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Kuaishou Technology | Asia Pacific

Kling 4.0 to be released in October

Kling announced that its long-awaited 4.0 version will be released in October, and the Flash version will be available for beta testing starting September 28.

Kling notes more realism and better control and consistency in this new model. Key updates include:

- **Improved realism and quality:** The new model will support higher image quality, including 1080p/4k and 10-bit HDR. The lip-syncing feature has also been improved.
- **Multimodal features:** Kling will support up to 15 multi-modal inputs, including images, videos and different objects. It also supports more precise video editing using multi-modal inputs.
- **Better sequencing:** Kling 4.0 will support video clip generation of up to 30s and up to 10 key frames to improve the consistency of video generation. It also supports prompts of up to 8,000 tokens and will automatically optimize prompts for better outcomes.

The relative performance of this model versus competitors will drive Kuaishou's share price, in our view.

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Kuaishou Technology (1024.HK, 1024 HK)

China Internet and Other Services | China

Stock Rating	**Equal-weight**
Industry View	**Attractive**
Price target	HK$40.00
Shr price, close (Sep 28, 2026)	HK$30.70
52-Week Range	HK$92.60-29.14
Sh out, dil, curr (mn)	4,401
Mkt cap, curr (mn)	Rmb115,629.0
EV, curr (mn)	Rmb96,584.0
Avg daily trading value (mn)	HK$2,604

investors should be aware that the firm may have a conflict of

Research as only a single factor in making their investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report.

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Valuation Methodology and Risks

Kuaishou Technology (1024.HK)

Base case, discounted cash flow model - key assumptions include

- We value the core business at 8x 2027E P/E, in line with peers.
- We value Kling at 18x P/ARR 2026E and apply a 30% holdco discount to Kuaishou's 68% stake, which is below that for publicly listed peers due to our concerns around competition.

Risks to Upside

- Better-than-expected MAU growth.
- Improving ad revenue per DAU.
- Lower-than-expected sales and marketing expenses, leading to higher margins.
- Faster monetization of other revenue, overseas expansion.

Risks to Downside

- Lower-than-expected advertising revenue growth.
- Lower-than-expected margins owing to revenue sharing, S&M and overseas expansion.
- Lower-than-expected MAU growth owing to competition, scale-back of S&M.

