

# Greater China Semiconductors

## China's New Rmb2tn AI Investment Plan Positive for Domestic AI Supply Chain

### CITI'S TAKE

Bloomberg reported on June 9<sup>th</sup> that China is preparing to invest Rmb2tn (US\$295bn) over the next 5 years on data centers/networks to support its domestic AI sector. Chinese telcos will operate the data centers using at least 80% local AI accelerators. We view the new initiative as positive to: 1) foundries **SMIC, Hua Hong** (both covered by Laura Chen); 2) OSATs **JCET, Tongfu**, 3) equipment suppliers **ASMP, Vital DeepTech**; and 4) AI accelerator vendors; given a clearer roadmap ahead for China's AI localization. The 80%+ AI chip localization target should be achievable as domestic AI chip vendors have effectively captured the commanding majority of China's AI accelerator market this year with Nvidia H200 import largely stalled. This may also be more constructive to smaller AI chip vendors as state-funded data centers are more willing to purchase from a broader range of suppliers, in our view.

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Figure 1. China AI Accelerator Comparison

Vendor	Model	Node	Performance (PFLOP)		Memory		
			FP16	FP8	Type	Size	Bandwidth
Nvidia	H200	4nm	2.0	4.0	HBM3e	141GB	4.8 TB/s
Nvidia	H20	5nm	0.3	0.6	HBM3	96GB	4.0 TB/s
Huawei	910B	7nm	0.4	0.8	HBM2e	64GB	1.6 TB/s
Huawei	910C	7nm	0.8	1.6	HBM2e	96GB	3.2 TB/s
Huawei	920	6nm	0.9	1.8	HBM3	128GB	4.0 TB/s
Huawei	950 PR	6nm	1.0	2.0	HBM3e	192GB	1.6 TB/s
Huawei	950 DT	6nm	1.0	2.0	HBM3e	256GB	4.0 TB/s
Cambricon	S590	7nm	0.3	0.6	HBM2e	64GB	1.6 TB/s
Cambricon	S690	7nm	0.7	1.4	HBM3	96GB	2.4 TB/s
Baidu (Kunlun)	P800	7nm	0.3	0.7	HBM2e	64GB	0.8 GB/s
Baidu (Kunlun)	P900	7nm	0.5	1.0	HBM3	96GB	1.6 TB/s
Biren	BR100	7nm	1.0	2.0	HBM2e	64GB	1.2 TB/s
Iluvatar CoreX	V100	7nm	0.2	0.4	HBM2e	32GB	2.4 TB/s
Iluvatar CoreX	V200	7nm	0.4	0.8	HBM3	64GB	2.3 TB/s
MetaX	C500	7nm	0.2	0.4	HBM3	48GB	0.8 GB/s
MetaX	C600	6nm	0.3	0.6	HBM3	80GB	1.6 TB/s
Moore Threads	S4000	7nm	0.1	0.2	GDDR6	48GB	0.8 GB/s
Moore Threads	S5000	7nm	0.5	1.0	HBM	80GB	1.6 TB/s

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Source: Citi Research

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Figure 2. Share Price Movement – by Sectors

9-Jun-2026	1W	1M	3M	6M	12M
Foundry	-4.8%	13.6%	32.9%	43.6%	158.9%
OSAT	-1.7%	28.3%	31.1%	61.8%	103.9%
Equipment - Front end	4.8%	17.6%	35.2%	49.3%	127.5%
Equipment - Back end	4.6%	20.1%	62.7%	142.4%	306.8%
CPU / SoC	-6.6%	-8.6%	13.3%	27.2%	54.3%
GPU / ASIC	0.5%	-8.2%	34.4%	0.4%	34.8%
Memory	2.2%	16.6%	51.2%	81.9%	265.2%
SiPh / CPO	5.0%	18.1%	82.4%	183.8%	743.2%
Analog	2.2%	10.9%	39.5%	68.3%	70.9%
Power - IDM & Fabless	1.7%	21.5%	22.1%	52.0%	90.2%
Power - Wide Bandgap	0.9%	13.7%	24.5%	26.0%	43.7%
CIS	-2.6%	-5.4%	-10.1%	-8.1%	-11.6%
RF	0.5%	-8.5%	-1.9%	12.3%	15.2%
EDA / Design service	2.4%	-1.0%	7.3%	21.0%	68.0%
Wafer	20.0%	22.9%	48.3%	53.0%	68.6%
Materials	11.5%	11.8%	48.2%	94.6%	151.7%

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