

Investments - Flash



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OPPORTUNITIES IN CHINESE TECHNOLOGY STOCKS

Prospects for substantial price increases

The recent decline of Chinese giants such as Baidu, Alibaba, and JD.com comes amid volatility fueled by dashed hopes for economic recovery and heightened geopolitical tensions. Beijing's stimulus plan was seen as insufficient to offset the lingering effects of the real estate crisis. Weak retail sales are also evident in e-commerce, while customs and political uncertainties between the US and China maintained a climate of uncertainty. As in the US, questions about the ability to monetize massive investments in AI and access to Nvidia chips in particular weighed on short-term confidence. The global ETF for Chinese internet stocks

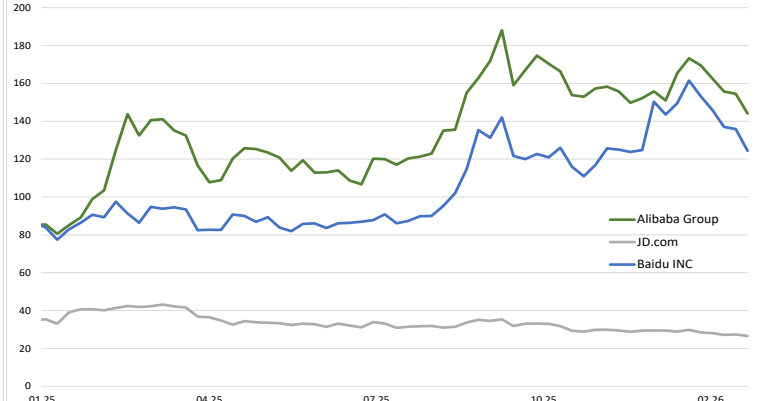
(Kweb ETF) has corrected by 30% since the beginning of October 2025. After consolidations justified by these factors, the three leading stocks in the Chinese stock market in this sector fell by 27% and 10% respectively in February alone. Profit growth estimates have been adjusted, while valuations are now attractive again. The 12-month forward P/E ratios are 15x, 19x, and 11.3x, respectively. At current prices, we believe that these three stocks have significant upside potential, while the average analyst forecast for the sector is for increases of +43%, +40%, and +49% over 12 months.



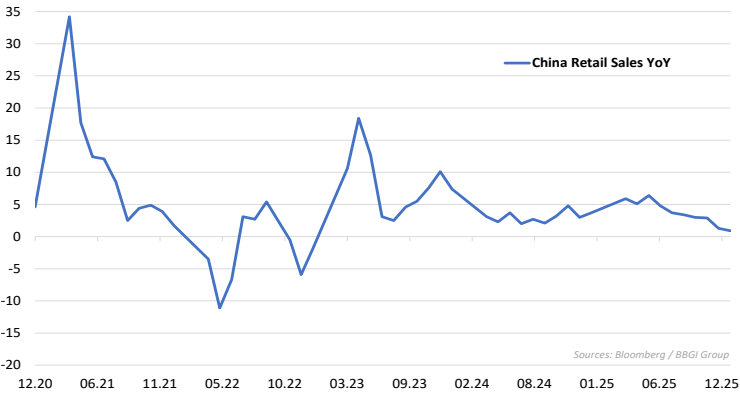
Performance of Kweb ETF



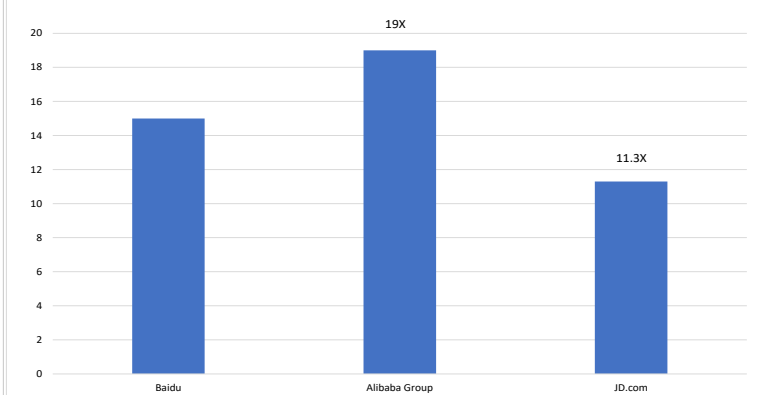
Performance of Baidu, Alibaba & JD.com



China Retail Sales YoY



PE forward of Baidu, Alibaba & JD.com



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