0x
XD	Lincoln Kong, CFA	2400.HK	HK$	37.94	66.80	76.1%	Neutral	2,283	22.4%	9.5x	8.6x
Xiaomi	Timothy Zhao	1810.HK	HK$	26.50	39.00	47.2%	Buy	87,080	25.9%	25.5x	19.1x
Z.AI	Ronald Keung, CFA	2513.HK	HK$	680.00	1610.00	136.8%	Neutral	40,367	0.4%	NM	NM
Zhihu	Lincoln Kong, CFA	ZH	$	2.97	3.80	27.9%	Neutral	813	58.7%	NM	NM
37 Interactive	Lincoln Kong, CFA	002555.SZ	Rmb	17.37	16.30	-6.2%	Sell	5,729	0.4%	16.1x	14.2x
Median (Sum for Mkt cap)						**45%**		**6,483**	**22.4%**	**14.3x**	**12.0x**

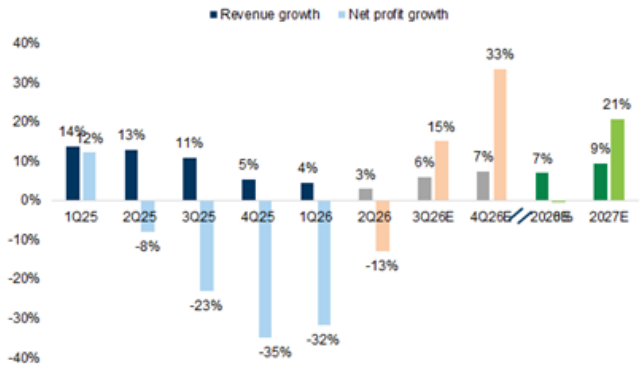
Target prices on a 12m timeframe. NetEase / NetEase HK - Buy and on APAC conviction list

Source: Datastream, Goldman Sachs Global Investment Research

1. Soft macro and implications for 3Q top line set-up

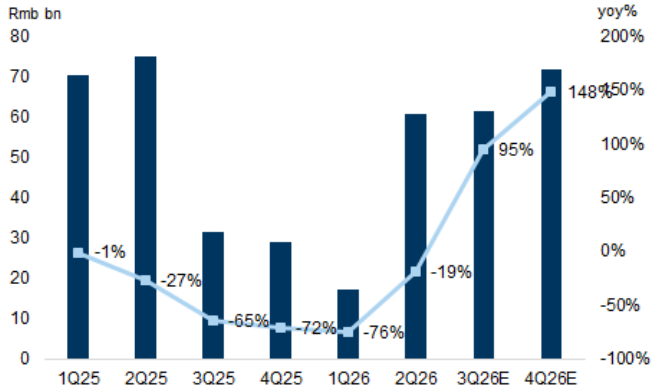
We note mixed comments on quarter-to-date trends, from weaker travel demand over Jul-Aug (as per Meituan), to continued soft consumer spending and a later Apple product shipment this year (as per JD), that we expect to weigh on eCom/ads/local services' 3Q top line, alongside continued elevated 3Q absolute capex spend quarter-on-quarter from hyperscaler mega-caps. These being said, we expect AI cloud growth and AI cloud margins to be bright spots on strong token demand, elevated AI server rental prices (boosting payback period for GPU-as-a-Service to 2-3 years) and margin boost from CPU/overall cloud price hikes since Apr 2026. We see Games/Cloud/Internet verticals as key sub-sectors with relatively more defensive growth into the 3Q and 4Q set up. On earnings, we expect ongoing quick commerce loss reduction (by half year-on-year for Alibaba and JD) to drive faster profit growth recovery yoy for transaction platforms over 2H26.

Exhibit 9: Internet sector revenue and net profit growth trend



Source: Company data, Goldman Sachs Global Investment Research

Exhibit 10: eCommerce & Local services industry (Alibaba, JD, PDD, Meituan) net profit growth trend



Source: Company data, Goldman Sachs Global Investment Research

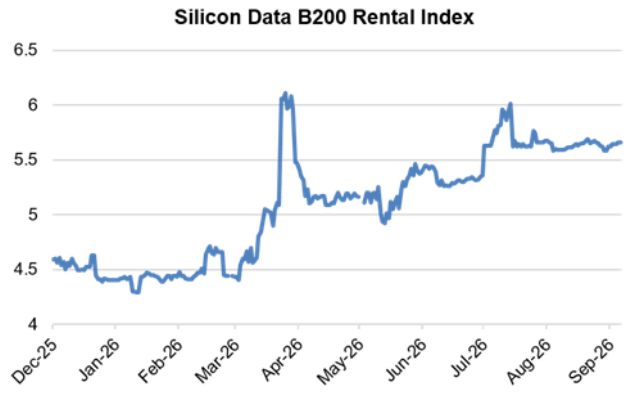
2. Concerns on AI capex funding and timing of peak for hyperscalers

We see potential for further beat-and-raise for AI cloud businesses on tight compute demand and read-across from US hyperscalers' cloud growth acceleration over the past few quarters. Yet we note investor concerns on sources of capex funding and questions on when capex would peak for hyperscalers, in order for the market to see hyperscalers' improving FCF. There have also been questions on sustainability of elevated ROICs following the significant jump in GPU rental prices (Exhibit 11), which has shortened payback time to 1-3 years for asset owners, but concerns persist in the medium term should supply-demand gradually return to a closer balance.

Investors have been focused on the negative FCF at Alibaba and Tencent in the past quarter, sources of capex funding (given Alibaba and Z.AI's recent equity fundings), and sustainability of ROIC (the math for reaching the 3-year payback time for Alibaba's current capex, and sustainability of even shorter payback times for AI-compute focused hyperscalers and neoclouds overseas, referencing recent Communacopia + Technology conference takeaways from our US Technology team (links here and here).

Evolving dynamics of chip supply

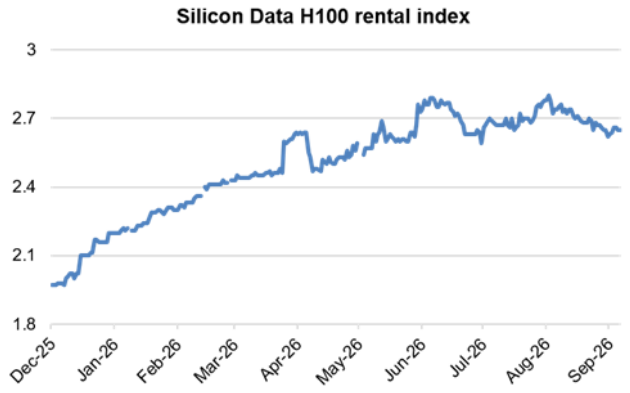
Exhibit 11: B200 spot rental pricing remains relatively stable for the past month
US$ per GPU-hour



Silicon Data B200 Rental Price Index (SDB200RT) is a daily benchmark for on-demand NVIDIA B200 rental pricing

Source: Silicon Data, Bloomberg

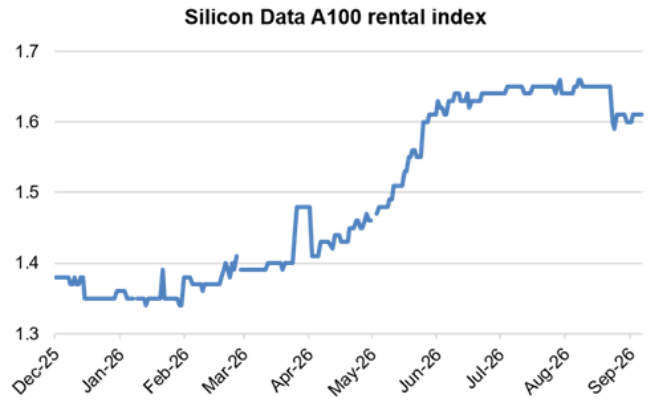
Exhibit 12: Same for H100 spot rental pricing with slight downward trend over the past month
US$ per GPU-hour



Silicon Data H100 Rental Price Index (SDH100RT) from neo-cloud is a daily benchmark for on-demand NVIDIA H100 rental pricing

Source: Silicon Data, Bloomberg

Exhibit 13: A100 spot rental pricing
US$ per GPU-hour

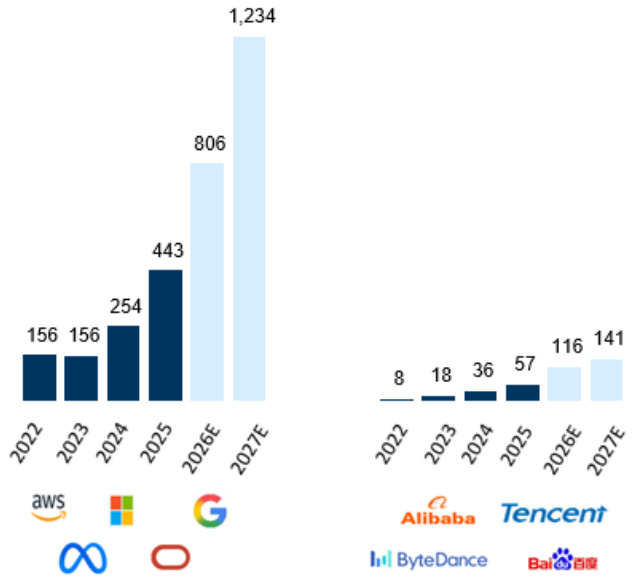


Silicon Data A100 Rental Price Index (SDA100RT) from neo-cloud is a daily benchmark for on-demand NVIDIA A100 rental pricing

Source: Silicon Data, Bloomberg

AI capex/infrastructure: Our latest China hyperscaler capex forecasts and capex-to-cloud revenue framework

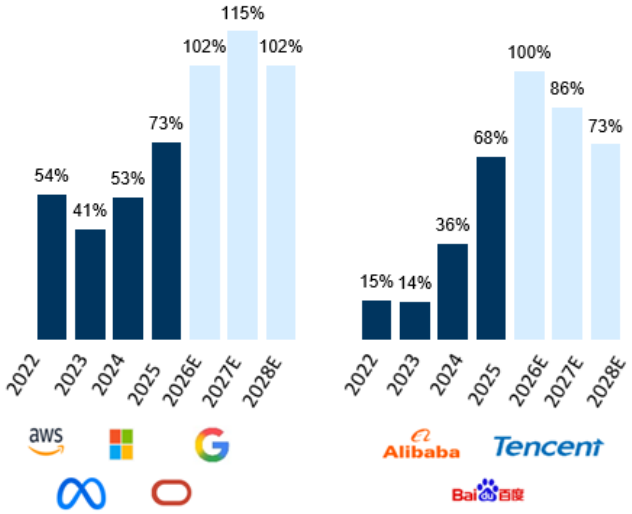
Exhibit 14: Historical and projected capex for major US & China cloud service providers
US$bn



We impute Bytedance's (Not Covered) relevant operating metrics by analyzing the industry and companies that we cover, and then extrapolating them to Bytedance.

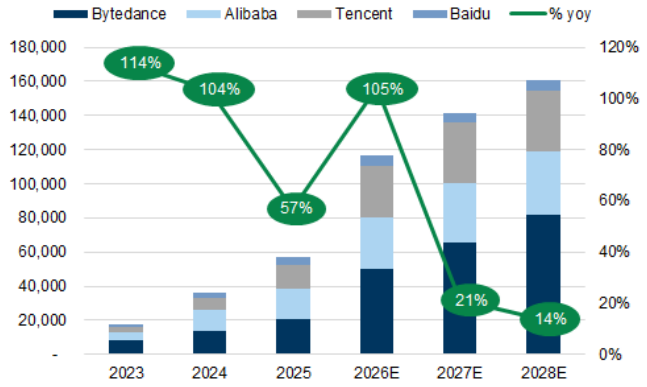
Source: Company data, Goldman Sachs Global Investment Research

Exhibit 15: Capex to operating cash flow ratio is still healthy for China hyperscalers



Source: Company data, Goldman Sachs Global Investment Research

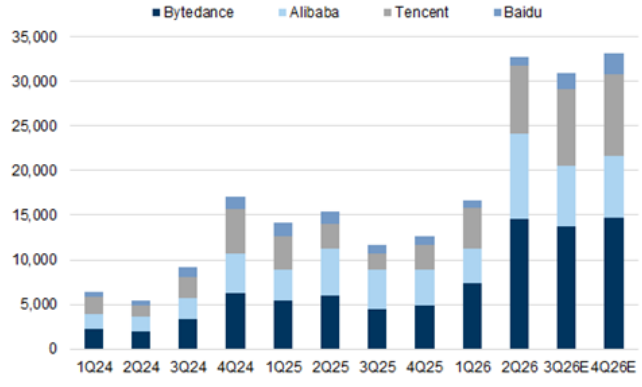
Exhibit 16: China Internet yearly capex forecast
US$mn



For ByteDance (Not Covered), we impute capex based on industry trends.

Source: Company data, Goldman Sachs Global Investment Research, Bloomberg

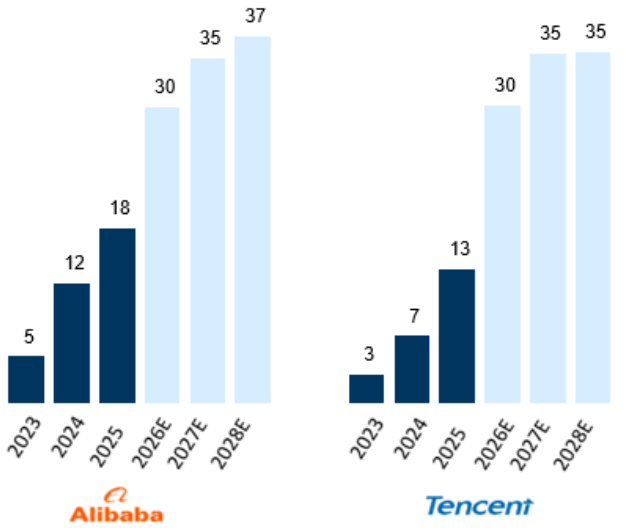
Exhibit 17: China CSP's capex quarterly forecasts
US$mn



For ByteDance (Not Covered), we impute capex based on industry trends.

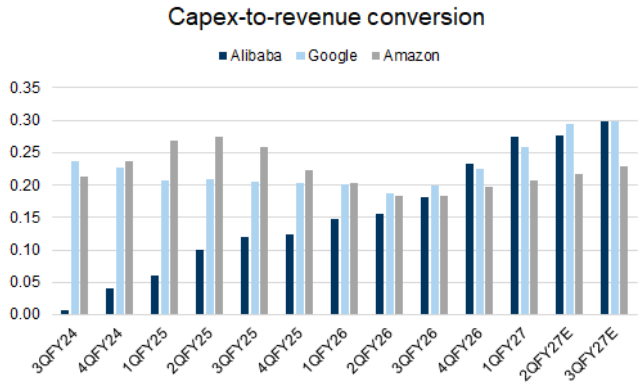
Source: Company data, Goldman Sachs Global Investment Research, Bloomberg

Exhibit 18: Historical and projected capex for Alibaba and Tencent
US$bn



Source: Company data, Goldman Sachs Global Investment Research

Exhibit 19: Alibaba capex-to-revenue conversion ratio vs. Amazon and Google
Rolling 12m incremental cloud revenue/rolling 12m capex (lagged by 1 quarter)



We benchmark Alibaba external cloud revenue growth to Google and Amazon Cloud (lagged c.2 years)

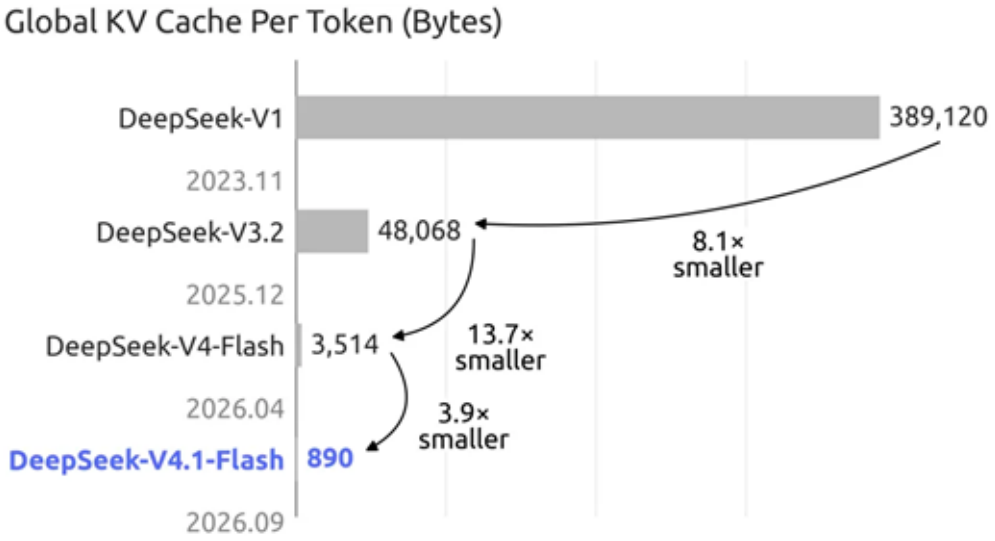
Source: Company data, Goldman Sachs Global Investment Research

3. AI model competition/sources of differentiation

We believe cost efficiencies, financial strength and harness products are becoming more important differentiating drivers. We see a larger step up in R&D needed on post-training given tighter access to Chain-of-Thought data sets, and controlling of the harness/orchestration layer will drive a more sustainable data feedback loop for model improvement and eventual recursive self-improvement. We believe Chinese AI models have reached critical level of intelligence (see our earlier China LLM primer) with rising context window and cost efficiencies that can sufficiently deliver cost-competitive virtual worker/white-collar job tasks, and thus see co-work/virtual employee agents as the key next focuses with rising AI employee penetration by industries (from coding, to increasing focus in finance, legal, accounting and more). We also see China's AI companies are taking different approaches to creating a competitive advantage. Some are pushing for premium frontier status—to create the most advanced models—while others are attempting to be more cost-efficient. We continue to believe pricing power, cost efficiencies, and the strongest financial power will differentiate sustainable competitive edge among China's AI players. We note Z.AI/Zhipu's recently lifted 2026E year-end annualized recurring revenue (ARR) target of US$3bn, vs. US$2.4bn target provided at its 1H results, has been mainly driven by increased investment in compute, strong demand for co-work products and revenue sharing terms with hyperscalers from 4Q26.

DeepSeek continues to drive the most ground-breaking cost efficiency uplifts, with latest innovation for V4.1 in significantly reducing KV Cache/memory needed for inferencing

Exhibit 20: DeepSeek V4.1 Flash has reduced KV Cache per token by 437X compared to V1, supporting significant inference efficiency improvements



Source: DeepSeek

Ongoing token share gain by China open-source/open-weight models

Exhibit 21: China models have dominated top ranks of OpenRouter token usage leaderboard for several weeks

As of July 24th, 2026 (Rolling 7 days)		
Ranking	Model	Tokens usage
1	MiMo-V2.5	9.81T
2	Hy3	8.85T
3	DeepSeek V4 Flash	5.59T
4	GLM-5.2	3.47T
5	DeepSeek V4 Pro	3T
6	MiniMax M3	2.72T

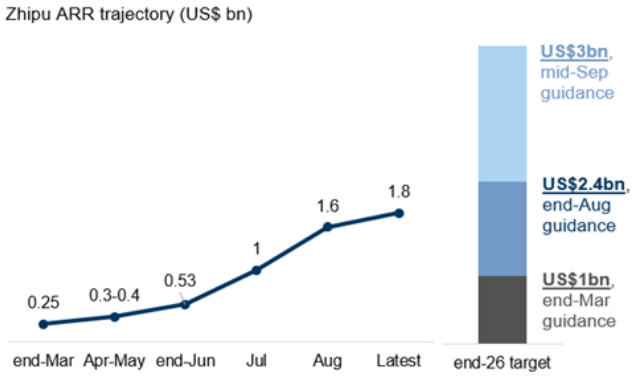
As of Aug 17th, 2026 (Rolling 7 days)		
Ranking	Model	Tokens usage
1	DeepSeek V4 Flash	11.2T
2	Hy3	9.95T
4	DeepSeek V4 Flash 0423	4.83T
5	GLM-5.2	4.33T
6	MiMo-V2.5	3.79T
7	DeepSeek V4 Pro 0423	2.74T

As of Aug 24th, 2026 (Rolling 7 days)		
Ranking	Model	Tokens usage
1	DeepSeek V4 Flash 0731	11.6T
2	Ox Alpha (GLM-5.3 Flash)	11.6T
3	MiMo-V2.5	9.94T
4	Hy3	8.21T
5	DeepSeek V4 Flash 0423	5.46T
8	GLM-5.2	3.42T
9	DeepSeek V4 Pro 0423	1.85T

As of Sep 4th, 2026 (Rolling 7 days)		
Ranking	Model	Tokens usage
1	GLM-5.3 Flash	11.9T
3	DeepSeek V4 Flash	11.3T
4	Hy4 preview	11T
5	Hy3	5.25T
6	DeepSeek V4 Flash 0423	5.18T
7	MiniMax M3	5.15T
8	MiMo-V2.5	4.5T

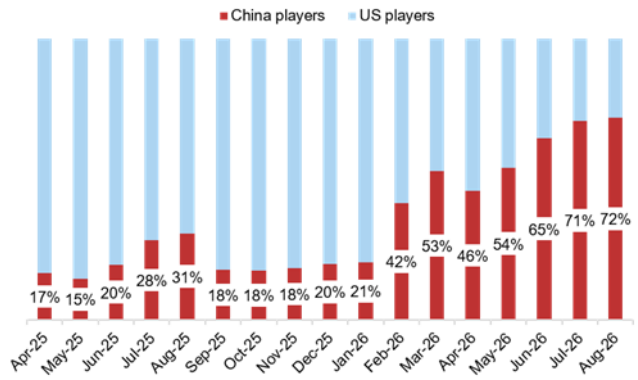
Source: OpenRouter, Data compiled by Goldman Sachs Global Investment Research

Exhibit 22: Zhipu ARR ramp fast with end-26 target updated to US$3bn in mid-Sep



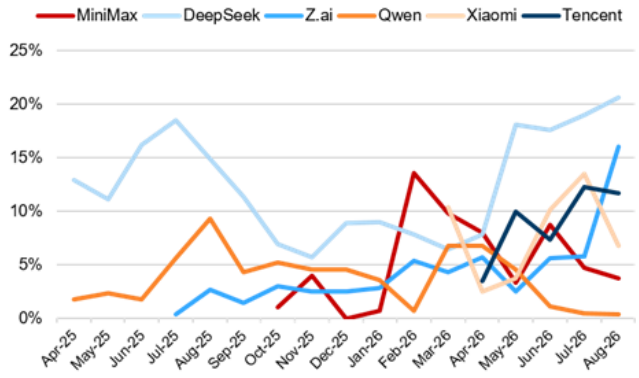
Source: Company data, Data compiled by Goldman Sachs Global Investment Research

Exhibit 23: China model players continue to capture market share by token consumption on OpenRouter



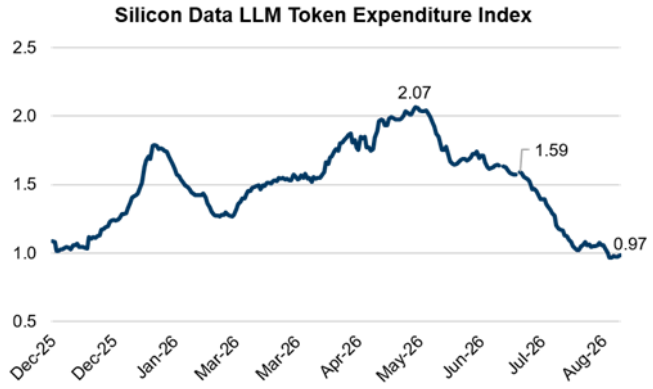
Source: OpenRouter, Data compiled by Goldman Sachs Global Investment Research

Exhibit 24: Market share of China AI model players, where DeepSeek (with Flash as the main adopted model) sustained leadership even after mid-Aug price hike
calculated based on weekly token consumption on OpenRouter



Source: OpenRouter, Data compiled by Goldman Sachs Global Investment Research

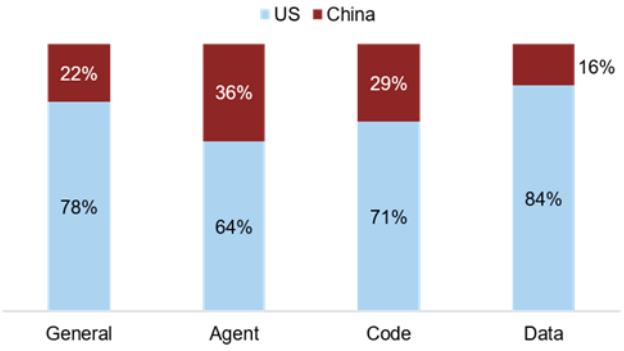
Exhibit 25: Blended LLM token price (SDLLMTK) has been declining since early June, also potentially indicating rising adoption of cost effective China models
US$ per 1M tokens, date as of Sep 5



The Silicon Data LLM Token Expenditure Index (SDLLMTK) is a daily blended measure of what the market actually pays to run LLM inference across frontier and open-weight models.

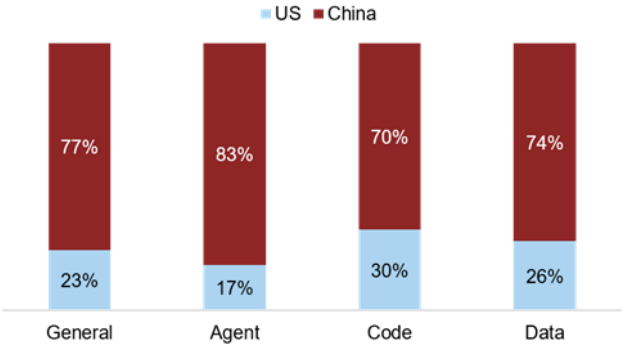
Source: Silicon Data, Bloomberg, Data compiled by Goldman Sachs Global Investment Research

Exhibit 26: China AI models now account for growing share of total spend across different tasks (esp. Agent/Code, up from 13%/16% in July)
As of Sep 7, 2026; calculation based on OpenRouter model usage by task



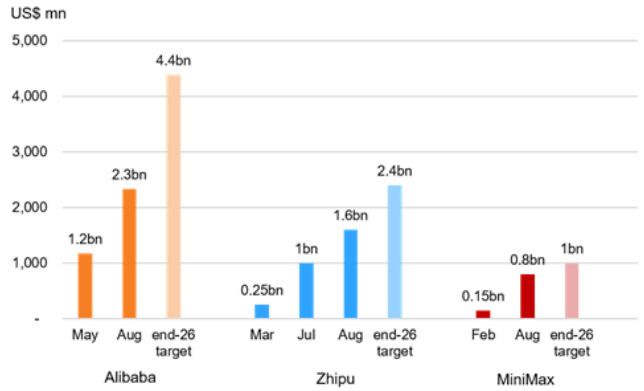
Source: OpenRouter, Data compiled by Goldman Sachs Global Investment Research

Exhibit 27: While China AI models already capture majority of token usage on price competitiveness
As of week starting Sep 7, 2026



Source: OpenRouter, Data compiled by Goldman Sachs Global Investment Research

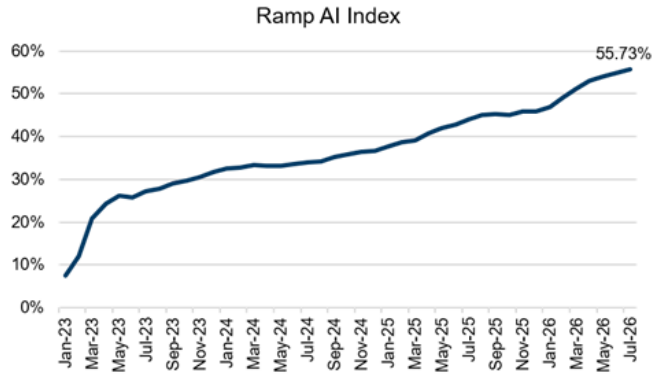
Exhibit 28: China AI model/MaaS disclosed ARR numbers and year-end target (US$ mn)



Source: Company data, Data compiled by Goldman Sachs Global Investment Research

Exhibit 29: Ramp AI Index shows rising AI adoption rate on the business side in the US

Share of businesses with spending on AI models, subscriptions, tokens and APIs, measured by Ramp from enterprise side bills



Source: Ramp AI

Multi-modal's 'DeepSeek' moment with MiniMax's open-weight H3 launch and ongoing innovations by the open community

Release of H3 Max / H3 Max Turbo, and implication on MiniMax / multi-modal landscape

What is fal.ai, and release of H3 Max

fal.ai is a serverless inference platform for generative media, where it monetizes on API selling (of third-party multi-modal models) and GPU rental. On the back of a proprietary inference stack particularly optimized for diffusion models, it delivers materially higher throughput compared to other token factories and even model labs themselves (which normally have the best inference efficiency over their 1P models).

In late August, fal released H3 Max, a faster yet equally competent video generation model post-trained on MiniMax's open-weight H3 model. This fine-tune is based on fal's in-house RL framework and runs against real generation workloads and human preference accumulated in fal's 5-year operation, for the purpose of better prompt adherence, audio-visual quality and aesthetics. More importantly, the model serving is co-designed with fal's own inference infrastructure, which as a result enabled 35X faster generation (a 5s 768p clip generated in 3 seconds) at fully comparable quality vs. its base model (ranking #1 on Design Arena and Artificial Analysis image-to-video leaderboard, ahead of H3 and other frontier models). The substantial speed-up also catalyzed a new use case: 24h interactive livestreaming, where 15s clips are generated on the fly from viewers' chat prompts. Pieter Levels' "Inifinite Slop" (a 24h livestream room) already runs as a standalone website (sponsored by fal and powered by H3 Max, at an approximate daily inference cost of US$4,000), drawing more than 35k views in a single day at peak, yet with in-stream ad placement as primary monetization so far.

H3 vs. H3 Max vs. H3 Max Turbo

H3 Max is built on MiniMax's open-weight H3 under a commercial license, where MiniMax released the base weights while capping the downloadable model at 768p and withholding certain capability modules incl. high resolution output (2K regeneration), prompt understanding (Context-IR) and efficiency (sparse

attention). H3 Max inherits what the open base carries from native synchronized audio to unified multi-modal context, and post-trains for improvements in prompt adherence and audio/visual quality besides inference efficiency optimization. On Sep 3, fal followed with the update of H3 Max Turbo, a distillation of H3 Max that trades a little quality (at % of H3 Max performance on fal's own evals, yet still above base H3) for a further stretch on efficiency, roughly halving generation time again and priced at 50% of H3 and H3 Max.

We note that H3 Max's current headline price, at a quarter of H3, reflects a 75% limited discount running until Sep 7, while the listed price of 768p generation is the same for H3 and H3 Max at US$0.08/second (still very attractive vs. peers). H3 Max Turbo however presents a genuine step down at US$0.04/second for the same resolution.

Exhibit 30: Comparison across MiniMax H3, H3 Max and H3 Max Turbo by fal

	MiniMax H3	H3 Max	H3 Max Turbo
Released date	July 31 (API) Aug 3 (open weights)	Aug 27	Sep 3 (preview)
Developer	MiniMax	fal (post-training from MiniMax H3)	fal (distill of H3 Max)
Resolution	2K / 768p	768p / 480p	768p / 480p
Average latency	122s	3.49s	1.4s
768p API list price	$0.08/s	$0.08/s	$0.04/s
769p promotion price on fal	N.A.	$0.02/s (until Sep 7)	$0.01/s (until Sep 7)
Differentiator	High resolution, full feature set	Speed, better prompt adherence	Fastest, cheaper

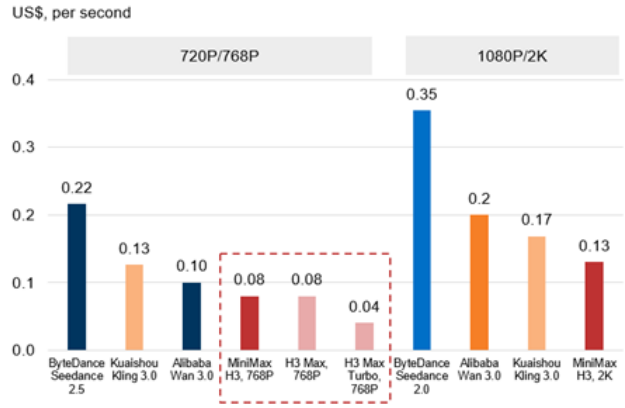
Source: Company data, Data compiled by Goldman Sachs Global Investment Research

Our read-across for MiniMax: Open-weight strategy and a possible shift in technical focus from quality to speed

H3 Max is one of the many significant innovation outcomes from the open-source community since MiniMax open-weighted H3, which reminds us of the waves of harness layer innovation following OpenClaw's release. On one hand, we see MiniMax's strategy paying off on several aspects: **i) driving mindshare and broader adoption while creating R&D leverage**, with fal's optimization (on its own data, post-training framework and inference stack) as a clear example, where MiniMax has already started hosting H3 Max on its own MaaS platform; **ii) accumulating valuable real user feedback and preference data through the open-source community**, which compensates what it as a standalone model lab otherwise lacks, the generation-to-distribution flywheel possessed by internet peers (e.g. ByteDance with Seedance and short-form UGC channels Douyin/Red Fruit). At the same time, this example might raise concerns that video generation has yet to establish strong capability moats, and that inference efficiency optimization is far from done, especially given all the leading video model labs are simultaneously training and serving text and other modalities, with their infra still juggling resource allocation across modalities. That said, we believe that as video generation scales toward genuinely commercial-grade capability, model labs will remain in a structurally deeper position as the ultimate providers of intelligence.

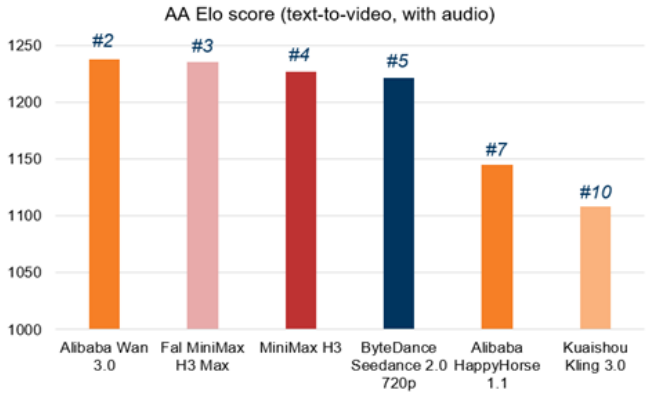
Separately, the speed breakthrough might point to two technical directions advancing in parallel to serve different commercial scenarios: high fidelity, high resolution generation for firm, advertising and polished UGC, and faster-than-playback generation for real-time interactive contents such as livestreaming, gaming and companionship.

Exhibit 31: Attractive H3/H3 Max/H3 Max Turbo API listed pricing vs. peers
US$ per second



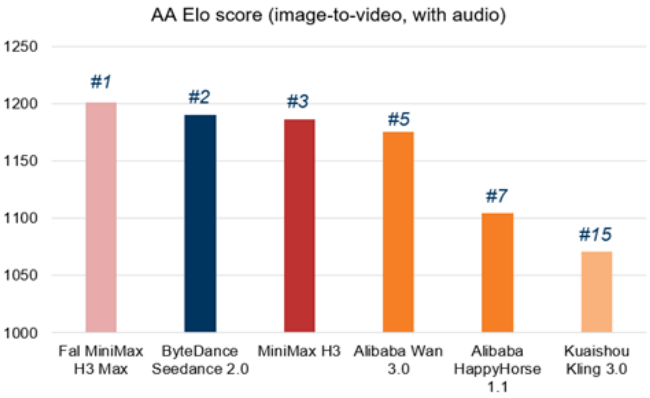
Source: Artificial Analysis, Data compiled by Goldman Sachs Global Investment Research

Exhibit 32: AA Text to video leaderboard (with audio)
As of Sep, 2026



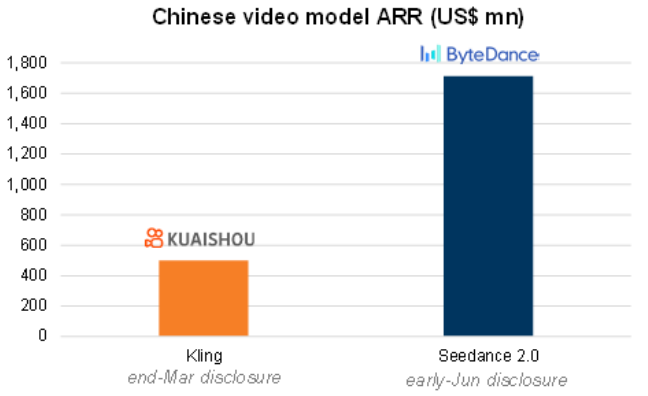
Source: Artificial Analysis, Data compiled by Goldman Sachs Global Investment Research

Exhibit 33: AA Image to video leaderboard (with audio), where MiniMax H3 Max (post-trained by fal) ranked top
As of Sep, 2026



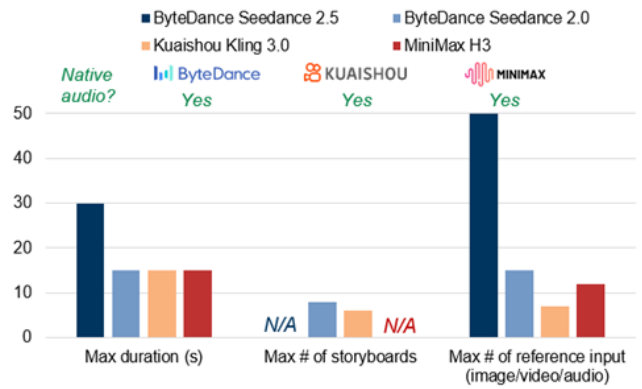
Source: Artificial Analysis, Data compiled by Goldman Sachs Global Investment Research

Exhibit 34: Latest disclosure of Chinese AI video model ARR (US$ mn)



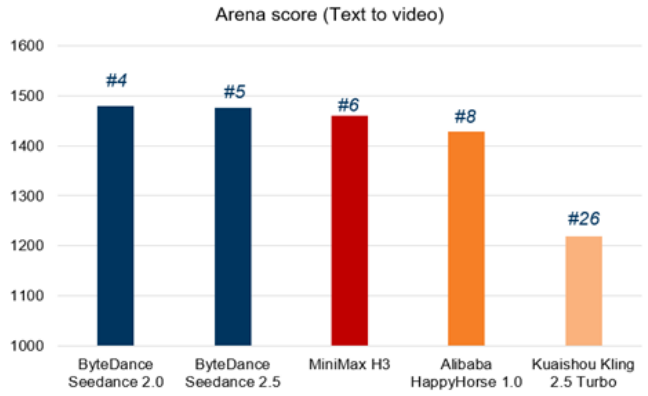
Source: Company data, 36kr, Data compiled by Goldman Sachs Global Investment Research

Exhibit 35: Feature variety of key AI video models



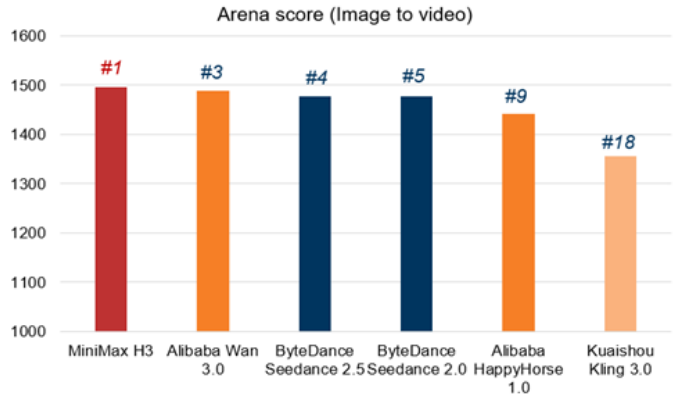
Source: Company data, Data compiled by Goldman Sachs Global Investment Research

Exhibit 36: Arena.ai score and global ranking of key video models (Text to video generation)
Date as of Aug, 2026



Source: LMArena, Data compiled by Goldman Sachs Global Investment Research

Exhibit 37: Arena.ai score and global ranking of key video models (Image to video generation)
Date as of Sep, 2026



Source: LMArena, Data compiled by Goldman Sachs Global Investment Research

4. Harness/AI agent applications the next keyocus

The increasedocus on AI agent applications around workplace (To-B & To-C) & personal AI assistants (To-C, with read-across from recent US players' new consumer agent launches including Muse from Meta, report link), with investments into user acquisitions/retention that could drive sustainable data flywheel, yet draws questions on ROI/long-term retention**.** On the enterprise side, we see an ongoing competition between mega-capsor dataeedback loop between Tencent's WorkBuddy, Alibaba's QwenWork and ByteDance's Doubao Work. We believe workplace agent products like WorkBuddy and QwenWork are showing resemblance to an eCommerce platforms' analogy, i.e. building stickiness through a combination of 1P (own model) and 3P offerings (selection of other models). On the consumer AI agent side, we believe Tencent Weixin's Xiaowei (that is in pilot testing phase) continues to be the most well positioned given trust, scale, Mini-Program ecosystem, and payment methods are most well embedded within the Weixin ecosystem vs. Doubao/Qwen standalone apps with various relatively segregated 'walled garden' ecosystems.

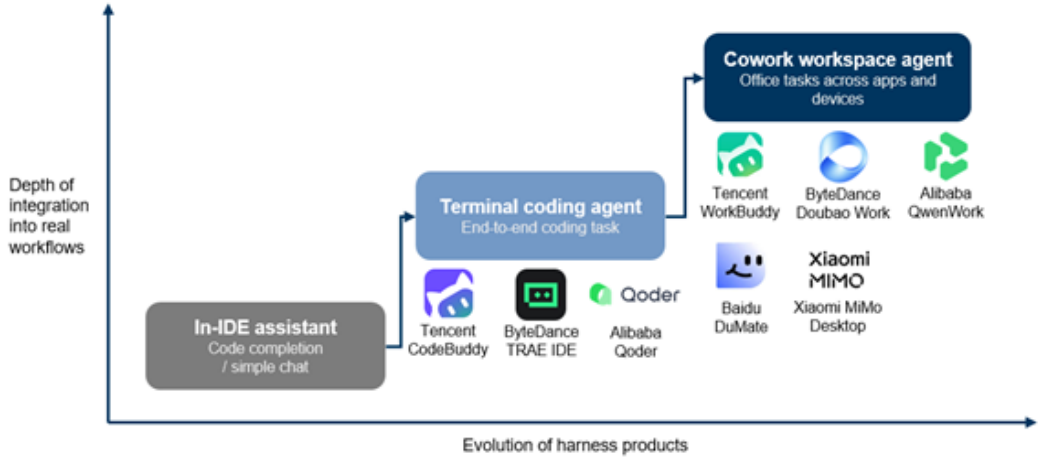
1) Paradigm shiftor harness layer products with deeper integration into real workflows, from in-IDE assistants toward coding agents and now workspace/cowork agents capable of handling broader office workflows. With coreunctionality and task capabilities not much differentiated across major offerings, we attribute internet mega-caps' current lead in early user adoption (Exhibit 40) more to the ecosystem-driven distribution advantages, where existing productivity products serve as primary user entry points, and to deeper workflow/context integration built on established enterprise software ecosystems (e.g. the widely adopted WeCom/Tencent Meeting/Tencent Doc, DingTalk with 26mn enterprise users and Feishu with 10mn+ MAU).

2) Workplace agent products like WorkBuddy and QwenWork are showing resemblance to an eCommerce platforms' analogy through a combination of 1P (own model that builds stickiness) and 3P offerings (selection of other models), where we believe workflow data from agent usageeeds a 1P model + product flywheel (via post-training improvements) that strengthens MaaS/harness monetization over

time, while a growing 3P ecosystem (models, skills, experts, connectors and hardware) expands end-to-end task coverage and drives customer stickiness that may be difficult to build through the standalone model layer. Tencent's WorkBuddy, as an early mover in workspace agents, has led in this ecosystem build-out, with its Hy models mainly adopted alongside offering other third-party models. There are currently 70k+ skills enlarged by developer users and the recent launch of open platform, where 100+ ecosystem partners across hardware (with 9 co-designed devices spanning AI glasses, mics, earbuds, etc.), applications and developers are connected to enable broader, cross-device adoption. Meanwhile, QwenWork has announced its total registered users surpassed 30 million with more than half of the users belonging to enterprise accounts.

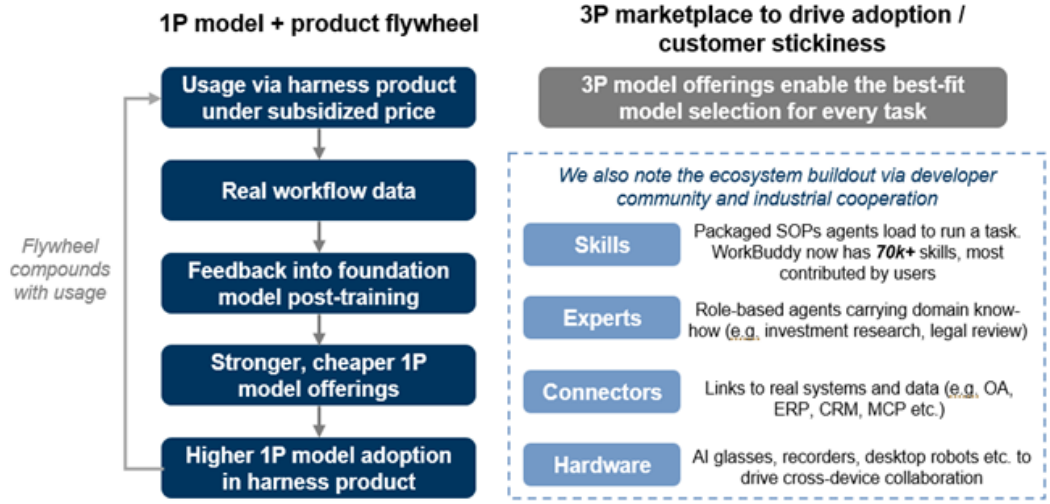
3) Longer-term TAM beyond current subscription model via 1P MaaS and 3P API resale/revenue sharing, which under our illustrative calculation implies a c.Rmb45bn annual revenue pool (Exhibit 42). Compared with the hundreds of billion level AI capex already going in, we believe the longer-term TAM more likely lies in labor budget substitution rather than subscriptions for productivity boosting tools, where capturing just 1% of China's white-collar wage pool (see Exhibit 42) would imply near Rmb200bn of revenue potential, all else equal. We see proprietary workflow/domain know-how, broad enterprise partnerships and strong vertical capabilities as key prerequisites to penetrate industry-specific workflows and capture this opportunity.

Exhibit 38: Paradigm shift for harness layer products with deeper integration into real workflows
Harness product offerings by internet mega-caps



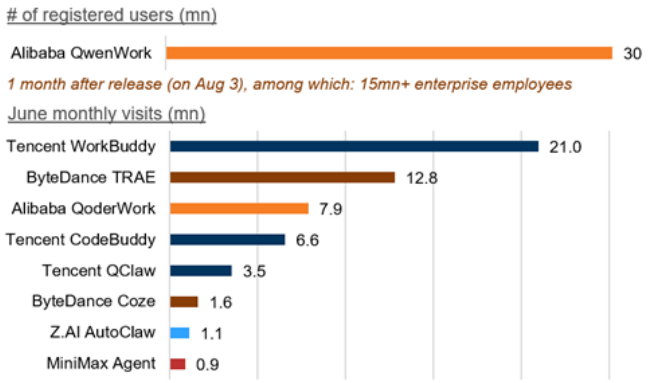
Source: Company data, Data compiled by Goldman Sachs Global Investment Research

Exhibit 39: We note workspace agents' resemblance to eComm platforms, combining a 1P model + product flywheel with a growing 3P ecosystem



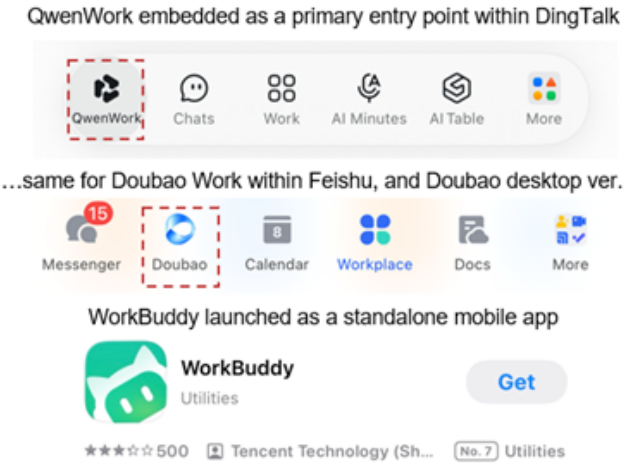
Source: Company data, Goldman Sachs Global Investment Research

Exhibit 40: Workspace agents by internet platforms are leading in early user adoption...



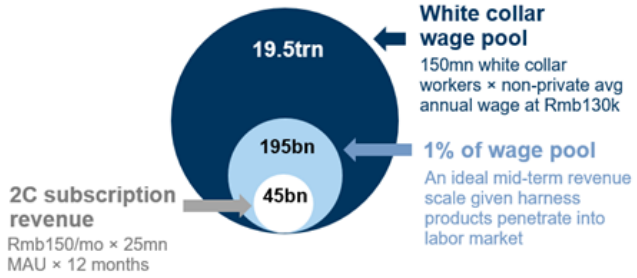
Source: Analysys, Company data, Data compiled by Goldman Sachs Global Investment Research

Exhibit 41: ...where we partially attribute to synergies with existing productivity products for traffic acquisition and context/workflow integration



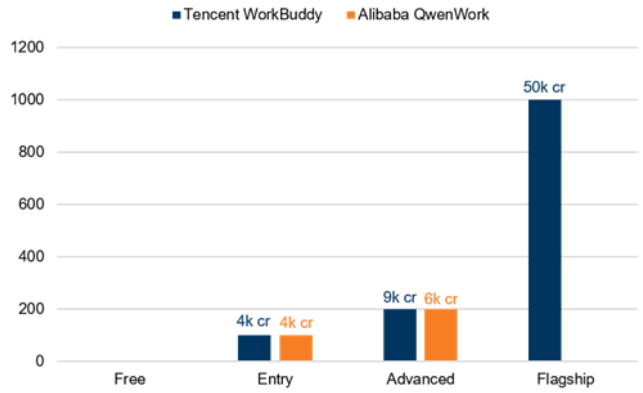
Source: Company data, Data compiled by Goldman Sachs Global Investment Research

Exhibit 42: However we note that long-term TAM more likely lies in labor budget substitution, rather than current subscription (at c.Rmb45bn annual revenue pool under illustrative assumptions)



Source: Company data, NBS, Goldman Sachs Global Investment Research

Exhibit 43: Personal subscription price for Tencent WorkBuddy and Alibaba QwenWork, under tiers of different credit offerings

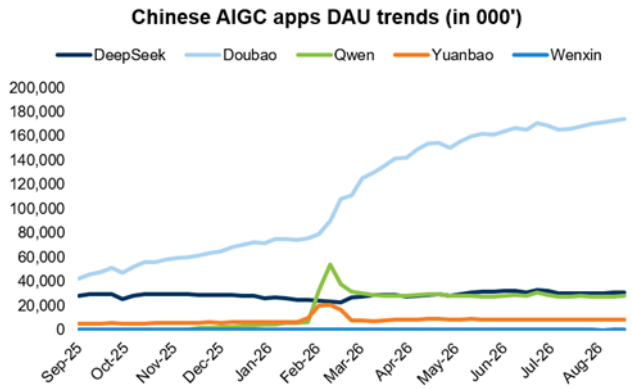


We note that the monthly subscription tiers differ mainly in the amount of included credits, while credits across products are not directly comparable, since each vendor defines its own credit unit and consumption rate

Source: Company data, Data compiled by Goldman Sachs Global Investment Research

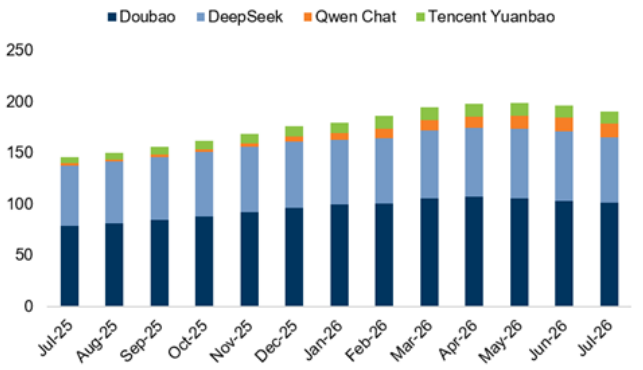
To-C application / chatbot engagement trends

Exhibit 44: Chinese AIGC apps DAU trends
DAU K in China



Source: QuestMobile

Exhibit 45: MAU trends of China's top 4 AIGC to-C / chatbots
MAU mn



Source: SensorTower

5. AI policies/regulations/tax policies to evolve

We highlight key investor focuses around policy risks on AI model distillation, transactions with US suppliers, access to overseas AI leased compute and high-tech industry preferential tax rates. We expect global and domestic policies/regulations/taxes around AI to evolve, potentially impacting access to compute/certain overseas markets and the long-term post-tax profit assumptions of Chinese internet platforms/AI model companies. Around profit tax/VAT/eCommerce tax policies (see our earlier report), we expect a manageable impact for shelf-based eCommerce names from the announced eCommerce merchant taxes and there have

been no VAT rate changes for games companies year-to-date. We also note recent concerns around individual income tax on certain assets held in offshore trusts and related income/dividend gains (for detailed tax types, see Exhibit 46) that have weighed on recent HK-listed shares, as per press reports. For income tax rates, we note High and New Tech Enterprise (HNTE, subject to a preferential tax rate of 15% instead of China's standard Corporate Income Tax (CIT) of 25%) status is re-considered/re-applied for every three years, with most China internet mega-caps needing to seek renewal of HNTE status by 4Q 2026, with some others up for renewal in 2027/2028. Back in 2008, certain industries that were also subject to a 15% preferential income tax treatment went through a 5-year transitional step-up process, from 15% to 18%/20%/22%/24%/25%. These included companies in special economic zones in Shenzhen/Zhuhai/Shantou/Xiamen/Hainan. While we do not take view on any changes in income tax rates for platform economies/internet companies going forward, we illustrate the current implied effective tax rates (Exhibit 48) of our coverage companies that are eligible for a preferential 15% income tax rate due to HNTE status, and lay out for illustrative purposes a sensitivity analysis on key internet companies' profits, on each 1ppt change in income tax rate (Exhibit 49).

Exhibit 46: Tax types and trigger conditions of a 20% income tax related to offshore trusts

	Tax type	Trigger condition	Timing / urgency
By urgency	Injection tax	**Assets funded into an offshore trust after Jan 2023**, on market value at injection less original cost	One-off payment, due within the 90 day window (Oct 2026)
	Dividend tax	**Dividends that the trust received** over certain number of historical years	One-off payment on historical dividends (FY25 & prior), due within the 90 day window (Oct 2026)
	Deferred capital gains tax	Disposal proceeds less original cost	Contingent, **only when shares in the trust are sold**

Source: MoF, Data compiled by Goldman Sachs Global Investment Research

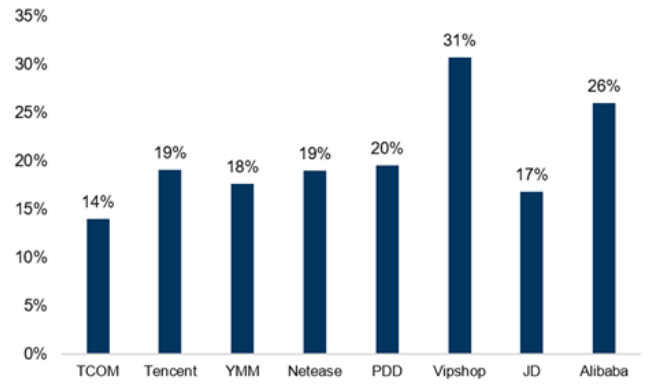
Exhibit 47: Shares held in offshore trusts and total dividend payouts of selected names

Company	As of	Shares in offshore trusts (based on 20-F)	% of total shares	5-yr cash dividend
PDD	Mar 2026	1,409,744,080	24.8%	NA
MiniMax	Mar 2026	69,593,180	22.2%	NA
JD	Mar 2026	328,605,330	12.0%	US$7bn
Meituan	Mar 2026	489,600,000	8.0%	NA
Alibaba	Mar 2021	282,633,603	2.9%	US11bn

Shares in offshore trusts are aggregated based on offshore trust disclosures in companies' respective 20-F filings and reflect holdings as of the dates indicated above.

Source: Company data, Data compiled by Goldman Sachs Global Investment Research

Exhibit 48: Implied effective tax rate for China Internet companies (FY26E)



Source: Goldman Sachs Global Investment Research

Exhibit 49: Sensitivity analysis: Impact of every 1% increase in income tax rate on 2026E adj. net profit

	For every 1% increase in income tax rate	
	As % of 2026 net profit	Impact on NP growth rate
TCOM	-0.9%	-0.4%
Tencent	-1.1%	-1.2%
YMM	-1.1%	-1.2%
Netease	-1.2%	-1.2%
PDD	-1.2%	-1.0%
Vipshop	-2.3%	-1.7%
JD	-1.2%	-1.5%
Alibaba	-1.1%	-1.3%

Source: Goldman Sachs Global Investment Research

Mega-caps & key stock views; estimate revisions for Tencent & Alibaba

A recap of our views on the mega-/large-caps (by market cap as of Sep 11):

- **Tencent (Buy, US$530bn market cap, review):** Despite Tencent's near-term profit growth pressure from the AI investment ramp-up, we believe its year-to-date underperformance already reflects EPS compression/valuation contraction due to concerns about near-term estimate cuts and long-duration AI investments that will take time to prove out. We believe the next Hy model launches, WorkBuddy user retention/paying ratio metrics and Weixin Xiaowei adoption, alongside any renewed commitment to Tencent Cloud as China's Top 3 hyperscaler will be key share price drivers over the next 6-12 months. We also fine-tune our 2026E-28E net profit by -3%~-8%, on the back of continued AI-related investments (e.g. Hunyuan, WorkBuddy, Xiaowei), with our SOTP-based 12-month target price at HK$650 (prior: HK$670). We now estimate 0%/-5% EPS growth for 3Q/4Q26E. We see continued strong core profits and a unique offshore-dominated US$130bn investment portfolio as more than sufficient to fund near-term elevated capex/prepayments, supported by management's public comments ruling out equity raising plans.

Exhibit 50: Tencent: Summary of changes

Rmb mn	New 2026E	chg %	New 2027E	chg %	New 2028E	chg %
Total revenues	828,387	0.0%	902,531	0.0%	977,284	0.0%
Net profit, non-IFRS	266,177	-3.0%	267,313	-7.0%	291,217	-8.0%
Diluted EPS, adj (Rmb)	28.98	-2.5%	29.11	-6.7%	31.71	-7.9%

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 51: Tencent financial summary

Income Statement (RMB mn)	2023	2024	2025	2026E	2027E	2028E	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26E	4Q26E
Value added services	**298,375**	**319,168**	**369,281**	**391,980**	**418,901**	**445,920**	**92,133**	**91,368**	**95,860**	**89,920**	**96,110**	**98,414**	**102,345**	**95,111**
Domestic gaming	126,600	139,600	164,300	183,524	200,008	216,376	42,900	40,400	42,800	38,200	45,400	47,300	48,406	42,418
International gaming	53,100	58,000	77,300	80,174	86,076	92,020	16,600	18,800	20,800	21,100	18,800	18,600	21,296	21,478
Social network	118,675	121,568	127,681	128,282	132,818	137,524	32,633	32,168	32,260	30,620	31,910	32,514	32,643	31,215
Marketing services	**101,482**	**121,374**	**144,973**	**172,940**	**195,062**	**215,726**	**31,853**	**35,762**	**36,242**	**41,116**	**38,171**	**43,565**	**42,959**	**48,244**
Others incl. FinTech & Business Servic	**209,158**	**219,715**	**237,512**	**263,467**	**288,567**	**315,638**	**56,036**	**57,374**	**60,767**	**63,335**	**62,177**	**62,806**	**66,957**	**71,527**
Fintech	166,775	169,343	179,365	188,102	197,188	206,395	44,811	44,332	44,917	45,305	47,787	46,078	46,705	47,532
Business service/Cloud	36,988	42,613	50,070	65,269	80,879	98,322	10,096	11,204	13,257	15,513	12,098	14,208	17,581	21,382
Total revenues	**609,015**	**660,257**	**751,766**	**828,387**	**902,531**	**977,284**	**180,022**	**184,504**	**192,869**	**194,371**	**196,458**	**204,785**	**212,261**	**214,883**
Cost of revenues	**(315,906)**	**(311,011)**	**(329,173)**	**(356,052)**	**(383,997)**	**(412,468)**	**(79,529)**	**(79,491)**	**(84,071)**	**(86,082)**	**(85,193)**	**(86,352)**	**(91,554)**	**(92,953)**
Gross profit	**293,109**	**349,246**	**422,593**	**472,336**	**518,534**	**564,816**	**100,493**	**105,013**	**108,798**	**108,289**	**111,265**	**118,433**	**120,708**	**121,930**
Interest income	13,808	16,004	16,909	17,686	20,158	21,987	3,748	4,121	4,256	4,784	4,025	4,202	5,040	4,419
Other gains	4,701	8,002	(3,177)	4,142	4,513	4,886	(1,397)	(3,578)	483	1,315	1,253	(480)	1,486	1,883
Sales and marketing	(34,211)	(36,388)	(41,727)	(55,502)	(63,177)	(68,410)	(7,866)	(9,410)	(11,468)	(12,983)	(11,343)	(11,869)	(14,858)	(17,432)
General and administrative	(103,525)	(112,761)	(136,127)	(163,556)	(200,946)	(216,954)	(33,664)	(31,921)	(34,259)	(36,283)	(33,800)	(38,808)	(44,150)	(46,798)
Operating profit, IFRS	160,074	208,099	241,562	257,420	258,923	284,338	57,566	60,104	63,554	60,338	67,375	67,276	63,186	59,583
Operating profit, non-IFRS (excl. new AI products)			298,376	348,381	393,671	433,038	71,901	72,399	77,610	76,466	84,400	86,100	89,640	88,241
New AI products investments			(17,720)	(55,244)	(97,711)	(110,477)	(2,581)	(3,151)	(5,040)	(6,948)	(8,773)	(10,464)	(16,925)	(19,082)
Operating profit, non-IFRS	**191,886**	**237,811**	**280,656**	**293,137**	**295,960**	**322,561**	**69,320**	**69,248**	**72,570**	**69,518**	**75,627**	**75,636**	**72,715**	**69,159**
Taxation	(43,276)	(45,018)	(47,448)	(52,155)	(56,565)	(62,047)	(13,717)	(11,351)	(9,785)	(12,595)	(14,577)	(11,713)	(12,046)	(13,819)
Net profit, GAAP	115,216	194,073	224,842	237,842	226,250	249,412	47,821	55,628	63,133	58,260	58,093	56,022	58,004	65,722
Net profit, Non-GAAP	**157,688**	**222,703**	**259,626**	**266,177**	**267,313**	**291,217**	**61,329**	**63,052**	**70,551**	**64,694**	**67,905**	**68,415**	**68,719**	**61,138**
Diluted EPS, Non-GAAP (Rmb)	**16.42**	**23.67**	**28.09**	**28.98**	**29.11**	**31.71**	**6.58**	**6.79**	**7.58**	**6.97**	**7.36**	**7.43**	**7.43**	**6.61**
Revenue breakdown	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**	**3Q26E**	**4Q26E**
Marketing services	**101,482**	**121,374**	**144,973**	**172,940**	**195,062**	**215,726**	**31,853**	**35,762**	**36,242**	**41,116**	**38,171**	**43,565**	**42,959**	**48,244**
Online Gaming	**179,700**	**197,600**	**241,600**	**263,698**	**286,084**	**308,396**	**59,500**	**59,200**	**63,600**	**59,300**	**64,200**	**65,900**	**69,702**	**63,897**
Fintech	166,775	169,343	179,365	188,102	197,188	206,395	44,811	44,332	44,917	45,305	47,787	46,078	46,705	47,532
Business services	36,988	42,613	50,070	65,269	80,879	98,322	10,096	11,204	13,257	15,513	12,098	14,208	17,581	21,382
YoY	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**	**3Q26E**	**4Q26E**
Total revenues	***10%***	***8%***	***14%***	***10%***	***9%***	***8%***	***13%***	***15%***	***15%***	***13%***	***9%***	***11%***	***10%***	***11%***
Marketing services	***23%***	***20%***	***19%***	***19%***	***13%***	***11%***	***20%***	***20%***	***21%***	***17%***	***20%***	***22%***	***19%***	***17%***
Online Gaming	***5%***	***10%***	***22%***	***9%***	***8%***	***8%***	***24%***	***22%***	***23%***	***21%***	***8%***	***11%***	***10%***	***8%***
Domestic gaming	*2%*	*10%*	*18%*	*12%*	*9%*	*8%*	*24%*	*17%*	*15%*	*15%*	*6%*	*17%*	*13%*	*11%*
International gaming	*13%*	*9%*	*33%*	*4%*	*7%*	*7%*	*22%*	*35%*	*43%*	*32%*	*13%*	*-1%*	*2%*	*2%*
Social network	*2%*	*2%*	*5%*	*0%*	*4%*	*4%*	*7%*	*6%*	*4%*	*3%*	*-2%*	*1%*	*1%*	*2%*
Fintech	***16%***	***2%***	***6%***	***5%***	***5%***	***5%***	***3%***	***9%***	***8%***	***4%***	***7%***	***4%***	***4%***	***5%***
Business service	***11%***	***15%***	***17%***	***30%***	***24%***	***22%***	***14%***	***16%***	***17%***	***22%***	***20%***	***27%***	***33%***	***38%***
Cloud	*6%*	*7%*	*8%*	*23%*	*19%*	*17%*	*4%*	*6%*	*7%*	*13%*	*14%*	*21%*	*25%*	*29%*
Gross profit	***23%***	***19%***	***21%***	***12%***	***10%***	***9%***	***20%***	***22%***	***22%***	***19%***	***11%***	***13%***	***11%***	***13%***
Operating profit, non-IFRS	***34%***	***24%***	***18%***	***4%***	***1%***	***9%***	***18%***	***18%***	***18%***	***17%***	***9%***	***9%***	***0%***	***-1%***
Operating profit, non-IFRS (excl. new AI products)				***17%***	***13%***	***10%***					***17%***	***19%***	***16%***	***15%***
Net profit, Non-GAAP	***36%***	***41%***	***17%***	***3%***	***0%***	***9%***	***22%***	***10%***	***18%***	***17%***	***11%***	***9%***	***-3%***	***-5%***
Diluted EPS, Non-GAAP (Rmb)	***37%***	***44%***	***19%***	***3%***	***0%***	***9%***	***25%***	***13%***	***19%***	***18%***	***12%***	***9%***	***-2%***	***-5%***
Margins	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**	**3Q26E**	**4Q26E**
Gross margin	**48.1%**	**52.9%**	**56.2%**	**57.0%**	**57.5%**	**57.8%**	**55.8%**	**56.9%**	**56.4%**	**55.7%**	**56.6%**	**57.8%**	**56.9%**	**56.7%**
Operating margin, IFRS	26.3%	31.5%	32.1%	31.1%	28.7%	29.1%	32.0%	32.6%	33.0%	31.0%	34.3%	32.9%	29.8%	27.7%
Operating margin, non-IFRS	**31.5%**	**36.0%**	**37.3%**	**35.4%**	**32.8%**	**33.0%**	**38.5%**	**37.5%**	**37.6%**	**35.8%**	**38.5%**	**36.9%**	**34.3%**	**32.2%**
Net margin, GAAP	18.9%	29.4%	29.9%	28.7%	25.1%	25.5%	26.6%	30.2%	32.7%	30.0%	29.6%	27.4%	27.3%	30.6%
Net margin, non-GAAP	25.9%	33.7%	34.5%	32.1%	29.6%	29.8%	34.1%	34.2%	36.6%	33.3%	34.6%	33.4%	32.4%	28.5%
Capex & depreciation	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**	**3Q26E**	**4Q26E**
Capex	19,170	48,345	96,432	209,582	245,488	247,253	(27,476)	(19,107)	(12,983)	(19,632)	(31,936)	(52,784)	(65,784)	(59,078)
yoy%		152%	99%	117%	17%	1%	91%	119%	-24%	-46%	16%	176%	407%	201%

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 52: Our 12-m SOTP-based TP for Tencent is HK$650 (prior: HK$670)

SUM of PARTS	% owned	Valuation US$mn	To Tencent *(US$ mn)*	To Tencent *(Rmb mn)*	Rmb/sh	HK$/sh	% Val	COMMENT
CORE BUSINESS								
Entertainment	**96.9%**	**359,147**	**347,990**	**2,401,130**	**261**	**296**	**45%**	
Gaming	100.0%	332,182	332,182	2,292,054	250	282	43%	**@ 20x PE, 26E**
Domestic	100%	244,818	244,818	1,689,244	184	208	32%	@ 20x PE, 26E
International	100%	87,364	87,364	602,810	66	74	11%	@ 20x PE, 26E
Tencent Video	100%	3,127	3,127	21,573	2.3	2.7	0%	**@ DCF (14% WACC, 5% g)**
Tencent Music	52%	20,863	10,938	75,476	8.2	9.3	1%	GS target valuation
China Literature	57%	2,417	1,374	9,484	1.0	1.2	0%	Market cap
Huya	66%	558	369	2,543	0.3	0.3	0%	Market cap
Advertising (ex video)	**100%**	**231,794**	**231,794**	**1,599,379**	**174**	**197**	**30%**	@ 25x PE, 26E
FinTech (FiT) (x-WeBank)	**100%**	**72,392**	**72,392**	**499,503**	**54**	**61**	**9%**	@ 14x PE, 26E
Cloud/Business service	**100%**	**60,539**	**60,539**	**417,719**	**45**	**51**	**8%**	**@ 6x Rev, 26E**
Others	100%	33,057	33,057	228,094	24.8	28.1	4%	**@ 0.5x rev, 26E**
CORE		**756,929**	**745,772**	**5,145,825**	**560.3**	**633.4**	**97%**	
Net CASH		**(3,515)**	**(3,515)**	**(24,253)**	**(2.6)**	**(3.0)**	**0%**	2026 net cash
NAV (pre holdco discount)		**853,615**	**853,615**	**5,889,944**	**641**	**725**		
Less holdco discount	-10%	(88,776)	(88,776)	(612,554)	(67)	(75)	-12%	
NAV		**764,839**	**764,839**	**5,277,390**	**575**	**650**		

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 53: 2028E WorkBuddy revenue at Rmb6.3bn-12.5bn, where we swing MAU, to-C paying ratio and # of enterprise customers
Rmb bn

2028E WorkBuddy total revenue (Rmb bn)

		Consumer side paying ratio (%)				
		1%	3%	5%	7%	10%
Total MAU (mn)	25	7.9	8.4	8.9	9.5	10.1
	30	8.0	8.6	9.1	9.9	10.6
	35	8.0	8.7	9.4	10.2	11.1
	40	8.1	8.9	9.6	10.6	11.6
	45	8.1	9.0	9.9	11.0	12.1

2028E WorkBuddy total revenue (Rmb bn)

		# of enterprise customers ('000)				
		19	24	29	34	39
Total MAU (mn)	25	6.3	7.6	8.9	10.2	11.6
	30	6.5	7.8	9.1	10.5	11.8
	35	6.7	8.1	9.4	10.7	12.0
	40	7.0	8.3	9.6	11.0	12.3
	45	7.2	8.5	9.9	11.2	12.5

Source: Goldman Sachs Global Investment Research

Exhibit 54: Our estimates for Xiaowei inference costs at 0-11% of EBIT in 2028E, swinging for per 1M token inference cost and user penetration

2028E inference cost as % of EBIT

		Adoption rate (X of base case): 1X adoption rate refers to 22%/45%/21% of total Weixin users using agent transaction/text generation/multi-modal generation				
		0.75X	1.00X	1.50X	1.80X	2.10X
Unit inference cost (US$/1M tokens)	0.00	0%	0%	0%	0%	0%
	0.01	1%	1%	2%	2%	2%
	0.02	1%	2%	3%	4%	4%
	0.04	3%	4%	5%	7%	8%
	0.06	4%	5%	8%	10%	11%

Source: Goldman Sachs Global Investment Research

- **Alibaba (Buy, US$262bn market cap, review):** We believe Alibaba's results delivered positive developments including cloud growth as a bright spot, higher certainty on ROIC despite capex uplift, and an inflection in EPS growth (from the Sep quarter). This was supported by improving quick commerce UE (with halving of losses for FY27E/28E and a profit turnaround by FY29E being on track) and increased disclosures that we expect to drive greater appreciation of Alibaba's SOTP framework around Cloud + T-Head and AI models/applications. We continue to expect Alibaba to deliver a solid EPS recovery of +58%/+27% yoy for FY27E/FY28E (with strong inflection from the Sep quarter), driven by continued leadership in its AI + Cloud business in China with further acceleration in cloud growth, and a recovery in overall eCommerce profits with narrowing quick commerce losses. We update our estimates for Alibaba, factoring in a faster Sep-quarter/Dec-quarter/March-2027 quarter cloud growth to 53%/55%/55% (prior: 50%/52%/52%) on strong GPU-as-a-Service & MaaS demand and the recently completed HK$80bn equity raising. We update our 12-m TP of BABA to US$177/HK$172 (prior: US$186/HK$180) mainly to reflect dilution effects from equity raising.

Exhibit 55: Alibaba by segment performance and our estimates

By segment (Rmb mn)	FY27E	FY28E	FY29E	1QFY26	1QFY27	2QFY27E	3QFY27E	4QFY27E
Group revenue	**1,119,967**	**1,240,292**	**1,380,447**	**247,652**	**268,953**	**270,894**	**310,807**	**269,313**
yoy %	*9%*	*11%*	*11%*	*2%*	*9%*	*9%*	*9%*	*11%*
Group EBITA	**124,389**	**160,024**	**197,282**	**38,844**	**27,329**	**27,483**	**40,237**	**29,341**
EBITA margin %	11%	13%	14%	16%	10%	10%	13%	11%
yoy %	***63%***	***29%***	***23%***	***-14%***	***-30%***	***203%***	***72%***	***475%***
Adj. net profit attributable to shareholders	**106,215**	**138,654**	**185,043**	**35,291**	**20,583**	**24,993**	**35,411**	**25,111**
Adj. net margin %	9%	11%	13%	14%	8%	9%	11%	9%
yoy %	***65%***	***31%***	***33%***	***-12%***	***-42%***	***139%***	***107%***	***1567%***
Non-gaap EPS (Rmb)	**43.17**	**54.71**	**72.65**	**14.75**	**8.52**	**10.38**	**14.18**	**9.96**
yoy %	***58%***	***27%***	***33%***	***-10%***	***-42%***	***138%***	***100%***	***1497%***
By Business group								
E-commerce group								
Domestic GMV (GSe)	**8,434**	**8,586**	**8,672**	**2,208**	**2,217**	**1,981**	**2,433**	**1,802**
yoy %	*1%*	*2%*	*1%*	*5%*	*0%*	*2%*	*2%*	*2%*
E-commerce business group revenue	**845,279**	**877,468**	**909,940**	**198,812**	**205,862**	**203,935**	**238,428**	**197,053**
yoy %	1%	4%	4%		4%	0%	1%	1%
Customer management revenue (CMR)	**325,284**	**332,067**	**340,105**	**89,199**	**82,547**	**75,203**	**97,100**	**70,434**
yoy %	*-5%*	*2%*	*2%*	*10%*	*-7%*	*-5%*	*-5%*	*-4%*
E-commerce business group EBITA	**162,748**	**177,248**	**194,727**	**39,988**	**39,749**	**37,116**	**48,639**	**37,243**
EBITA margin %	19.3%	20.2%	21.4%	20.1%	19.3%	18.2%	20.4%	18.9%
yoy %	*45%*	*9%*	*10%*		*-1%*	*239%*	*35%*	*49%*
E-commerce EBITA excl. Quick Commerce	**195,734**	**194,021**	**193,604**	**50,923**	**50,131**	**46,776**	**56,359**	**42,468**
yoy %	*-1%*	*-1%*	*0%*		*-2%*	*-1%*	*-1%*	*-1%*
Quick Commerce EBITA (losses)	**(32,987)**	**(16,772)**	**1,123**	**(10,935)**	**(10,382)**	**(9,660)**	**(7,720)**	**(5,225)**
AI Cloud and compute services								
Revenue	**241,299**	**332,277**	**441,657**	**33,418**	**48,437**	**60,967**	**67,130**	**64,764**
yoy %	*53%*	*38%*	*33%*		*45%*	*53%*	*55%*	*55%*
External revenue yoy%	*53%*	*42%*	*39%*	*26%*	*45%*	*53%*	*55%*	*57%*
EBITA	**30,534**	**46,519**	**66,248**	**2,419**	**5,628**	**7,438**	**8,660**	**8,808**
EBITA margin %	12.7%	14.0%	15.0%	7.2%	11.6%	12.2%	12.9%	13.6%
AI labs and applications								
Revenue	**14,801**	**19,241**	**26,168**	**2,882**	**3,338**	**3,579**	**3,815**	**4,069**
yoy %	*24%*	*30%*	*36%*		*16%*	*22%*	*26%*	*30%*
EBITA	**(50,959)**	**(49,065)**	**(49,720)**	**(3,224)**	**(13,861)**	**(12,276)**	**(12,207)**	**(12,614)**
EBITA margin %	-344%	-255%	-190%	-112%	-415%	-343%	-320%	-310%
All others								
Revenue	**91,544**	**92,460**	**93,384**	**28,629**	**28,803**	**20,031**	**21,772**	**20,938**
yoy %	*1%*	*1%*	*1%*		*1%*	*1%*	*1%*	*1%*
EBITA	**(12,869)**	**(10,171)**	**(9,338)**	**687**	**(3,343)**	**(3,205)**	**(3,222)**	**(3,099)**
EBITA margin %	-14.1%	-11.0%	-10.0%	2.4%	-11.6%	-16.0%	-14.8%	-14.8%
Share of profit (loss) in investees	**4,956**	**6,733**	**8,354**	**1,013**	**934**	**1,409**	**1,461**	**1,152**
Ant Financial (33%. 1qr lag pick up)	**6,971**	**7,778**	**8,740**	**1,547**	**1,563**	**1,913**	**1,965**	**1,530**
Others	1,000	1,000	1,000	455	605	250	250	(105)

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 56: Our estimate changes at a glance

By segment (Rmb mn)	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Group revenue	1,119,967	1,240,292	1,380,447	0.3%	0.4%	0.5%
yoy %	*9%*	*11%*	*11%*			
Group EBITA	124,389	160,024	197,282	0.3%	0.4%	0.5%
EBITA margin %	11%	13%	14%			
yoy %	***63%***	***29%***	***23%***			
Adj. net profit attributable to shareholders	106,215	138,654	185,043	0.3%	0.4%	0.4%
Adj. net margin %	9%	11%	13%			
yoy %	***65%***	***31%***	***33%***			

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 57: Our 12-month SOTP-based target prices for BABA/9988.HK are US$177/HK$172 (prior: US$186/HK$180) per ADS/share

SOTP, FY27	EV/Rev	PE (X)	Value (US$ mn)	To BABA	to BABA (US$ mn)	US$/sh	% of NAV	Comment
A. CORE								
1 E-commerce Group	1.6	11	193,087	100.0%	193,087	76.2	43.0%	11x P/E
1a Traditional eCommerce	2.0	8	174,314	100.0%	174,314	68.8	38.9%	8x P/E, on slower Taobao-Tmall/CMR growth
1b Quick commerce	0.5	15	18,773	100.0%	18,773	7.4	4.2%	Assuming 81mn daily orders in CY28E and Rmb0.4 per order non-GAAP EBIT (long-term), 15% tax rate, 15x P/E referencing Meituan on-demand delivery valuation, discounted back at 12% WACC.
2 AI cloud and compute services	5.1	63	177,726	100.0%	177,726	70.1	39.6%	At 5X sales on FY27E revenue
Domestic	4.0		150,276	100.0%	150,276	59.3	33.5%	4X sales on FY28E domestic AliCloud revenue, discounted back at 12% WACC
International	8.5	20	27,450	100.0%	27,450	10.8	6.1%	20X EV/EBIT implied on FY28E AliCloud international revenue (external only) on normalized 25% EBIT margin, discounted back at 12% WACC.
3 All others (incl. AI labs & applications)	1.5		19,532	100.0%	19,532	7.7		1.5x sales
Total Core					390,345	154.0	87.0%	
B. Associate/investments								
Total associate/investments			685,454		85,138	33.6	19.0%	
C. Net cash					49,475	19.5	11%	Latest as of 1QFY27 + Proceeds
Total					524,959	207.1	117%	
D. Less holdco discount				15%	(77,169)	(30.4)	-17%	
NAV : BABA US, in US$		29.2			447,790	177.0	100%	
NAV : 9988.HK, in HK$		29.2			3,483,806	172.0	100%	

Valuation methodology unchanged.

Source: Company data, Goldman Sachs Global Investment Research

- **PDD (Buy, US$115bn market cap, review):** PDD's 2Q26 results came in mixed, with (+) online marketing revenues ahead at +3% yoy, implying resilient domestic GMV performance, yet (-) softer-than-expected transaction services revenue growth at +13% yoy as Temu navigates evolving global tariff/regulatory policies, with pressure to persist following the EU's removal of de-minimis and adoption of flat-rate custom duty per item from July (Europe accounts for c.1/3 of Temu GMV, GSe). That said, we view the company's long-term commitment to 1P (Xinpinmu, with its first 1P brand Bemuvo launched in select markets in June) and continued investments into local supply chain, warehousing and fulfillment infrastructure as positive developments for Temu, to enhance business resilience and compliance capabilities while expanding its global addressable market.
- **Xiaomi (Buy, US$87bn market cap, review):** We expect investor concerns around smartphone GPM (stock narrative and fund flow wise) to ease in 2H26 thanks to negative second derivatives of memory pricing and Xiaomi's solid execution in balancing shipments, ASP and GPM. More importantly, the potential IoT revenue growth inflection (on easier China base and strong overseas growth), smart EV growth acceleration (on SkyNomad release), and AI initiative progress should reignite ecosystem growth and AI integration. What's next? 1) MiMo-V3 AI model release

likely this month; 2) SkyNomad locked order volume disclosed post Oct 7; and 3) Singles' Day GMV.

- **NetEase (Buy, US$73bn market cap, review):** We continue to view NTES as a solid 'non AI' compounder with record high margin and FCF generation, especially compared to the industry's elevated AI spending and some peers' high margin pressure. While we are somewhat wary of the relatively light grossing growth in 2H26E considering a lack of imminent game pipeline and slightly high grossing base, we believe NTES's portfolio of games should continue to support steady revenue growth (GSe: games revenue +5%/+5% yoy in 3Q/4Q26E). Meanwhile, we have seen strong GP/OP margin expansion momentum driven by structural channel shift and elevated cost/expenses efficiency, driving solid OP growth (GSe: +20%/+16% yoy in 3Q/4Q26E). Next catalyst will be the global launch of Ananta in Jan 2027.
- **Meituan (Buy, US$60bn market cap, review):** While we anticipate potential investor concerns around the sequential 3Q food delivery profit decline (implying a narrower UE advantage and draws questions to where long-term UE may eventually settle), we believe Meituan's uneven UE quarterly recovery pace is more of a self-initiated strategy in driving higher GTV market share over the 3Q peak season (tracking at high single-digit on-demand GTV growth yoy) and higher rider costs on seasonality. We estimate 2026E/27E/28E profit per order of -Rmb0.1/Rmb0.6/Rmb1.1 (vs. prior Rmb0.3/Rmb0.8/Rmb1.1) with medium-term food delivery UE at Rmb1.1 EBIT per order given continued leadership in the higher AOV segment (helped by its less-price sensitive core user base).
- **Z.AI/Zhipu (Neutral, US$47bn market cap, review):** Zhipu (Z.AI) delivered a mixed 1H26 print, with stronger-than-expected Open Platform/API monetization and ARR ramp-up, while overall revenue and profitability were weighed down by the ongoing transition from on-premises deployment toward a cloud-based MaaS business model. Looking ahead, we lift Zhipu's 2026E year-end ARR to US$2.7bn (from $2.5bn and compared to GSe for MiniMax of US$1.2bn) where management highlighted its focus on capturing higher-value token demand rather than maximizing aggregate token volume, with coding remaining the primary entry point while expanding into Agent, Co-work and Autonomous AI workflows.
- **JD (Buy, US$43bn market cap, review):** We continue to see JD as a multiple repair/re-rating story into the second half of 2026 given a recovering top-line and profit recovery yoy, and maintain Buy with unchanged 12-m TPs of US$43/HK$169. We believe JD's business set-up/narrative will continue to improve (already a relative outperformer year-to-date within China Internet) over the remainder of 2026, driven by attractive valuations and FCF/consistent shareholder return policies, growth recovery of its unique 1P-driven JD Retail business in China, and new growth drivers from its supply-chain driven food delivery/instant delivery business and an expanding global retailer footprint.

Other key ideas:

- **MiniMax (Buy, US$11bn market cap, review):** Given the ongoing steep market cap discount vs. Chinese video-generation peer Kling's post-money valuation of

US$18bn (based on its latest round of financing; source) and Z.ai/Zhipu, we view the company's articulated strategy to address M3 model competitiveness and its recent H3 multi-modal launch as positive drivers for ARR ramp-up. This could create significant room for valuation repair over 2H 2026 (given a run-rate at half of Zhipu's). We continue to see MiniMax as well positioned among Chinese AI model companies to capture the significant global TAM growth potential across text/coding, multi-modal, agentic/co-worker (digital labor) and multi-modal generation on the back of its comprehensive multi-modal offerings, strong commercialization capability, AI model per token cost advantages and high organizational efficiency.

- **VNET (Buy, US$1.7bn market cap, review):** As a fast-growing wholesale IDC operator, we believe VNET is entering a revenue/EBITDA growth acceleration phase over the next few years, driven by intensifying AI investment, with wholesale IDC growing at 37%/35% revenue/EBITDA CAGRs in 2026E-28E. VNET has won 862MW YTD, plus 355MW in reservations, with full-year new wholesale orders guided at c.1-1.1GW, or c.1.4GW including 355MW of reservations. On the CATL partnership, CATL affiliate's transaction is expected to close by end-Sep, and VNET expects CATL synergies to secure low-cost, sustainable electricity at its future GW-scale compute-energy facilities.

- **New Oriental Education (Buy, US$8.8bn, review):** We see 1) a compelling valuation and a margin of safety for EDU relative to its historical valuation levels, China internet/consumer peers and its own EPS growth outlook; and 2) upside risks to consensus driven by revenue growth recovery and cost optimization initiatives. We expect 1QFY27 revenue growth to exceed annual revenue growth, with positive yoy growth in overseas-related revenue; 3) provides enhanced shareholder returns including up to US$500mn shareholder return commitment (5%-6% of market cap) and upsized cash dividends from c.US$200mn in FY26 to US$300mn in FY27.

- **KE Holdings (Buy, US$18.7bn, review):** We believe KE Holdings is uniquely positioned as a structural net beneficiary of China's new "828 property policy", which shifts the residential market toward secondary home transactions, high-quality completed developments and integrated living services (renovation and rental management services). We expect KE to benefit from: **1) Accelerated shift toward existing homes transactions**, where KE has established a strong moat. We expect KE's total GTV to benefit from the mix shift and higher existing home transaction volumes with minimal incremental fixed costs to drive contribution margin expansion; **2) Higher brokerage channel penetration for new-home sales**, as the completed-home sales model increases developers' reliance on brokerage channels for faster sell-through, helping preserve KE's new-home commission rates; and **3) Enhanced synergies with new initiatives** including home renovation & furnishing, home rental services and Beihaojia. We see upside risks to consensus EPS and believe the valuation is attractive with the stock trading at <15x 2026E P/E or <14x 12m-fwd P/E which is 1x standard deviation below its historical average.

Our views by sub-sector

Key Buy ideas by sub-sector preference:

Games/entertainment: Tencent, NetEase; ***Cloud & data center:*** Alibaba, VNET; ***eCommerce & mobility***: JD; ***Internet verticals*:** EDU, BEKE; ***AI models:*** MiniMax.

By sub-sector

- **Games:** A relatively healthy segment mostly uncorrelated to macro, with innovative gameplay and content updates (both benefiting from AI) enabling better potential to raise ARRPU. By platform, we see a step up in PC/console games in both China and global markets, while mobile games are witnessing a rejuvenation of evergreen/flagship titles. In March, Apple announced a reduction in App Store commission rates for mainland China with the standard commission rate for paid apps and In-App Purchases (IAP) on iOS and iPadOS dropping from 30% to 25%; Google also announced that the Google Play Store take rate for standard IAP transactions will drop from 30% to 20%, with phased implementation across different regions globally. We believe the lowered take rate will help to reduce channel costs for mobile game developers/publishers and expand their profits, which would enable increased investment in R&D with saved costs and provide startup teams/SMEs with a longer runway, helping to boost the overall industry and fostering more innovative products. For mini-games, Apple also announced the reduction of the preferential take rate for IAP within Mini programs (mini-games most impacted) from 15% to 12% in March. We believe the changes over the mini-game iOS channel will help expand the overall mini-game TAM (still growing at 36%+ yoy in 1H26) and boost monetization potential for key operating players like Tencent. Overseas expansion is accelerating, with more titles targeting global release and benefits from lowered commission fees from Google Play Store and its open-up for third-party payments as well as developers/publishers' proprietary billing system. We are also seeing increasing adoption of AI application in gaming development, and regulation remains supportive. For Tencent, we estimate **+10% yoy/+9% yoy** games revenue growth for 3Q26E/FY26E, considering a combination of a solid domestic grossing momentum of major titles yet a softer overseas trend due to high base and a near-term light pipeline. For NTES, we have seen strong **GP/OP margin expansion** momentum driven by structural channel shift and elevated cost/expenses efficiency and impressive evergreen franchise strength with successful user expansion initiatives, yet slightly slower grossing trend in 2H26E given a weaker-than-expected performance of Sea of Remnants and a lack of imminent pipeline, with the next catalyst on the global launch of Ananta in Jan 2027. **Key stock ideas: Tencent, NetEase.**
- **Cloud: Alibaba Cloud** saw continued strong momentum in cloud revenue to 45% yoy in the Jun quarter, driven by triple-digit growth in AI revenues (for the twelfth consecutive quarter) on a proliferation in token demand. We estimate 50%/52% growth for Sep/Dec quarters (GSe prior: 46%/46%) with margin upside on expanding gross margins from AI revenues (MaaS reached US$2.4bn ARR by Aug 2026). **Tencent Cloud** accelerated to the low-twenties percentage range, driven by

AI-related demand, international expansion and higher uptake of general cloud services. By August, Tencent Cloud MaaS platform TokenHub has reached 25trn daily token usage (up 5X in 2 months). AI demand is translating into GPU rental, MaaS and WorkBuddy/CodeBuddy-related revenue, while rising WorkBuddy subscription receipts are expected to contribute through 2H26. Management also flagged a more favorable cloud-pricing environment following price increases and lower discounts since May. **Baidu Cloud**'s 2Q26's cloud infra was at 50% yoy, slower than 1Q but more driven by the revenue/contract recognition timing. The strong client demand for GPU compute and MAAS offerings remains intact. As the company steps up its compute power purchase and infrastructure shipment starts to ramp up in 2H, we believe AI cloud infra should remain in strong growth in 2H **(60%+ yoy)**, faster than 2Q's level, driven by GPU cloud and a more normalized pace of traditional CPU/project based contract delivery. **Kingsoft Cloud** continues to capture robust AI demand with AI gross billings grew +82% yoy to Rmb1.3bn in 2Q26 (equivalent to 43% of total revenue vs. 37% in 1Q26), and we expect AI related revenue contribution to boost total revenue growth to +34%/+28% yoy in 2026E/2027E. We see public cloud business continues to diversify, with revenue from top five non-ecosystem customers growing +51% yoy in 2Q26, while MaaS services (StarFlow training/inference platform and AgentKit products) grew 12x qoq as a new growth driver with higher margin. **Key stock ideas: Alibaba.**

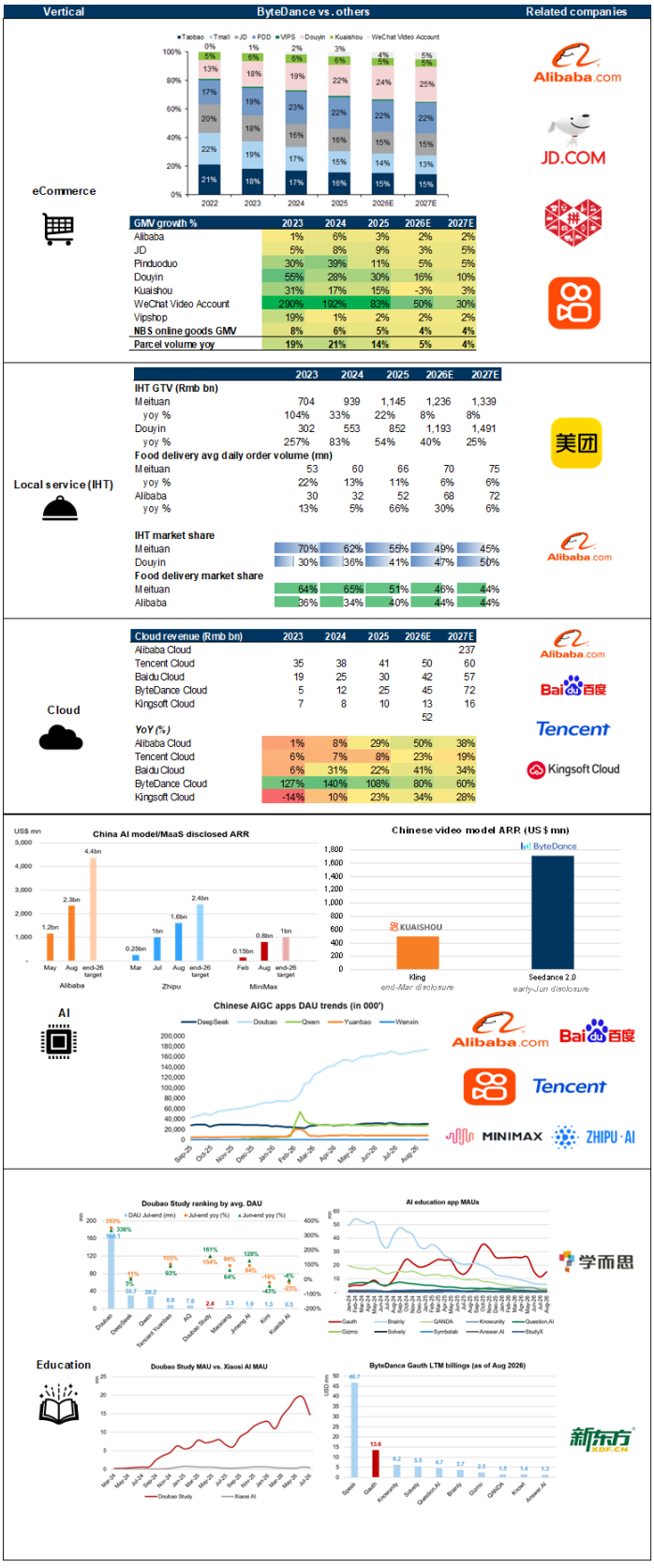
- **Data Centers:** Post ALC takeaways from GDS, VNET, Range and 2Q26 results wrap for GDS, VNET and A-shares, we see **(+)** Robust order outlook and resource availability: We continue to take confidence from robust order volume (GDS/VNET 471MW/862MW order wins YTD and 600MW/355MW reservations YTD), and expanding capacity reserve/secured resources (GDS/VNET at 5.8GW/3.5GW in China). **(-)** Key questions around recent share price weakness, with potential reasons including i) Fed rate hike expectations, ii) limited visibility of domestic chip ramp-up given foundry capacity and HBM shortage following a slow 1H26, iii) concerns on future equity financing yet GDS/VNET expressed committed to leveraging existing balance sheets plus onshore bank loans/REIT platforms to fund project-level capex. On **GPUaaS/neocloud**, we see **(+)** Improved visibility in 2H26 on stable price and better supply visibility: Platforms are generally more optimistic into 2H26 on higher computing power supply and plans to step up capex for computing power acquisition (See ALC takeaways from Kingsoft Cloud and Range). Meanwhile, recently stable unit capex has enabled more visible return profile i.e. 3-3.5yrs revenue payback or shorter on a cash basis. **Key stock ideas: VNET.**

- **Entertainment.** We see a diverging trend among our entertainment coverage: **1)** Kuaishou advertising and E-commerce business face continued challenges in 2026 given impact from tax-related issues on domestic e-Commerce/ads alongside overall weak consumption. We expect a **significant deceleration in Kuaishou ads** revenue in 2H26E, at -4% yoy/-7% yoy (GSe) for 3Q/4Q26E. The company guided **sequentially flat revenue for Kling AI** in 3Q26 vs. 2Q (at Rmb850mn), largely due to a lack of major model upgrades since Feb and intensified AI video competition. We expect its ARR to jump to a higher level post next model launch and now expect ARR of **US$800mn+** by end-2026E (vs. US$500mn ARR by end-Mar 2026). **2) Online**

music has seen meaningful impact from ByteDance competition and AI disruption (i.e. proliferation of AI covers) in the past several months, which pose challenges to TME's organic subscription growth and advertising business. That said, with **one-off boost from Ximalaya consolidation**, we expect TME subscription revenue to maintain +8% yoy/+7% yoy (GSe) in 3Q/4Q26E, yet **notably moderating to low-single-digit% yoy for 2027E**. Nevertheless, other non-subs online music services still sustain solid momentum with +19% yoy/+25% yoy (GSe) in 3Q/4Q26E supported by live events and artists' merchandise.

- **eCommerce:** For **BABA**, CMR grew by +1% yoy in 1QFY27 on a like-for-like basis (-7% yoy under new merchant rebate terms), and we expect CMR growth of -5% in 2QFY27E amid challenging macro backdrop. For **JD**, 2Q electronics & appliances revenue declined by 12% due to the trade-in high base/electronics ASP headwinds, where management expects growth into 2H to regain momentum on a normalized base, supply chain capabilities that help partially offset pricing pressure, and product innovation. We forecast JD Retail revenue growth of 4% in 3Q, and 3Q26E JD Retail EBIT of Rmb15.4bn with JD Retail margin at 5.9% (vs. 5.9% in 3Q25). For **PDD**, online marketing revenue growth remained resilient at +3%, suggesting relatively resilient GMV and merchant advertising demand despite tighter merchant tax/intensifying competition/soft overall consumption (where we estimate Pinduoduo GMV growth of 5% in 2Q26, ahead of industry at 2%). We estimate online marketing services revenue growth of 2% yoy for 3Q26E. **Key stock idea: JD.**

Exhibit 58: Summary of key competitive landscapes across sub-sectors/verticals



Douyin/Bytedance's (Not Covered) relevant operating metrics (GMV/GTV) are calculated by analyzing the industry and companies that we cover, and then extrapolating them to Douyin/Bytedance.

Source: Company data, 36kr, Questmobile, Sensor Tower, Data compiled by Goldman Sachs Global Investment Research

2Q results recap; key numbers & outlook by sub-sectors

Exhibit 59: Earnings summary and market reactions
Pricing as of Sep 11, 2026

	Alibaba.com	JD.COM	KUAISHOU	Full Truck Alliance
Intraday:	1%	-7%	-11%	-1%
Since Jul 1	12%	3%	-25%	-3%
	1QFY27	2Q26	2Q26	2Q26
	FY27 Outlook	FY26 Outlook	FY26 Outlook	FY26 Outlook
Revenue	Cloud revenue in-line (+45% yoy)	Revenue in-line (-3% yoy)	Revenue in-line (+1% yoy)	Transaction commission revenue in-line (+33% yoy)
	Raise cloud revenue by +3%	Finetune revenue by 0%	Cut revenue by -5%	Cut transaction commission revenue by -4%
Profit	Adj. EBITA beat (-30% yoy)	Adj. NP beat (+21% yoy)	Adj. NP in-line (-30% yoy)	Adj. NP beat (+6% yoy)
	Raise adj. EBITA by +14%	Raise adj. NP by 8%	Cut adj. NP by -45%	Fine-tune adj. NP by -1%

	Tencent	NetEase	Pinduoduo	Meituan
Intraday:	-4%	-6%	-1%	2%
Since Jul 1	0%	-11%	-6%	10%
	2Q26	2Q26	2Q26	2Q26
	FY26 Outlook	FY26 Outlook	FY26 Outlook	FY26 Outlook
Revenue	Revenue in-line (+11% yoy)	Revenue beat (+8% yoy)	Revenue miss (+8% yoy)	Revenue beat (+14% yoy)
	Finetune revenue by 1%	Finetune game revenue by 0%	Cut revenue by -4%	Raise revenue by 5%
Profit	Adj. OP in-line (+9% yoy)	Adj. OP beat (+29% yoy)	Adj. OP in-line (+5% yoy)	Adj. NP beat (+69% yoy)
	Finetune adj. NP by -1%	Raise adj. OP by +2%	Cut adj. OP by -3%	Cut adj. NP by -81%

2Q26 earnings result is compared with Visible Alpha Consensus Data, and FY26 outlook is based on changes in GSe; Intraday refers to the trading on the day of earnings release.

Source: Datastream, Visible Alpha Consensus Data, Goldman Sachs Global Investment Research

Exhibit 60: China Internet 2Q26 snapshot: Price action post results, Fundamentals, Valuation, 2Q beat & miss, FY26 GSe revisions

Pricing as of 11 Sep, FY26 revisions based on GSe (time horizon: post 2Q26 earnings vs. pre 2Q26 earnings); Adj. EBIT varies for the below names: BABA (Adj. EBITA), KC (Adj. EBITDA), GDS (Adj. EBITDA), VNET (Adj. EBITDA)

Name	Sub-sector	Valuation	Price performance		Beat/Miss		2Q26				2026			
					2Q26	2026	Revenue		Adj. EBIT		Revenue		Adj. EBIT	
		26-27 avg. P/E	T+1	Post-print	Beat/Miss	Raise/Cut	yoy (PostQ)	Act vs. Est	yoy (PostQ)	Act vs. Est	yoy (PostQ)	Chg	yoy (PostQ)	Chg
BZ	Vertical	13X	6%	6%	in-line	in-line	14%	0ppt	19%	5ppt	12%	0ppt	19%	3ppt
Xiaomi	Vertical	24X	5%	1%	in-line	cut	-6%	0ppt	-43%	2ppt	-5%	-4ppt	-39%	-4ppt
DIDI	Local service/mobility	15X	10%	0%	in-line	raise	11%	-3ppt	-78%	15ppt	12%	0ppt	-102%	9ppt
BEKE	Vertical	15X	4%	0%	beat	raise	-6%	0ppt	124%	42ppt	-10%	-2ppt	121%	25ppt
GDS	Cloud/data center	13X	10%	-2%	beat	in-line	6%	1ppt	2%	5ppt	12%	1ppt	13%	2ppt
Meituan	Local service/mobility	18X	0%	-3%	beat	cut	14%	4ppt	114%	31ppt	14%	6ppt	124%	-44ppt
ATHM	Advertising	15X	-2%	-4%	beat	raise	-32%	2ppt	-54%	12ppt	-24%	2ppt	-49%	16ppt
YMM	Local service/mobility	11X	-1%	-7%	beat	in-line	4%	8ppt	29%	17ppt	1%	8ppt	18%	1ppt
Tencent	Game	12X	-4%	-7%	in-line	in-line	11%	2ppt	9%	1ppt	10%	1ppt	7%	-1ppt
KC	Cloud/data center	NM	14%	-8%	beat	raise	31%	3ppt	175%	66ppt	34%	3ppt	341%	192ppt
NTES	Game	13X	-6%	-9%	beat	in-line	8%	3ppt	29%	11ppt	6%	0ppt	20%	3ppt
ZTO	Logistics	11X	-7%	-11%	beat	cut	23%	2ppt	51%	13ppt	17%	-2ppt	16%	-1ppt
PDD	eCommerce	8X	-1%	-12%	in-line	cut	8%	0ppt	5%	8ppt	6%	-4ppt	0%	-3ppt
BIDU	Advertising	15X	-13%	-12%	in-line	cut	-4%	0ppt	-15%	4ppt	-3%	-1ppt	-13%	-7ppt
WB	Advertising	5X	-1%	-13%	mixed	cut	2%	2ppt	-22%	5ppt	1%	-3ppt	-20%	-14ppt
JD	eCommerce	8X	-7%	-14%	in-line	raise	-3%	0ppt	512%	-75ppt	4%	0ppt	135%	20ppt
BABA	eCommerce	16X	1%	-15%	in-line	raise	9%	0ppt	-30%	3ppt	9%	-1ppt	62%	20ppt
Kuaishou	eCommerce	13X	-11%	-17%	in-line	cut	1%	1ppt	-24%	1ppt	-3%	-5ppt	-54%	-36ppt
TME	Vertical	9X	-12%	-19%	miss	cut	6%	-2ppt	3%	-6ppt	7%	-3ppt	6%	-5ppt
VNET	Cloud/data center	NM	-17%	-20%	in-line	in-line	14%	0ppt	28%	0ppt	16%	0ppt	1%	-4ppt
JD Logistics	Logistics	6X	-14%	-24%	miss	cut	24%	1ppt	14%	-7ppt	21%	-3ppt	49%	-1ppt
VIPS	eCommerce	6X	-2%	-28%	mixed	cut	-4%	0ppt	-16%	-6ppt	-3%	-3ppt	-13%	-15ppt
IQ	Entertainment	8X	-8%	-28%	miss	in-line	-5%	0ppt	-152%	-79ppt	-4%	0ppt	-57%	0ppt
Name	**Sub-sector**	**Valuation**	**Price performance**		**Beat/Miss**		**1H26**				**2026**			
					1H26	2026	Revenue		Adj. EBIT		Revenue		Adj. EBIT	
		26-27 avg. P/E	T+1	Post-print	Beat/Miss	Raise/Cut	yoy (PostQ)	Act vs. Est	yoy (PostQ)	Act vs. Est	yoy (PostQ)	Chg	yoy (PostQ)	Chg
MiniMax	LLM	NM	4%	-11%	mixed	in-line	283%	-15ppt	-89%	-72ppt	554%	30ppt	-154%	-97ppt
Z.AI	LLM	NM	-1%	-34%	mixed	cut	400%	-447ppt	-18%	-17ppt	994%	-90ppt	-44%	-5ppt

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 61: Sub-sector (game) snap-shot: Price action post results, Fundamentals, Valuation, 2Q beat & miss vs GSe, 2026 GSe revisions

Price as of 11 Sep, 2026 revisions based on GSe

Name	Sub-sector	Valuation	Price performance		Beat/Miss		2Q26				2026			
					2Q26	2026	Revenue		Adj. EBIT		Revenue		Adj. EBIT	
		26-27 avg. P/E	T+1	Post-print	Beat/Miss	Raise/Cut	yoy	Act vs. Est	yoy	Act vs. Est	yoy (PostQ)	Chg	yoy (PostQ)	Chg
NTES	Game	13X	-6%	-9%	beat	In-line	8%	3ppt	29%	11ppt	6%	0ppt	20%	3ppt
Tencent	Game	12X	-4%	-7%	In-line	In-line	11%	2ppt	9%	1ppt	10%	1ppt	7%	-1ppt

Source: Company data, Goldman Sachs Global Investment Research, Datastream

Exhibit 62: Sub-sector (eCommerce) snap-shot: Price action post results, Fundamental, Valuation, 2Q beat & miss vs GSe, 2026 GSe revision

Price as of 11 Sep, 2026 revision based on GSe

Name	Sub-sector	Valuation	Price performance		Beat/Miss		2Q26				2026			
					2Q26	2026	Revenue		Adj. EBIT		Revenue		Adj. EBIT	
		26-27 avg. P/E	T+1	Post-print	Beat/Miss	Raise/Cut	yoy	Act vs. Est	yoy	Act vs. Est	yoy (PostQ)	Chg	yoy (PostQ)	Chg
Kuaishou	eCommerce	13X	-11%	-17%	in-line	cut	1%	1ppt	-24%	1ppt	-3%	-5ppt	-54%	-36ppt
VIPS	eCommerce	6X	-2%	-28%	mixed	cut	-4%	0ppt	-16%	-6ppt	-3%	-3ppt	-13%	-15ppt
BABA	eCommerce	16X	1%	-15%	in-line	raise	9%	0ppt	-30%	3ppt	9%	-1ppt	62%	20ppt
JD	eCommerce	8X	-7%	-14%	in-line	raise	-3%	0ppt	512%	-75ppt	4%	0ppt	135%	20ppt
PDD	eCommerce	8X	-1%	-12%	in-line	cut	8%	0ppt	5%	8ppt	6%	-4ppt	0%	-3ppt

Source: Company data, Goldman Sachs Global Investment Research, Datastream

Exhibit 63: Sub-sector (mobility, logistics) snap-shot: Price action post results, Fundamental, Valuation, 2Q beat & miss vs GSe, 2026 GSe revision
Price as of 11 Sep, 2026 revision based on GSe

Name	Sub-sector	Valuation	Price performance		Beat/Miss		2Q26				2026			
					2Q26	2026	Revenue		Adj. EBIT		Revenue		Adj. EBIT	
		26-27 avg. P/E	T+1	Post-print	Beat/Miss	Raise/Cut	yoy	Act vs. Est	yoy	Act vs. Est	yoy (PostQ)	Chg	yoy (PostQ)	Chg
ZTO	Logistics	11X	-7%	-11%	beat	cut	23%	2ppt	51%	13ppt	17%	-2ppt	16%	-1ppt
DIDI	Mobility	15X	10%	0%	in-line	raise	11%	-3ppt	-78%	15ppt	12%	0ppt	-102%	9ppt
JD Logistics	Logistics	6X	-14%	-24%	miss	cut	24%	1ppt	14%	-7ppt	21%	-3ppt	49%	-1ppt
YMM	Mobility	11X	-1%	-7%	beat	in-line	4%	8ppt	29%	17ppt	1%	8ppt	18%	1ppt

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 64: Sub-sector (advertising) snap-shot: Price action post results, Fundamental, Valuation, 2Q beat & miss vs GSe, 2026 GSe revision
Price as of 11 Sep, 2026 revision based on GSe

Name	Sub-sector	Valuation	Price performance		Beat/Miss		2Q26				2026			
					2Q26	2026	Revenue		Adj. EBIT		Revenue		Adj. EBIT	
		26-27 avg. P/E	T+1	Post-print	Beat/Miss	Raise/Cut	yoy	Act vs. Est	yoy	Act vs. Est	yoy (PostQ)	Chg	yoy (PostQ)	Chg
Kuaishou	eCommerce	13X	-11%	-17%	in-line	cut	1%	1ppt	-24%	1ppt	-3%	-5ppt	-54%	-36ppt
WB	Advertising	5X	-1%	-13%	mixed	cut	2%	2ppt	-22%	5ppt	1%	-3ppt	-20%	-14ppt
BIDU	Advertising	15X	-13%	-12%	in-line	cut	-4%	0ppt	-15%	4ppt	-3%	-1ppt	-13%	-7ppt
JD	eCommerce	8X	-7%	-14%	in-line	raise	-3%	0ppt	512%	-75ppt	4%	0ppt	135%	20ppt
ATHM	Advertising	15X	-2%	-4%	beat	raise	-32%	2ppt	-54%	12ppt	-24%	2ppt	-49%	16ppt
Meituan	Local service	18X	0%	-3%	beat	cut	14%	4ppt	114%	31ppt	14%	6ppt	124%	-44ppt
Tencent	Game	12X	-4%	-7%	in-line	in-line	11%	2ppt	9%	1ppt	10%	1ppt	7%	-1ppt
PDD	eCommerce	8X	-1%	-12%	in-line	cut	8%	0ppt	5%	8ppt	6%	-4ppt	0%	-5ppt

Source: Company data, Goldman Sachs Global Investment Research, Datastream

Exhibit 65: Sub-sector (LLM) snap-shot: Price action post results, Fundamental, Valuation, 2Q beat & miss vs GSe, 2026 GSe revision
Price as of 11 Sep, 2026 revision based on GSe

Name	Sub-sector	Valuation	Price performance		Beat/Miss		1H26				2026			
					1H26	2026	Revenue		Adj. EBIT		Revenue		Adj. EBIT	
		26-27 avg. P/E	T+1	Post-print	Beat/Miss	Raise/Cut	yoy	Act vs. Est	yoy	Act vs. Est	yoy (PostQ)	Chg	yoy (PostQ)	Chg
MiniMax	LLM	NM	4%	-11%	mixed	in-line	283%	-15ppt	-89%	-72ppt	554%	30ppt	-154%	-97ppt
Z.AI	LLM	NM	-1%	-34%	mixed	cut	400%	-447ppt	-18%	-17ppt	994%	-90ppt	-44%	-5ppt

Source: Company data, Goldman Sachs Global Investment Research, Datastream

Exhibit 66: Sub-sector (vertical) snap-shot: Price action post results, Fundamentals, Valuation, 1Q beat & miss vs GSe, 2026 GSe revisions
Price as of 11 Sep, 2026 revisions based on GSe

Name	Sub-sector	Valuation	Price performance		Beat/Miss		2Q26				2026			
					2Q26	2026	Revenue		Adj. EBIT		Revenue		Adj. EBIT	
		26-27 avg. P/E	T+1	Post-print	Beat/Miss	Raise/Cut	yoy	Act vs. Est	yoy	Act vs. Est	yoy (PostQ)	Chg	yoy (PostQ)	Chg
BZ	Vertical	13X	6%	6%	in-line	in-line	14%	0ppt	19%	5ppt	12%	0ppt	19%	3ppt
BEKE	Vertical	15X	4%	0%	beat	raise	-6%	0ppt	124%	42ppt	-10%	-2ppt	121%	25ppt
DIDI	Mobility	15X	10%	0%	in-line	raise	11%	-3ppt	-78%	15ppt	12%	0ppt	-102%	9ppt
Tongcheng E-long	Vertical	6X	-7%	-19%	miss	in-line	7%	0ppt	8%	-8ppt	9%	0ppt	16%	0ppt
Xiaomi	Vertical	24X	5%	1%	in-line	cut	-6%	0ppt	-43%	2ppt	-5%	-4ppt	-39%	-4ppt
YMM	Mobility	11X	-1%	-7%	beat	in-line	4%	8ppt	29%	17ppt	1%	8ppt	18%	1ppt
TME	Vertical	9X	-12%	-19%	miss	cut	6%	-2ppt	3%	-6ppt	7%	-3ppt	6%	-5ppt

Source: Company data, Goldman Sachs Global Investment Research, Datastream

Our latest forecasts on ads, eCommerce, and quick commerce competitive landscape

Exhibit 67: China online advertising industry overview

Rmb mn		2022	2023	2024	2025	2026E	2027E	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
CHINA ONLINE ADVERTISING REVENUE															
SOCIAL/ MEDIA	Tencent	82,729	101,482	121,374	144,973	172,940	195,062	31,853	35,762	36,242	41,116	38,171	43,565	42,959	48,244
	Xiaomi China	11,670	12,055	13,785	15,882	17,511	19,097	3,904	3,885	3,912	4,182	4,176	4,300	4,341	4,694
	Weibo	10,732	10,896	10,738	10,763	10,235	10,363	2,469	2,773	2,687	2,835	2,551	2,594	2,417	2,672
	iQIYI	5,332	6,224	5,714	5,193	5,098	5,263	1,328	1,272	1,241	1,353	1,241	1,246	1,256	1,355
	Bytedance	*177,546*	*206,202*	*241,429*	*271,305*	*305,026*	*330,053*	*68,388*	*65,341*	*64,541*	*73,037*	*77,778*	*72,985*	*72,092*	*82,171*
	Kuaishou	28,031	29,574	36,915	41,816	43,919	45,786	9,071	10,229	10,707	11,809	10,035	10,990	10,867	12,028
	Total	**333,055**	**384,310**	**449,065**	**510,497**	**577,605**	**631,124**	**121,302**	**124,308**	**124,300**	**140,587**	**138,844**	**141,209**	**139,488**	**158,064**
% yoy		*-2%*	*15%*	*17%*	*14%*	*13%*	*9%*	*13%*	*12%*	*13%*	*16%*	*14%*	*14%*	*12%*	*12%*
E-commerce and O2O	Alibaba (CMR: ads)	218,383	227,211	240,422	256,150	249,027	247,797	50,584	69,667	58,899	79,366	52,206	62,293	54,344	75,337
	JD (JD Mall ads)	50,118	50,132	54,227	72,534	80,239	96,690	15,669	18,011	17,522	21,333	18,521	19,743	18,866	23,109
	PDD	102,722	153,540	197,934	217,783	223,382	226,987	48,722	55,703	53,348	60,010	49,936	57,637	54,454	61,356
	VIPS	1,662	1,971	2,187	2,249	2,176	2,041	516	614	462	657	471	553	476	677
	Short Form Video (e-com ads)	117,011	141,720	162,069	182,005	190,580	199,855	44,790	43,821	43,261	50,133	48,615	46,252	44,493	51,220
	Bytedance	96,000	110,989	126,565	142,359	152,975	162,713	*35,884*	*34,285*	*33,866*	*38,324*	*39,007*	*36,603*	*36,155*	*41,210*
	Kuaishou	21,011	30,730	35,504	39,646	37,605	37,142	8,906	9,536	9,395	11,809	9,608	9,649	8,338	10,010
	Total	**520,993**	**613,894**	**707,752**	**790,537**	**808,425**	**844,449**	**173,226**	**202,637**	**189,052**	**227,987**	**184,508**	**203,044**	**190,289**	**225,735**
% yoy		*16%*	*18%*	*15%*	*12%*	*2%*	*4%*	*14%*	*14%*	*13%*	*8%*	*7%*	*0%*	*1%*	*-1%*
SEARCH	Baidu core (excl. iQIYI)	69,379	74,979	72,849	62,546	49,474	41,772	15,978	16,213	15,325	15,030	12,600	13,100	12,246	11,528
	Total	**71,882**	**82,486**	**81,107**	**71,630**	**59,466**	**52,763**	**18,249**	**18,484**	**17,596**	**17,301**	**15,098**	**15,598**	**14,744**	**14,026**
% yoy		*-7%*	*15%*	*-2%*	*-12%*	*-17%*	*-11%*	*-4%*	*-13%*	*-16%*	*-13%*	*-17%*	*-16%*	*-16%*	*-19%*
TOTAL		935,354	1,092,594	1,250,186	1,385,537	1,459,237	1,528,336	315,635	348,712	334,455	389,100	338,451	359,852	344,521	397,825
% yoy		*6%*	*17%*	*14%*	*11%*	*5%*	*5%*	*13%*	*11%*	*11%*	*10%*	*7%*	*3%*	*3%*	*2%*
Rev yoy %		2022	2023	2024	2025	2026E	2027E	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
SOCIAL/ MEDIA	*Tencent*	*-7%*	*23%*	*20%*	*19%*	*19%*	*13%*	*20%*	*20%*	*21%*	*17%*	*20%*	*22%*	*19%*	*17%*
	Xiaomi	*-11%*	*3%*	*14%*	*15%*	*10%*	*9%*	*31%*	*17%*	*16%*	*4%*	*7%*	*11%*	*11%*	*12%*
	Weibo	*-16%*	*2%*	*-1%*	*0%*	*-5%*	*1%*	*1%*	*3%*	*-5%*	*2%*	*3%*	*-6%*	*-10%*	*-6%*
	iQIYI	*-25%*	*17%*	*-8%*	*-9%*	*-2%*	*3%*	*-10%*	*-13%*	*-7%*	*-6%*	*-7%*	*-2%*	*1%*	*0%*
	Bytedance	*3%*	*16%*	*17%*	*12%*	*12%*	*8%*	*12%*	*10%*	*10%*	*17%*	*14%*	*12%*	*12%*	*13%*
	Kuaishou	*-3%*	*6%*	*25%*	*13%*	*5%*	*4%*	*9%*	*13%*	*13%*	*17%*	*11%*	*7%*	*1%*	*2%*
	Total	***-2%***	***15%***	***17%***	***14%***	***13%***	***9%***	***13%***	***12%***	***13%***	***16%***	***14%***	***14%***	***12%***	***12%***
ECOMM. /O2O	*Alibaba (CMR: ads)*	*-6%*	*4%*	*6%*	*7%*	*-3%*	*0%*	*10%*	*12%*	*12%*	*1%*	*3%*	*-11%*	*-8%*	*-5%*
	PDD	*42%*	*49%*	*29%*	*10%*	*3%*	*2%*	*15%*	*13%*	*8%*	*5%*	*2%*	*3%*	*2%*	*2%*
	Bytedance	*55%*	*16%*	*14%*	*12%*	*7%*	*6%*	*12%*	*10%*	*10%*	*17%*	*9%*	*7%*	*7%*	*8%*
	Kuaishou	*52%*	*46%*	*16%*	*12%*	*-5%*	*-1%*	*7%*	*13%*	*15%*	*12%*	*8%*	*1%*	*-11%*	*-15%*
	Total	***16%***	***18%***	***15%***	***12%***	***2%***	***4%***	***14%***	***14%***	***13%***	***8%***	***7%***	***0%***	***1%***	***-1%***
SEARCH	*Baidu core (excl. iQIYI)*	*-6%*	*8%*	*-3%*	*-14%*	*-21%*	*-16%*	*-6%*	*-15%*	*-18%*	*-16%*	*-21%*	*-19%*	*-20%*	*-23%*
	Total	***-7%***	***15%***	***-2%***	***-12%***	***-17%***	***-11%***	***-4%***	***-13%***	***-16%***	***-13%***	***-17%***	***-16%***	***-16%***	***-19%***
TOTAL		***6%***	***17%***	***14%***	***11%***	***5%***	***5%***	***13%***	***11%***	***11%***	***10%***	***7%***	***3%***	***3%***	***2%***

We calculate Bytedance's (Not Covered) relevant operating metrics by analyzing the industry and companies that we cover, and then extrapolating them to Bytedance.

Source: Company data, Goldman Sachs Global Investment Research

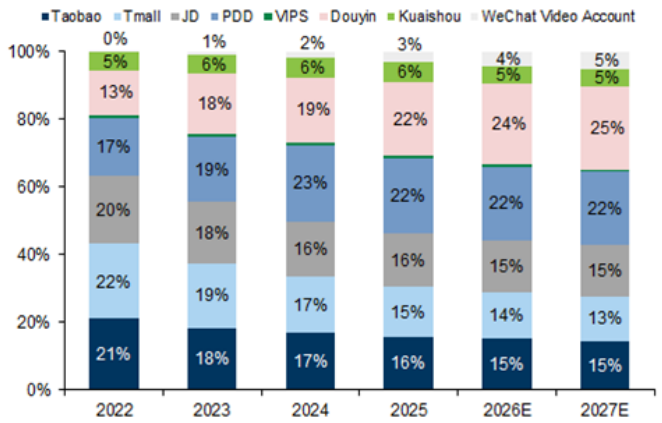
Exhibit 68: GMV growth comparison across players

GMV growth %	2021	2022	2023	2024	2025	2026E	2027E	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26E	4Q26E
Alibaba	8%	-4%	1%	6%	3%	2%	2%	5%	5%	6%	-2%	5%	0%	2%	2%
Gap vs. industry (ppts)	*-4%*	*-11%*	*-8%*	*-1%*	*-2%*	*-2%*	*-2%*	*-1%*	*-1%*	*-2%*	*-4%*	*-3%*	*-2%*	*-1%*	*-2%*
JD	26%	6%	5%	8%	9%	3%	5%	13%	20%	10%	-2%	2%	-6%	4%	12%
Gap vs. industry (ppts)	*14%*	*-1%*	*-4%*	*1%*	*4%*	*-1%*	*1%*	*8%*	*13%*	*2%*	*-5%*	*-6%*	*-8%*	*1%*	*8%*
-Amongst which JD direct sales (1P)	25%	6%	1%	7%	10%	1%	5%	16%	21%	10%	-3%	1%	-5%	2%	6%
Gap vs. industry (ppts)	*13%*	*0%*	*-8%*	*0%*	*5%*	*-3%*	*2%*	*11%*	*14%*	*3%*	*-5%*	*-6%*	*-8%*	*-1%*	*3%*
Pinduoduo	46%	22%	30%	20%	11%	5%	5%	13%	15%	11%	7%	6%	5%	5%	5%
Gap vs. industry (ppts)	*34%*	*16%*	*21%*	*33%*	*6%*	*1%*	*1%*	*7%*	*9%*	*3%*	*5%*	*-1%*	*3%*	*2%*	*1%*
Douyin	73%	92%	55%	28%	30%	16%	10%	28%	38%	30%	26%	21%	18%	15%	12%
Gap vs. industry (ppts)	*61%*	*85%*	*47%*	*21%*	*25%*	*12%*	*6%*	*22%*	*32%*	*22%*	*23%*	*14%*	*16%*	*12%*	*8%*
Kuaishou	78%	33%	31%	17%	15%	-3%	3%	15%	18%	15%	13%	9%	3%	-9%	-10%
Gap vs. industry (ppts)	*66%*	*26%*	*23%*	*11%*	*10%*	*-7%*	*-1%*	*10%*	*11%*	*8%*	*11%*	*2%*	*1%*	*-12%*	*-14%*
WeChat Video Account			290%	192%	83%	50%	30%	88%	70%	75%	96%	47%	41%	52%	56%
Gap vs. industry (ppts)				*186%*	*77%*	*46%*	*26%*	*82%*	*64%*	*67%*	*93%*	*39%*	*39%*	*49%*	*52%*
Vipshop	16%	-8%	19%	1%	2%	2%	2%	0%	2%	7%	1%	9%	-2%	-1%	0%
Gap vs. industry (ppts)	*4%*	*-15%*	*10%*	*-6%*	*-3%*	*-3%*	*-2%*	*-6%*	*-5%*	*0%*	*-2%*	*1%*	*-4%*	*-4%*	*-4%*
NBS Industry online goods GMV	12%	6%	8%	6%	5%	4%	4%	6%	6%	8%	2%	8%	2%	3%	4%
Parcel volume yoy	30%	2%	19%	21%	14%	5%	4%	22%	17%	13%	5%	6%	4%	4%	5%

Note: We calculate Douyin's (Private) relevant operating metrics by analyzing the industry and companies that we cover, and then extrapolating them to Douyin.

Source: Company data, Goldman Sachs Global Investment Research

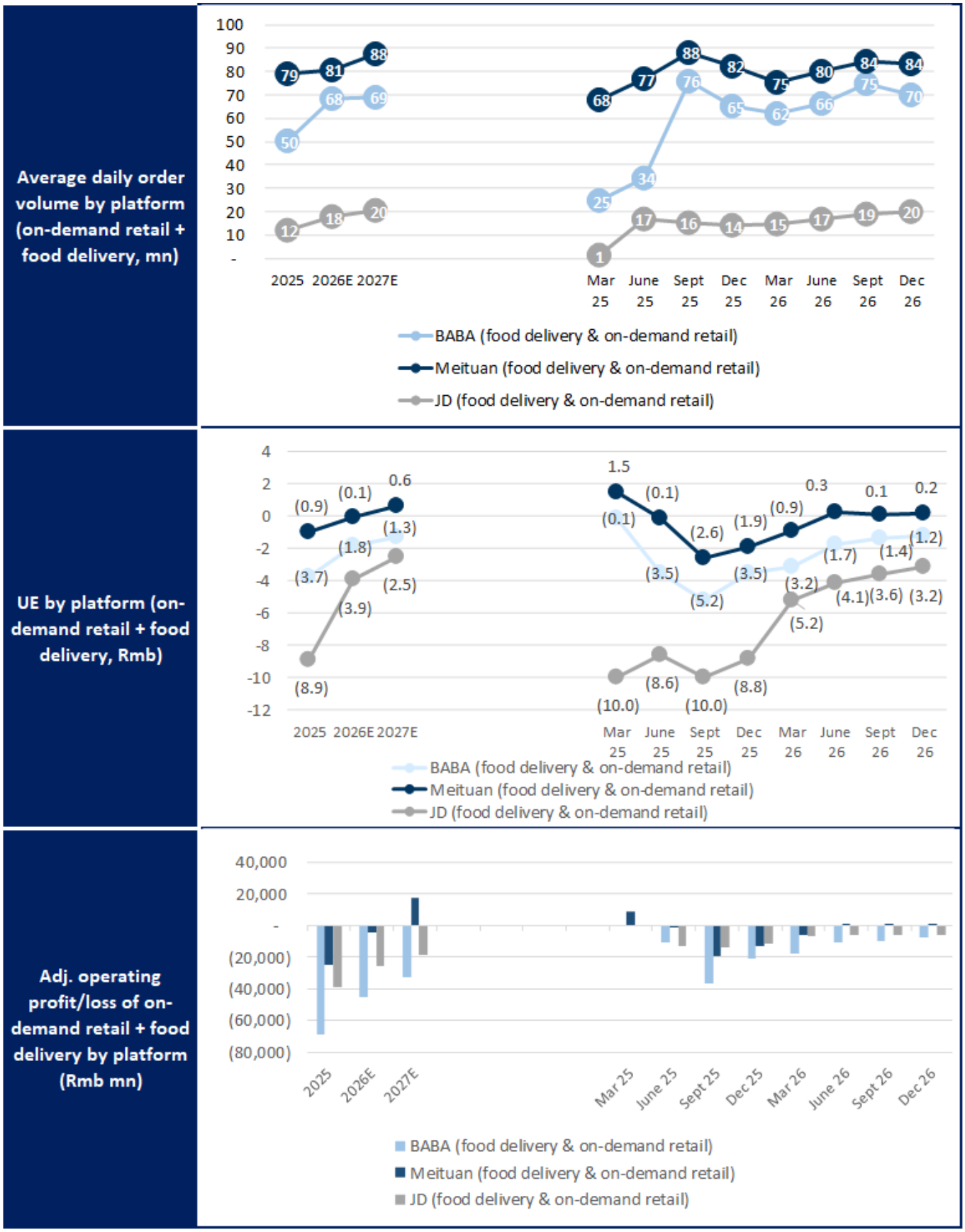
Exhibit 69: Annual market share by player



Note: We calculate Douyin's (Private) relevant metrics by analyzing the industry and companies that we cover, and then extrapolating them to Douyin.

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 70: Food delivery + instant shopping comparisons between Meituan, Alibaba and JD (GS estimates)



Source: Goldman Sachs Global Investment Research

Top apps tracker: Latest time-spent trends at a glance

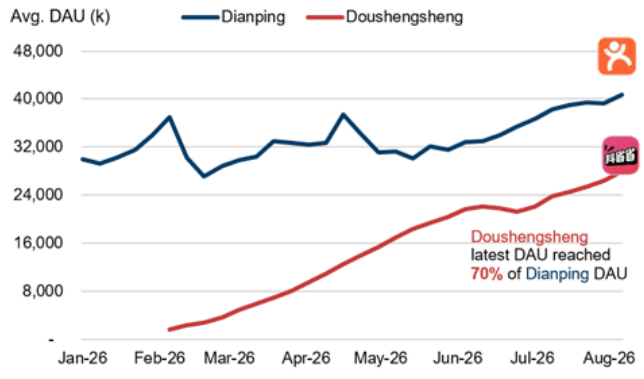
Overall, the top 400 mobile apps have grown total time spent by +8% yoy in July 2026 (vs. +5% in July 2025), with **Weixin** time spent growth (+3% yoy) and continued strong **Douyin** app engagement performance (main app +29% yoy/Lite +28% yoy). We attribute the July slowdown in Taobao and Meituan timespent growth (to -9%/-23% yoy) primarily to tougher base as July 2025 marked the start of intensified food delivery and on-demand competition between top 2 players, where we expect the resulting base effect to likely persist through 3Q. We also note ByteDance's continued share gain by time spent (33% within top apps, up +6% from 2 years ago) via short-form video apps (Douyin/Red Fruit) and AIGC applications (Doubao). Specifically by vertical:

- **(+/-) AI engagement**, where domestic AIGC application engagement decreased by -2% mom across DeepSeek (-2% mom), Doubao (-6% mom), Qwen (-9% mom), while Yuanbao timespent grew by +4% mom. To-C AI chatbots continue to be mostly free-to-use, where the path to monetization is still evolving for China. Meanwhile, harness/agent applications have sustained strong traffic growth momentum, notably Tencent's WorkBuddy which more than tripled its MAU to 1.9mn in July (vs. 0.5mn in June).
- **(+/-) eCommerce engagement:** Amongst top platforms, Taobao/JD timespent decreased by -9%/-3% yoy on high base from food delivery subsidy, while Pinduoduo delivered stable growth by +11%.
  - **On Temu**, global MAU decreased by -1% mom at 467mn in Jul as per SensorTower, mainly dragged by -17% decrease in Europe, due to official removal of de minimis exemption in July. That said, we view local-to-local supply chain construction and commencement of PDD's first-party brand ("Xin Pin Mu") investment cycle for the next three years (targeting to rebuild Pinduoduo) as a multi-year growth driver for Temu + Pinduoduo.
- **(+/-) Social engagement:** Weixin time spent increased by +3% yoy and Weibo/QQ's timespent decreased by -7%/-4% yoy. **(+/-) Video engagement:** Douyin engagement sustained strong momentum (main app +29% yoy/Lite +28% yoy) yet offset by a continuous softening in user engagement at Kuaishou (main app -15% yoy/Express -6% yoy).
- **(+) Games engagement:** HoK (Honour of Kings) time spent growth sustained despite relatively high base at +14% yoy in Jul; Delta Force engagement maintained robust momentum at +49% yoy; Game for Peace timespent decreased by -15% yoy in Jul (vs. -5% yoy in Jun).
- **(+) Local services engagement:** DiDi timespent remained robust at +25% yoy (vs. +30% in Jun), while Meituan engagement decreased -23% yoy (vs. -8% yoy in Jun) with competition over on-demand delivery hiking in Summer 2025. Amap's engagement decreased -7% yoy (vs. -2% in Jun). We also note continuous disruption from Doushengsheng (抖省省), ByteDance's local services discount/coupon app, to Dianping (timespent -6% yoy in July, negative growth since March), where Doushengsheng DAU has reached c.28mn in Aug MTD (~70% of Dianping, from 60% in July), see Exhibit 71. However, narrowing gap of MoM DAU growth between the

two apps (see Exhibit 72) may suggest potential normalization into 2H.

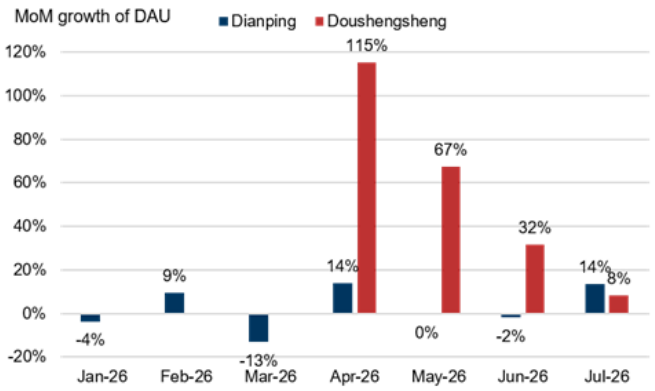
- **Other internet verticals:**
  - **(+) Education: Doubao Study** DAU growth sustained at +154% yoy as of Jul-end (vs. +161% yoy as of Jun-end) and maintained the position of the 6th largest AI native app in China in terms of DAUs. In overseas markets, Gauth maintained its leadership with monthly billings +20% yoy to c.US$0.9mn in Aug. **TAL Peiyou** sustained positive MAU growth of +11% yoy in Jul vs. -6% yoy for **Xueersi.com** and -19% yoy for EDU.
  - **(+) Recruitment:** Boss Zhipin showed **+12% yoy** MAU growth and **+12% yoy** growth in time spent in Jul 2026 (vs. +9%/+7% yoy growth in MAU/timespent in Jun 2026), faster than +9%/+5% yoy growth of MAU/time spent for major online recruitment platforms in Jul 2026. Boss Zhipin maintained its leadership in time spent share at **68%** in Jul 2026 (vs. 67% in Jun 2026) in Mainland China. In Hong Kong market, **OfferToday** (BossZhipin's HK App) maintained its **No.1** HK recruitment platform position in terms of app DAU, MAU and download volume. DAUs/MAUs reached c.14k/c.275k with +31%/120% yoy growth in Aug 2026 (vs. +55%/+137% yoy growth in Jul 2026), while app downloads continued to lead in HK with +14% yoy growth in Aug despite JobsDB gaining momentum with +56% yoy growth.
  - **(-) Real estate: Time spent** on Beike's three major apps dropped -10% yoy/-4% mom in Jul 2026 (vs. -7% yoy/-6% mom in Jun 2026). **For DAU**, Beike Zhaofang DAU saw -14% yoy/-5% mom decline in Jul 2026 (vs. -11% yoy/-2% mom in Jun 2026).
  - **(+) Auto aftermarket service: Tuhu app MAU** increased +6% yoy or dropped -3% mom to 16.4mn in Jul 2026 (vs. +11% yoy/+2% mom in Jun 2026). On the merchant side, **Tuhu merchant app MAU** increased +1% yoy/+1% mom to 85.9k in Jul 2026 (vs. +3% yoy/-2% mom in Jun 2026), with a DAU/MAU ratio of 75% and +2% yoy growth in daily time spent per DAU.

Exhibit 71: Doushengsheng (ByteDance's local service app) Aug MTD DAU reached 28mn (~70% of Dianping)...



Source: QuestMobile, Data compiled by Goldman Sachs Global Investment Research

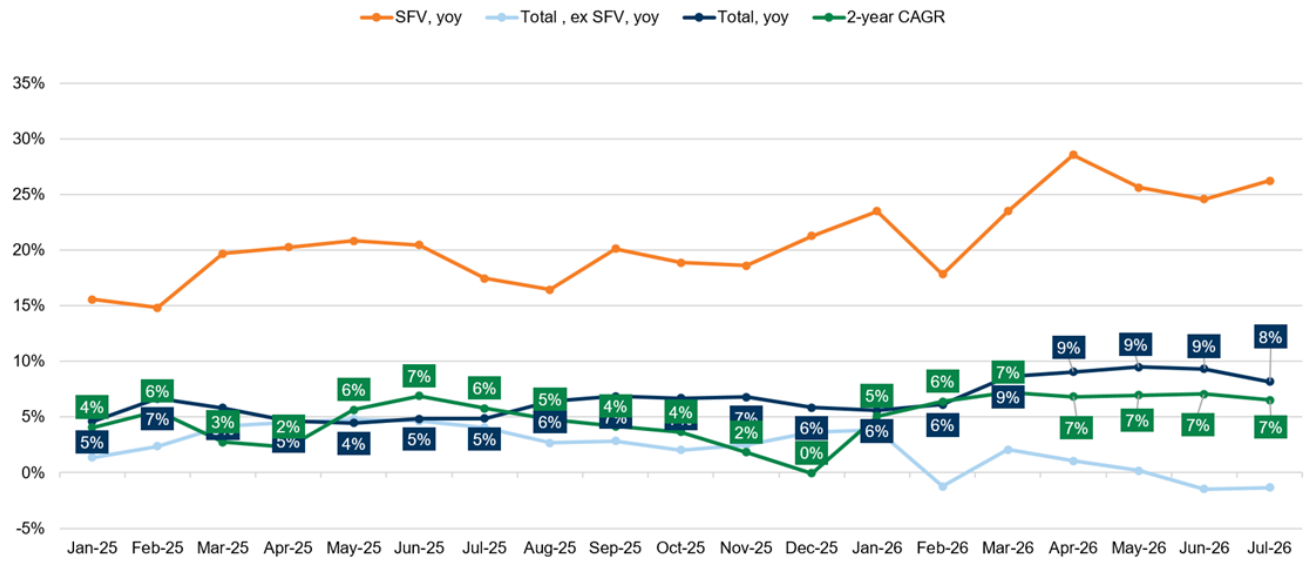
Exhibit 72: ...yet we observed catch-up in MoM growth between the two apps, suggesting potential normalization in competition into 2H as aggressive subisidies of Doushengsheng gradually scale back



Source: QuestMobile, Data compiled by Goldman Sachs Global Investment Research

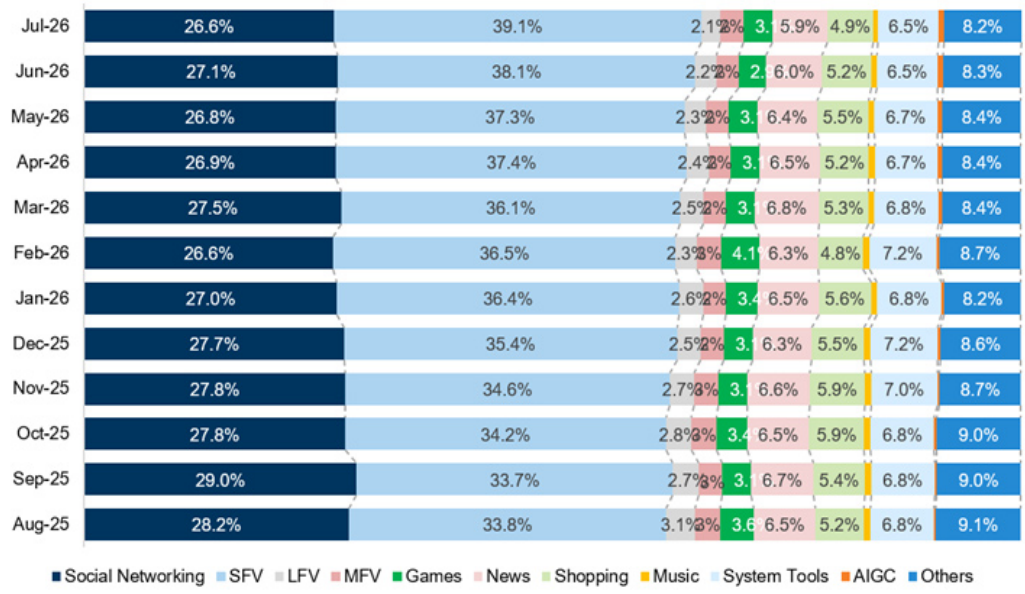
China Internet industry

Exhibit 73: Aggregate time spent growth continued at +8% yoy in July



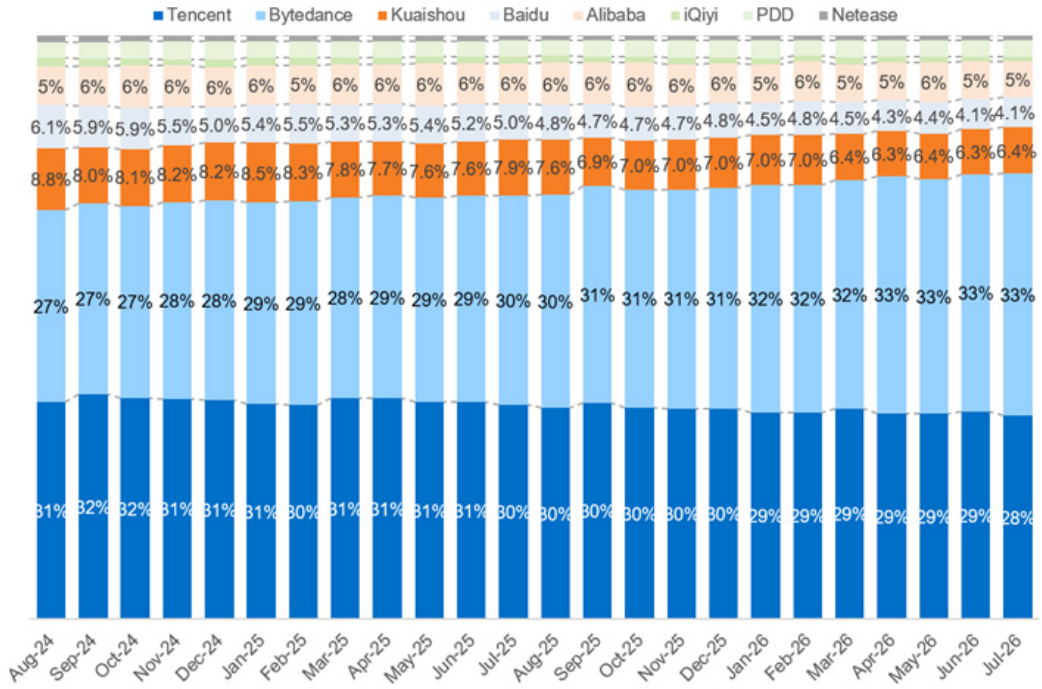
Source: QuestMobile

Exhibit 74: China Internet: time spent share % within top 400 apps by vertical



Source: QuestMobile

Exhibit 75: China Internet: time spent share % within top 400 apps by company



Source: QuestMobile

China online transaction platforms and entertainment

Exhibit 76: China Internet: time-spent yoy % of top apps by vertical (E-commerce, local service, social, video and game)

E-commerce	Timespent % yoy	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Jul vs. Jun-%yoy chg
Taobao	淘宝	3%	11%	17%	14%	11%	12%	9%	22%	-3%	8%	11%	7%	0%	-9%	-9%
Pinduoduo	拼多多	9%	5%	2%	4%	6%	6%	5%	20%	2%	11%	13%	13%	6%	11%	5%
JD	京东	63%	76%	61%	46%	38%	39%	38%	36%	33%	27%	8%	-10%	-7%	-3%	4%
VIP	唯品会	2%	0%	1%	2%	-2%	-3%	-13%	5%	5%	-10%	-12%	-9%	-12%	-10%	2%
Tmall	天猫	7%	14%	9%	2%	-3%	-7%	-6%	0%	-24%	-21%	-21%	-20%	-22%	-21%	0%
Douyin Mall	抖音商城	846%	401%	256%	190%	156%	149%	147%	180%	99%	121%	122%	114%	124%	130%	7%
Local Service	**Timespent % yoy**	**Jun-25**	**Jul-25**	**Aug-25**	**Sep-25**	**Oct-25**	**Nov-25**	**Dec-25**	**Jan-26**	**Feb-26**	**Mar-26**	**Apr-26**	**May-26**	**Jun-26**	**Jul-26**	**Jul vs. Jun-%yoy chg**
Amap	高德地图	26%	31%	32%	27%	32%	30%	19%	-4%	30%	9%	4%	-3%	-2%	-7%	-5%
Meituan	美团	15%	21%	10%	7%	9%	7%	-1%	2%	-4%	-4%	-3%	-6%	-8%	-23%	-15%
DiDi Chuxing	滴滴出行	36%	35%	36%	29%	42%	41%	39%	29%	36%	30%	29%	22%	30%	25%	-4%
Dianping	大众点评	14%	17%	19%	9%	11%	8%	5%	-4%	14%	-8%	-1%	-6%	-5%	-6%	-1%
Social	**Timespent % yoy**	**Jun-25**	**Jul-25**	**Aug-25**	**Sep-25**	**Oct-25**	**Nov-25**	**Dec-25**	**Jan-26**	**Feb-26**	**Mar-26**	**Apr-26**	**May-26**	**Jun-26**	**Jul-26**	**Jul vs. Jun-%yoy chg**
WeChat	微信	7%	6%	5%	4%	4%	4%	5%	7%	0%	4%	2%	2%	2%	3%	1%
Xiaohongshu	小红书	35%	32%	24%	19%	18%	17%	16%	10%	9%	4%	0%	-1%	3%	5%	2%
Weibo	微博	-6%	-3%	-7%	3%	0%	4%	5%	-1%	5%	12%	0%	-3%	-3%	-7%	-4%
QQ	QQ	-27%	-29%	-28%	-22%	-21%	-20%	-17%	-20%	-16%	-11%	-9%	-3%	-4%	-4%	0%
Video	**Timespent % yoy**	**Jun-25**	**Jul-25**	**Aug-25**	**Sep-25**	**Oct-25**	**Nov-25**	**Dec-25**	**Jan-26**	**Feb-26**	**Mar-26**	**Apr-26**	**May-26**	**Jun-26**	**Jul-26**	**Jul vs. Jun-%yoy chg**
Douyin	抖音	22%	19%	19%	24%	21%	19%	19%	21%	19%	24%	25%	28%	27%	29%	2%
Kuaishou	快手	-1%	-4%	-6%	-7%	-7%	-8%	-7%	-7%	-11%	-11%	-12%	-11%	-14%	-15%	0%
Kuaishou Expres	快手极速版	-1%	-7%	-10%	-7%	-7%	-8%	-7%	-11%	-14%	-10%	-8%	-6%	-6%	-6%	0%
Douyin Lite	抖音极速版	22%	22%	21%	23%	25%	28%	36%	42%	32%	37%	36%	37%	30%	28%	-2%
iQIYI	爱奇艺	-8%	-6%	-15%	-18%	-15%	7%	-15%	-10%	-27%	-3%	-12%	-6%	-11%	-27%	-16%
Game	**Timespent % yoy**	**Jun-25**	**Jul-25**	**Aug-25**	**Sep-25**	**Oct-25**	**Nov-25**	**Dec-25**	**Jan-26**	**Feb-26**	**Mar-26**	**Apr-26**	**May-26**	**Jun-26**	**Jul-26**	**Jul vs. Jun-%yoy chg**
Honour of Kings	王者荣耀	-14%	-3%	2%	-6%	11%	5%	-12%	-8%	15%	0%	8%	13%	19%	14%	-5%
Delta Force	三角洲行动				2251%	301%	370%	312%	265%	411%	258%	199%	141%	94%	49%	-45%
Game for Peace	和平精英	9%	-11%	-10%	-13%	-5%	-2%	17%	-10%	19%	-2%	-2%	1%	-5%	-15%	-10%

Source: QuestMobile

Temu operating data

Exhibit 77: Temu app MAU by region

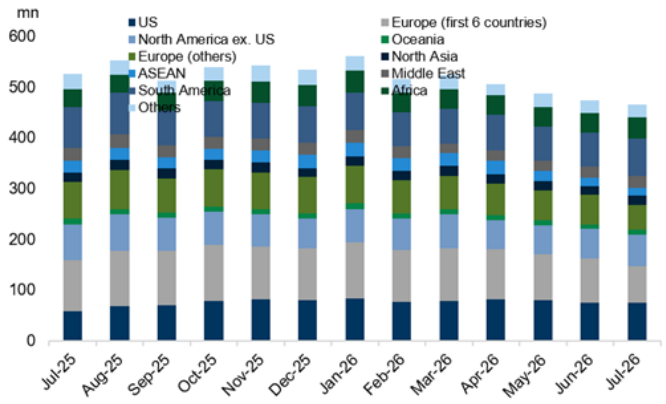
Temu app by region												
mom% growth	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
US	18%	3%	10%	4%	-2%	5%	-8%	3%	4%	-4%	-6%	-1%
Europe (first 6 countries)	8%	-3%	4%	-5%	-3%	8%	-8%	1%	-5%	-6%	-5%	-17%
North America ex. US	1%	-9%	1%	-6%	-6%	13%	-6%	9%	-15%	-2%	5%	7%
Oceania	3%	-6%	4%	1%	4%	-1%	-7%	1%	4%	-9%	-5%	6%
Europe (others)	6%	-11%	6%	0%	0%	4%	-11%	-1%	-6%	-3%	-4%	-17%
North Asia	6%	1%	-2%	1%	-18%	17%	-3%	1%	-1%	-1%	-6%	4%
ASEAN	3%	-11%	1%	10%	13%	-2%	-7%	2%	4%	-30%	-16%	2%
Middle East	2%	-12%	2%	3%	1%	2%	-5%	-20%	13%	-4%	10%	7%
South America	3%	-17%	3%	-1%	1%	4%	-8%	1%	1%	-2%	-1%	11%

as % of total MAU	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
US	13%	14%	15%	15%	15%	15%	15%	15%	16%	17%	16%	16%
Europe (first 6 countries)	20%	21%	21%	20%	20%	20%	20%	20%	19%	19%	19%	16%
North America ex. US	13%	13%	12%	12%	11%	12%	12%	13%	11%	12%	12%	14%
Oceania	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Europe (others)	14%	13%	14%	14%	14%	13%	13%	13%	12%	13%	12%	11%
North Asia	4%	4%	4%	4%	3%	3%	4%	4%	4%	4%	4%	4%
ASEAN	4%	4%	4%	5%	5%	5%	5%	5%	5%	4%	3%	3%
Middle East	5%	4%	4%	4%	5%	4%	5%	4%	4%	4%	5%	5%
South America	15%	14%	13%	13%	14%	13%	13%	13%	14%	14%	14%	16%
Africa	6%	7%	7%	8%	8%	8%	8%	7%	8%	8%	8%	9%
South Asia	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Central Asia	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%

Source: SensorTower

Exhibit 78: Temu global MAU reached 467mn in Jul 2026 (-1% mom)

mn



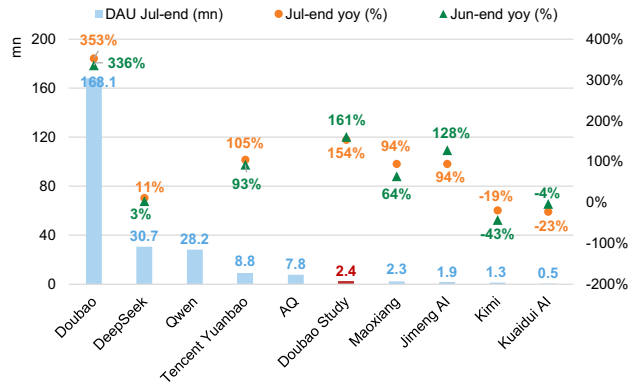
The first 6 European countries include France, Germany, Italy, the Netherlands, Spain, and the UK (launched in April 2023)

Source: SensorTower

Other internet verticals: education, recruitment, real estate, auto

Education

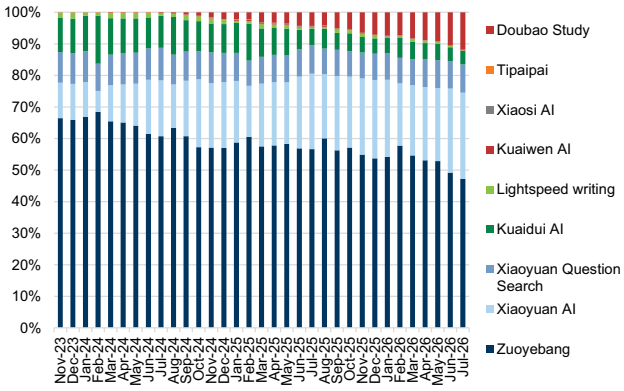
Exhibit 79: Doubao Study DAU growth sustained at +154% yoy as of Jul-end and maintained the position of the 6th largest AI native app in China in terms of DAUs
DAUs of major AI apps as of Jul-end



Qwen: 94x/92x for Jun-end/Jul-end yoy growth.

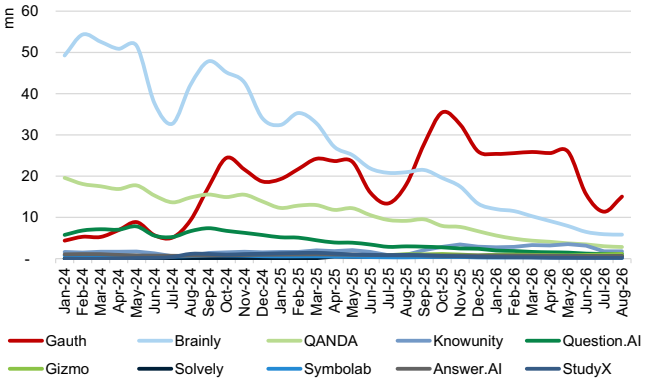
Source: Questmobile, Data compiled by Goldman Sachs Global Investment Research

Exhibit 80: Doubao Study continued to expand time spent market share among major K-12 learning tool/study companion apps in Jul
Time spent share among major K-12 learning tool/study companion apps



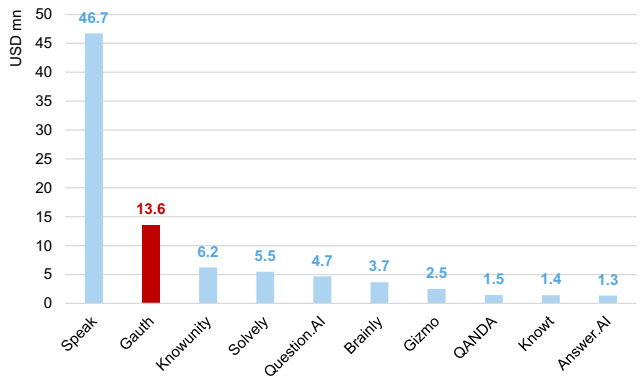
Source: Questmobile, Data compiled by Goldman Sachs Global Investment Research

Exhibit 81: Gauth has outperformed global AI-native education peers in terms of MAUs
MAUs by AI education apps (mn)



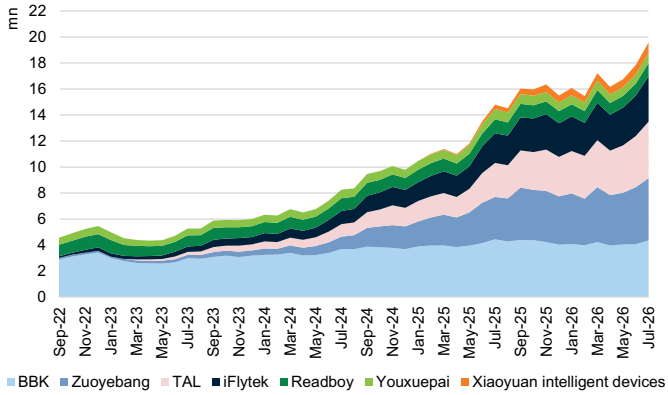
Source: Sensor Tower, Data compiled by Goldman Sachs Global Investment Research

Exhibit 82: Gauth achieved US$0.9mn billings with +20% yoy growth in Aug (vs. +24% yoy in Jul), bringing LTM billings to US$13.6mn
LTM billings by app (US$ mn)



Source: Sensor Tower, Data compiled by Goldman Sachs Global Investment Research

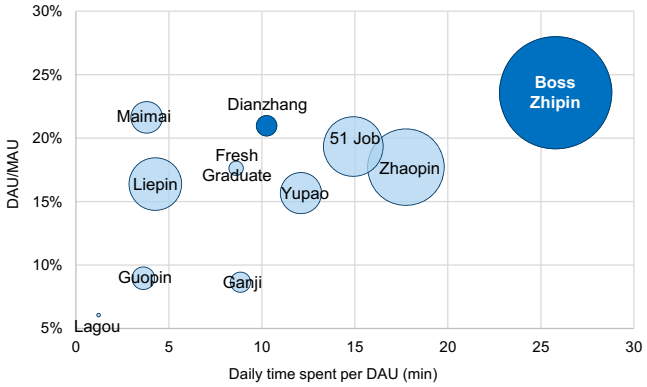
Exhibit 83: Active users of TAL and Zuoyebang learning tablets grew +66% yoy/+47% yoy in Jul (vs. +73% yoy/+41% yoy in Jun)
MAUs of smart education device apps (mn)



Source: Questmobile, Data compiled by Goldman Sachs Global Investment Research

Online recruitment

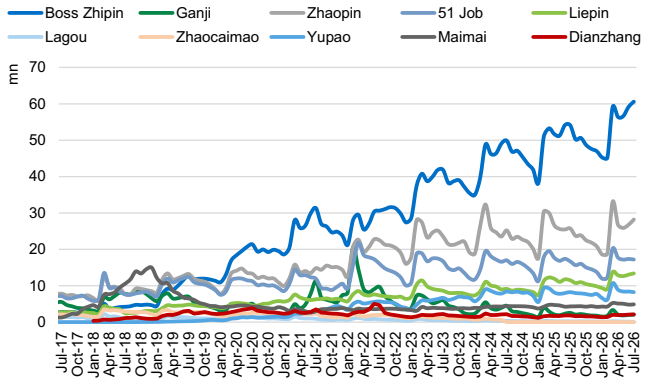
Exhibit 84: As the largest online recruitment platform in China, Boss Zhipin continues to lead the industry in user engagement, including DAU/MAU and time spent per DAU (Jul 2026)



Source: QuestMobile, Data compiled by Goldman Sachs Global Investment Research

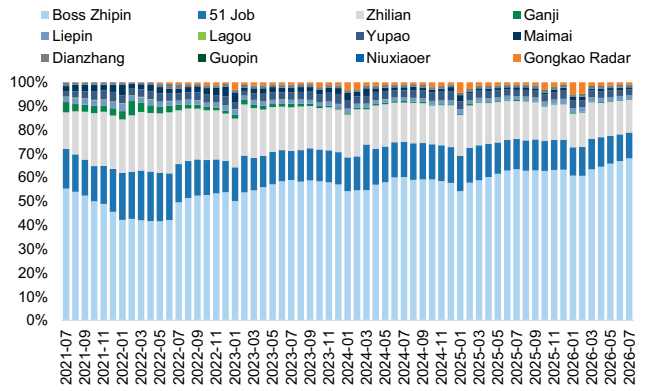
Exhibit 85: Boss Zhipin remains one of the largest online recruitment platforms in China by MAU, registering c.60.6mn MAUs with +12% yoy growth in Jul (vs. +9% yoy in Jun)

MAUs of major recruitment platforms (mn)



Source: QuestMobile, Data compiled by Goldman Sachs Global Investment Research

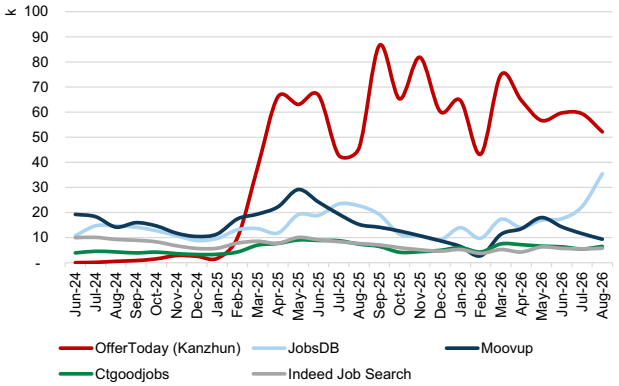
Exhibit 86: ...and claimed 68% time spent share amongst major recruitment platforms in China for Jul



Source: QuestMobile, Data compiled by Goldman Sachs Global Investment Research

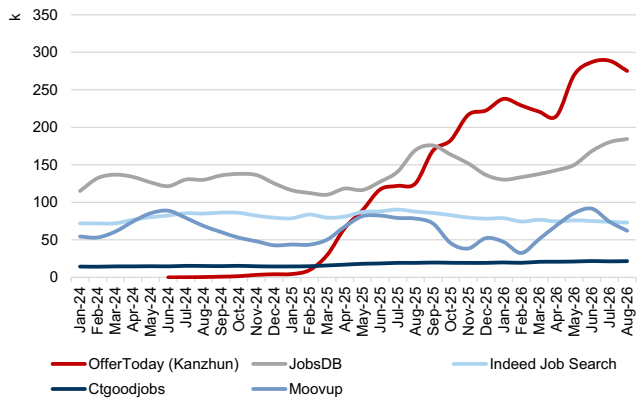
Exhibit 87: OfferToday, as the HK platform of Boss Zhipin, continues to lead in app downloads with +14% yoy growth in Aug, despite JobsDB gaining momentum with +56% yoy growth in Aug

App downloads of major HK recruitment platforms (k)



Source: Sensor Tower

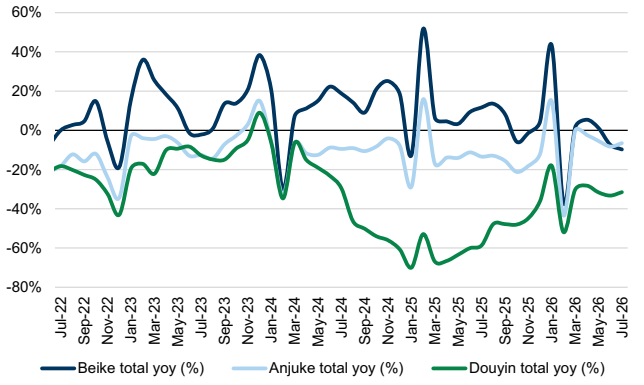
Exhibit 88: OfferToday continues to lead in MAU, registering c.275k MAUs with +120% yoy growth in Aug 2026
MAUs of major HK recruitment platforms



Source: Sensor Tower

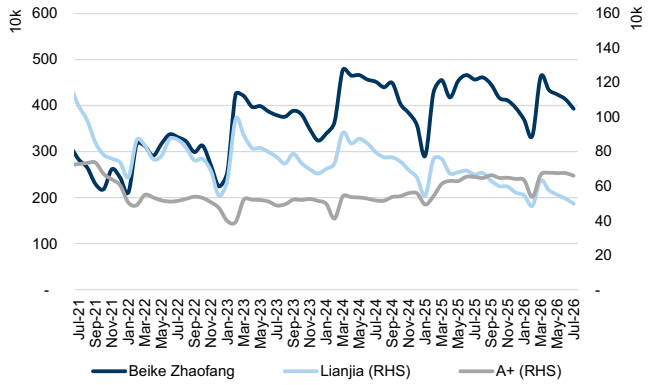
Real estate brokerage/software

Exhibit 89: Time spent growth for Beike's three major apps dropped -10% yoy/-4% mom in Jul (vs. -7% yoy/-6% mom in Jun)
Time spent yoy change



Source: Questmobile

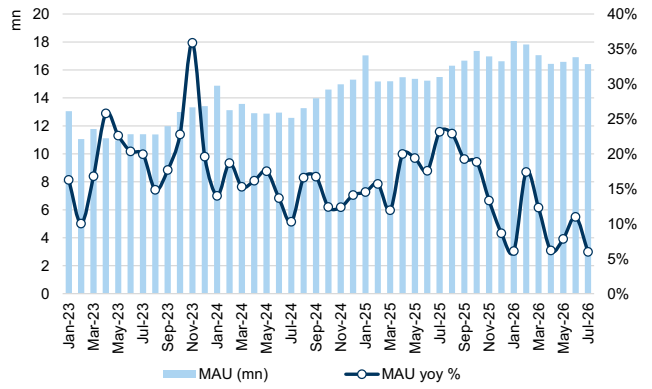
Exhibit 90: Beike Zhaofang DAU dropped -14% yoy/-5% mom in Jul, while A+ DAU increased +1% yoy or dropped -2% mom in Jul
Average DAUs (10k)



Source: Questmobile

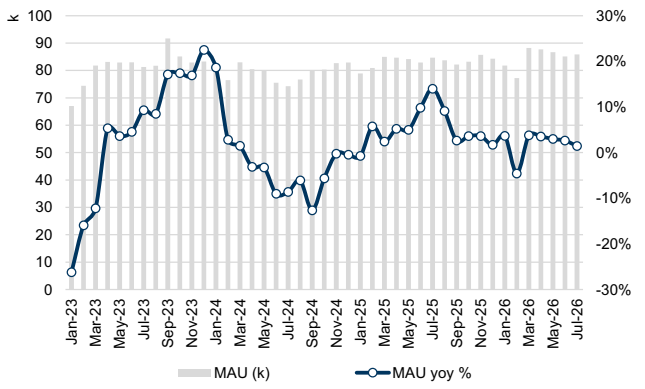
Auto aftermarket service

Exhibit 91: Tuhu app's MAU increased +6% yoy or dropped -3% mom to 16.4mn in Jul (vs. +11% yoy/+2% mom in Jun)



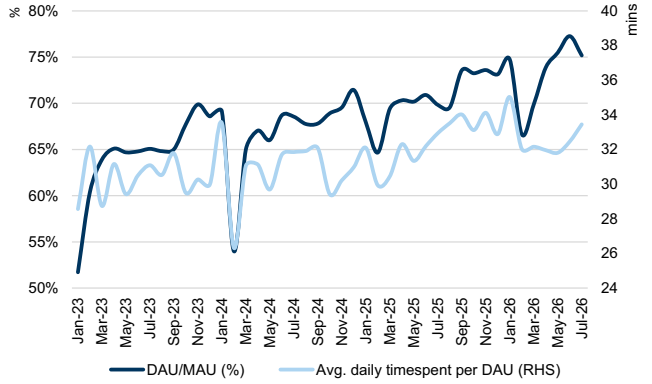
Source: Questmobile

Exhibit 92: Tuhu merchant app MAUs increased +1% yoy/+1% mom to 85.9k in Jul (vs. +3% yoy/-2% mom in Jun)



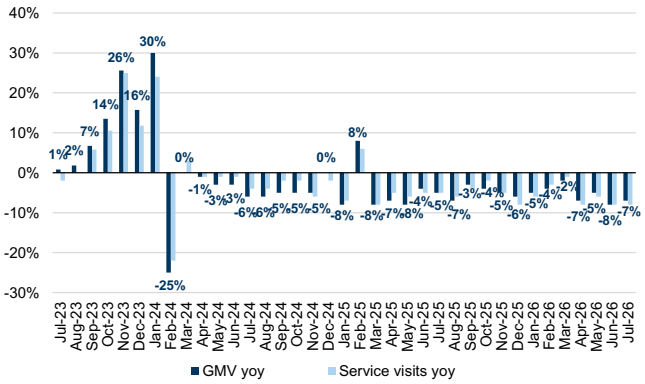
Source: Questmobile

Exhibit 93: Tuhu merchant DAU/MAU ratio increased +5pp yoy to 75% in Jul, while daily time spent per DAU also saw +2% yoy growth to 33.5 mins in Jul



Source: Questmobile

Exhibit 94: For auto aftermarket stores served by F6, GMV saw -7% yoy decline or +8% mom increase in Jul, while service visitations saw -8% yoy decline or +8% mom increase in Jul



Source: F6 data

Appendix: Links to Asia Leaders Conference takeaway notes

Games & Entertainment

Tencent Holdings (0700.HK): The Road from Investment to Returns

Tencent Music Entertainment Group (TME): Strengthening collaboration with Tencent ecosystem and music labels to address competition

JOYY (NC): BIGO Ads 50% yoy growth target for next 3 years; Solid execution on shareholder return

AI Models

Z.AI Co. (2513.HK): Scaling ARR through Model Intelligence & Compute Investments

MiniMax Group (0100.HK): The Next Era of Frontier AI Models

Cloud & Data Centers

Alibaba Group (BABA): Accelerating cloud with high AI capex return visibility

VNET Group (VNET): Strong order outlook funded by disciplined financing; Eyes on CATL partnership

GDS Holdings (GDS): Robust order wins; 2027 move-in acceleration to drive 2028 EBITDA acceleration

Range Intelligent (300442.SZ): Domestic AIDC + Overseas IDC to drive quality growth

Kingsoft Cloud (KC): AI cloud to drive revenue expansion with attractive investment payback

eCommerce & Local Services

Meituan (3690.HK): Improving food delivery share; disciplined investments

JD.com Inc. (JD): Improving JD Retail growth; with food delivery investment discipline

Verticals

Xiaomi Corp. (1810.HK): Ecosystem Resuming Growth, Investments Bearing Fruit

Baidu.com Inc. (BIDU): Fast AI revenue growth with improving ROI; Unlocking full-stack AI strategy

Jingdong Industrials Inc. (7618.HK): Strong visibility on growth and margin expansion

Tuhu Car Inc. (9690.HK): Resilient Growth, Improving Store UE and Stabilizing Margins

Manycore (0068.HK, NC): From cloud-based interior design to full-stack spatial intelligence

TAL Education Group (TAL): Durable Growth Runway; Improved Margins and Shareholder Returns

New Oriental Education & Technology (EDU): 1QFY27 likely a strong kickoff, enhanced FY27 visibility

Kanzhun Ltd. (BZ): Enhanced sales visibility from tier-1 cities' and AI-driven monetization

Kingsoft Corp (3888.HK, NC): Committed to AI deployment and synergistic collaboration with Xiaomi

Healthcare Tech

JD Health International (6618.HK): Drug growth remains strong; 30%+ yoy full year OP growth

Alibaba Health (0241.HK): Revenue outlook broadly intact with drugs key growth driver; Early AI initiatives

Logistics

S.F. Holding (002352.SZ): Stable profits for FY26; Strength from international supply chain/express

JD Logistics (2618.HK): Operating profit to accelerate in 2H; Differentiated overseas expansion roadmap

J&T Global Express Ltd. (1519.HK): Strong ex-China volume growth with an evolving global business model

Price Target Methodology & Risks

Price Target Risks and Methodology - NetEase Inc.
Valuation methodology: We are Buy rated on NetEase (NTES/9999.HK), with 12-month SOTP-based target prices of **US$168/HK$263**.

Key downside risks: 1) Weaker performance of legacy games; 2) slower-than-expected monetization ramp-up of new games; 3) more intensive competition in games, e-commerce, education and other business areas; 4) rising content costs associated with music and advertising expenses related to the online education business.

Price Target Risks and Methodology - MiniMax Group
We are Buy rated on MiniMax with a 12-month target price of HK$760. Our valuation is based on DCF valuation, with 12% WACC and 2% terminal growth rate.

Key risks: Weaker-than-expected model performance amid the competition in the global foundation model industry; Slower-than-expected path to profit visibility; Weaker-than-expected commercialization capability; risks around IP/content generation; cash burn/self-funding capability; risks around geopolitics under an intensified tech race between the US and China.

Price Target Risks and Methodology - Z.AI
We are Neutral rated on Z.AI with a 12-month target price of HK$1,610. Our valuation is based on DCF valuation, with 12% WACC and 2% terminal growth rate (consistent with our coverage).

Key risks: **(+)** Stronger-than-expected model intelligence, **(+)** Faster-than-expected path to profit visibility, **(+)** Additional non-inference take rate revenue streams, **(+)** Stronger-than-expected commercialization capability, **(-)** Competition in global foundation model industry, **(-)** Limited near-term profit visibility due to high R&D expenses, **(-)** Cash burn/self-funding capability, **(-)** Risk around geopolitics under an intensified tech race between the US and China.

Price Target Risks and Methodology - Alibaba Group
Valuation methodology: We are Buy rated on BABA/9988.HK, with SOTP-based 12-month target prices of US$177/HK$172 per ADS/share (FY27E-based).

Key risks: (1) Lower-than-expected GMV growth due to macro/competition; (2) Slower-than-expected monetization in China retail; (3) Weaker-than-expected execution in key strategic investments; and (4) Cloud revenue growth deceleration.

Price Target Risks and Methodology - Full Truck Alliance Co.
Our 12-month TP of US$11.7 is based on SOTP. **Key risks**: Regulatory risks; potential anti-trust scrutiny; increased competition; technology/autonomous driving affecting take rates.

Price Target Risks and Methodology - Tencent Holdings
Valuation methodology: We are Buy rated on Tencent (0700.HK), with a 12-m SOTP-based TP of **HK$650**.

Key risks: Below-expected progress in AI initiatives; Higher-than-expected AI-related investment; More intense industry competition in performance-based advertising; Unexpected delays in game launches/Banhao approvals; Moderated growth in FinTech and Cloud businesses; Slower-than-expected AI development progress; Reinvestment risk.

Price Target Risks and Methodology - GDS Holdings
Our 12m target prices of **US$49/HK$48** for GDS/9698.HK are based on a SOTP valuation for GDS China and DayOne, with a 10% holdco discount. Key downside risks: Below-expected move-in demand and utilization improvement, slower overseas revenue/profitability ramp-up, lower-than-expected pricing trend in China and overseas markets, customer churn, slower deleveraging process.

Price Target Risks and Methodology - VNET Group
We have a 12m target price of US$14, based on a target 12m-fwd EV/EBITDA multiple of 10.5x applied to 2027E adj. EBITDA. Key risks: 1) inability to finance the growth objectives; 2) softer-than-expected execution on order wins; 3) geopolitical risks regarding AI; 4) further downturn of traditional businesses; 5) faster than or unexpected change in AI model training demand brought by the latest development in technology.

Price Target Risks and Methodology - Kingsoft Cloud
We are Buy rated on Kingsoft Cloud. We have a 12-month target price of US$18, based on a DCF (WACC 10.3%, TGR 3%). Downside risks: 1) Supply chain disruptions and inability to secure high-end chips; 2) Heightened competitive pressure from peers; 3) Below-expected AI investments of key customers including Xiaomi; 4) Inability to secure funding to support capex investments; 5) Dilutive financing activities.

Price Target Risks and Methodology - Meituan
We are Buy rated on Meituan with a 12-month 2026E SOTP-based TP of **HK$123.**

Key downside risks: Worse-than-expected competition that may impact growth or pace of profit turnaround; labor cost inflation/efficiencies; food safety concerns/stricter regulations; larger-than-expected investment in Keeta.

Price Target Risks and Methodology - PDD Holdings
Valuation methodology: Our 12-m SOTP-based TP is US$134, based on a 9X 2026E

P/Eor the domestic main platform and 25X P/E on Temu (ex. USull-entrusted), respectively less a 15% holdco discount.

Downside risk: 1) lower-than-expected online marketing revenues on increased eCommerce ROI/sales-based ad inventory and narrower GMV growth gap at Alibaba vs. industry, **2)** wider-than-expected geopolitical headwinds into Europe and other developed markets with high spending power, **3)** higher-than-expected competition if Alibaba's new low-price adtech initiatives gain traction/aster-than-expected Douyin shelf-based expansion in low ticket size items at lower take rates (Douyin has been offering commission free initiatives) vs. eCommerce platforms, **4)** reinvestments to sustain growth that may pose downside risks to core profit margins, and **5)** lack of segmental disclosures of business perormance, which could lead to difficulty in analyzing/estimating domestic and int'l (Temu) perormance and profitability.

Price Target Risks and Methodology - Xiaomi Corp.
We are Buy rated on Xiaomi with a 12-month target price of HK$39, based on a SOTP valuation methodology: 1) 16x target 12m-wd EV/NOPAT on Xiaomi core; 2) a DCF-based valuationor Xiaomi EV of US$35bn (12% WACC and 3% TGR); 3) a 10% holdco discount. Key downside risks: 1) More intense competition and weaker market share gains within the global smartphone industry. 2) Higher GPM pressure on the smartphone/EV business. 3) Below-expected execution on Xiaomi brand premiumization and the EV business. 4) Intensifying geopolitical risks and regulatory uncertainties. 5) Softer macro environment and weaker smartphone/IoT demand. 6) FX fluctuation.

Price Target Risks and Methodology - JD.com Inc.
Valuation: We are Buy-rated on JD.com with 12-m SOTP-based target prices of US$43/HK$169.

Key risks: Tougher than expected competition in China's eCommerce/ood delivery markets; Online GMV slowdown and electronics & applianceacing tougher comps starting Sept-2025, general merchandise/JD supermarket execution: there would be downside risks to ourorecasts if JD cannot deliver the expected growth; Fluctuations in JD Retail margin, as JD continues to invest into price competitiveness/user experience/3P ecosystem.

Disclosure Appendix

Reg AC

We, Ronald Keung, CFA, Lincoln Kong, CFA, Timothy Zhao, Steve Qiu, Eunice Liu, Luqing Zhou, Damian Xie and Iris Xiao, hereby certify that all of the views expressed in this report accurately reflect our personal views about the subject company or companies and its or their securities. We also certify that no part of our compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

Unless otherwise stated, the individuals listed on the cover page of this report are analysts in Goldman Sachs' Global Investment Research division.

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GS Factor Profile

The Goldman Sachs Factor Profile provides investment context for a stock by comparing key attributes to the market (i.e. our universe of rated stocks) and its sector peers. The four key attributes depicted are: Growth, Financial Returns, Multiple (e.g. valuation) and Integrated (a composite of Growth, Financial Returns and Multiple). Growth, Financial Returns and Multiple are calculated by using normalized ranks for specific metrics for each stock. The normalized ranks for the metrics are then averaged and converted into percentiles for the relevant attribute. The precise calculation of each metric may vary depending on the fiscal year, industry and region, but the standard approach is as follows:

Growth is based on a stock's forward-looking sales growth, EBITDA growth and EPS growth (for financial stocks, only EPS and sales growth), with a higher percentile indicating a higher growth company. **Financial Returns** is based on a stock's forward-looking ROE, ROCE and CROCI (for financial stocks, only ROE), with a higher percentile indicating a company with higher financial returns. **Multiple** is based on a stock's forward-looking P/E, P/B, price/dividend (P/D), EV/EBITDA, EV/FCF and EV/Debt Adjusted Cash Flow (DACF) (for financial stocks, only P/E, P/B and P/D), with a higher percentile indicating a stock trading at a higher multiple. The **Integrated** percentile is calculated as the average of the Growth percentile, Financial Returns percentile and (100% - Multiple percentile).

Financial Returns and Multiple use the Goldman Sachs analyst forecasts at the fiscal year-end at least three quarters in the future. Growth uses inputs for the fiscal year at least seven quarters in the future compared with the year at least three quarters in the future (on a per-share basis for all metrics).

For a more detailed description of how we calculate the GS Factor Profile, please contact your GS representative.

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Across our global coverage, we examine stocks using an M&A framework, considering both qualitative factors and quantitative factors (which may vary across sectors and regions) to incorporate the potential that certain companies could be acquired. We then assign a M&A rank as a means of scoring companies under our rated coverage from 1 to 3, with 1 representing high (30%-50%) probability of the company becoming an acquisition target, 2 representing medium (15%-30%) probability and 3 representing low (0%-15%) probability. For companies ranked 1 or 2, in line with our standard departmental guidelines we incorporate an M&A component into our target price. M&A rank of 3 is considered immaterial and therefore does not factor into our price target, and may or may not be discussed in research.

Quantum

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Goldman Sachs Investment Research global Equity coverage universe

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Price target and rating history chart(s)

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Target price history table(s)

Full Truck Alliance Co. (YMM)

Date of report	Target price ($)	Closing price ($)
19-Aug-26	11.70	8.70
12-Mar-26	12.50	8.98
18-Jan-26	13.50	9.86
18-Nov-25	13.90	10.95
21-May-25	14.60	11.91
05-Mar-25	14.80	13.26
20-Jan-25	13.00	11.26
21-Nov-24	12.00	9.70
22-Aug-24	10.50	7.60
21-May-24	11.10	9.24
07-Mar-24	9.90	6.08
15-Jan-24	10.50	6.94
20-Nov-23	10.80	8.09

Z.AI Co. (2513.HK)

Date of report	Target price (HK$)	Closing price (HK$)
03-Aug-26	1,610.00	940.00
09-Jul-26	1,880.00	2,032.00

VNET Group (VNET)

Date of report	Target price ($)	Closing price ($)
23-Aug-26	14.00	6.72
30-May-26	16.00	10.08
16-Mar-26	15.50	9.53
18-Jan-26	15.20	10.56
11-Nov-25	14.00	9.79
29-Aug-25	13.00	8.66
04-Jul-25	12.00	7.75
12-May-25	13.00	7.23
12-Mar-25	13.40	11.00
11-Feb-25	12.10	9.97
27-Nov-24	5.00	3.86
03-Sep-24	3.10	2.71
25-Jun-24	2.05	2.24
15-Apr-24	1.80	1.58
14-Dec-23	3.10	2.94

Xiaomi Corp. (1810.HK)

Date of report	Target price (HK$)	Closing price (HK$)
18-Aug-26	39.00	26.18
26-May-26	40.00	29.76
09-Mar-26	41.00	33.68
23-Jan-26	47.50	36.24
18-Nov-25	53.50	40.78
01-Nov-25	56.50	43.20
25-Sep-25	66.00	59.45
19-Aug-25	65.00	52.40
26-Jun-25	69.00	56.90
27-May-25	65.00	51.55
18-May-25	62.00	51.00
16-Apr-25	59.00	41.25
18-Mar-25	63.00	57.65
20-Feb-25	58.00	49.15
14-Jan-25	38.00	33.75
18-Nov-24	33.30	28.80
29-Oct-24	30.70	25.85
15-Oct-24	27.80	23.00
03-Oct-24	27.50	24.05

VNET Group (VNET)

Date of report	Target price ($)	Closing price ($)

Xiaomi Corp. (1810.HK)

Date of report	Target price (HK$)	Closing price (HK$)
21-Aug-24	24.70	17.52
21-Jul-24	23.20	16.52
24-May-24	23.00	18.30
12-May-24	22.60	19.40
01-Apr-24	20.00	14.94
19-Mar-24	18.90	14.86
06-Feb-24	18.10	12.90
20-Nov-23	18.70	16.18
18-Oct-23	16.30	13.18

Meituan (3690.HK)

Date of report	Target price (HK$)	Closing price (HK$)
09-Aug-26	123.00	92.20
01-Jun-26	116.00	78.25
12-Mar-26	112.00	76.70
30-Nov-25	120.00	102.50
09-Nov-25	139.00	102.00
27-Aug-25	144.00	116.30
02-Jul-25	159.00	126.00
26-May-25	172.00	129.40
01-Dec-24	200.00	168.70
07-Nov-24	212.00	199.90
29-Sep-24	194.00	164.60
28-Aug-24	157.00	102.80
06-Jun-24	148.00	112.70
24-Mar-24	139.00	88.25
11-Jan-24	151.00	75.60
28-Nov-23	176.00	103.00

Tencent Holdings (0700.HK)

Date of report	Target price (HK$)	Closing price (HK$)
12-Aug-26	670.00	461.60
18-Mar-26	700.00	550.50
18-Jan-26	752.00	617.50
12-Oct-25	770.00	651.50
13-Aug-25	701.00	586.00
05-Aug-25	658.00	559.00
14-May-25	595.00	521.00
19-Mar-25	590.00	540.00
20-Jan-25	534.00	389.80
13-Nov-24	542.00	403.80
29-Sep-24	521.00	437.80
14-Aug-24	464.00	373.80
12-Jun-24	477.00	370.80
15-May-24	466.00	381.80
11-Apr-24	408.00	315.00
20-Mar-24	413.00	288.80
15-Jan-24	426.00	289.40
15-Nov-23	435.00	322.60
11-Oct-23	423.00	311.00

GDS Holdings (ADR) (GDS)

Date of report	Target price ($)	Closing price ($)
16-Aug-26	49.00	34.41
27-Jul-26	46.00	31.37
30-May-26	49.00	35.45
18-Mar-26	55.00	44.49
18-Jan-26	49.00	40.66
03-Dec-25	43.00	33.74
11-Nov-25	44.00	33.33
29-Aug-25	42.00	34.56
15-Jul-25	40.00	37.72
04-Jul-25	37.00	33.98
12-May-25	42.00	29.13
11-Feb-25	39.20	34.29
27-Nov-24	24.20	19.54
03-Sep-24	24.00	16.98
15-Apr-24	12.70	6.12
14-Dec-23	14.50	8.78

JD.com Inc. (ADR) (JD)

Date of report	Target price ($)	Closing price ($)
16-Nov-25	43.00	29.31
14-Aug-25	45.00	31.58
29-May-25	48.00	32.94
29-Apr-25	50.00	32.88
06-Mar-25	52.00	43.92
20-Jan-25	50.00	39.00
14-Nov-24	46.00	33.35
29-Sep-24	45.00	39.90
18-Aug-24	40.00	29.29
16-Jul-24	38.00	27.20
19-May-24	41.00	35.27
25-Apr-24	37.00	28.59
15-Jan-24	49.00	24.70
24-Oct-23	53.00	25.25

Kingsoft Cloud (KC)

Date of report	Target price ($)	Closing price ($)
20-Aug-26	18.00	11.42
16-Jul-26	17.00	10.06
27-May-26	19.50	13.12
29-Apr-26	19.40	14.89
26-Mar-26	17.70	14.40

PDD Holdings (PDD)

Date of report	Target price ($)	Closing price ($)
24-Aug-26	134.00	87.07
27-May-26	145.00	86.61
18-Jan-26	158.00	106.76
18-Nov-25	147.00	119.58
09-Nov-25	157.00	135.78

Kingsoft Cloud (KC)

Date of report	Target price ($)	Closing price ($)
10-Feb-26	15.60	13.12
18-Jan-26	14.20	11.90
19-Nov-25	13.80	12.38
21-Aug-25	13.50	13.57
29-May-25	12.70	11.81
30-Apr-25	14.80	13.59
20-Mar-25	15.60	16.48
11-Feb-25	13.70	17.04
19-Nov-24	3.90	4.59
20-Aug-24	3.40	2.37
23-May-24	3.90	2.91
22-Mar-24	4.40	3.28
21-Nov-23	4.30	4.83
05-Nov-23	4.70	5.29

PDD Holdings (PDD)

Date of report	Target price ($)	Closing price ($)
25-Aug-25	148.00	128.21
27-May-25	131.00	102.98
06-Apr-25	152.00	104.21
20-Jan-25	157.00	105.57
21-Nov-24	166.00	104.09
07-Nov-24	172.00	125.87
29-Sep-24	169.00	135.38
26-Aug-24	165.00	100.00
24-May-24	184.00	157.57
16-May-24	145.00	143.38
20-Mar-24	143.00	132.17
11-Mar-24	136.00	111.89
18-Feb-24	196.00	135.26
15-Jan-24	195.00	148.63
28-Nov-23	176.00	139.00
06-Nov-23	155.00	107.13
18-Oct-23	137.00	105.33

NetEase Inc. (ADR) (NTES)

Date of report	Target price ($)	Closing price ($)
20-Aug-26	168.00	119.81
03-Aug-26	167.00	131.58
28-Jun-26	169.00	123.71
21-May-26	166.00	114.34
21-Apr-26	160.00	114.81
11-Feb-26	164.00	118.50
03-Feb-26	169.00	128.36
18-Jan-26	170.00	137.97
20-Nov-25	160.00	133.95
14-Sep-25	161.00	152.80
14-Aug-25	145.00	129.67
08-Jul-25	144.00	133.28
15-May-25	140.00	122.76
29-Apr-25	123.00	106.36
23-Feb-25	122.00	103.22
09-Jan-25	116.00	92.28
14-Nov-24	109.00	84.22
23-Oct-24	106.00	80.05
25-Sep-24	113.00	86.89
22-Aug-24	115.00	82.25
12-Jun-24	125.00	92.92
23-May-24	127.00	94.74
16-Apr-24	129.00	90.42
02-Feb-24	134.00	98.83
16-Nov-23	132.00	112.35

Alibaba Group (H) (9988.HK)

Date of report	Target price (HK$)	Closing price (HK$)
27-Feb-26	180.00	142.90
25-Nov-25	192.00	157.80
12-Oct-25	199.00	165.40
16-Sep-25	174.00	153.50
31-Aug-25	158.00	115.70
15-Jul-25	142.00	113.50
02-Jul-25	146.00	109.40
21-Apr-25	154.00	108.70
20-Feb-25	156.00	120.90
20-Jan-25	114.00	84.55
29-Sep-24	131.00	102.50
15-Aug-24	105.00	76.40
16-Jul-24	104.00	75.50
15-May-24	103.00	82.65
11-Apr-24	99.00	74.20
07-Feb-24	102.00	74.90
15-Jan-24	118.00	70.00
09-Oct-23	131.00	82.10

Alibaba Group (ADR) (BABA)

Date of report	Target price ($)	Closing price ($)
27-Feb-26	186.00	144.11
25-Nov-25	197.00	157.01
12-Oct-25	205.00	159.01
16-Sep-25	179.00	162.21
31-Aug-25	163.00	135.00
15-Jul-25	147.00	116.97
02-Jul-25	150.00	110.71
21-Apr-25	159.00	110.15
20-Feb-25	160.00	135.97
20-Jan-25	117.00	85.12

GDS Holdings (H) (9698.HK)

Date of report	Target price (HK$)	Closing price (HK$)
16-Aug-26	48.00	34.24
27-Jul-26	45.00	31.16
30-May-26	47.00	33.28
18-Mar-26	54.00	45.98
18-Jan-26	48.00	41.86
03-Dec-25	42.00	32.50
11-Nov-25	43.00	32.60
29-Aug-25	41.00	33.76
15-Jul-25	39.00	38.65
04-Jul-25	36.00	32.25

Alibaba Group (ADR) (BABA)

Date of report	Target price ($)	Closing price ($)
29-Sep-24	134.00	107.33
15-Aug-24	108.00	79.54
16-Jul-24	107.00	78.38
15-May-24	106.00	80.99
11-Apr-24	102.00	74.85
07-Feb-24	105.00	73.64
15-Jan-24	121.00	71.84
09-Oct-23	134.00	84.85

GDS Holdings (H) (9698.HK)

Date of report	Target price (HK$)	Closing price (HK$)
12-May-25	41.00	27.20
11-Feb-25	38.30	30.00
27-Nov-24	23.60	18.28
03-Sep-24	23.40	16.70
15-Apr-24	12.40	6.17
14-Dec-23	14.10	8.34

JD.com Inc. (H) (9618.HK)

Date of report	Target price (HK$)	Closing price (HK$)
16-Nov-25	169.00	116.90
14-Aug-25	174.00	125.10
29-May-25	187.00	131.80
29-Apr-25	194.00	128.90
06-Mar-25	204.00	179.00
20-Jan-25	196.00	157.40
14-Nov-24	181.00	135.10
29-Sep-24	178.00	152.00
18-Aug-24	157.00	108.20
16-Jul-24	149.00	104.50
19-May-24	161.00	134.10
25-Apr-24	145.00	111.30
15-Jan-24	193.00	96.65
24-Oct-23	205.00	93.90

NetEase Inc. (H) (9999.HK)

Date of report	Target price (HK$)	Closing price (HK$)
20-Aug-26	263.00	193.40
03-Aug-26	262.00	208.00
28-Jun-26	264.00	187.50
21-May-26	260.00	171.70
21-Apr-26	250.00	182.90
11-Feb-26	257.00	195.00
03-Feb-26	264.00	198.50
18-Jan-26	266.00	215.60
20-Nov-25	250.00	212.60
14-Sep-25	252.00	236.40
14-Aug-25	226.00	207.80
08-Jul-25	225.00	212.00
15-May-25	219.00	168.10
29-Apr-25	193.00	163.80
23-Feb-25	190.00	160.00
09-Jan-25	181.00	144.70
14-Nov-24	169.00	119.50
23-Oct-24	166.00	125.80
25-Sep-24	176.00	133.10
22-Aug-24	179.00	143.00
12-Jun-24	196.00	146.00
23-May-24	198.00	141.50
16-Apr-24	202.00	142.30
02-Feb-24	210.00	155.80
16-Nov-23	206.00	175.70

MiniMax Group (0100.HK)

Date of report	Target price (HK$)	Closing price (HK$)
26-Aug-26	760.00	303.00
03-Aug-26	800.00	247.20
16-Jun-26	860.00	416.60
03-Mar-26	1,000.00	821.00
22-Feb-26	1,018.00	970.00

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