2 June 2025

Report Review of May 2025

Hong Kong | INVESTNOTES REPORTS REVIEW

PhillipCapital
Your Partner In Finance
Phillip Securities (Hong Kong) Ltd

Sectors:
Automobile & Air (Zhang Jing)
Utilities, Commodity & Banking (Margaret Li)
TMT, Semiconductors (Megan Tao)
TMT, Semiconductors, Consumer & Healthcare (Eric Li)

Automobile & Air (Zhang Jing)

This month I released 3 updated reports of Minth(425.HK), Tuopu (601689.CH) and Wanfeng(002085.CH). Among which, we prefer Minth(425.HK) and Tuopu (601689.CH).

In 2024, Minth Group reported total revenue of RMB23.15 billion (RMB, the same below), up 12.8% yoy; net profit attributable to the parent company was RMB2.32 billion, up 21.9% yoy. This was mainly attributable to the scale effect from increased turnover, the continued improvement in capacity utilisation of the battery house product line, and cost reduction and efficiency enhancement measures across various product lines, which led to a yoy increase in gross profit compared to 2023, enabling the Company to maintain a sound overall level of profitability.

During the period, the gross margin was approximately 28.9%, up 1.5 ppts yoy. It was mainly driven by the increase in segment margin of plastic products and battery house by 1.1 ppts and 2.1 ppts, respectively. Specifically, the segment gross margin of the battery house business reached 21.4%, one step closer to the 25% target.

The Company continued to optimise the operational efficiency of its global factories, strengthened the vertical integration capabilities of manufacturing processes at each site, and established benchmark factories while promoting their management models. For example, with the comprehensive capabilities of factories in Mexico and Thailand having significantly improved and stabilised, the Company has leveraged the advantageous resources of North America, Thailand, and China to reduce local operating costs in North America. It is worth noting that the Company has continued to improve the localisation rate of production in North America and Europe, thereby keeping the impact and uncertainties arising from tariffs and geopolitical factors within a controllable range and enhancing the competitiveness of its products in those regions.

The Company is actively exploring new tracks and has made forward-looking deployments in wireless charging for electric vehicles, bionic robots, and low-altitude aircraft (eVTOL), including core components such as electronic skin, smart visors, integrated joints, fuselages, and rotors. Small-batch sample deliveries were completed within the year, and cooperation agreements were reached with several leading enterprises. The cultivation of new tracks and expansion into new markets are expected to create a second growth curve, driving the Company’s sustainable development in the medium to long term.

The Company’s cash flow also improved, leading to the resumption of dividend payments after a one-year suspension and share buyback, signalling the management’s confidence in the Company’s future development.

We revised the expected EPS for 2025/2026 to 2.43/2.89（from 2.35/2.78）yuan, and introduce 2027 EPS forecast at 3.30yuan.

We believe that it is reasonable to give the Company a valuation of 10.3/8.6/7.6x P/E and 1.3/1.1/1.0x P/B for 2025/2026/2027, equivalent to target price of HK$ 27.8 and BUY rating.

In 2024, Tuopu Group reported revenue of RMB26.60 billion (RMB, the same below), up 35.02% yoy; net profit attributable to the parent company was RMB3.001 billion, up 39.52% yoy; and net profit attributable to the parent company excluding non-recurring items was RMB2.73 billion, up 35.0% yoy. In Q4 alone, the Company recorded revenue of RMB7.248 billion, up 30.63% yoy, and net profit attributable to the parent company of RMB767 million, up 38.47% yoy. For the full year 2024, gross margin was 20.8% (down 2.2 ppts), and net profit margin was 11.3% (up 0.4 ppts yoy). Despite a decline in gross margin due to intensified competition among automakers, raw material price fluctuations, and capacity expansion, the Company’s net profit margin improved against the trend, supported by strict cost control (period expense ratio dropped to 8.6%, down 0.9 ppts yoy) and increased government subsidies (RMB280 million, up RMB130 million yoy).

In Q1 2025, the Company recorded revenue of RMB5.77 billion, up 1.4% yoy, and net profit attributable to the parent company of RMB570 million, down 12.3% yoy. This was mainly due to increased expenses related to the development of new factories and businesses, as well as the impact of declining sales from downstream customers - Tesla and Seres saw their Q1 2025 sales drop by 13% and 47%, respectively.

In 2025, the Company will continue to advance its capacity expansion plans. Domestically, it plans to complete the construction of Phase 9 and Phase 10 factories in the Qianwan New District. Overseas, planning has begun for Phase 2 of the Mexico project; the Phase 1 factory in Thailand, covering 185 mu, is scheduled to commence production in early 2026; and the Poland factory is being prepared for capacity expansion to further scale up production. Seizing the rapid development opportunities in the robotics industry, the Company established an independent electric drive division to focus on the robotics business. It began cooperation with customers on linear actuators and has since launched the development of rotary actuators and dexterous hand motors. Relevant products have been sampled to customers multiple times. The Company is also actively deploying products such as robotic body structural components, sensors, foot shock absorbers, and electronic flexible skin, aiming to establish a platform-based product layout for robotics. In 2025, the Company will launch a robotics industrial base project covering approximately 150 mu. Robot products are expected to undergo rapid iteration and enter mass production based on customer demand. The robotics business is set to create a new growth curve for the Company, laying a solid foundation for sustaining rapid development.

Tuopu Group is deeply integrated with new energy vehicle manufacturers through its Tier 0.5 collaboration model. On one hand, it continues to expand its product lines through sustained R&D investment; on the other hand, it benefits from the high-growth dividends of the new energy vehicle sector. Additionally, the Company is developing electric drive actuators and other products for the robotics segment—an emerging track with trillion-level future potential—offering vast development prospects. Overall, we believe the Company possesses sustainable growth capability. We expect the EPS for 2025/2026/2027 to be 1.97/2.46/3.15. So, we revise the Company's target price to RMB 59.1 yuan, respectively 30/24/19x P/E for 2025/2026/2027, a "Accumulate" rating.

Utilities, Commodity& Banking (Margaret Li)

This month I released 2 initiation reports of MAO GEPING (1318.HK) & Shanghai Jahwa (600315.CH).

MGPIN was named after its founder, Mr. Mao Geping. The MGPIN series products adhere to the guiding principles of light and shadow aesthetics and oriental aesthetics. Among them, "light and shadow aesthetics" refers to the use of highlights and contouring techniques to make facial contours more visible. "Oriental aesthetics" encompasses aesthetic concepts and principles derived from traditional Chinese culture, and its Chinese elements resonate deeply with Chinese consumers. The fifth generation " Eastern Aura Elegance " was launched, which was created in collaboration with the Cultural and Creative Institute of the Palace Museum. The series elegantly integrates rich oriental elements into modern aesthetic concepts and cleverly incorporates the Palace Museum's century-old heritage and the essence of traditional oriental aesthetics into the products. In June 2024, the company hosted the “Nation's Pride, Parisian Radiance: Team China × MAOGEPING 2024 Collection Launch & Grand Commencement Ceremony” at Hangzhou International Conference Center. At this landmark event, the company co-launched the Splendid Aura collection and Team China Athlete Image Enhancement Kits in collaboration with TEAMCHINA. By using beauty products to set off the athletes` glory and enhance their impressive presence, the company presented a positive and uplifting brand image. In addition, during the Paris Olympics, MAOGEPING Makeup settled in the “China House”. By adding luster to the Chinese sports spirit with makeup, the company conveyed the concept of the most exquisite and beautiful Eastern aesthetics to the world. The company's oriental aesthetic brand influence had been further strengthened. Mao Gaping's hot color cosmetics products are mainly shadows, highlights and powder creams, while the hot skincare products are the luxurious caviar masks and luxurious skin-nourishing black cream. The company launched the MAOGEPING EAU DE PARFUM national style fragrance series in January 2025. This was the company's first entry into the perfume market. This move will help enrich the product matrix and enhance the company's competitiveness in the industry.

As the pride of domestic high-end beauty products, Mao Geping has actively enriched and upgraded its product matrix, launched a number of star products, enhanced brand influence, and continuously consolidated its leading position in the high-end beauty industry market. As a famous makeup artist, Mr. Mao Geping, the founder, has designed makeup for more than 40 movies, TV shows and more than 20 stage plays. His influence is obvious, which will help to enhance the company's brand influence and further expand its market share. The company's products have differentiated competitiveness in the industry and the company is actively developing overseas markets. We believe that the company's long-term growth is certain. We predict that the company's revenue will be 5.15 billion yuan, 6.69 billion yuan and 8.46 billion yuan respectively in 2025-2027. EPS will be 2.4/3.12/4.04 yuan, corresponding to the P/E of 42.7x/32.8x/25.3x. The company is given a P/E of 50 times in 2025, with a target price of HK$127.63, and our investment rating is " Accumulate ".

TMT, Semiconductors (Megan Tao)

In this month, I published two research reports on SY Holdings (6069.HK) and Meituan (3690.HK).

SY Holdings is the first "AI + industrial supply chain" digital intelligence technology company listed on the Hong Kong Main Board. While deeply rooted in national pillar industries such as infrastructure engineering, healthcare, and bulk commodities, the company is actively expanding into strategic emerging sectors like e-commerce, robotics, and intelligent computing services. Adopting a differentiated "transaction-focused, asset-light" model, SY Holdings strengthens industrial ecosystems and data connectivity through its platform-based technology services, enabling SMEs to access working capital, reduce costs, and improve efficiency. The company provides comprehensive sales and supply chain management solutions, including order and marketing management, intelligent goods receipt verification, digital inventory systems, and payment cycle optimization. As of December 31, 2024, SY Holdings has established strategic partnerships with over 10 major core enterprises and collaborated with more than 160 financial institutions. With over a decade of sustained investment in technology and talent development, the company has facilitated over 18,100 SMEs in securing cumulative orders and financing services exceeding RMB 249 billion.

In 2024, the company reported total operating income and revenue of approximately RMB 919 million, a 4.6% year-on-year decrease, primarily due to the impact of one-off transactions, partially offset by growth in its platform-based technology services. Net profit rose 36.9% to RMB 391 million, with the net profit margin increasing from 30.0% in 2023 to 42.5% in 2024. By segment, platform technology services revenue surged 103.6% to RMB 347 million, driven by strengthened ecosystem integration and rapid expansion of off-balance-sheet operations. However, digital financial solutions revenue fell 27.8% to RMB 522 million from RMB 723 million in 2023, as SMEs increasingly met their supply chain financing needs through external funding partners linked via the platform. Supply chain asset refinancing generated recognized revenue of RMB 50.9 million as of year-end 2024, down 27.8% from RMB 70.5 million in 2023. Committed to shareholder returns, the company proposed a 2024 dividend of RMB 0.35 per share, representing a 90.0% payout ratio, and announced a special dividend for 2025, with total dividends for the year expected to exceed RMB 940 million.

In 2025, the company will further accelerate its platform-driven transformation to unlock profit growth potential. We forecast 2025–2027 operating revenues of RMB 1,128/1,258 /1,299 million, with platform services expected to contribute 50.0% of total income. Net profit is projected at RMB 566 million/656 million/684 million, translating to EPS of RMB 0.59/0.68/0.71, with a current P/E ratio of 20x/18x/17x for 2025–2027. Given the company's successful platformization strategy, we assign a 28x 2025 forward P/E, deriving a target price of HK$17.50 per share, and give a "Buy" rating for the first time.

Meituan (03690.HK) was founded in 2010 and merged with Dazhong Dianping in 2015 to become China's largest comprehensive local life service platform, offering a one-stop "eat, drink, play, and entertainment" service. Through products such as Meituan, Meituan Delivery, and Dazhong Dianping, Meituan serves over 10 million annual active merchants, nearly 700 million annual active users, and over 7 million active delivery riders. The broad and deep coverage of merchants, accumulation of user data assets, and efficient delivery network form a solid moat for Meituan's business.

In the fourth quarter of 2024, Meituan reported total revenue of RMB 88.5 billion (Chinese yuan, same below), representing a year-on-year increase of 20.1% but a quarter-on-quarter decline of 5.4%. In terms of profitability, operating profit surged to RMB 6.7 billion, up 280.7% year-on-year, while adjusted net profit reached RMB 9.8 billion, marking a 125.1% year-on-year growth. By segment, core local commerce revenue in Q4 2024 rose 18.9% year-on-year to RMB 65.6 billion, with operating profit climbing 60.9% to RMB 12.9 billion. The new business segment generated revenue of RMB 22.9 billion, up 23.5% year-on-year, while its operating loss narrowed significantly to RMB 2.2 billion, reflecting a 55.0% year-on-year reduction in losses.

Meituan is a leading internet services platform that adopts a "Retail + Technology" strategy. The company has maintained its leading position in food delivery, achieved manageable competition with Douyin in local in-store services, expanded through its comprehensive city-level business model, and possesses a strong balance sheet. We project the company's 2025-2027 operating revenues to reach 393.7/440.7/494.8 billion yuan respectively, with net profits attributable to shareholders of 45.3/54.7/66.0 billion yuan, corresponding to EPS of 7/9/11 yuan.
Based on our SOTP valuation methodology, we estimate Meituan's total target market capitalization at 1,106.2 billion yuan for 2025, with a target price of HK$193. At current share price, the implied 2025-2027 P/E multiples are 17x/14x/12x. We initiate coverage with a "Buy" rating. The company's segment valuation comprises the following components:
1) Core Local Commerce is valued at 872.8 billion yuan, using an 8% weighted average cost of capital and 5% perpetual growth rate;
2) New Initiatives are valued at 102.2 billion yuan, applying a 1x 2025 P/S multiple;
3) Net cash amounts to 131.2 billion yuan.

TMT, Semiconductors, Consumer & Healthcare (Eric Li)

This month I released report of Stella International (1836.HK), China Mobile (941.HK) & China Unicom (762.HK).

Stella International (1836 HK) reported FY2024 results that again exceeded market expectations, underscoring management's strong execution under its 2023–2025 Three-Year Strategic Plan. Total revenue rose 3.5% YoY to USD 1.545 billion, with shipment volume increasing by 8.2% to 53 million pairs, despite a 4.4% decrease in average selling price (ASP) to USD 28.4 due to product mix shifts and raw material cost normalization. Gross profit grew 4.7% to USD 384 million, with gross margin expanding to 24.9%. Operating profit rose 15.7% to USD 185 million, and the operating margin widened from 10.7% to 11.9%. Net profit reached USD 170 million, up 21.2% YoY, translating to a net margin of 11.0%. The company maintained prudent capital management, with net cash rising to USD 424 million. A final dividend of HKD 0.50 and a special dividend of HKD 0.56 were proposed, bringing the full-year distribution to HKD 1.71 per share, sustaining a ~70% payout ratio with additional shareholder returns on top.

By the end of 2024, Stella had essentially achieved the core financial targets set in its 2023–2025 plan. Operating margin surpassed the 10% target ahead of schedule, and net profit CAGR exceeded the original low-teens guidance. Capacity expansion is on track, and the client base continues to diversify, with several new boutique athletic and premium fashion brands added during the year. The company remains focused on enhancing ROIC through disciplined investment and operating efficiency.

In line with its shareholder return policy, the company proposed a final dividend of HKD 0.50 and a special dividend of HKD 0.56 per share, bringing the full-year payout to HKD 1.71, or approximately USD 113 million, maintaining a ~70% payout ratio. Under its capital return program announced in August 2024, Stella also reaffirmed its commitment to return up to an additional USD 60 million annually to shareholders during 2024–2026.

Fig 1. Performance of Recommended Stocks

Time	Ticker	Company	Analyst	Rating	Price on Recommendation Date	Target Price	Expected Return	Last Month Closing Price	Last Month Return	Closing Price 2M ago	1M Price Chg
20250502	1318 HK	MAO GEPING	ML	Accumulate	108.70	127.63	17.41%	110.40	1.56%	105.82	4.32%
20250515	600315 CH	Shanghai Jahwa	ML	Neutral	24.65	25.48	3.37%	23.76	-3.61%	23.42	1.45%
20250514	6069.HK	SY Holdings	MT	Buy	12.68	17.50	38.01%	11.60	-8.52%	12.54	-7.50%
20250528	3690.HK	Meituan	MT	Buy	136.00	193.00	41.91%	138.00	1.47%	130.30	5.91%
20250509	1836.HK	Stella International	EL	Reduce	14.26	12.08	-15.29%	14.00	-1.82%	12.84	9.03%
20250521	941.HK	China Mobile	EL	Neutral	85.80	81.66	-4.83%	88.00	2.56%	156.91	-43.92%
20250530	762.HK	China Unicom	EL	Neutral	9.67	9.19	-4.96%	9.45	-2.28%	8.88	6.42%
20250512	425 HK	Minth	ZJ	Buy	18.44	27.80	50.76%	21.25	15.24%	18.60	14.25%
20250522	601689 CH	Tuopu	ZJ	Accumulate	51.53	59.10	14.69%	49.30	-4.33%	52.25	-5.65%
20250529	002085 CH	Wanfeng	ZJ	Accumulate	15.90	18.17	14.28%	16.20	1.89%	16.71	-3.05%

A stock is calculated by RMB yuan.

Source: Phillip Securities Research

PHILLIP RESEARCH STOCK SELECTION SYSTEMS

Total Return	Recommendation	Rating	Remarks
>+20%	Buy	1	>20% upside from the current price
+5% to +20%	Accumulate	2	+5% to +20%upside from the current price
-5% to +5%	Neutral	3	Trade within ± 5% from the current price
-5% to -20%	Reduce	4	-5% to -20% downside from the current price
<-20%	Sell	5	>20%downside from the current price

We do not base our recommendations entirely on the above quantitative return bands. We consider qualitative factors like (but not limited to) a stock's risk reward profile, market sentiment, recent rate of share price appreciation, presence or absence of stock price catalysts, and speculative undertones surrounding the stock, before making our final recommendation

GENERAL DISCLAIMER

This publication is prepared by Phillip Securities (Hong Kong) Ltd ("Phillip Securities"). By receiving or reading this publication, you agree to be bound by the terms and limitations set out below.

This publication shall not be reproduced in whole or in part, distributed or published by you for any purpose. Phillip Securities shall not be liable for any direct or consequential loss arising from any use of material contained in this publication.

The information contained in this publication has been obtained from public sources which Phillip Securities has no reason to believe are unreliable and any analysis, forecasts, projections, expectations and opinions (collectively the "Research") contained in this publication are based on such information and are expressions of belief only. Phillip Securities has not verified this information and no representation or warranty, express or implied, is made that such information or Research is accurate, complete or verified or should be relied upon as such. Any such information or Research contained in this publication is subject to change, and Phillip Securities shall not have any responsibility to maintain the information or Research made available or to supply any corrections, updates or releases in connection therewith. In no event will Phillip Securities be liable for any special, indirect, incidental or consequential damages which may be incurred from the use of the information or Research made available, even if it has been advised of the possibility of such damages.

Any opinions, forecasts, assumptions, estimates, valuations and prices contained in this material are as of the date indicated and are subject to change at any time without prior notice.

This material is intended for general circulation only and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. The products mentioned in this material may not be suitable for all investors and a person receiving or reading this material should seek advice from a financial adviser regarding the suitability of such products, taking into account the specific investment objectives, financial situation or particular needs of that person, before making a commitment to invest in any of such products.
This publication should not be relied upon as authoritative without further being subject to the recipient's own independent verification and exercise of judgment. The fact that this publication has been made available constitutes neither a recommendation to enter into a particular transaction nor a representation that any product described in this material is suitable or appropriate for the recipient. Recipients should be aware that many of the products which may be described in this publication involve significant risks and may not be suitable for all investors, and that any decision to enter into transactions involving such products should not be made unless all such risks are understood and an independent determination has been made that such transactions would be appropriate. Any discussion of the risks contained herein with respect to any product should not be considered to be a disclosure of all risks or a complete discussion of such risks.

Nothing in this report shall be construed to be an offer or solicitation for the purchase or sale of a security. Any decision to purchase securities mentioned in this research should take into account existing public information, including any registered prospectus in respect of such security.

Disclosure of Interest

Analyst Disclosure: Neither the analyst(s) preparing this report nor his associate has any financial interest in or serves as an officer of the listed corporation covered in this report.
Firm's Disclosure: Phillip Securities does not have any investment banking relationship with the listed corporation covered in this report nor any financial interest of 1% or more of the market capitalization in the listed corporation. In addition, no executive staff of Phillip Securities serves as an officer of the listed corporation.

Availability

The information, tools and material presented herein are not directed, intended for distribution to or use by, any person or entity in any jurisdiction or country where such distribution, publication, availability or use would be contrary to the applicable law or regulation or which would subject Phillip Securities to any registration or licensing or other requirement, or penalty for contravention of such requirements within such jurisdiction.

Information contained herein is based on sources that Phillip Securities (Hong Kong) Limited ("PSHK") believed to be accurate. PSHK does not bear responsibility for any loss occasioned by reliance placed upon the contents hereof. PSHK (or its affiliates or employees) may have positions in relevant investment products. For details of different product's risks, please visit the Risk Disclosures Statement on http://www.phillip.com.hk.

Contact Information (Regional Member Companies)

SINGAPORE
Phillip Securities Pte Ltd
Raffles City Tower
250, North Bridge Road #06-00
Singapore 179101
Tel : (65) 6533 6001
Fax : (65) 6535 6631
Website: www.poems.com.sg

MALAYSIA
Phillip Capital Management Sdn Bhd
B-3-6 Block B Level 3 Megan Avenue II,
Number 12, Jalan Yap Kwan Seng, 50450
Kuala Lumpur
Tel (603) 21628841
Fax (603) 21665099
Website: www.poems.com.my

HONG KONG
Phillip Securities (HK) Ltd
Exchange Participant of the Stock Exchange of Hong Kong
11/F United Centre 95 Queensway
Hong Kong
Tel (852) 22776600
Fax (852) 28685307
Websites**:** www.phillip.com.hk

JAPAN
PhillipCapital Japan K.K.
Nagata-cho Bldg.,
8F, 2-4-3 Nagata-cho,
Chiyoda-ku, Tokyo 100-0014
Tel (81-3) 35953631
Fax (81-3) 35953630
Website:www.phillip.co.jp

INDONESIA
PT Phillip Securities Indonesia
ANZ Tower Level 23B,
Jl Jend Sudirman Kav 33A
Jakarta 10220 – Indonesia
Tel (62-21) 57900800
Fax (62-21) 57900809
Website: www.phillip.co.id

CHINA
Phillip Financial Advisory (Shanghai) Co. Ltd
No 436 Heng Feng Road,
Green Tech Tower Unit 604,
Postal code 200070
Tel (86-21) 51699400
Fax (86-21) 60911155
Website: www.phillip.com.cn

THAILAND
Phillip Securities (Thailand) Public Co. Ltd
15th Floor, Vorawat Building,
849 Silom Road, Silom, Bangrak,
Bangkok 10500 Thailand
Tel (66-2) 6351700 / 22680999
Fax (66-2) 22680921
Website www.phillip.co.th

FRANCE
King & Shaxson Capital Limited
3rd Floor, 35 Rue de la Bienfaisance 75008
Paris France
Tel (33-1) 45633100
Fax (33-1) 45636017
Website: www.kingandshaxson.com

UNITED KINGDOM
King & Shaxson Capital Limited
6th Floor, Candlewick House,
120 Cannon Street,
London, EC4N 6AS
Tel (44-20) 7426 5950
Fax (44-20) 7626 1757
Website: www.kingandshaxson.com

UNITED STATES
Phillip Futures Inc
141 W Jackson Blvd Ste 3050
The Chicago Board of Trade Building
Chicago, IL 60604 USA
Tel +1.312.356.9000
Fax +1.312.356.9005

PhillipCapital
Your Partner In Finance
Phillip Securities (Hong Kong) Ltd

AUSTRALIA
PhillipCapital Australia
Level 10, 330 Collins Street
Melbourne VIC 3000
Tel (+61) 3 8633 9803
Fax (+61) 3 8633 9899
Website: www.phillipcapital.com.au