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# 2026 Market Outlook

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01

# Korean Semi Market Update

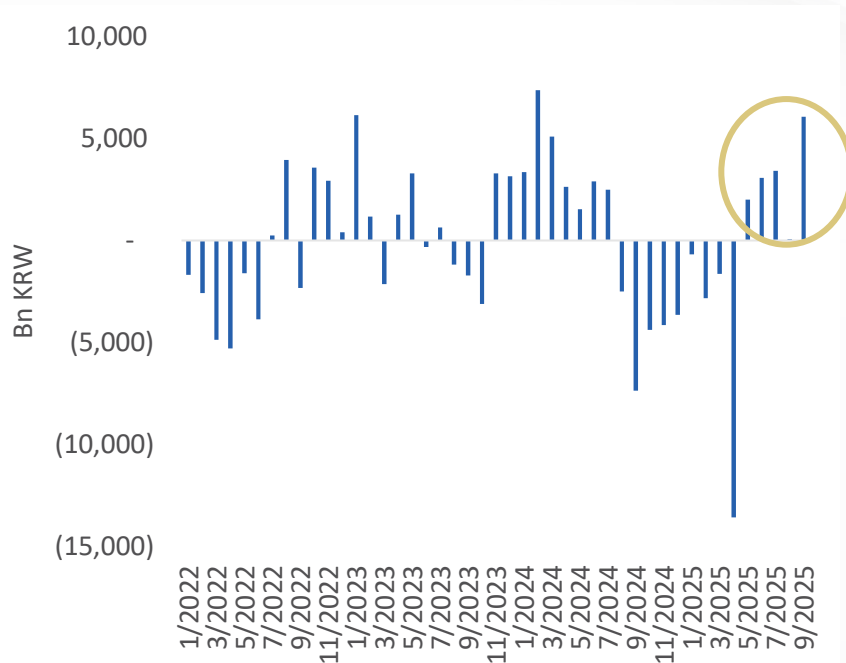
# Korean Market Is Outperforming

Samsung and SK hynix – Top 2 Actively Traded Stocks by Korean Retail Investors

Korean stock market, especially the Korean semiconductor names, have become one of the best performers in 2025 YTD, attracting global funds influx.

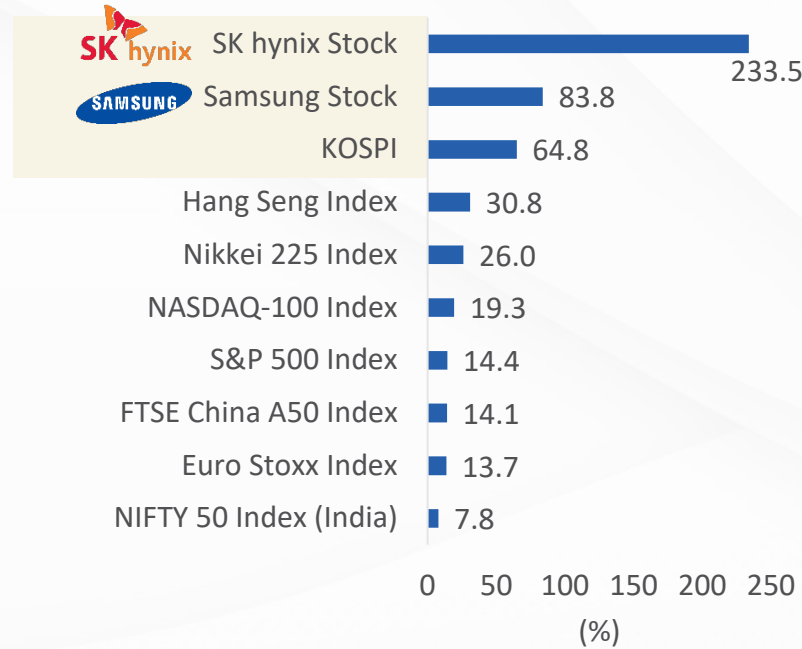
## Overseas Funds are Pouring Back into the Market^

Korea Net Investments in Stocks by Foreigners - Monthly



## 2025YTD Performance\*

Major Equity Indices, SK Hynix, Samsung



## Samsung and SK hynix – The Most 2 Popular Korean Stocks#

Rank	Security	% of Top 10 Total Turnover	1-year Total Turnover (tn KRW)
No.1	SAMSUNG	33.4%	317
No.2	SK hynix	24.8%	235
No.3	Doosan Enerbility	10.0%	95
No.4	Hanwha Ocean	8.8%	83
.....	.....	.....	.....
Total			947

Source: ^Bloomberg. \*Bloomberg. As of 2025/11/07. Net total return level. # Korean Exchange. 2024/11/07-2025/11/07

# Korean Semi Giants to Benefit from Semiconductor-friendly Policies

Compared to the historical government policy support, Samsung and SK hynix are expected to benefit more from the semiconductor-friendly stance of the new Korean government, especially the potentially higher tax credit.

Korean new president has pledged to support the semiconductor industry as a priority

New President Lee Jae-myung's key semiconductor policy agenda*	
1)	The swift enactment of the <b>Semiconductor Special Act pending</b> in the National Assembly
2)	<b>10% tax credit</b> for domestic chip production/sales
3)	Advancing the timeline of the <b>Yongin semiconductor manufacturing hub project</b>
4)	Increased support for semiconductor R&D
5)	Building a national AI datacenter

Lee Jae-myung visited **SK hynix's Icheon campus** as his first activity after being confirmed as the presidential candidate on 2025/4/28^

Input : 2025-04-28 11:05:08

Lee Jae-myung, presidential candidate of the Democratic Party of Korea, will visit SK Hynix on the afternoon of the 28th to hold an "AI (Artificial Intelligence) Memory Semiconductor Meeting."

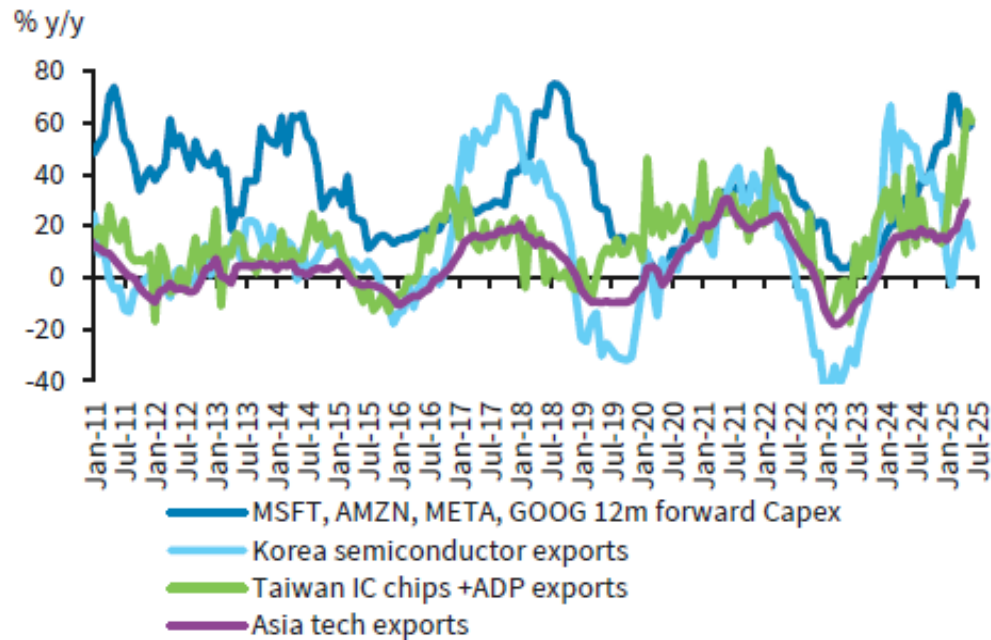
Participants, including Lee Jae-myung, then chairman of the Democratic Party of Korea, and Kim Dong-seop, president of SK Hynix, are taking a commemorative photo at an on-site meeting to build an ecosystem of a comprehensive semiconductor powerhouse at SK Hynix in Icheon, Gyeonggi Province, in March last year. The Minjoo Party

Source: \*Goldman Sachs. As of 2025/6/10. ^Goldman Sachs, MAEIL Business Newspaper, 2025/4/28

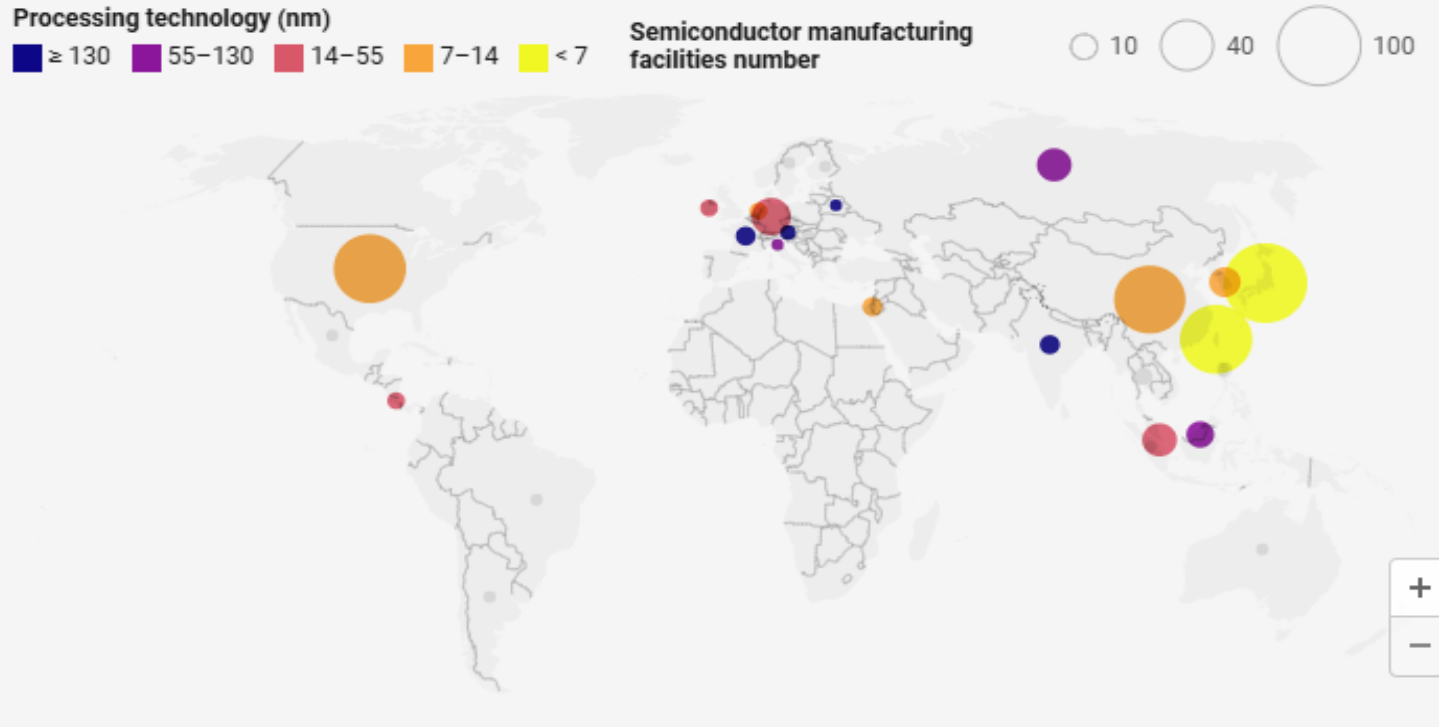
# Global AI Trends: Asia Controls Key Segments of the Semiconductor Supply Chain

- **The global semiconductor industry exhibits a highly specialised division of labour:** the United States dominates design (e.g., NVIDIA, AMD), Japan controls upstream materials, equipment, and testing (e.g., Tokyo Electron, DISCO), while Dutch firm ASML monopolises EUV lithography systems. South Korea focuses on memory chips (e.g., Samsung, SK Hynix), Taiwan centres on wafer fabrication with TSMC and mainland China accelerates local substitution to progressively complete its full industrial chain.
- **The Starting Point of an AI-Driven New Cycle:** The industry rebounded after bottoming out in 2023, with sales set to reach new heights in 2025. Since 2020, the Capex cycle of US AI giants has become a significant driver of Asian technology exports.

**FIGURE 5. AI-related investment by hyperscalers has become one of the key drivers of Asia's export cycle**

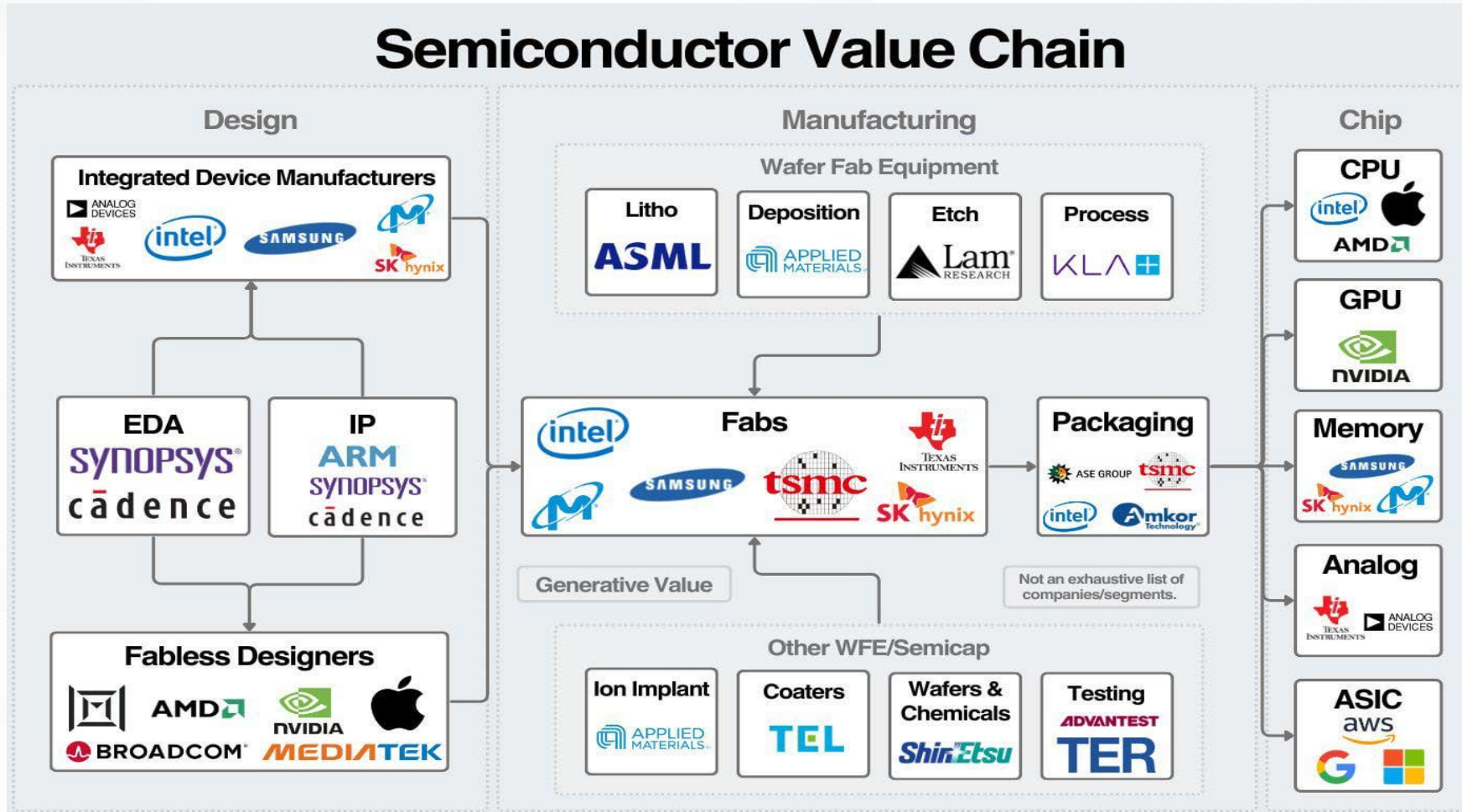


## Map of semiconductor manufacturing facilities



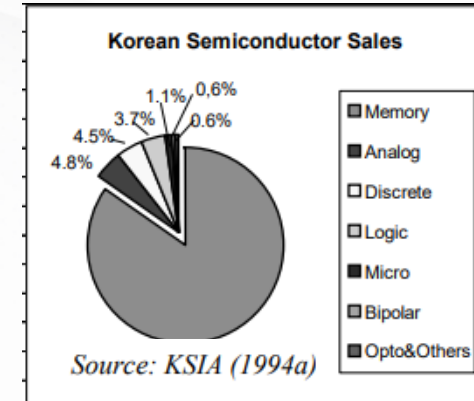
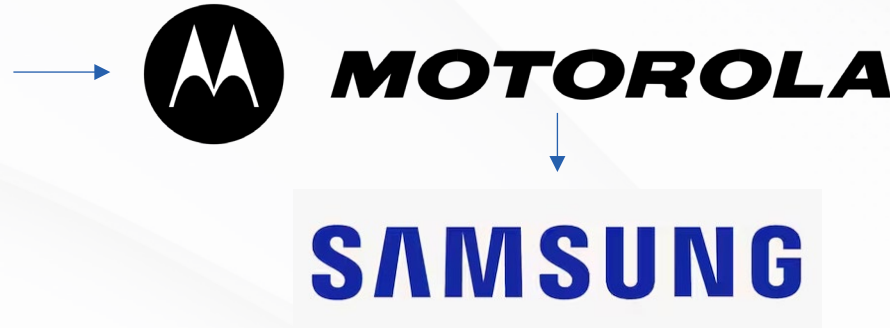
# What is a memory chip used for?

- Memory chips occupy **the midstream component** within the semiconductor industry chain (design, manufacturing, packaging): as one of the three core categories of semiconductor chips (logic, memory, analogue), accounting for approximately **one-quarter to one-third** of the global semiconductor market. They fulfil **the functions of temporary data storage and long-term preservation**.
- Memory chips , as the **new oil** of the AI semiconductor sector.



# Why is South Korea leading in memory chips? Why is it SK Hynix?

- **US Assistance:** The Korean semiconductor industry began in the 1960s via US firms (Fairchild, Motorola, IBM) establishing assembly hubs to cut costs. This transferred technology and trained talent who later joined domestic firms like Samsung (founded 1969).



- **Government Support :** in the 1980s, the state designated semiconductors a strategic industry with specific export targets. By 1983, Korea entered mass production, becoming the third nation to develop 64K DRAM.
- **South Korean Chaebol Capital Strategy :** Memory chips like DRAM/NAND require massive scale. The Chaebol structure allowed for heavy, long-term capital expenditure (~40% of revenue), enabling a "invest first, win later" strategy that outlasted competitors.
- In truth, **Japan** held leadership in DRAM during the late 1980s (Elpida, acquired by Micron in 2012), but the Plaza Accord caused the Yen to surge, crushing profits needed for CAPEX. Japan exited DRAM (Elpida was sold to Micron in 2012) to focus on **materials and equipment** instead



- **SK Hynix Origins:** Founded as Hyundai Electronics (1983), it merged with LG Semicon in 2000 to form Hynix (surviving near-bankruptcy). It became SK Hynix in 2012 after acquisition by SK Group.
- **Focus on High-End Memory:** After a 2001 crisis, SK Hynix cut non-core businesses (mobile, foundry) to focus solely on premium memory. It co-developed the first HBM with AMD in 2013, entering the field three years ahead of Samsung.

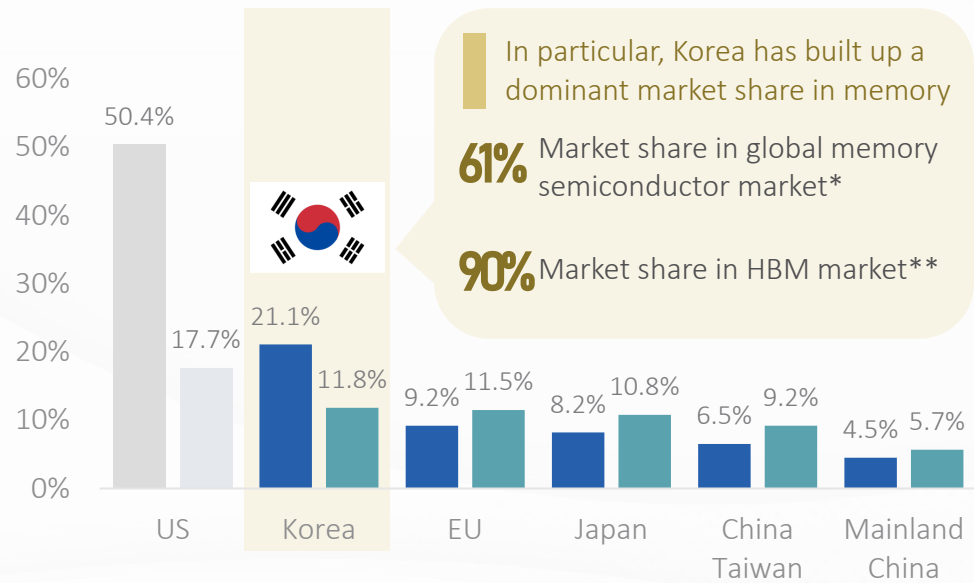
# Korea Plays Key Role in Global Semiconductor Market

## Samsung and SK hynix – Top 2 Korean Semiconductor Giants

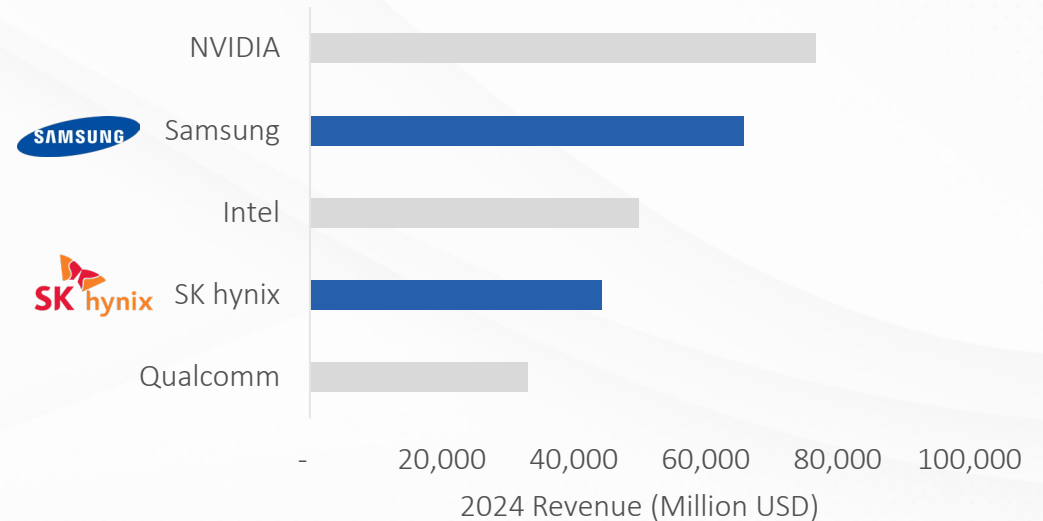
- Korea has a strong presence in the semiconductor industry globally, with the largest market share in semiconductor shipments and highest R&D expenditures percent of sales globally (ex-US). Korea is striving for dominance in chip production by investing US\$470 billion in a semiconductor "mega cluster" outside of Seoul.
- Samsung and SK hynix are the largest semiconductor companies in Korea, and the only two Asian names in the Top 5 semiconductor providers worldwide by chip product revenue.

### Korea Holds the Largest Market Share in Global (Ex-US) Semi Industry^

- Regional Share of Semiconductor Shipments by Company HQ Location
- R&D Expenditures Percent of Sales



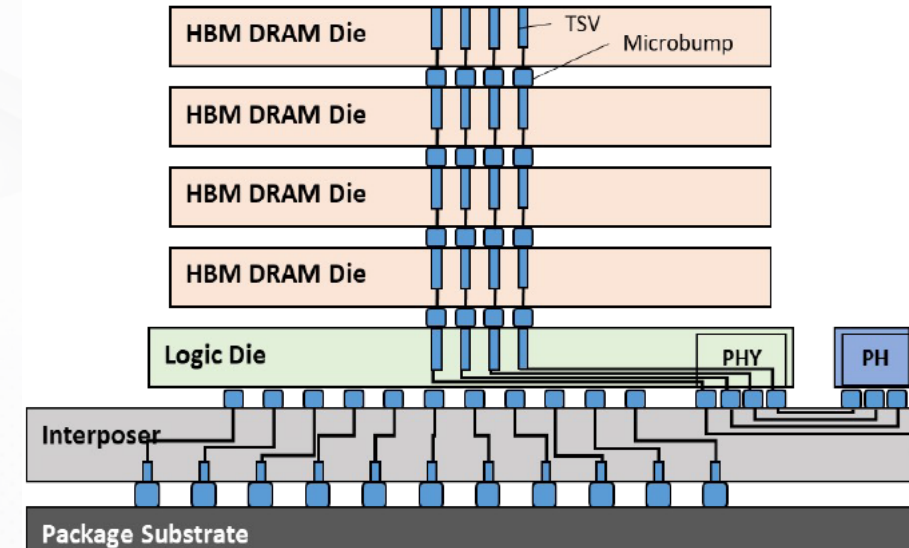
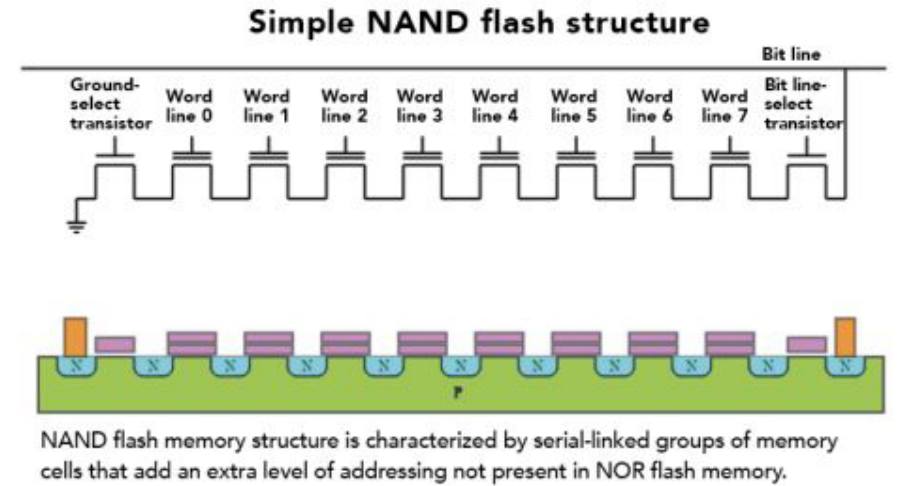
### Samsung and SK hynix are the Largest Asian Semiconductor Companies in the World by Revenue#



Source: ^SIA, 2024. \*OMDIA 2024. \*\*TrendForce 2024. high bandwidth memory (HBM). #Gartner. Excluding semiconductor foundry companies and only count the semiconductor products sales.

# Main Categories of Memory Chips

category	Non-Volatile	Main Carrier / Usage	Key Feature	One-Sentence Summary	Companies
NAND (~40%) (Negative AND)	Yes	SSD、 UFS/eMMC 、 Memory Card	Largest capacity, high cost-effectiveness.	Stores a lot; acts as hard drive / mobile storage	Kioxia/ Western Digital/ SanDisk/ YMTC
DRAM (~60%) (Dynamic Random Access Memory)	No	DDR、 PC / Mobile / Server Memory	High bandwidth, large capacity, <b>requires refreshing</b> ; The "Working Memory" for system operations.	Runs fast; used as PC / Server system memory	Samsung/ SK Hynix/ Micron
HBM (High Bandwidth Memory)		AI Accelerators, GPU, HPC	Ultra-high bandwidth, stacked packaging close to compute chips; <b>High cost</b> , relatively limited capacity.	Runs even faster; Ultra-high-speed memory built for AI/HPC.	

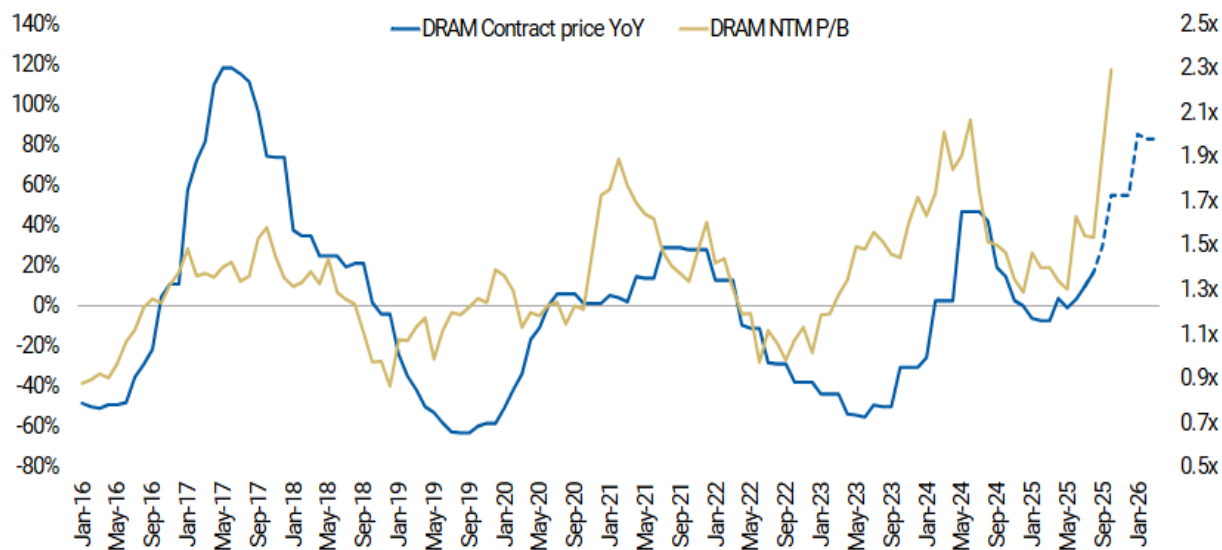


Source : MS Research

# What is happening in the memory chip industry?

- **Supply Crunch & Rapid Turnaround:** DRAM inventory cycles have plummeted to just 3–4 weeks this quarter (down from 10 weeks last year and 31 weeks in early 2023). HBM is effectively sold out through 2026.
- **Unprecedented AI Supercycle !** Booming AI demand, coinciding with data center refresh cycles and strong device sales (e.g., Apple), has intensified supply tightness for both HBM and standard memory, driving prices up.
  - The memory sector rally typically lags behind design and equipment sectors due to slow destocking. With price hikes now officially taking effect, EPS is set to rise significantly.
  - Samsung and SK Hynix are shifting capacity toward high-margin HBM and server DRAM. This creates a shortage in traditional DRAM/NAND supply, triggering across-the-board price increases.

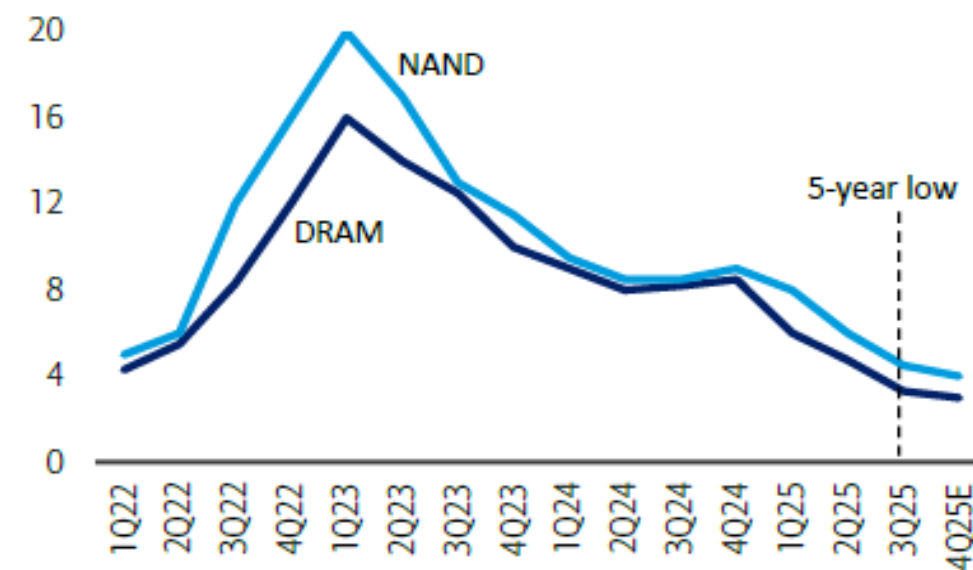
Exhibit 12: Memory stock P/B vs. DRAM contract growth YoY



Source: TrendForce, Morgan Stanley Research

Exhibit 5: Only 3-4 weeks for both DRAM and NAND as of Oct-25; lower than normal (1-2 months)

Memory chipmakers' inventories - finished chips in weeks



Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

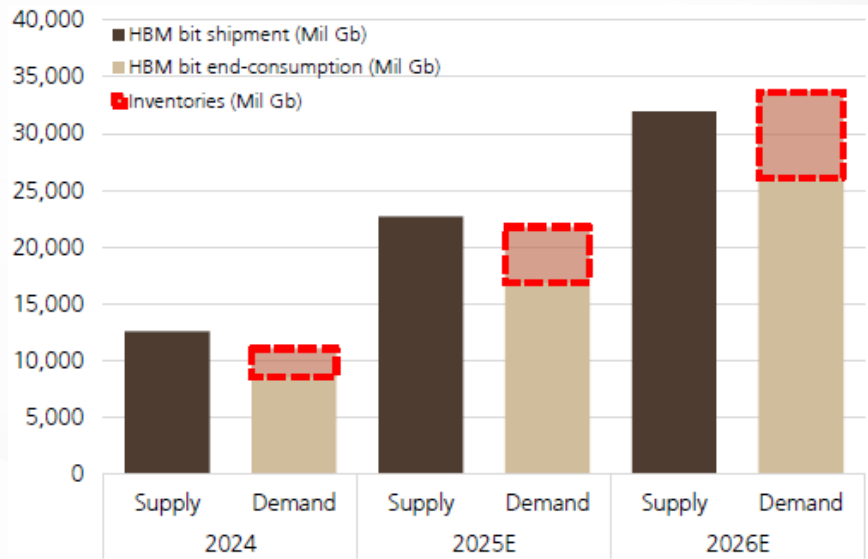
Source : MS Research, BofA

# AI Wave to Broaden the Growth Potential Further

AI-led demand drives the growth of Korean semiconductor industry, expected to boost the revenue of Korean semi giants from both scale and pricing perspectives.

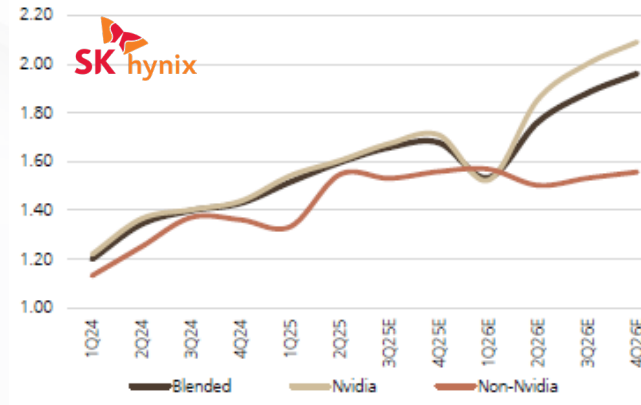
## Scale: Increasing Demand Growth Potential

HBM, a high-end DRAM, is seeing growing demand^



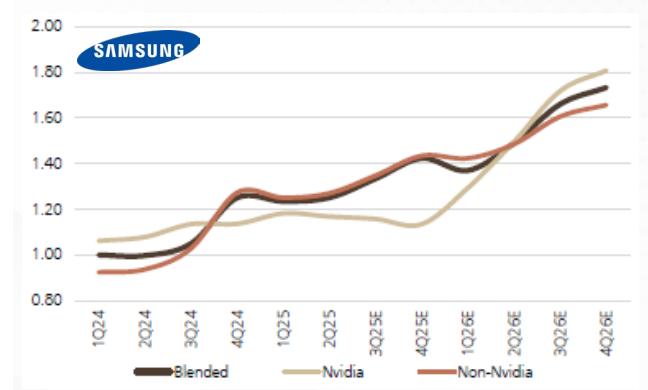
## Pricing: Global Memory Chips (DRAM/NAND) Pricing Has Been Recovering

### SK hynix HBM ASP forecasts (US\$/1Gb)^



SK hynix is set to hike DRAM prices by 12%\*, joining the price hike wave.

### Samsung HBM ASP forecasts (US\$/1Gb)^



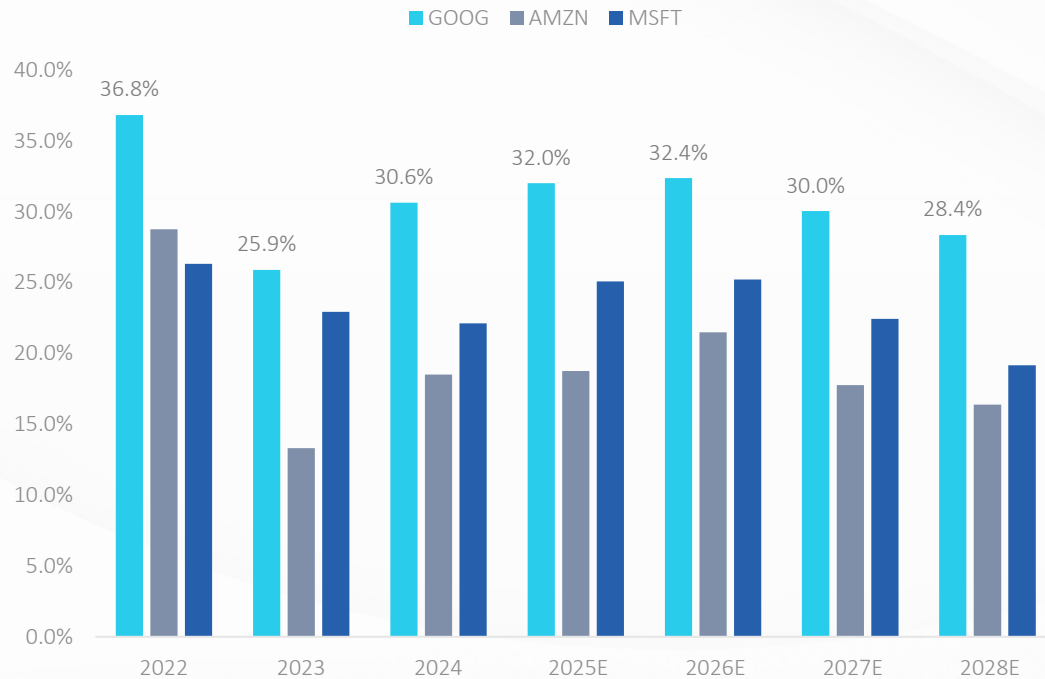
Samsung Electronics has raised DRAM prices in over a year, with its product - DDR4 seeing a sharp jump of around 20%#

Source: \*TrendForce, 2025/5/5. #TrendForce, 2025/5/12 ^UBS estimates.  
Note: HBM=High Bandwidth Memory; DRAM=Dynamic Random Access Memory

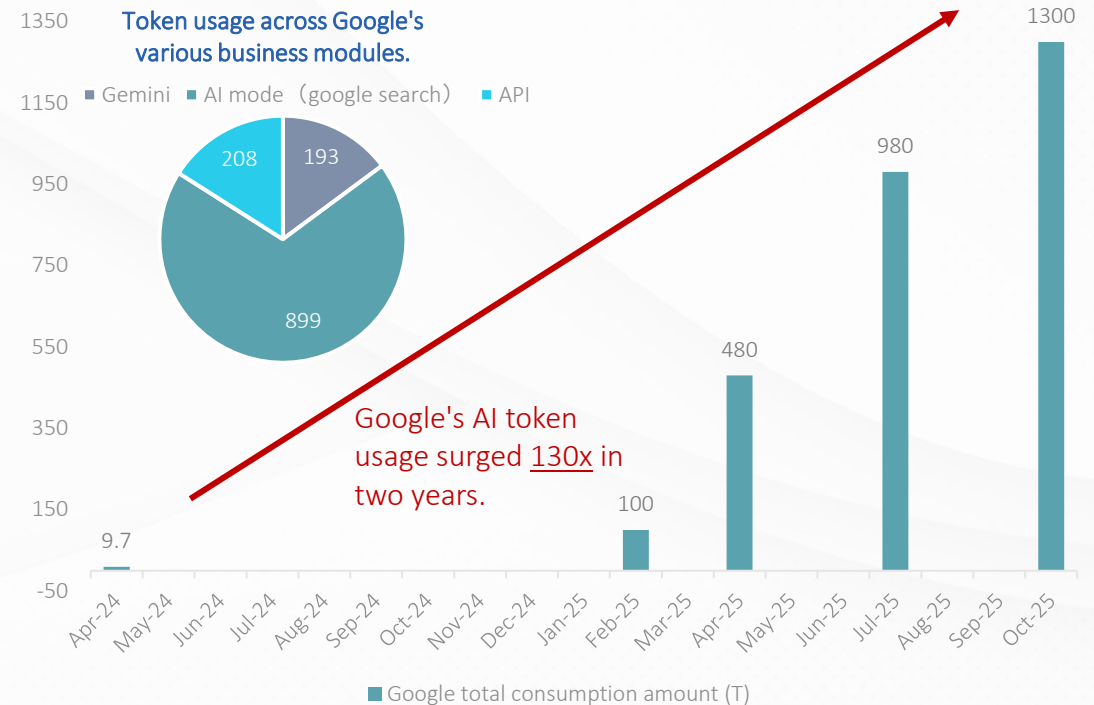
# Is There an AI Bubble? Demand Remains Strong

- AI continues to show significant growth potential on the demand side. This is driven by sustained strength in cloud services, **with the three major providers expected to maintain double-digit revenue growth. Google Cloud leads with a projected 32% growth rate in 2024.**
- Furthermore, AI token usage is steadily rising. Recent data from tech leaders like Google reveals robust market demand, **with Google's own AI token consumption surging 130x in just two years—underscoring the immense potential of AI demand.**

The cloud service revenues of the three major cloud providers are expected to maintain double-digit growth.



Google's token consumption has surged massively, with demand constantly rising.

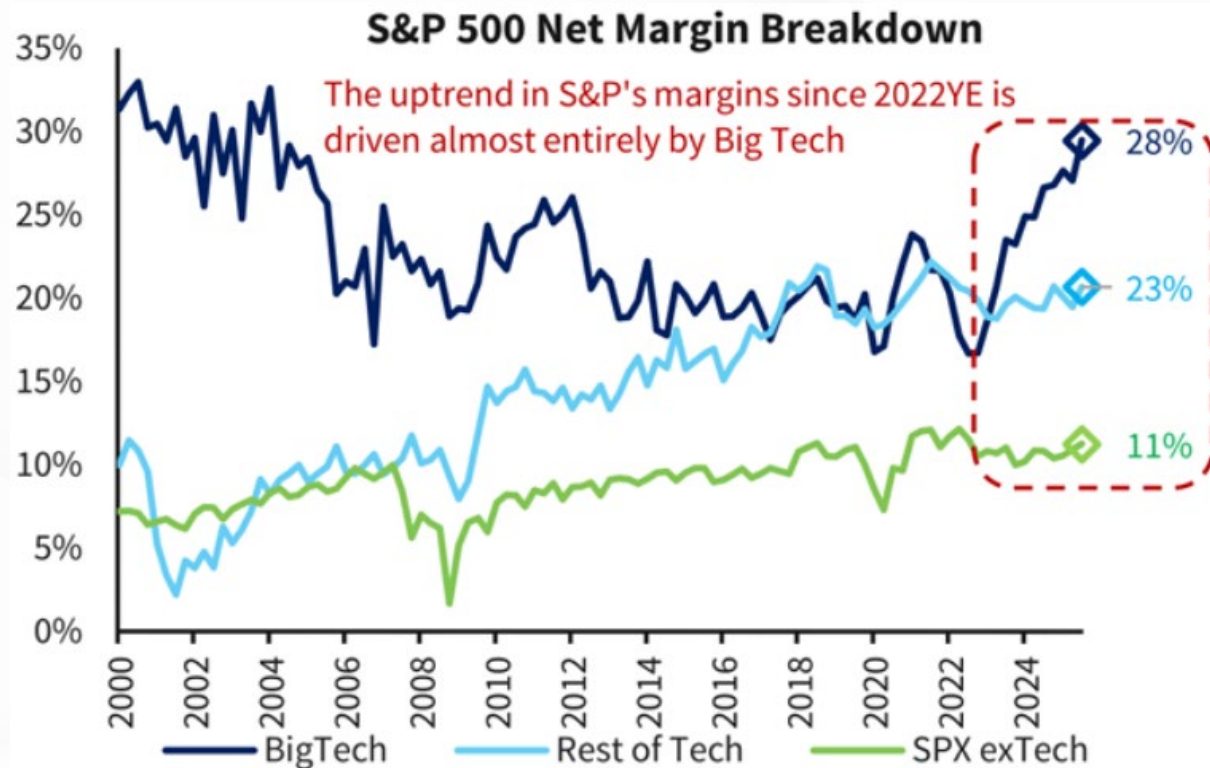


Source : UBS, Barclays

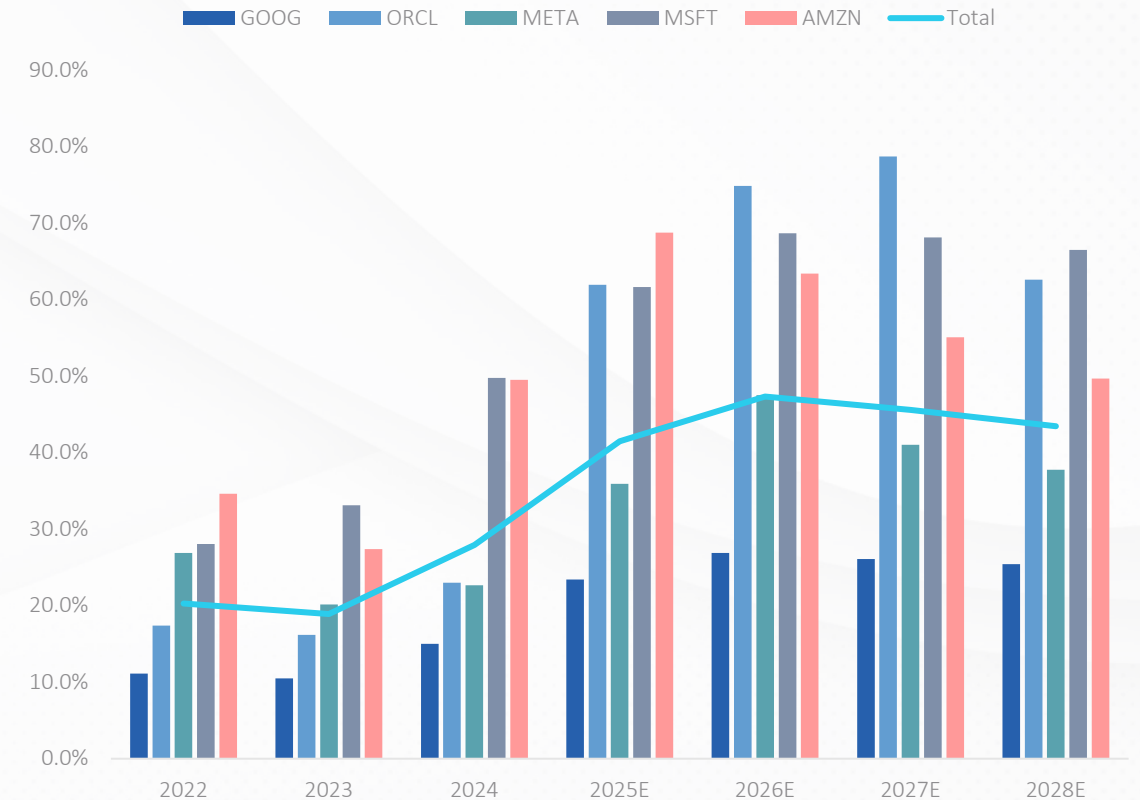
# Is There an AI Bubble? Surging CAPEX Supported by Revenue Growth and Strong Cash Flow

- The five US tech giants account for 30% of the S&P 500's capital expenditures, yet hold less than 4% of its long-term debt. While major US AI firms are projected to see a massive 76% YoY in CAPEX 2025E, sparking "bubble" fears
- Despite high spending growth, these firms are seeing steady increases in cloud and AI revenue. Their capital Intensity (CAPEX/Revenue) is expected to peak at 47.3% in 2026 before declining. Furthermore, these major AI players continue to demonstrate strong operating cash flow generation.

The S&P's margin improvement since 2022 has been entirely driven by tech giants



Capital Intensity (CAPEX/Revenue) of US Hyperscalers



Source : UBS, Capex and revenue data based on UBS forecasts, Barclays

02

## China Macro & Tech

# China Macro: Data is Improving, ROE is Rebounding

- Citi Economic Surprise Index suggests recent macro data have been better than feared.
- MSCI China's ROE has bottomed out in 2H24 and is expected to bounce back to a 12-15% range, indicating a decent expected annualized return.

### Citi Economic Surprise Index, 2020-2025



### MSCI China's ROE Bottomed Out in 2H24

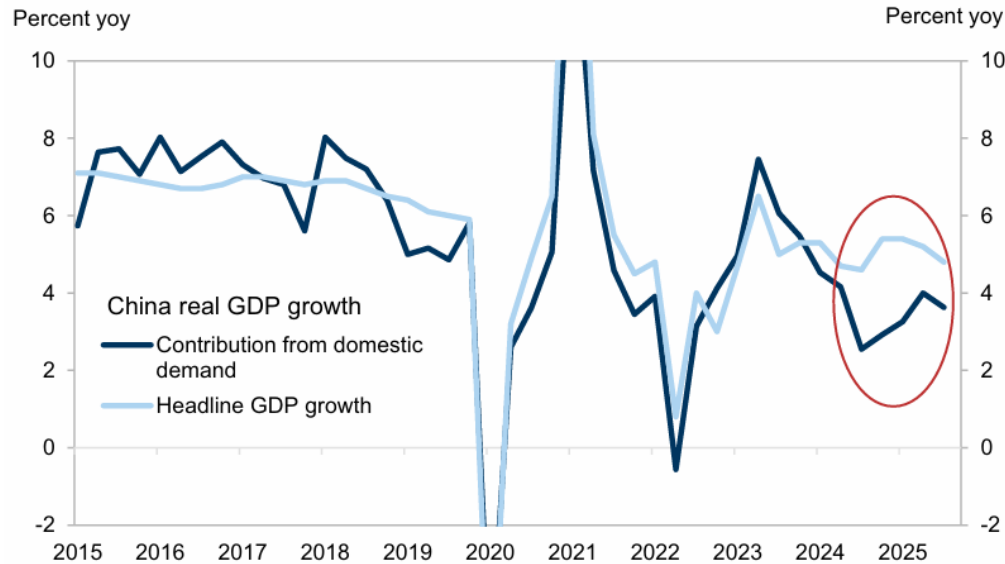


Source: Bloomberg, Goldman Sachs, Morgan Stanley Research. As of Aug 31, 2025.

# China Macro: Q3 Economic Data and Signals from the 4<sup>th</sup> Plenum

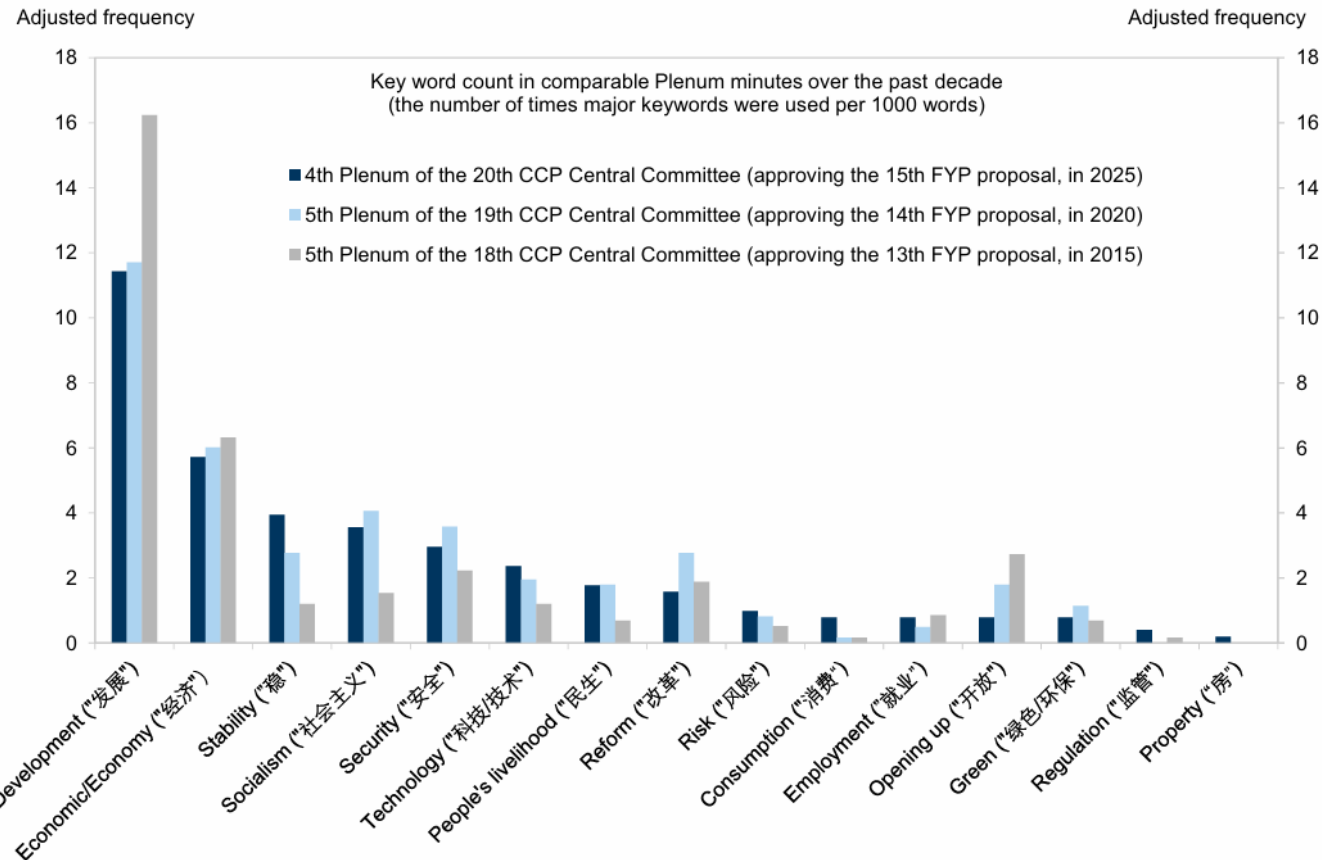
- China's Q3 GDP grew 4.8% yoy; first 9 months at 5.2% yoy, on track for full-year target. September industrial production +6.5% yoy (vs. consensus +5.0%); retail sales +3.0% yoy; FAI -0.5% ytd yoy (vs. +0.1%).
- Fourth Plenum on 15th Five-Year-Plan emphasized domestic tech, innovation, manufacturing and anti-involution.

Domestic demand growth weakened in Q3 after improving in previous quarters following last September's policy pivot



Source: NBS, Haver Analytics

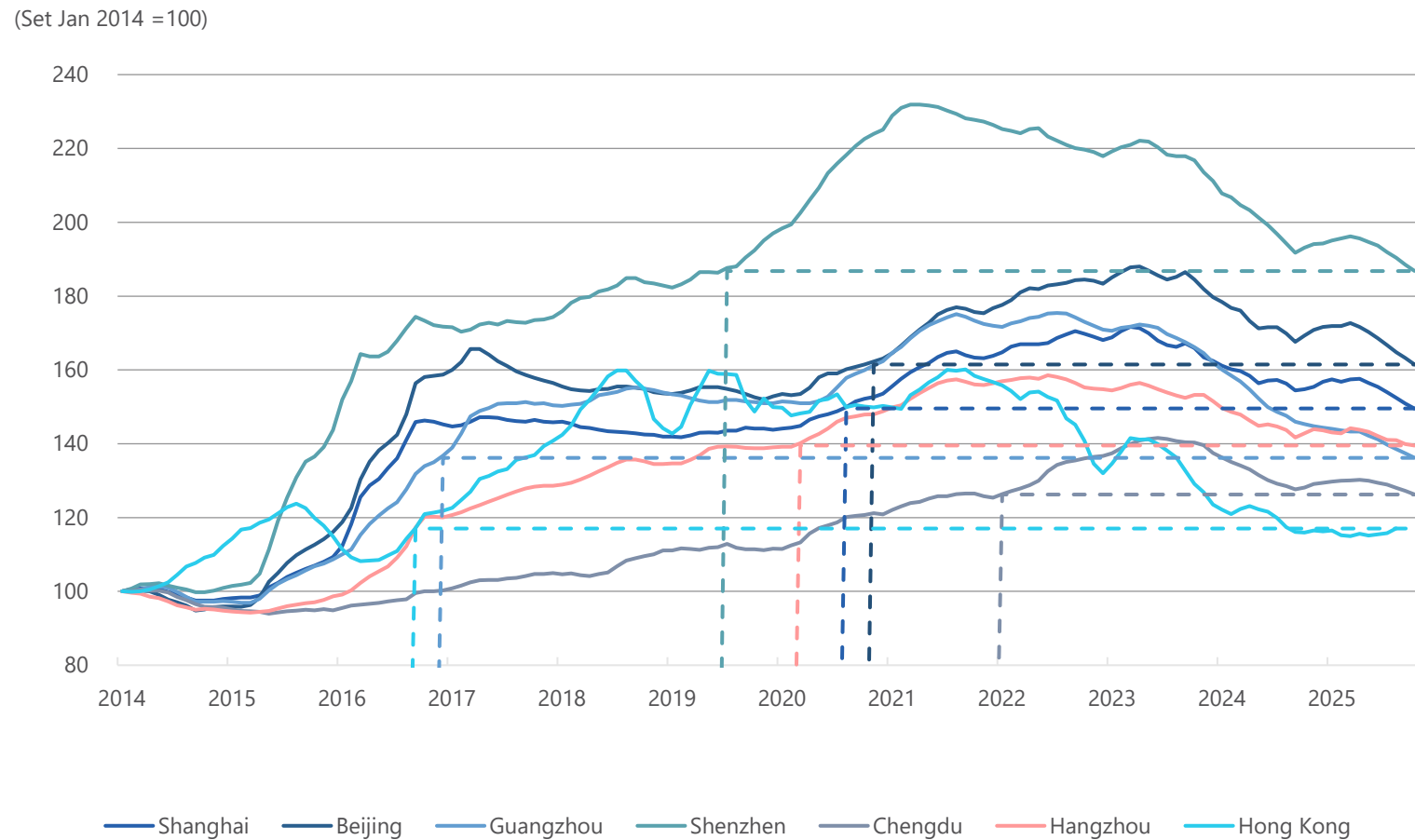
Word counting suggests policy priority appears to have increased for technology, stability, consumption and risk control



Source: Goldman Sachs, NBS, Haver Analytics

# Domestic: Secondary Home Prices are Back to 2017-2020 Level

## Major cities' secondary property market price index

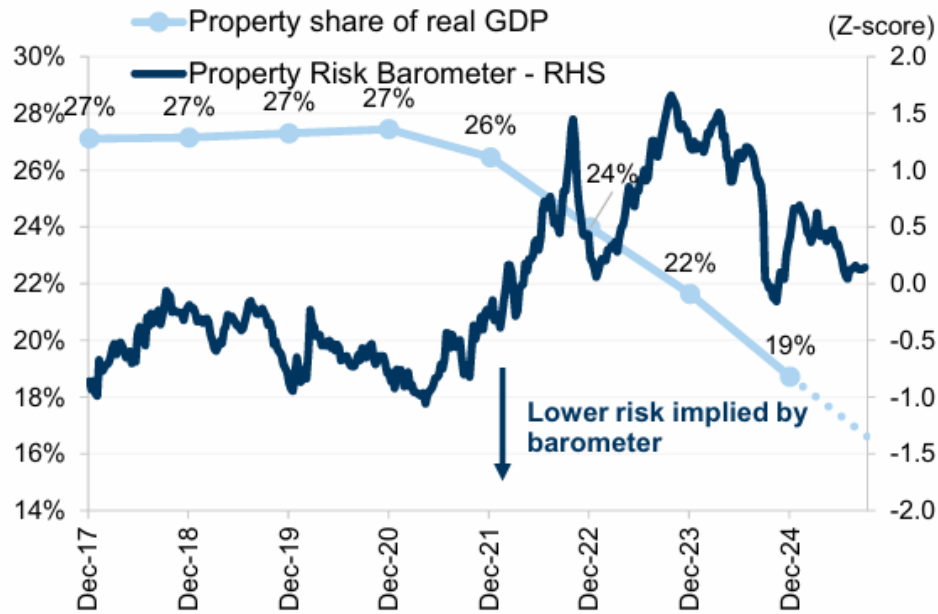


Source: NBSC, Centaline Property, Wind, CSOP Asset Management

# Domestic: Home Price and Inventory are Stabilizing

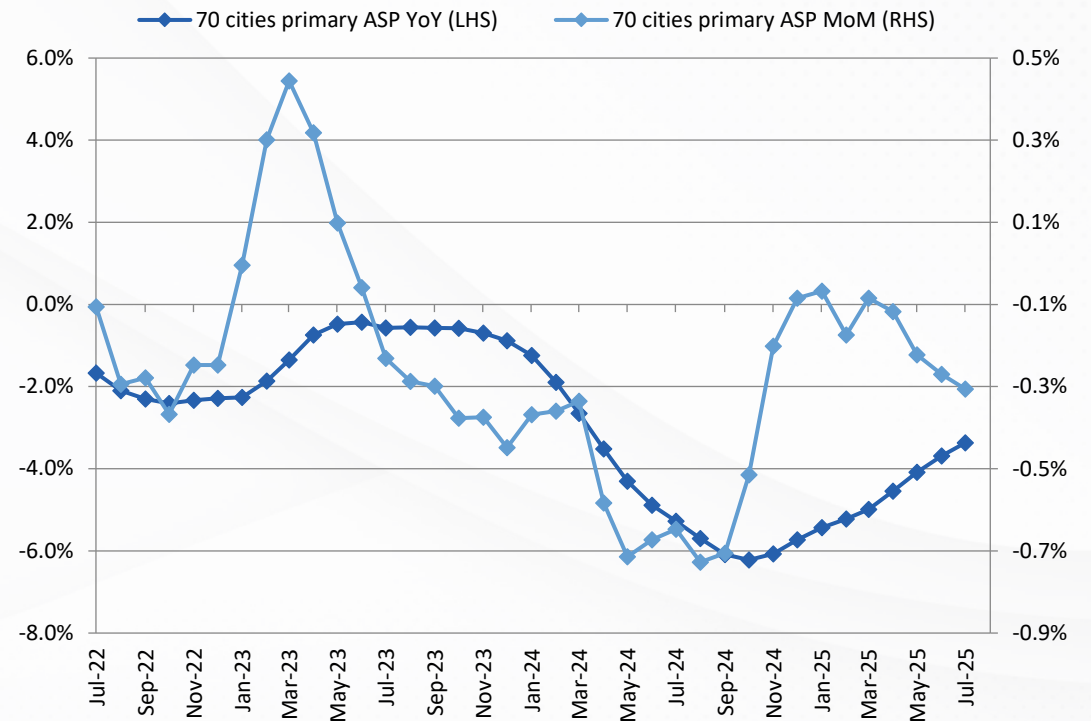
- The economic representation from the housing sector has fallen by almost 10pp since 2021.
- After years of slump and rebalancing, China's housing prices are showing signs of stabilization, and inventory levels have fallen back into a relatively healthier range.

### Share of Housing Sector Has Fallen



Source: Haver Analytics, Goldman Sachs Global Investment Research

### Primary Market Housing Prices is Stabilizing



Source: Goldman Sachs, Haver Analytics, Wind, Centaline, Citi Research.

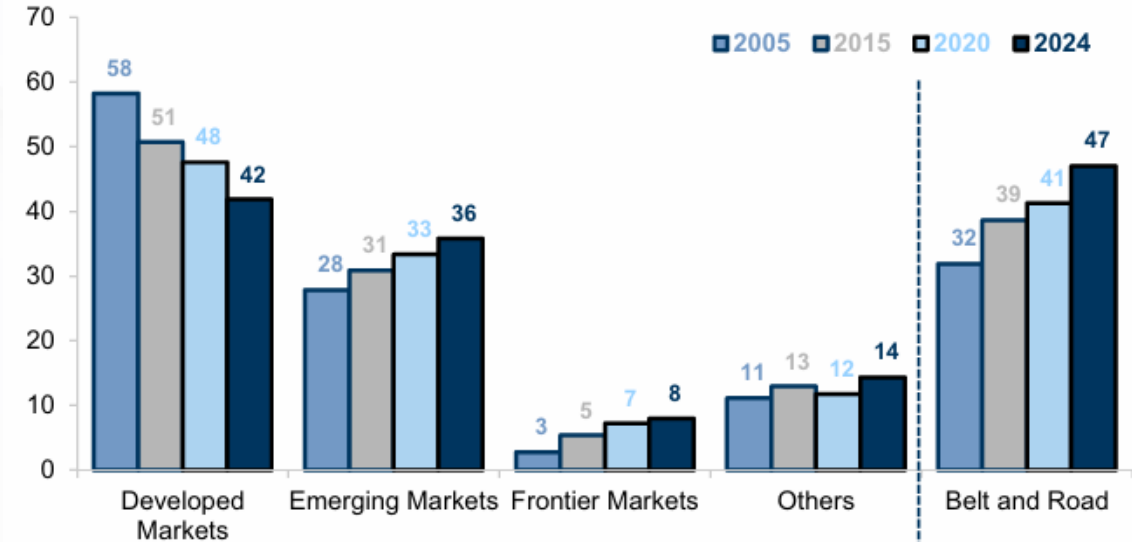
# Exports: So Far, So Resilient

- Exports to the US contracted deeply, but exports to the RoW remained robust amid supply chain competitiveness.
- Chinese exporters have diversified their presence in European countries and Emerging Market economies.



The destinations of Chinese exports have evolved in the past two decades, shifting from DM to Belt & Road and EM markets

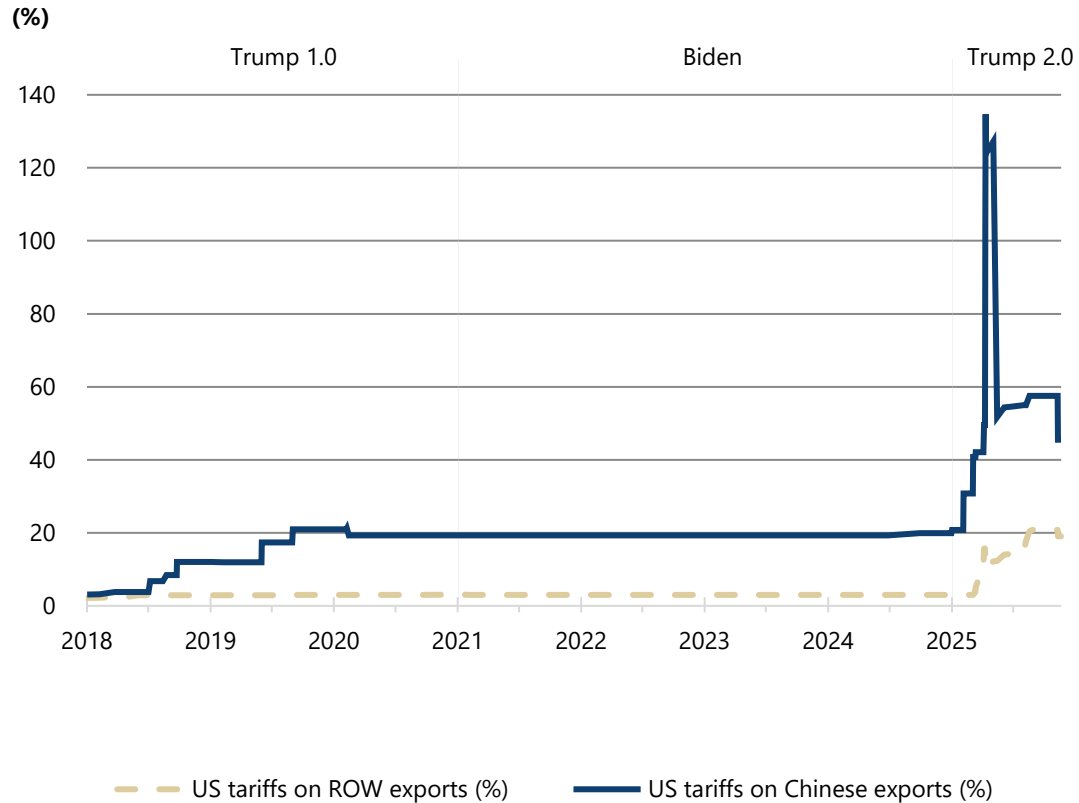
**Mainland China Trades Value by Region (% of Total Trades)**



Note: Historical B&R values calculated with current participating member economies; DM, EM, and FM calculated with corresponding MSCI Index member economies; Subject to data availability; Others = Total - DM - EM - FM, and B&R has overlaps with others.

# Tariff Impact: The Worst is Behind Us

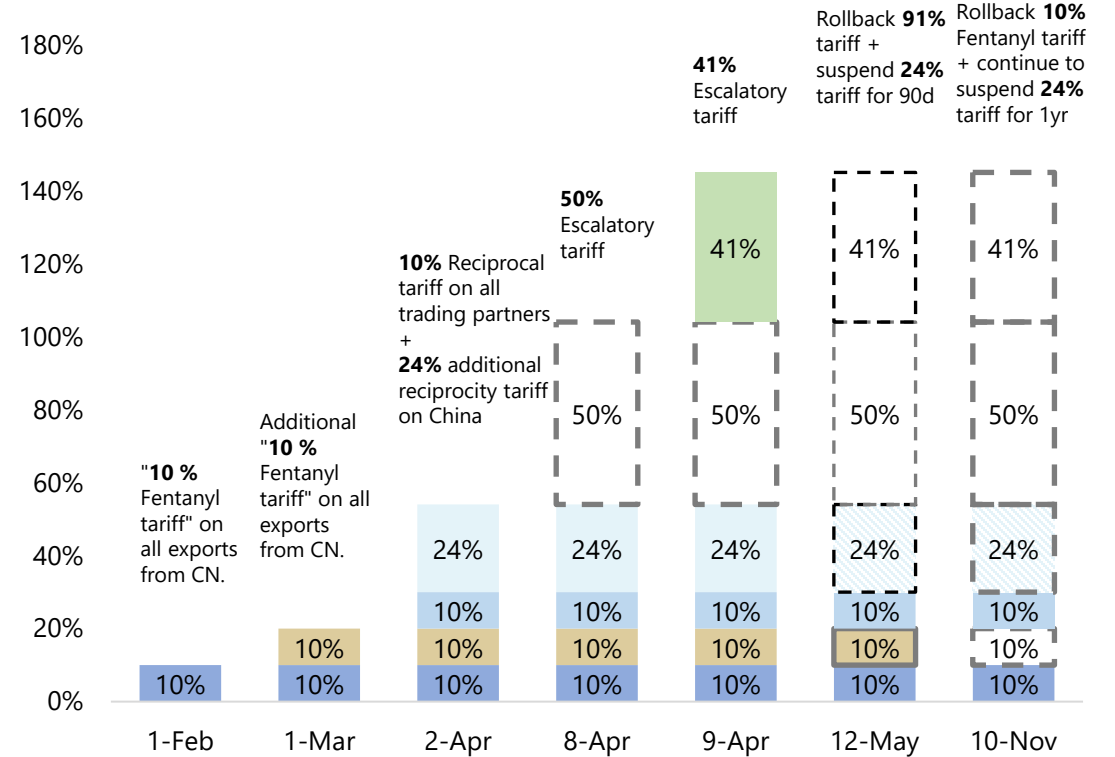
## US tariff rates on China and rest of world



Note: Use PIIE est trade-weighted average tariff numbers as of 27 Aug 2025.

Source: PIIE, CSOP Asset Management

## US tariff increase on China in 2025

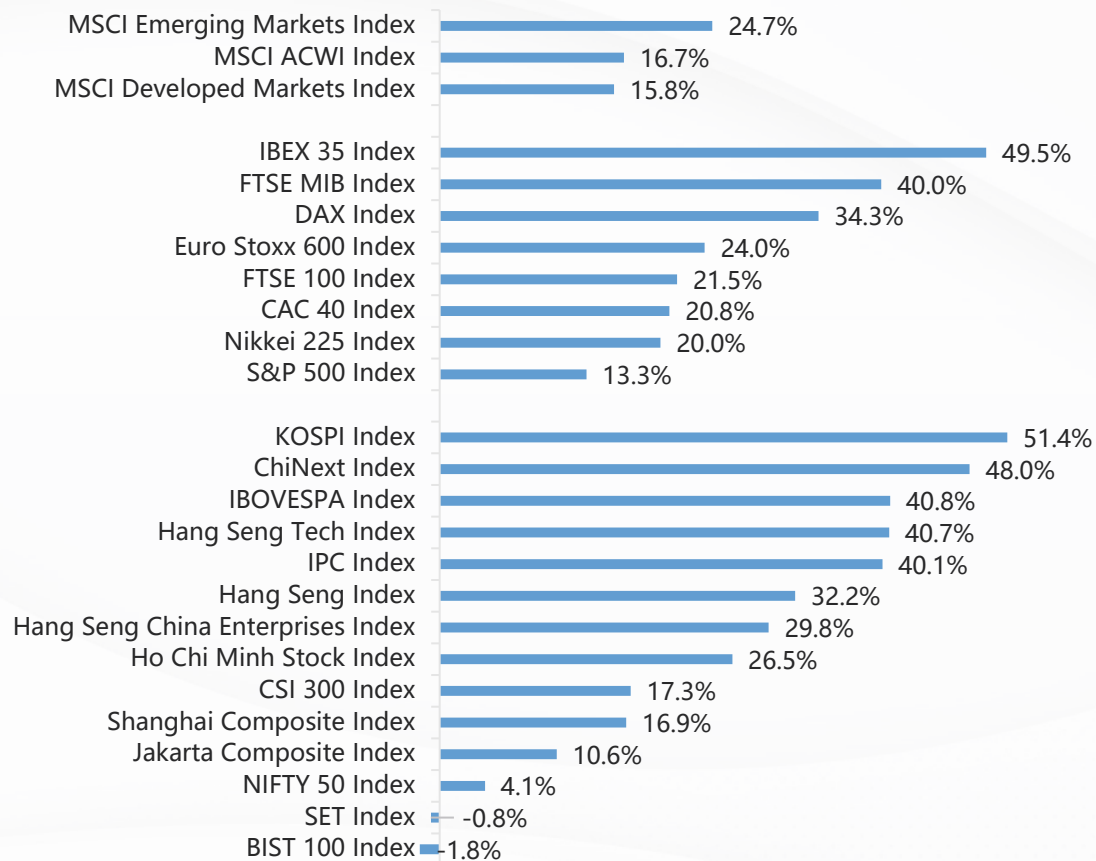


Note: Country-wide tariff only. Tariff increases due to US Section 201, 232 and 301 are not included

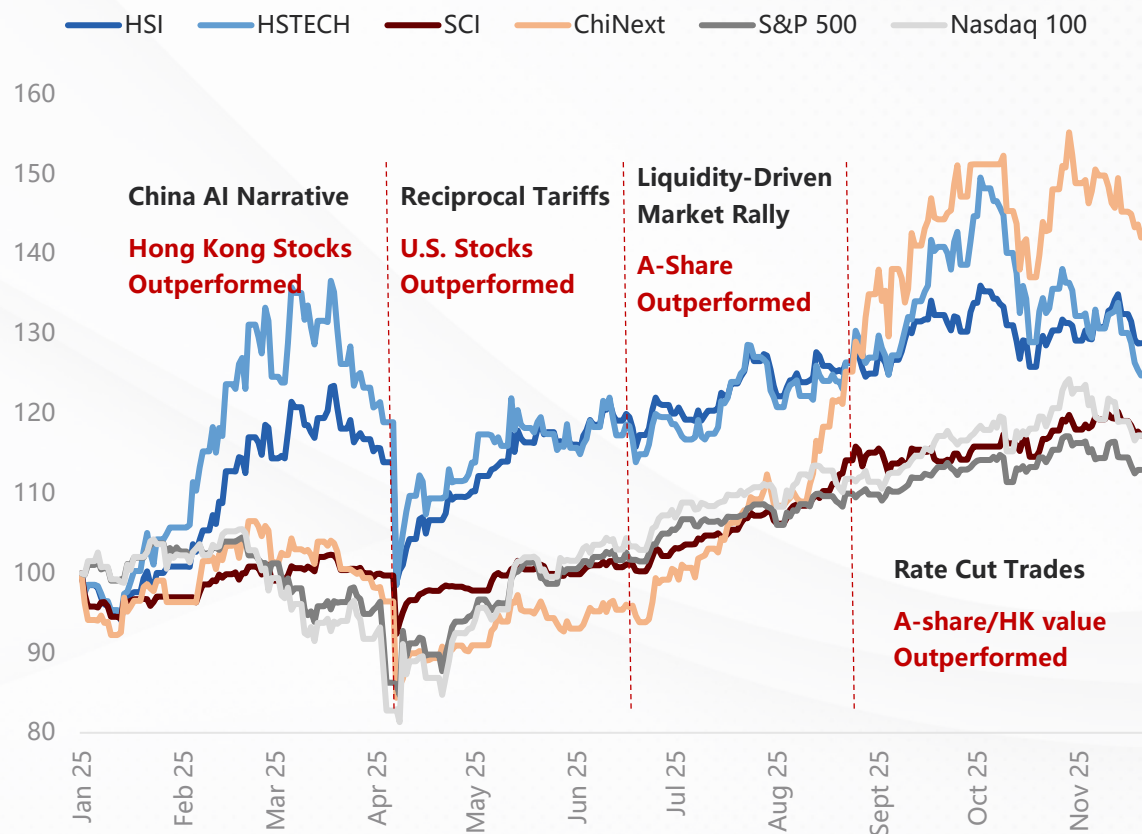
Source: China MOF, US Trade Representative, CSOP Asset Management

# YTD Performance of Major Global Indices

## YTD Performance of Global Equity Markets (USD-Denominated)



(2025/1/1 = 100)



Source: Bloomberg, WIND, CSOP.

# Capital Cycle: China Starts to Outperform EM

- MSCI China is outperforming MSCI EM consistently since Sep 2024, a trigger for regional investors to increase their China positions.

MSCI China VS MSCI EM, 2011-2025

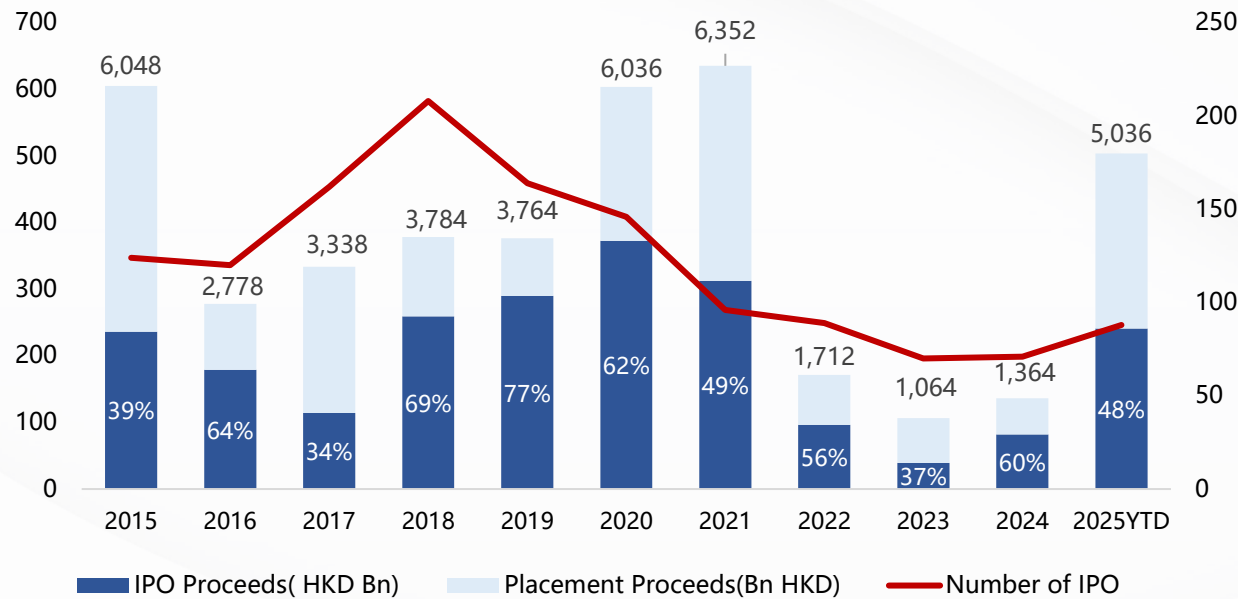


Source: CSOP, Bloomberg, as of Nov 5, 2025.

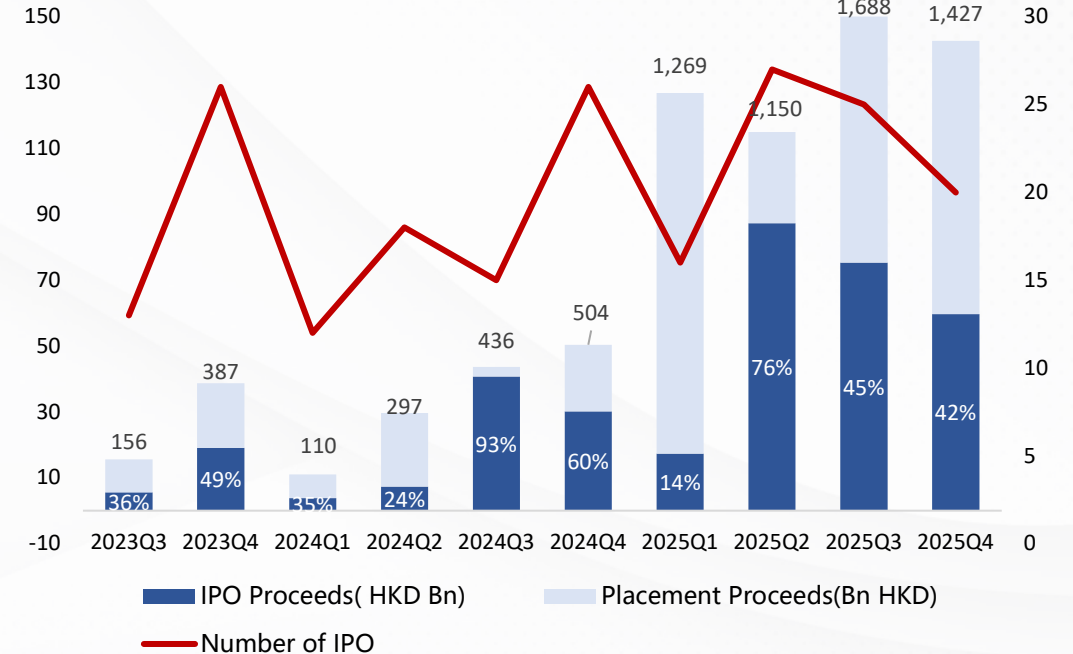
# Hong Kong: Capital Cycle Enters A New Phase: IPO Picking Up

- The Hong Kong capital market is restarting its financing functions and, to some extent, has taken on the financing demand from the A-share market.

### Annual Scale and Number of Hong Kong IPOs



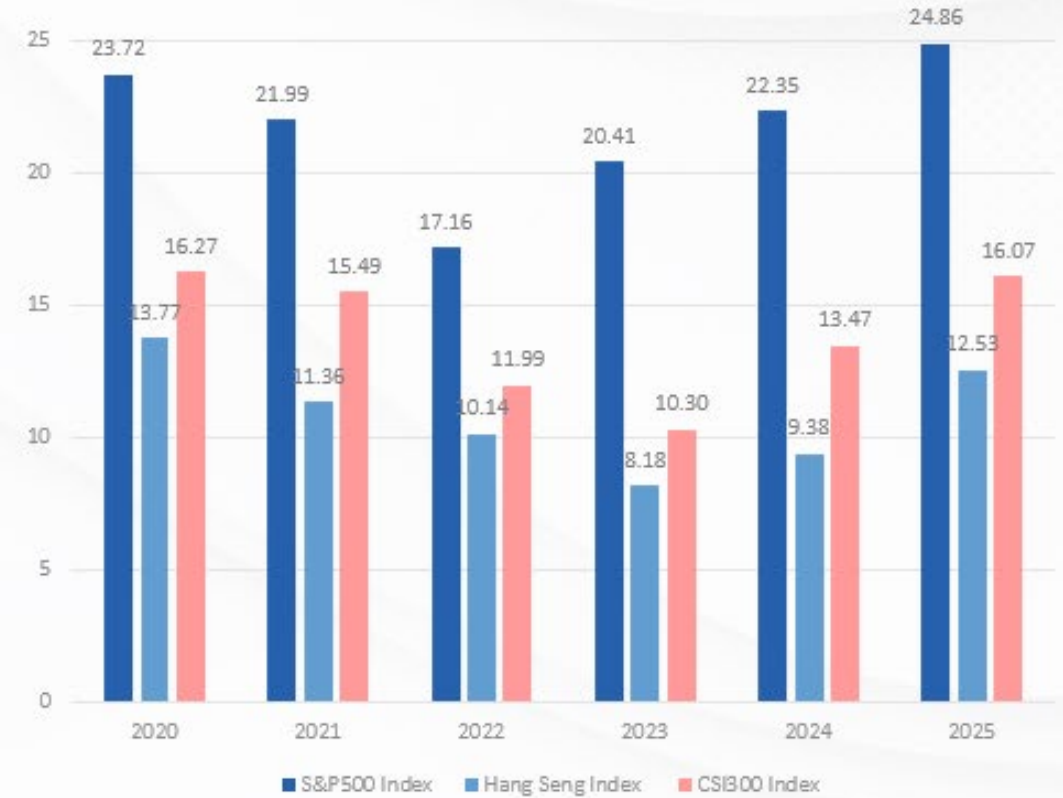
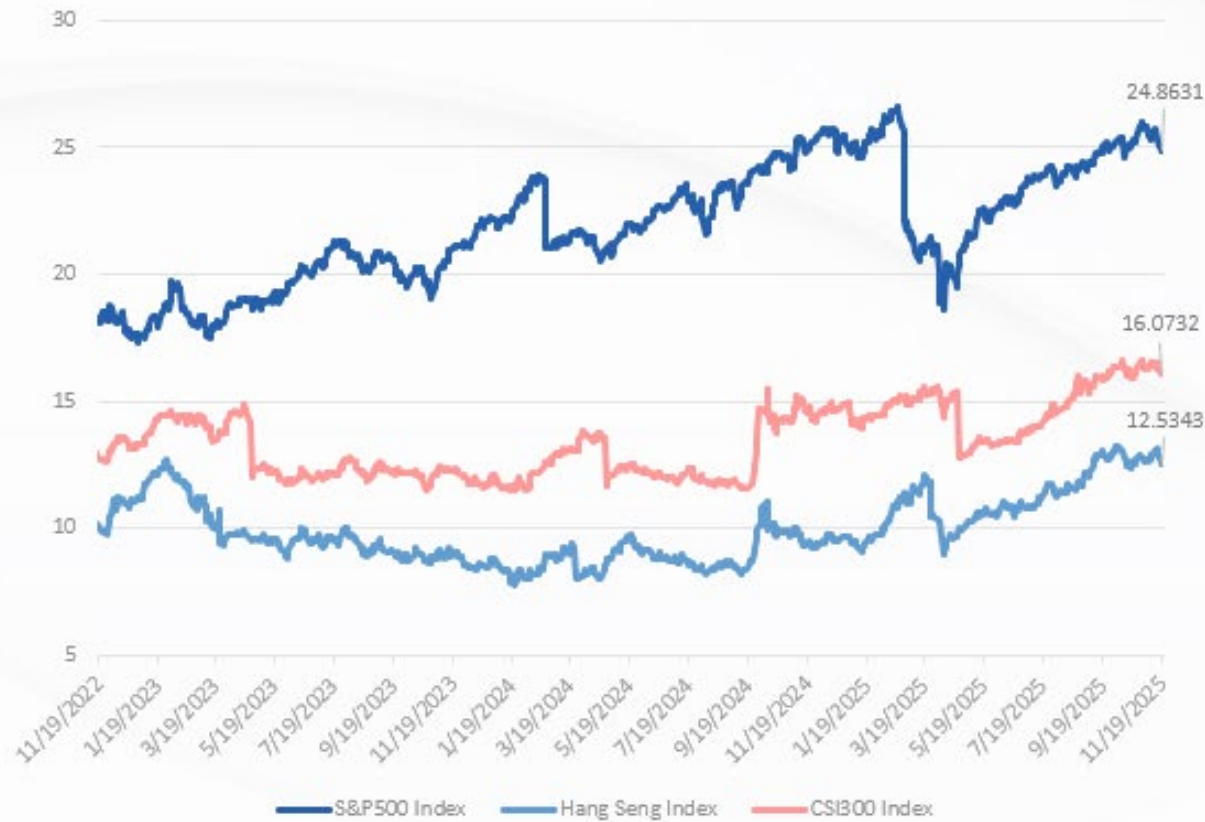
### Quarterly Scale and Number of Hong Kong IPOs



Source: CSOP, HKEX, as of Nov 17, 2025.

# China-HK Stock Valuations Remain Well Below US Levels

P/E Ratio Comparison Across Major Indices

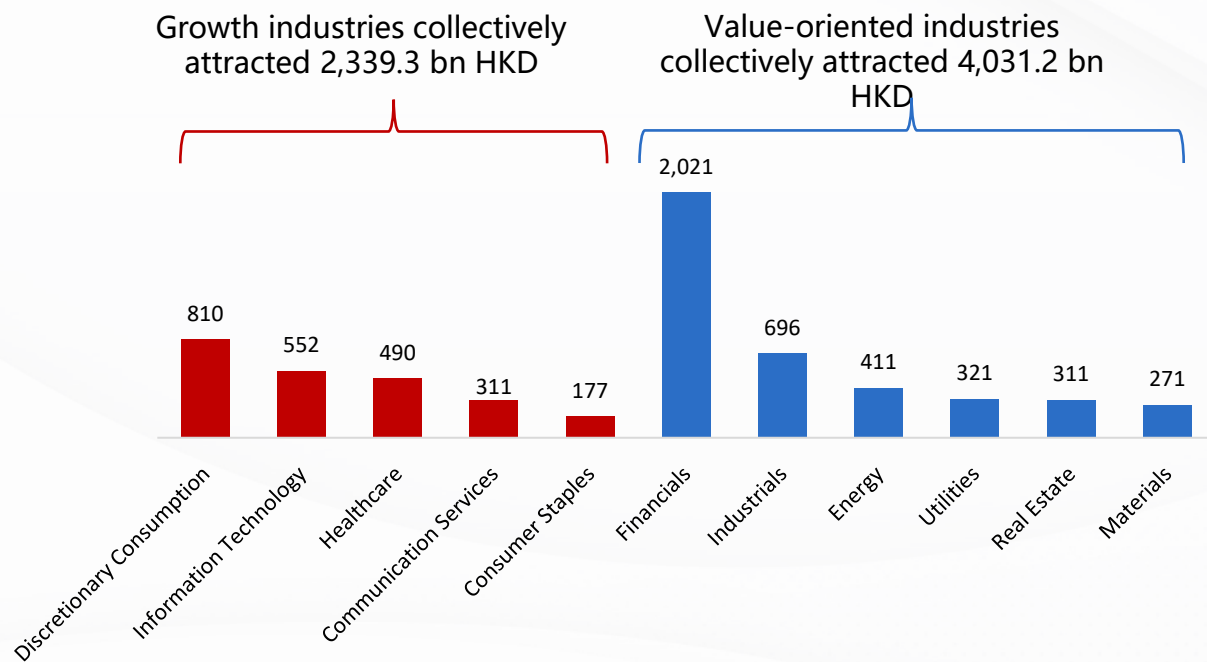


Source: Bloomberg, as of Nov 19, 2025.

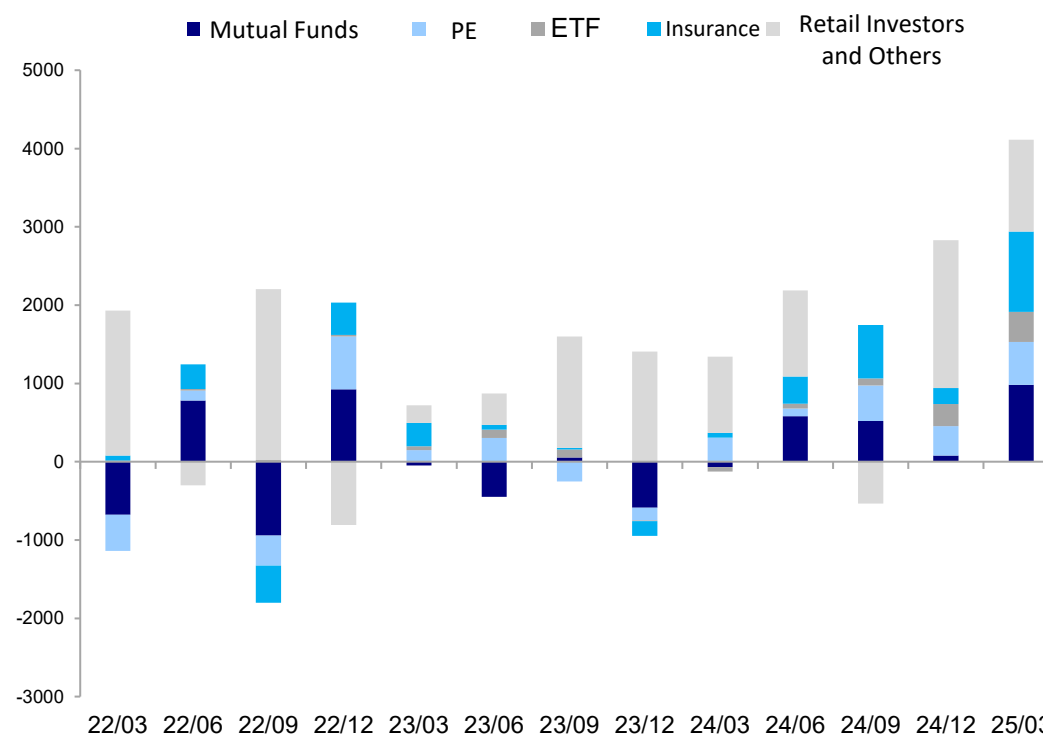
# Flow: Southbound Investors are increasing their positions

- The Southbound investors from Mainland China are increasing their positions in almost all sectors in HK equities.
- In terms of the type of investors, long term recurring inflow from insurance/pension is the most important contributor

Southbound Net Inflows via Stock Connect – Industry (HK\$ billion)



Southbound Investors by Type (HKD 100mn)

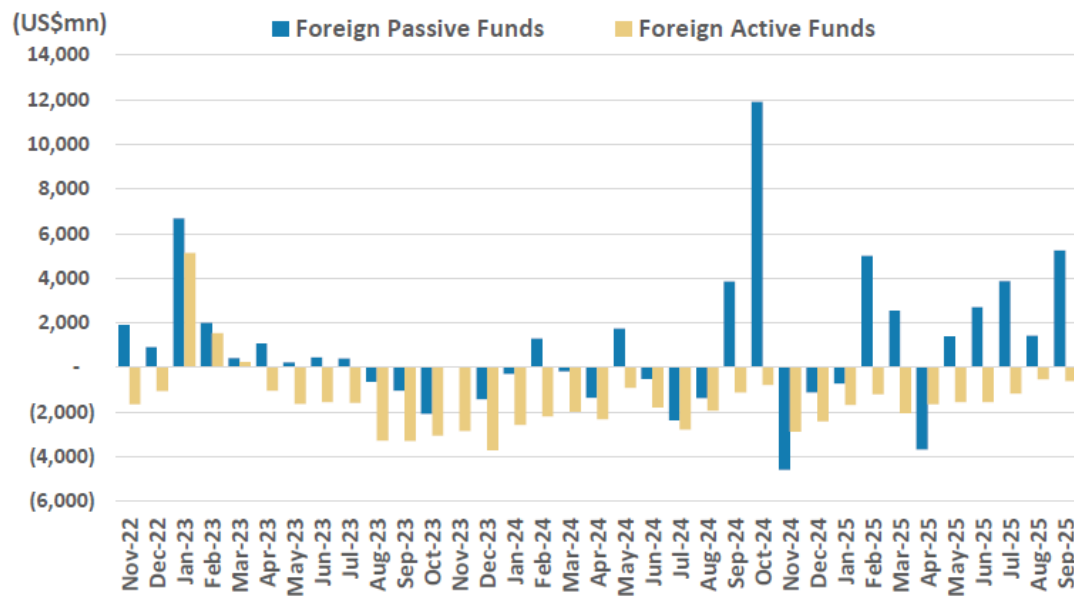


Note: Individual stock net inflows are calculated based on daily changes in holdings within the Stock Connect system and average daily prices, and may differ from actual net inflows. Southbound Net Inflows via Stock Connect as of Nov 17, 2025.  
Source: Wind.

# Foreign Investors are Changing Attitude Towards the Chinese Market

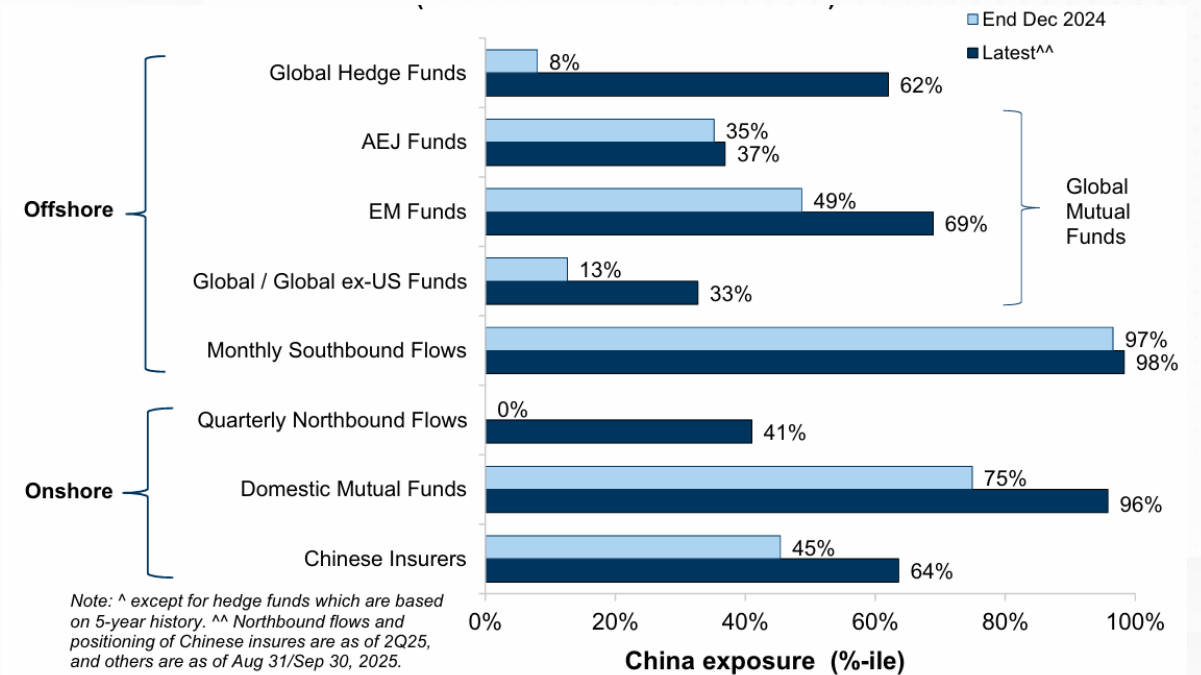
- Foreign capital has begun to see net inflows in recent months, primarily in the form of ETFs, with net inflows increasing in September.
- Both domestic and foreign investors have high participation in the latest China equity rally.

Monthly Fund Flows in China/HK Equities by Foreign Passive and Active Funds



Source: EPFR, Morgan Stanley Research. Note: Data as of September 30, 2025.

China Weight / Net Exposure in Active Funds

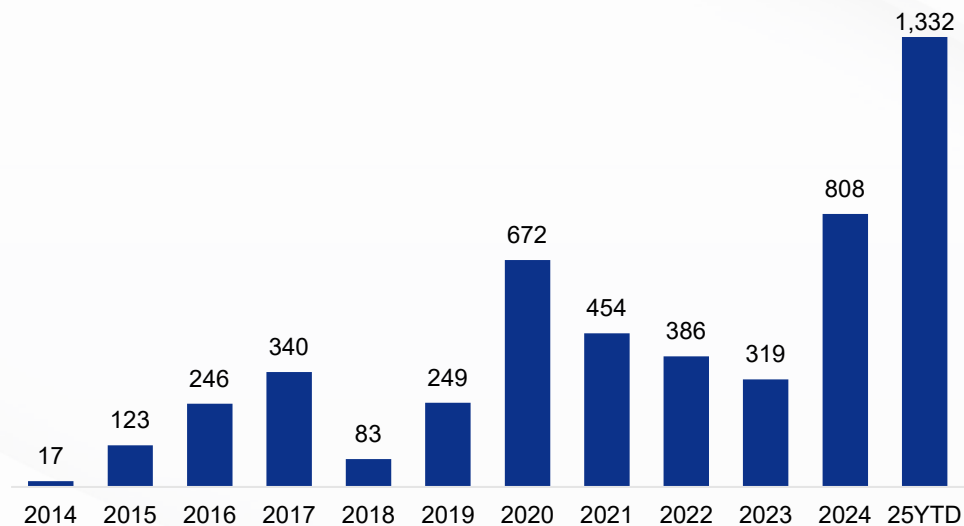


Source: Wind, FactSet, EPFR, Goldman Sachs Prime Services, Goldman Sachs Global Investment Research

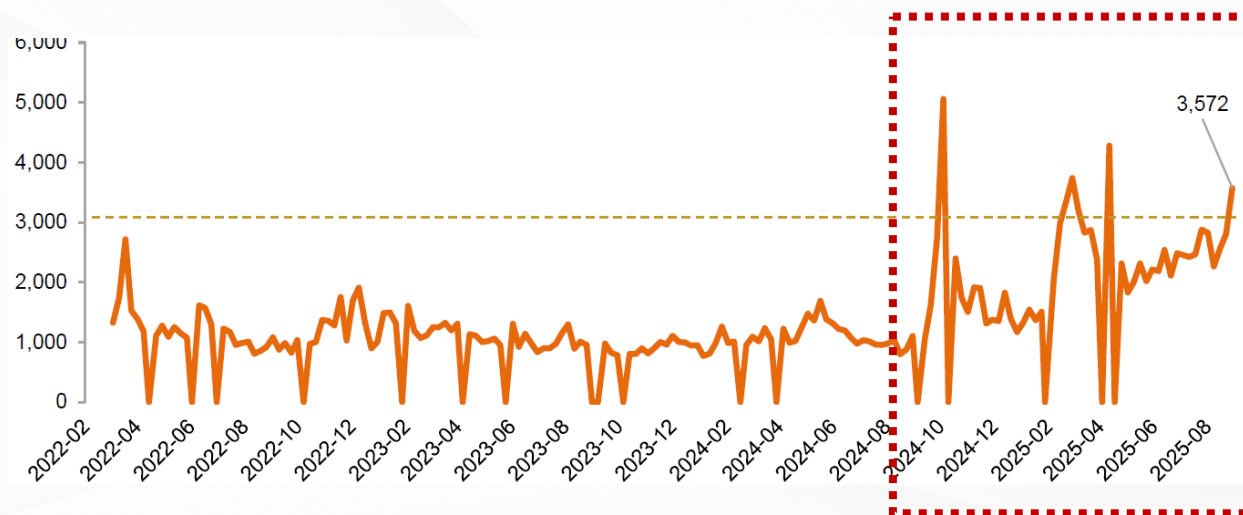
# HK Equities Outlook: Dividend Raises the Floor, Tech Determines the Ceiling

- HK equities' investability has improved markedly since the 2021 bearish cycle, attracting capital from de-dollarization and waning American exceptionalism, as seen in A-H discounts and non-US inflows.
- AI breakthroughs drive valuation gains amid macro challenges, with resilient "lipstick effect" earnings and milder-than-expected tariff impacts on exports.

### Southbound Inflow Is Accelerating (HKD Bn)



### Weekly Average Trading Volume of the Hong Kong Stock Market (HKD Bn)



# A Share: Deposit Migration Boosted the Valuation

## Free-Float Market Cap / Household Deposits of A-Shares



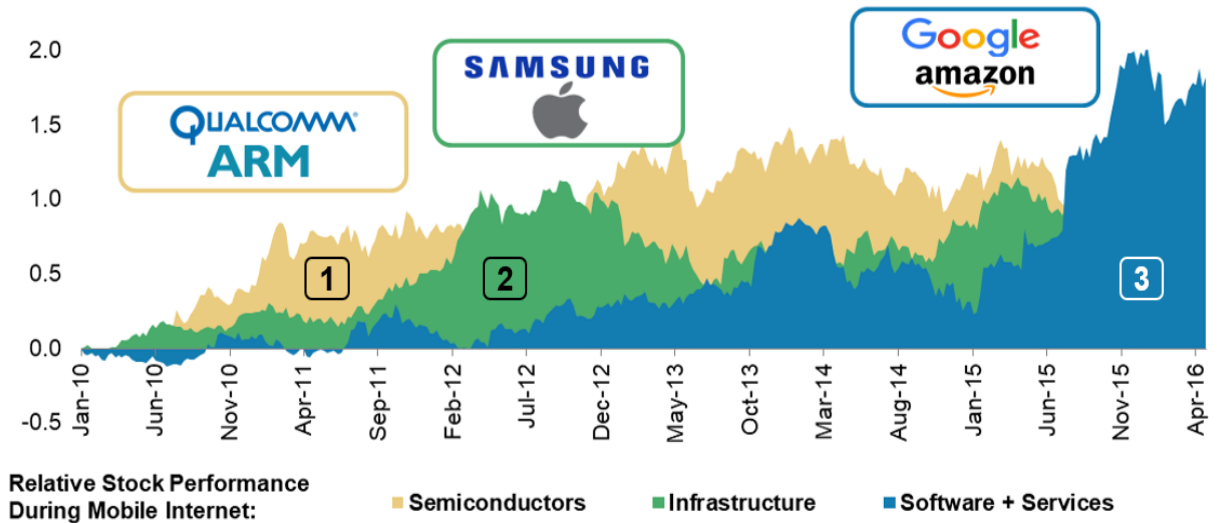
Source: WIND, as of Nov 19, 2025

# A Review of Major Technological Revolutions

## The Mobile Internet Revolution: A Three-Phase Cycle of Semiconductors, Devices, and Applications

### More Diffusion

Mobile Internet Cycle Stock Performance Indexed Relative to S&P 500



AI Cycle Performance Median Returns Since Launch of ChatGPT

**Semiconductors (+324%)**

**Infrastructure Platforms (+90%)**

Microsoft

**Software + Services (+117%)**

**Non-Tech Adopters**

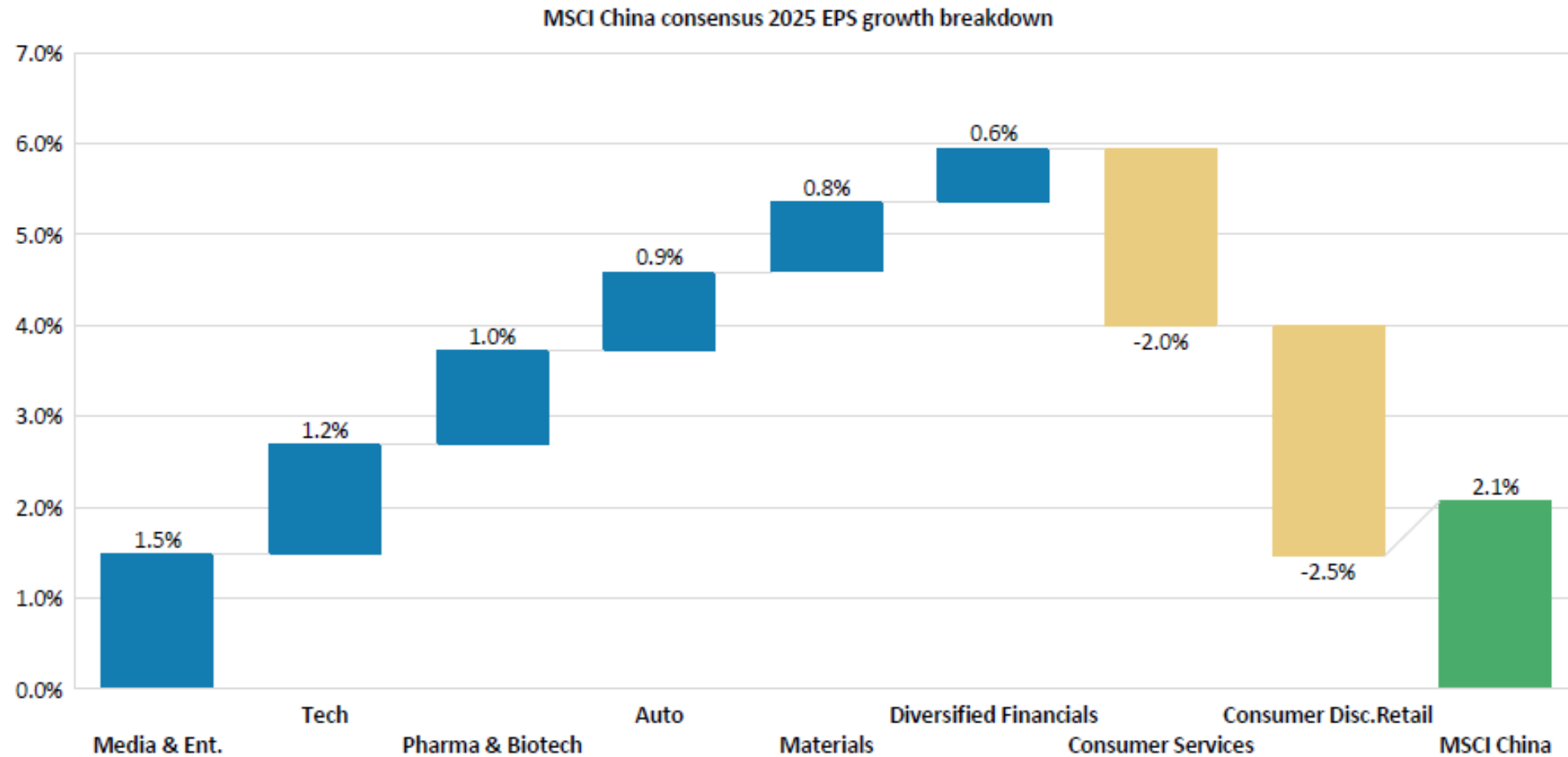
- Healthcare, Travel, Industrials
- Advertising, Retail, Customer Support
- Freight, Media
- Energy, Financials

## The positioning of Chinese technology companies

<b>e-commerce</b>	<b>takeaway</b>
<b>advertisement</b>	<b>Cloud computing</b>
<b>game</b>	

Data source: CSOP, MRB partners Research

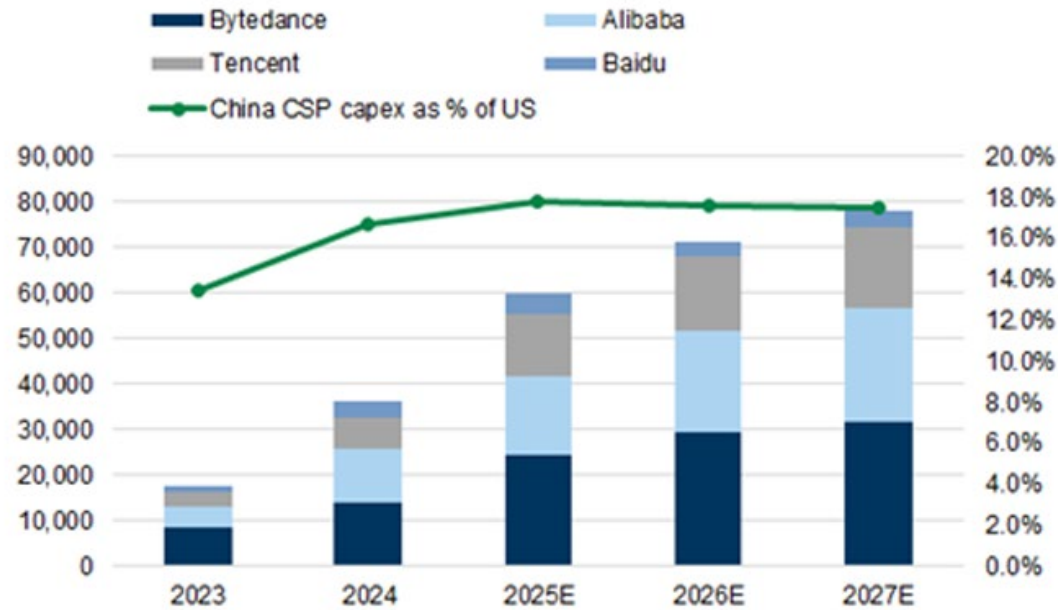
# Earnings Revision Significantly Diverged Among Sectors



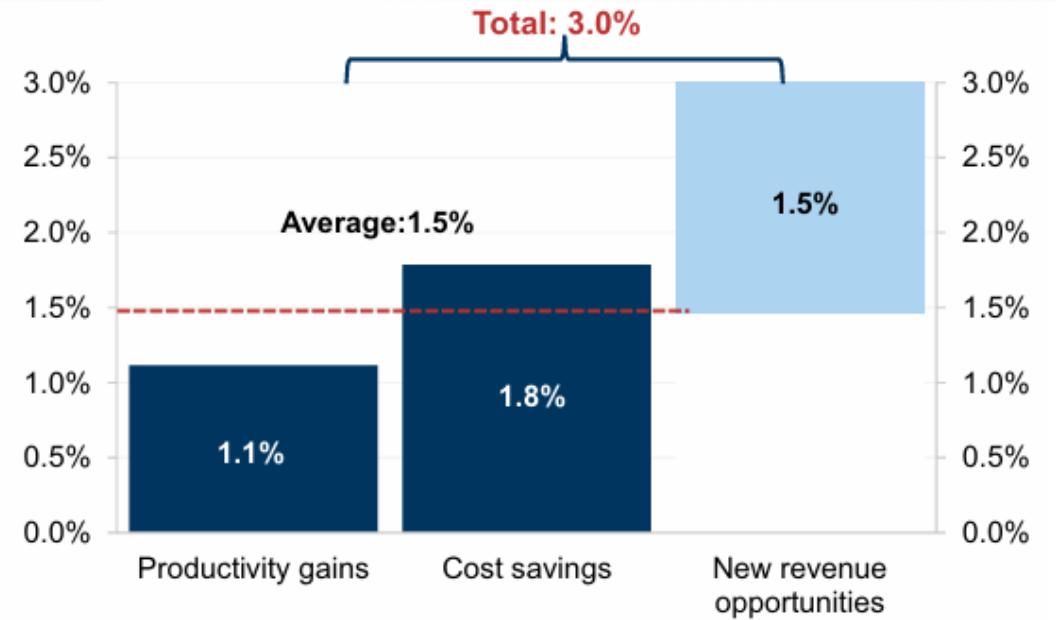
# AI Capex from China Internet Companies

- Large AI Capex and widespread AI adoption could boost Chinese EPS by 3%/year over the next decade.

China Internet Yearly Capex Forecast (US\$m)



Annual Earnings Growth Improvements Led by AI Adoption

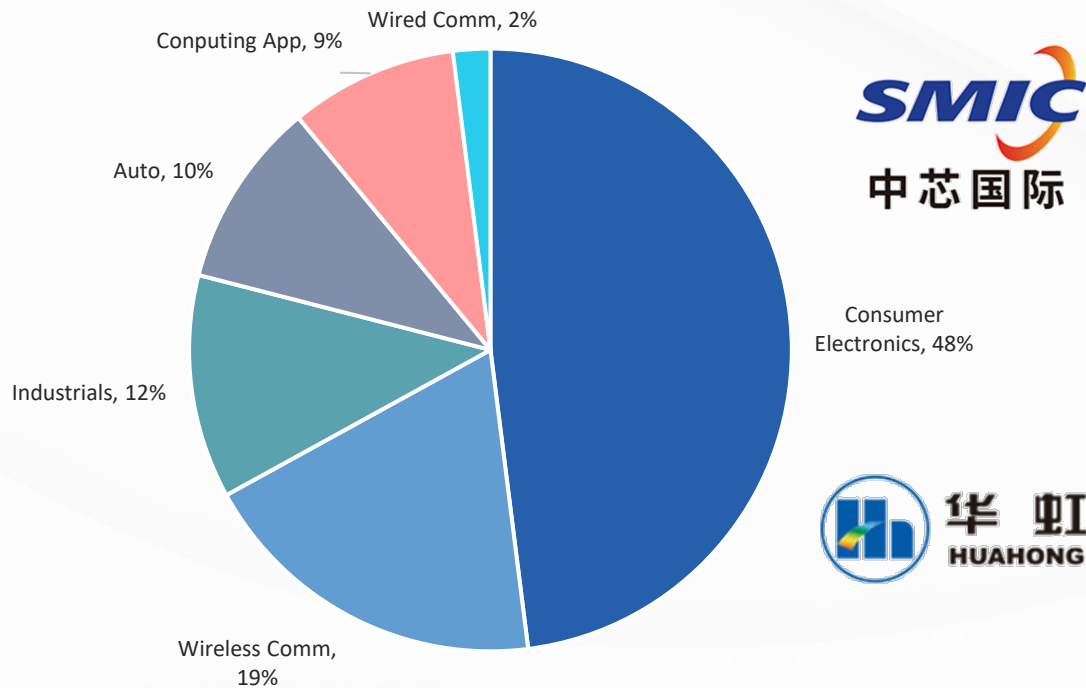


Source: FactSet, Wind, Bloomberg, Goldman Sachs Global Investment Research

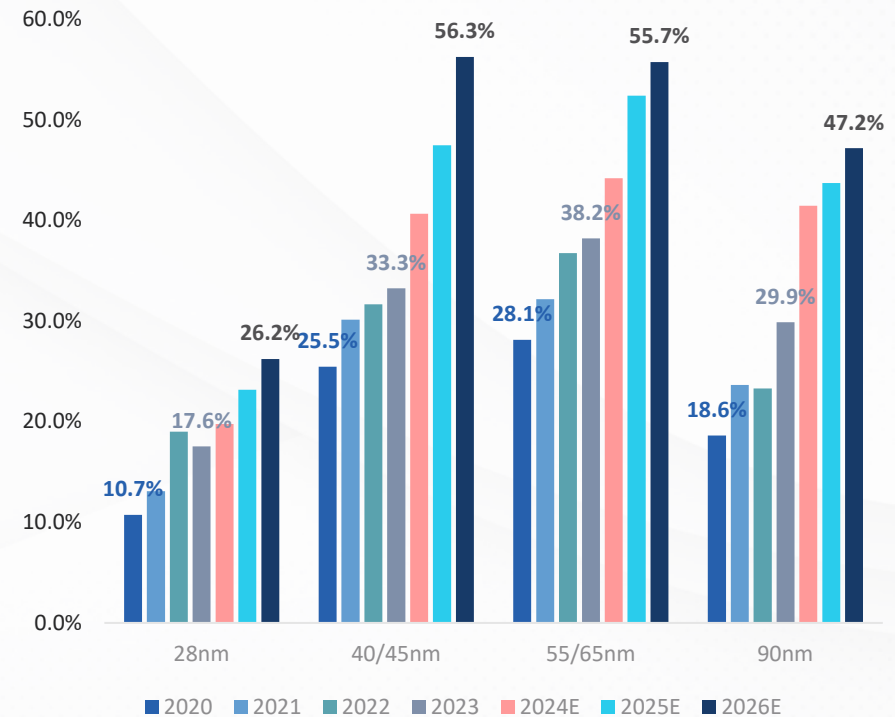
# China Drives Mature Nodes in Semiconductor Manufacturing

- China holds ~30% of global mature-node production in 2024, covering most chips for consumer electronics (48%), industrials (12%), and autos (10%), excluding AI/smartphone/server logic.
- While global foundries are cautious, Chinese players are expanding in 28-90nm nodes amid strong domestic auto/smartphone demand and overseas growth.

Chinese Foundries Revenue by Application (2023)



China Mature Process Production Capability Market Share Forecast

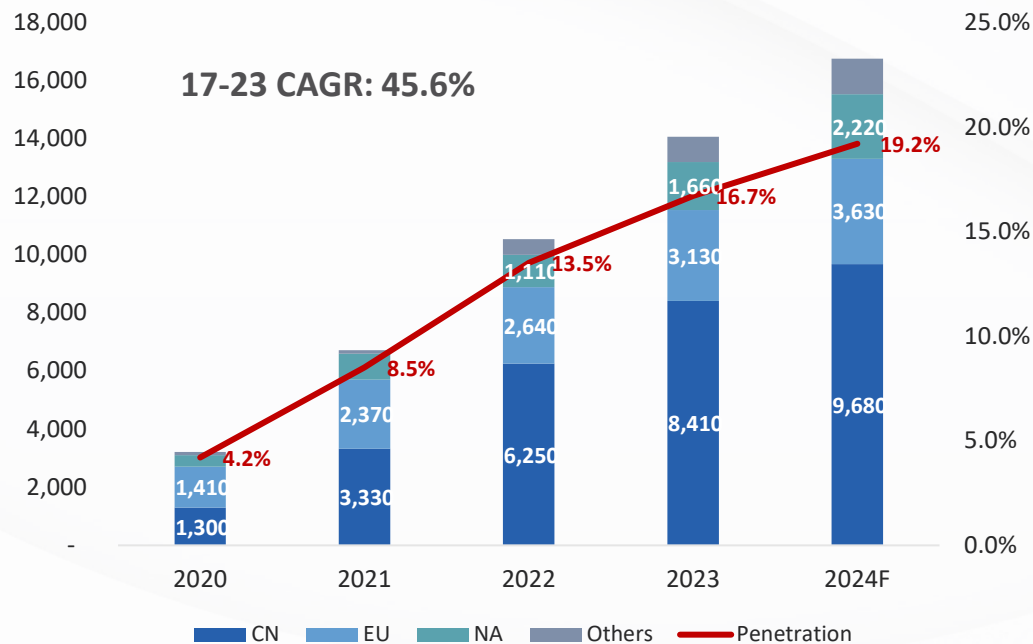


Source: CSOP, TrendForce, Omdia, Huatai Research.

# China Leads the EV Car Market

- China leads global EVs with heavy subsidies, infrastructure, ~60% of 2023 shipments (SNE Research), and tech strengths in ADAS, in-car intelligence, and platforms.
- BYD shipped ~4.1M units in 2024, over double Tesla's.

EV Car (BEV+PHEV) Market Grew Rapidly Driven by China (k Unit)



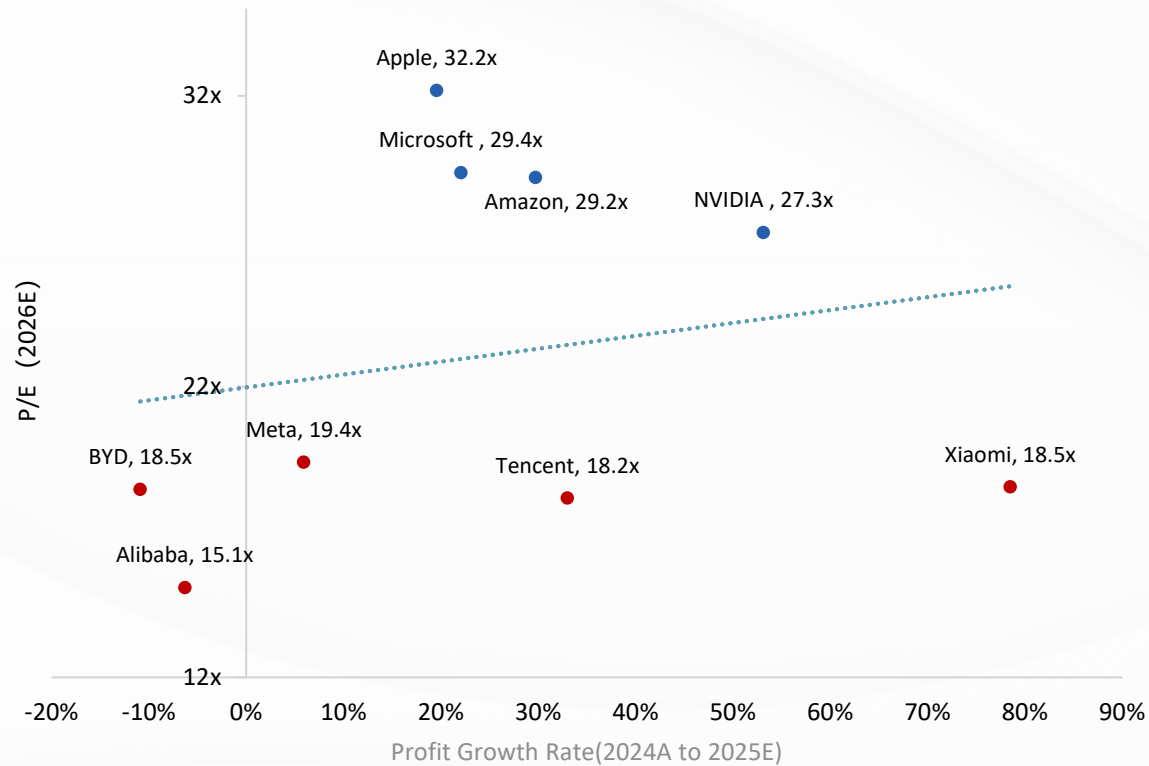
2024 Plug-in EV Car Delivery by Brands (mn Unit)



Source: CSOP, SNE Research, Statista.

# Valuation: Attractive Risk Reward in China

HK tech leaders' P/E ratios are lower than US tech leaders



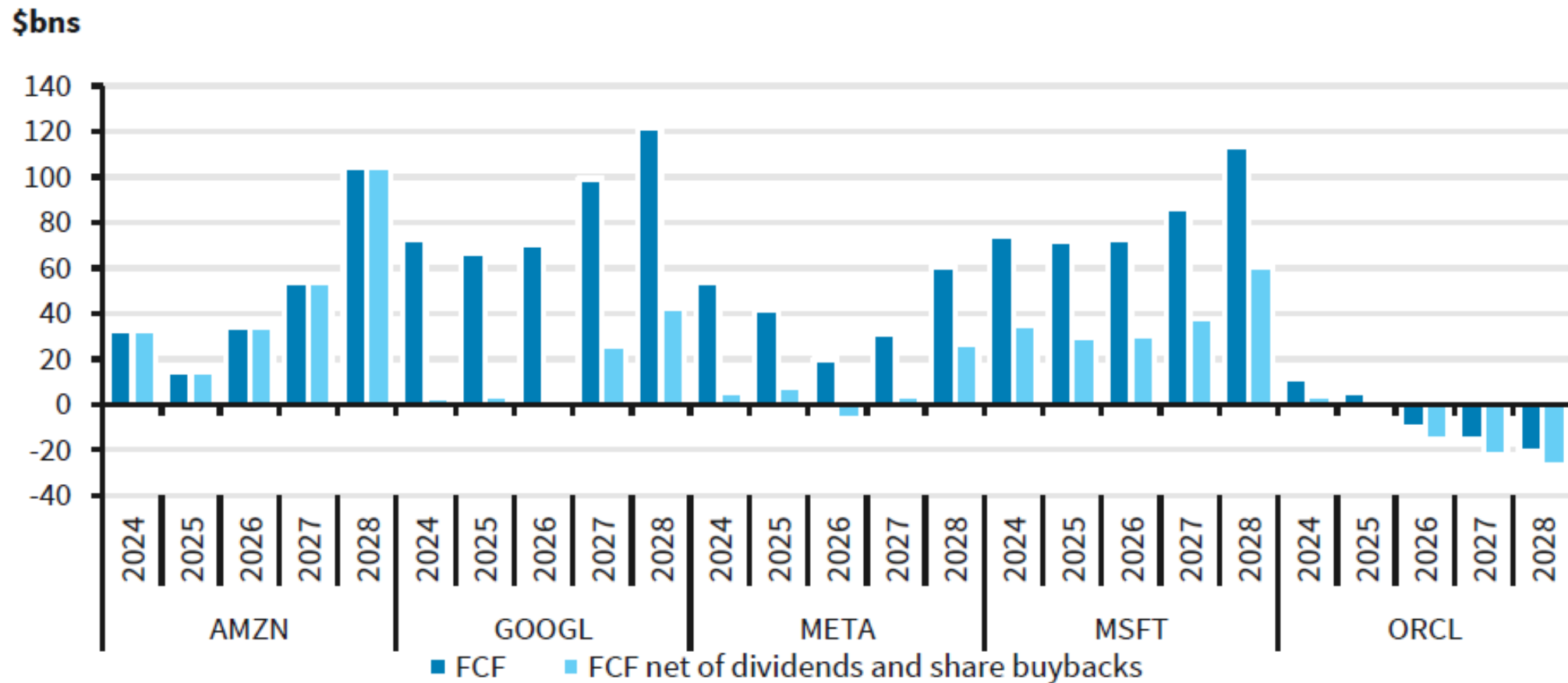
HK tech leaders' average profit growth rate is on par with US tech leaders

Ticker	Market Cap (Million USD)	P/E (2025E)	P/E (2026E)	Profit Growth Rate (2024A to 2025E)	
<b>HK</b>					
Alibaba Group Holding Limited	SEHK:9988	352,377.6	22.1x	15.1x	-6.3%
Tencent Holdings Limited	SEHK:700	739,380.6	20.4x	18.2x	33.0%
Meituan	SEHK:3690	78,665.1	n.m.	19.0x	n.m.
Xiaomi Corporation	SEHK:1810	140,140.5	23.6x	18.5x	78.5%
BYD Company Limited	SEHK:1211	122,312.2	24.2x	18.5x	-10.9%
<b>Average</b>			<b>22.6x</b>	<b>17.9x</b>	<b>23.6%</b>
<b>US</b>					
NVIDIA Corporation	NASDAQGS: NVDA	4,534,380.0	40.6x	27.3x	53.1%
Microsoft Corporation	NASDAQGS: MSFT	3,771,857.3	33.3x	29.4x	22.1%
Apple Inc.	NASDAQGS: AAPL	3,952,083.4	34.4x	32.2x	19.6%
Meta Platforms, Inc.	NASDAQGS: META	1,517,382.8	23.0x	19.4x	5.9%
Amazon.com, Inc.	NASDAQGS: AMZN	2,489,430.6	32.4x	29.2x	29.7%
<b>Average</b>			<b>32.7x</b>	<b>27.5x</b>	<b>26.1%</b>

Source: Capital IQ, as of Nov 17, 2025.

# US AI: More Divergence In Cash Flow

Free Cash Flow Net of Shareholder Return: Closer to Breakeven for Hyperscalers



# AI Internet Giants: From “Valuation Narrative” to “Real Monetization”

25Q3 Earnings:



AI Continues to Empower All Tencent Business Lines, Driving Accelerated Growth

- WeChat AI features boost efficiency; AI-driven conversions drive high-margin marketing revenue YoY **+21%**
- Video Accounts/Mini Programs/Search traffic growth + AI model upgrades improve targeting/CTR/relevance, lifting eCPM YoY; AIM+ automated ads enhance conversion efficiency.



AI Ads Become New Monetization Engine, Turning Fully Profitable in Q3

- Advertising business performed particularly strongly, with YoY growth of **+23%**; AI-sector ads YoY nearly **+90%**
- Supply: AIGC creatives 55%, AI video creatives > 60%.
- Delivery: Auto-placement penetration > 45%, efficiency improved 10%+, fueling performance ad growth.



First Disclosure of AI Revenue — Quarter’s Top Highlight




- AI-related revenue YoY more than **+50%**
- Robotaxi: Apollo Go 3.1M rides globally, YoY **+212%**



# Semiconductor Powerhouses: China for China


## Utilization & Monthly Output Hit Fresh Highs



- Utilization & monthly output at record highs: Q3 revenue YoY **+9.9%** gross margin **+25.5%**
- Utilization **+95.8%** and **1.023 M** wafers per month
- Focused on leading-edge nodes & domestic substitution: 12-inch **77%** , China **+2.1%** QoQ , CE **+2.4%** QoQ 

## Margin Beats Guidance Ceiling, Consumer Demand Remains Robust



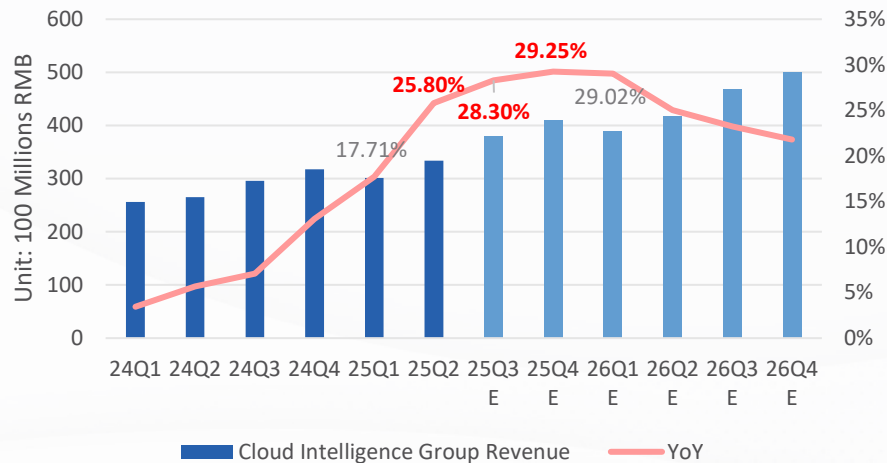
- Sustained full-capacity output with steadily rising margins: Utilization **+109.5%** gross margin **+13.5%**
- Expansion + M&A underpin continued growth: ramping the 12-inch Wuxi line and closing the strategic acquisition of Huali Microelectronics 
- Strong consumer-electronics pull drives embedded-storage platform revenue YoY **+20.4%** QoQ **+13.1%**

# AI Internet Giants: From “Valuation Narrative” to “Real Monetization”

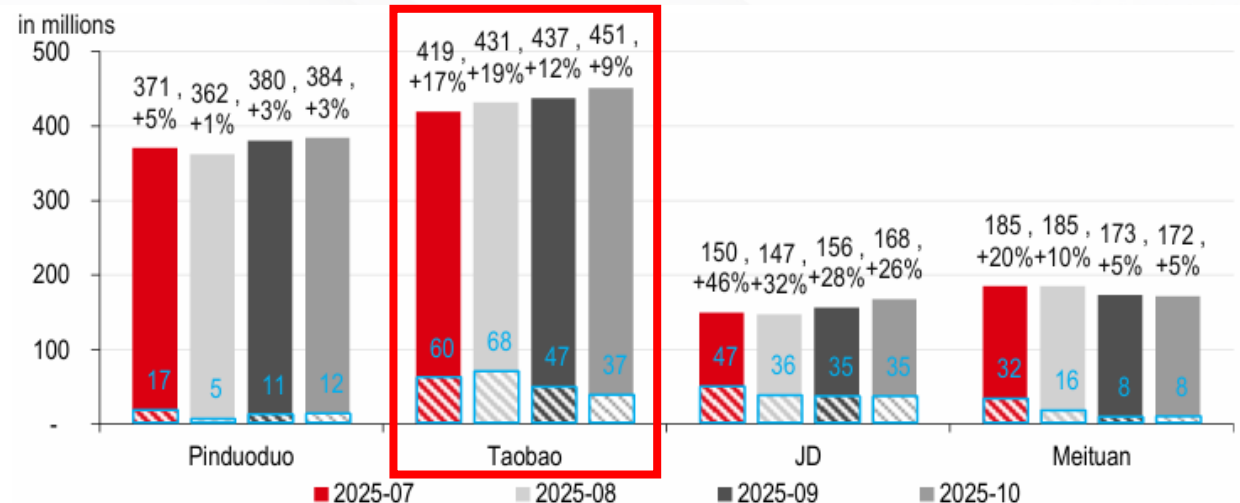
Full-Stack AI Provider: Cloud Revenue Accelerating, 2C AI Landing, Local Services Drag Margins Narrowing

- Cloud Computing Accelerating Quarterly**  
 FY25Q2 Cloud revenue RMB 33.4B, YoY +26%; AI-related revenue triple-digit growth for 8 straight quarters, now >20% of external revenue. FY25Q3 expected +28~30% YoY, trend of continued acceleration.
- Qwen 2C AI App Officially Launched**  
 Alibaba rolls out consumer-facing Qwen apps + global roadmap; Qwen models completing “AI + Cloud + Apps” closed loop.
- Food Delivery/e-Commerce Drag Peaking & Narrowing**  
 Q2 investment peaks, profit falls, but management prioritizes scale and UE. Expect peak drag in Jul-Aug, narrowing losses next quarter.

Cloud Intelligence Group Revenue



Taobao's Daily Active Users (DAU) Continue to Maintain YoY Growth



Source: Company Data, Bloomberg, HSBC, QuestMobile

Source: QuestMobile, HSBC

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