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Report Review of Mar 2026

Hong Kong | INVESTNOTES REPORTS REVIEW

Sectors:

Automobile & Air (Zhang Jing)

Utilities, Commodity, Consumer Discretionary (Margaret Li)

Automobile & Air (Zhang Jing)

This month I released updated reports of JOYSON(600699.CH), GWM(2333.HK), CX(293.HK), and Desay SV (002920.CH). Among them, we prefer JOYSON and GWM.

In 2025 the JOYSON's net profit attributable to owners of the parent company of approximately RMB1.336 billion (RMB, the same below), up 39.1% yoy. The Company attributes the growth in results to the gradual effectiveness of various profitability improvement and business integration measures implemented across global business regions in 2025, as well as the continued recovery in profitability of overseas operations. Through optimising and integrating its global operations, particularly achieving notable results in reducing global raw material costs and improving operational efficiency, the Company has significantly enhanced its operating performance and profitability. The Company's overall gross margin increased from 11.1% in 2022 to 14.5% in 2023, further rising to 16.2% in 2024, and continued to increase to 18.3% as of 2025. From a regional perspective, overseas markets have focused on continuously reducing raw material costs by introducing Chinese suppliers and optimising procurement prices from existing suppliers. Meanwhile, the Company's global operational improvement team has continued to optimise and enhance OEE (Overall Equipment Effectiveness) at overseas factories, while adjusting and relocating production capacity from high-cost countries/regions to low-cost countries/regions, thereby steadily driving gross margin improvement. In particular, cost improvement measures in the European region were implemented earlier and achieved significant gross margin enhancement during the reporting period. Cost improvement measures in the Americas were implemented relatively later, and gross margin is expected to improve correspondingly in the future, with profitability continuing to strengthen.

According to Frost & Sullivan, it is estimated that by 2029, the global and domestic market sizes of the automotive passive safety industry will grow to RMB213.6 billion and RMB49.7 billion, respectively, representing CAGR of 5.4% and 7.8%, respectively, from 2025. It is further expected that by 2029, the global and China automotive electronics market sizes will reach RMB3,330.3 billion and RMB1,892.6 billion, respectively, representing CAGR of 5.8% and 9.4%, respectively, from 2025. In 2024 the Company's market share in automotive safety products ranked second globally, with global and China market shares of 22.9% and 26.1%, respectively. As the Company firmly drives development through technological innovation in automotive electronics, maintaining intensive R&D investment in intelligent cockpit, intelligent driving, intelligent connectivity, vehicle-road-cloud coordination and high-voltage fast charging for new energy vehicles, it ensures sustained leadership in key technology areas and possesses long-term growth potential.

The Company has established strategic partnerships with several leading domestic and international robotics companies and has successfully launched a series of products, including AI-empowered robot head assemblies, integrated robot domain controllers and next-generation robot energy management solutions.

As a leading enterprise in automotive safety and automotive intelligence, JOYSON possesses strong R&D capabilities. Its automotive-related businesses are expected to continue benefiting from the global trends of vehicle electrification and intelligence, while its expansion into the humanoid robotics field is poised to open up a second growth curve.

We expect Joyson's EPS for 2025-2027 to be 0.88/1.19/1.43 yuan. We revised the target price of RMB 33.4 equivalent to 37.8/28.0/23.4x E P/E 2025-2027 and assign Buy ratings.

Sales volume of Great Wall Motor reached a record high of 1,324 thousand units in 2025, up 7.3% yoy, driven by the dual engines of new energy vehicles and overseas markets. Among them, EV sales reached 404 thousand units, up 25.4% yoy (the share of EVs increased by 4.4 pts to 30.5%); overseas sales volume reached 506 thousand units, up 11.7% yoy (the share of overseas sales increased by 1.5 pts to 38.2%).

Among the Company's sub-brands, Haval, WEY, Tank, Ora, and pickup recorded sales volume of 759 thousand, 102 thousand, 233 thousand, 48 thousand, and 182 thousand units, respectively, up 7.41%, up 86.29%, up 0.74%, down 23.68%, and up 2.57% yoy. The premium Tank brand maintained stable performance, while WEY delivered significant growth, with the WEY Gaoshan recording monthly deliveries exceeding 10 thousand units for three consecutive months. Against the backdrop of continuous optimisation in the vehicle sales structure, the ASP of a single vehicle increased steadily. In 2025, the Company's ASP rose up 2.7% yoy, or RMB4,400, to RMB168.3 thousand, reflecting further strengthening of the brand.

In January 2026, Great Wall Motor launched the world's first native AI full-powertrain platform — GWM One. The platform is compatible with five powertrain types: PHEV, HEV, EV, FCEV, and ICE, covering seven vehicle categories including sedan, SUV, pickup, MPV, and sports cars. It is equipped with a self-developed 6C battery cell and a 900V architecture, alongside advanced intelligent cockpit and driver-assistance technologies. The Company plans to launch more than 50 new models in the future, covering all major vehicle segments and achieving "one architecture with full-scenario adaptability". The first flagship six-seat model based on the GWM One platform, the WEY V9X, is set to debut soon. With leading specification in power, range, handling and interior design, the model is expected to further solidify the Company's brand positioning in the premium segment.

The Company has set a sales volume target of 1.8 million units for 2026, including 600 thousand units from overseas markets, equivalent to an increase of 18.6%. We expect incremental growth to mainly come from the continued rollout of overseas localised production capacity and the accelerated expansion of overseas distribution channels (currently around 1,500 outlets). The Company has established three fully integrated vehicle manufacturing plants in Thailand, Brazil, and Russia, while also operating several KD plants in Pakistan, Vietnam, and Tunisia.

The Company has set resolute strategic objectives and clear steps for new energy and high-end-oriented transformation. The roll-out of a series of new models under a strong product cycle, deeper overseas market penetration, and improving channel networks, are expected to gradually generate scale effects, supporting the Company's continued growth momentum.

Considering latest financial forecast, we revised our target price to HK\$17, equivalent to 13.2/9.5/7.6x P/E and 1.5/1.3/1.1x P/B in 2025/2026/2027. We gave the rating of "Buy".

Utilities, Commodity, Consumer Discretionary (Margaret Li)

This month I released 2 reports of MINISO (9896.HK) & CHICMAX (2145.HK).

MINISO is a global self-owned brand integrated retailer featuring IP design, mainly engaged in lifestyle home products and trendy toy cultural creations. Its core businesses include MINISO (value-for-money lifestyle products) and TOP TOY (trendy toys). Adopting an “IP collaboration + high cost-performance” model, the Company sells through a global store network covering toys, beauty, and lifestyle products. Since opening its first store in 2013, the Company has built a retail network spanning 112 countries and regions worldwide, with more than 7,700 stores globally and over 100 million cumulative registered members. Leveraging the dual-brand matrix of MINISO and TOP TOY, the Company has achieved multi-format synergies and built significant global channel advantages and user-base barriers.

The TOP TOY spin-off is approaching. In the first three quarters of 2025, TOP TOY store count reached 307, up 31% year-on-year, and revenue reached RMB1.317 billion, up 88% year-on-year. After completing Temasek strategic financing last year, its valuation has been anchored at RMB10 billion. We believe that if TOP TOY is successfully spun off while remaining a non-wholly-owned subsidiary of MINISO, it may bring multi-dimensional re-rating to the parent company through valuation premium, strategic focus, and capital-market catalysts, marking the formal value realization stage of MINISO’s “second growth curve.”

In January-February 2026, total retail sales of consumer goods reached RMB8,607.9 billion, up 2.8% year-on-year, 1.9 percentage points faster than in December last year. On a month-on-month basis, February total retail sales of consumer goods rose 0.81%. We believe MINISO is poised to become a global leading IP-driven retail platform. As its IP matrix continues to improve and globalization deepens, brand value and market share are expected to rise further. We forecast revenue of RMB21.445 billion, RMB26.163 billion, and RMB30.872 billion in 2025-2027, with EPS of RMB1.06/2.3/2.8 and corresponding P/E of 26.7x/12.4x/10.1x. We assign a target price of HK\$39.2, corresponding to 15x 2026E P/E, and maintain a Buy rating.

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
20260303	600099 CH	JOYSON	ZJ	Buy	27.37	33.4	22.03%	24.78	-9.46%	27.99	-11.47%
20260313	2333 HK	GWM	ZJ	Buy	12.39	17.00	37.21%	12.34	-0.40%	12.86	-4.04%
20260330	293 HK	CX	ZJ	Accumulate	12.31	13.6	10.48%	11.22	-8.85%	13.308	-15.69%
20260331	002920 CH	Desay SV	ZJ	Accumulate	105	121	15.24%	103.88	-1.07%	124.04	-16.25%
20260312	2145 HK	CHICMAX	ML	Buy	58.30	78.64	34.89%	52.70	-9.61%	60.30	-12.60%
20260327	9896 HK	MINISO	ML	Buy	32.24	39.20	21.59%	30.76	-4.59%	36.04	-14.65%

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 \pm 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

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