Capital market IPOs: the latest weapon to strengthen China's tech

- China's tech industry development has been strengthened by IPO fundraisings

- GPU and memory makers for AI, data centers, mobiles are key game changers

- BUY Chinese giant tech plays on IPO upsides; BABA80, TENCENT80, BIDU80

China's coming tech IPOs fuels the US-China AI tech war

China has accelerated development of AI-GPU chip/memory industries for self-sufficiency. The surge in listings has been led by Moore Threads (IPO on 5 Dec) and MetaX (IPO on 17 Dec) that signaled surging demands for future national champions. Besides GPU maker MiniMax IPO (USD4b) in Jan-26E, the pipeline tech IPOs are 1) Kunlunxin, Baidu's AI chip division (USD3b); 2) Biren, an AI chip maker (USD0.6b); 3) Iluvatar CoreX, an AI chip maker (USD0.3b); 4) Enflame Technology, Tencent-backed formed by ex-AMD employee (RMB2b); 5) GigaDevice, a designer for memory chip (USD1b); 6) Montage, a maker for memory interface chips for data centers (USD1b); 7) ChangXin Memory, a memory chip maker for mobiles (RMB300b); and 8) Yangtze Memory, a designer/manufacturer of 3D NAND flash memory (USD40b).

HKEX, India's Exchanges, and Shanghai's Star Market ranked 1, 3, 5 in IPOs

The series of IPOs in 2025 has already propelled Hong Kong Stock Exchange (HKEX) as the world's No 1 fundraising venue with 106 listing to raise USD35.4b (HKD275b). Thanks to China's innovations, global investors returned with a vengeance to HKEX. Four IPOs in HKSE in 2025 featured in the world's top 10 IPOs, including Contemporary Amperex Technology (CATL), the world's largest IPO in 2025 (HKD41b IPO in May) until last week when it was eclipsed by US biotech Medline which raised USD6.26b on the Nasdaq on 17 Dec-25. NYSE ranked second with fundraising worth USD21.4b vs HKEX's USD35.4b, followed by India's two main exchanges (USD21.4b), Nasdaq (USD20b), Shanghai's Star Market (USD13.9b).

Tech IPO frenzy in HKEX mirroring China's fast-lane tech development

Triggered by DeepSeek's initiatives and sweeping reforms for state-to-private enterprise to lead the trend, global capital flows to HKEX. With implementation of the Chapter 18A and 18C listing rules for unprofitable start-ups, 88 biotech and specialist tech firms seek for IPOs in HKEX. "Technology Enterprises Channel" launched by HKEX in May allows specialist tech/biotech firms to list in more efficient and confidential ways to avoid early disclosure of commercial data, further attracting Chinese tech firms like GPU maker Biren Tech and AI firms Zhipu and Minimax Group.

HKEX and China's stock markets likely outperform U.S. stock markets in 2026

We think the coming strong pipelines of IPOs and low valuations could lead to Chinese stock markets to outperform U.S. in 2026. Hang Seng Tech index jumped by 47% YTD with Hang Seng Index up by 32%, far outpacing 21% increase for Nasdaq in 2025. HKEX also drew companies from overseas, including Kazakhstan, Singapore, Thailand and UAE, propelling the average daily turnover up 43% y-y to HKD231b.

Buy Chinese tech giants on coming IPO upsides

We recommend buying Chinese tech stocks ahead of the 2026 outperformance, driven by the strong IPO pipelines and the insatiable demands for Chinese tech stocks from Chinese investors and the projected net profit growths from AI and tech demands. Our top picks are BIDU80 (TP THB5.5), BABA80 (TP THB9.11), TENCENT80 (TP THB29).

Analyst

Suwat Sinsadok, CFA, FRM, ERP
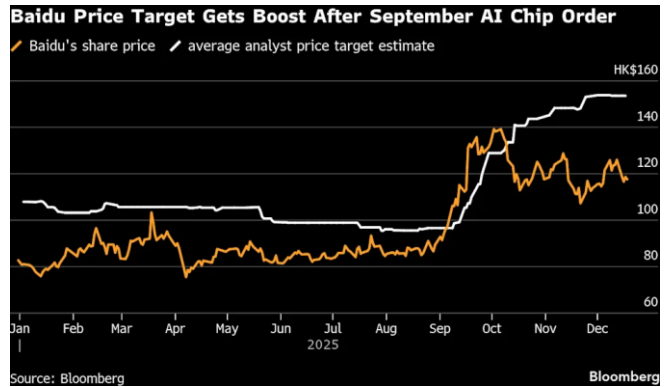suwat.s@globlex.co.th,
+662 687 7026

Siriluck Pinthusoonthorn
Siriluck@globlex.co.th,
+662 672 5806

Assistant Analyst
Peerayu Sirivorawong

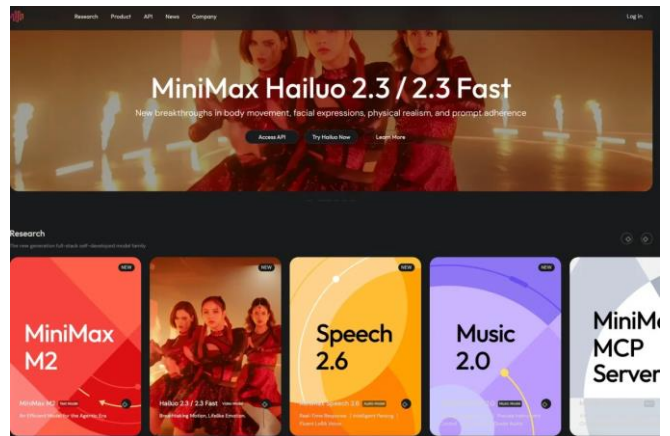## Exhibit 1: China's chip-focused index vs benchmark index

Sources: Bloomberg

Exhibit 2: Baidu's share price
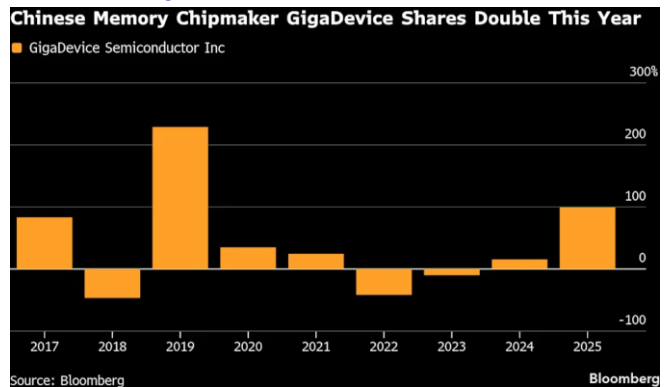

Sources: Bloomberg

Exhibit 3: Biren chip

Sources: South China Morning Post

Exhibit 4: Minimax

Sources: South China Morning Post

Exhibit 5: Baidu's share price

Sources: Bloomberg

Exhibit 6: GigaDevice's share price doubles in 2025

Sources: Bloomberg

GENERAL DISCLAIMER
Analyst Certification

Suwat Sinsadok, Register No. 020799, Globlex Securities Public Company Limited

The opinions and information presented in this report are those of the Globlex Securities Co. Ltd. Research Department. No representation or warranty in any form regarding the accuracy, completeness, correctness or fairness of opinions and information of this report is offered by Globlex Securities Co. Ltd. Globlex Securities Co. Ltd. Accepts no liability whatsoever for any loss arising from the use of this report or its contents. This report (in whole or in part) may not be reproduced or published without the express permission of Globlex Securities Co. Ltd.

RECOMMENDATION STRUCTURE
Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY: Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.
* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

Overweight: The industry is expected to outperform the relevant primary market index over the next 12 months.

Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.

Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.