

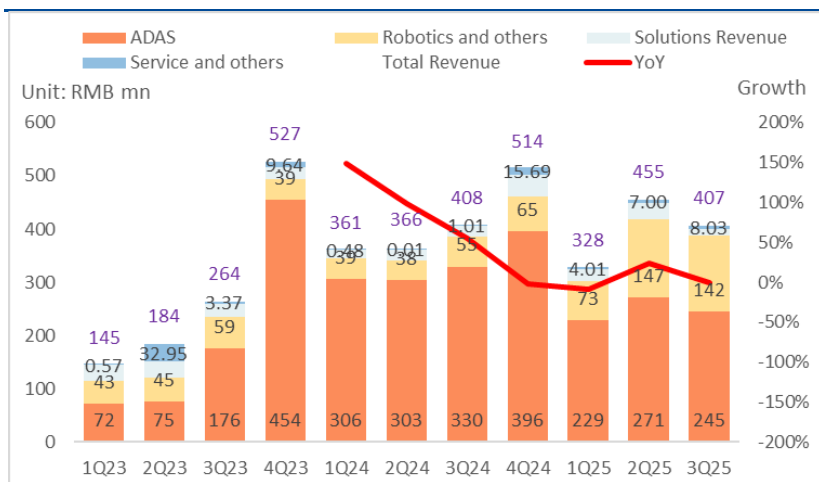
What's Hot Today:

► China LiDAR – Robotic applications as new growth driver

The LiDAR industry is witnessing robust growth, with Chinese firms dominating globally via scale and cost advantages. The strong volume comes in two-fold, namely ADAS applications and robotics usage. At a unit price of below RMB2k, even a sub-RMB150k NEVs can be equipped with a LiDAR to enhance its ADAS function. Furthermore, the affordable pricing is also stimulating adoption in robotics applications (industrial, logistics, household).

RoboSense (2498 HK, HK\$31.88, HK\$15.1bn) reported a 3Q25 revenue of RMB407mn (flat YoY, -11% QoQ) despite strong volume amid ASP pressure. Its LiDAR shipments rose 14.3% YoY to 150.1k units, and the company has secured 144 design wins with 32 OEMs, underscoring its leading position. The ASP in ADAS products fell from around RMB2.5K to RMB1.6K, driving ADAS revenue down to RMB245mn (-26% YoY, -10% QoQ) despite higher volume. In robotics and others, shipments surged 393% YoY to 35.5k units, lifting revenue contribution from 13.5% to 35%. This growth was driven by strong demand for lower-priced EIR and Airy products, while the higher mix of these offerings reduced ASP from about RMB7.7K to RMB4K. Solutions revenue declined by 46% to RMB11.9mn as ASP per project rose from RMB185.5k to RMB442.4k but the number of projects fell sharply from 119 to 27.

Fig 1: Total Revenue (RMB'mn)



Source: Company Data, Sunwah Kingsway Research

China & HK Indices	CLOSE	1D	YTD
HSI	26,095	0.2%	30.1%
HSCEI	9,182	0.1%	26.0%
HSCCI	4,277	0.8%	13.1%
CSI300	4,554	-0.5%	15.7%
Shanghai A	4,086	-0.4%	-5.8%
Shanghai B	251	-0.2%	-5.8%
Shenzhen A	2,576	-0.7%	25.8%
Shenzhen B	1,296	-0.2%	6.9%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	47,474	0.4%	11.6%
S&P 500	6,829	0.2%	16.1%
Nasdaq	23,413	0.6%	21.2%
Nikkei Index	49,643	0.7%	24.4%
FTSE Index	9,701	-0.0%	18.7%
CAC Index	8,074	-0.3%	9.4%
DAX Index	23,710	0.5%	19.1%

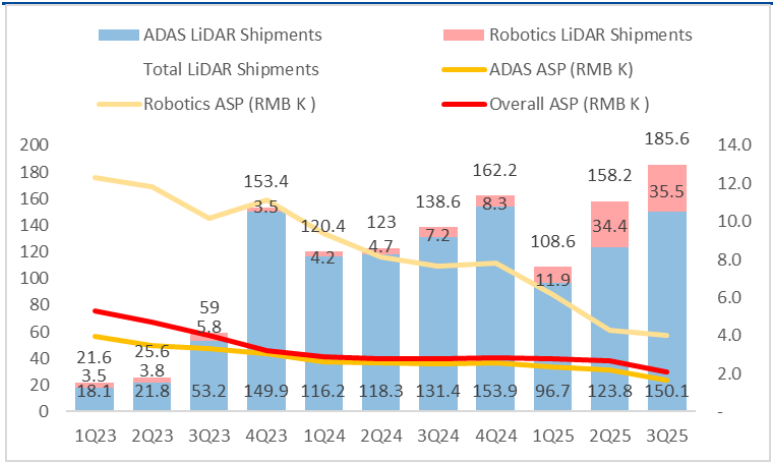
Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	4,205	-0.6%	60.3%
STEEL (US\$/oz.)	2,434	0.2%	36.3%
SILVER (US\$/oz.)	58	0.8%	101.8%
CRUDE OIL (US\$/bbl)	58	-1.1%	-18.2%
COPPER (US\$/oz.)	11,145	-0.4%	27.1%
ALUMINIUM (US\$/oz.)	2,865	-0.1%	12.3%
PLATINUM (US\$/oz.)	1,644	-1.3%	80.1%
ZINC (US\$/oz.)	3,062	0.2%	2.8%
WHEAT (US\$/bu)	537	1.3%	-2.5%
CORN (US\$/bu)	450	0.5%	-1.2%
SUGAR (US\$/lb)	N/A	N/A	N/A
SOYBEAN (US\$/bu)	1,124	-1.1%	8.8%
PVC (US\$/t)	N/A	N/A	-18.9%
CRB	300	-0.2%	3.0%
BDI			159.1%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.785	0.860	155.880	0.803	7.071
HKD	0.128		0.111	20.022	10.313	0.908
EUR	1.163	9.051		181.160	1.072	8.209
JPY	0.006	4.995	0.552		0.515	0.045
CHF	1.245	9.696	1.072	194.209		8.799
RMB	0.141	1.101	0.122	22.061	0.114	

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece	N/A	N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	16	-19.2%

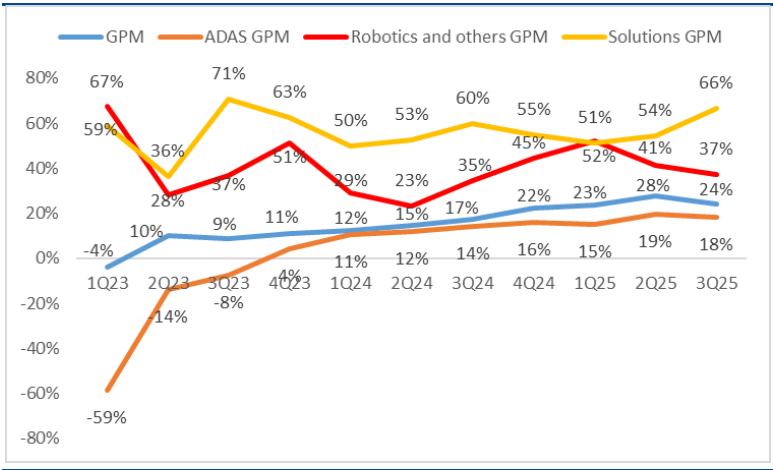
Source: Bloomberg

Fig 2: Breakdown of Lidar Shipments and ASP



Source: Company Data, Sunwah Kingsway Research

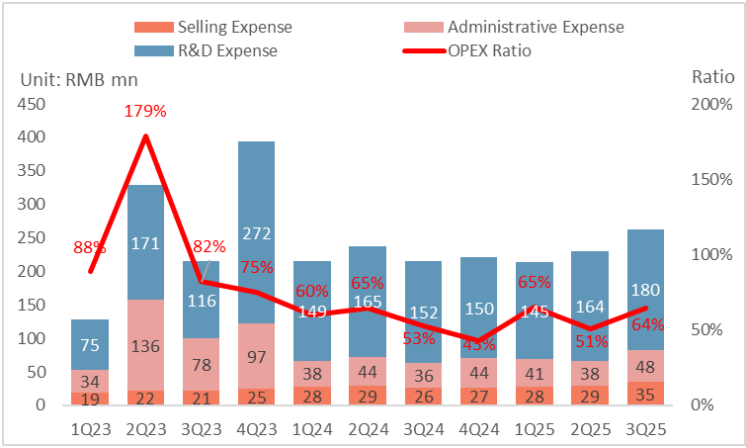
Fig 3: Breakdown of GPM



Source: Company Data, Sunwah Kingsway Research

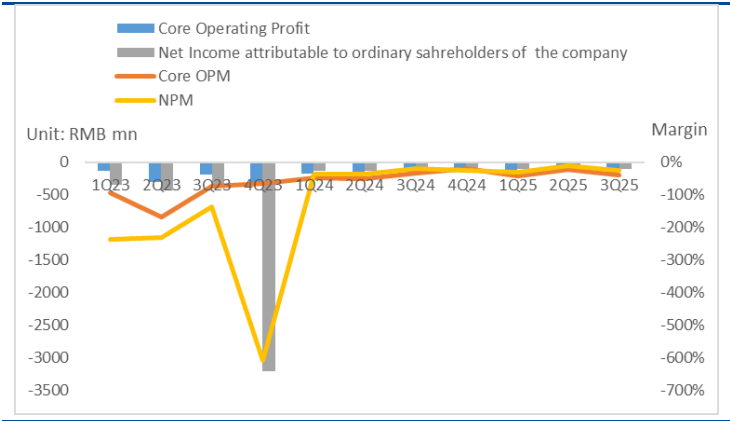
GPM improved from 17% to 24% YoY on economies of scale in ADAS and robotics. OPEX to revenue ratio increased from 53% to 64% due to higher sales expenses and R&D spending. As a result, core operating and net losses widened YoY to roughly RMB165mn and RMB101mn, respectively. Although there is solid presence in the automotive and robotics applications, near-term profitability is still constrained by ASP.

Fig 4: Breakdown of OPEX



Source: Company Data, Sunwah Kingsway Research

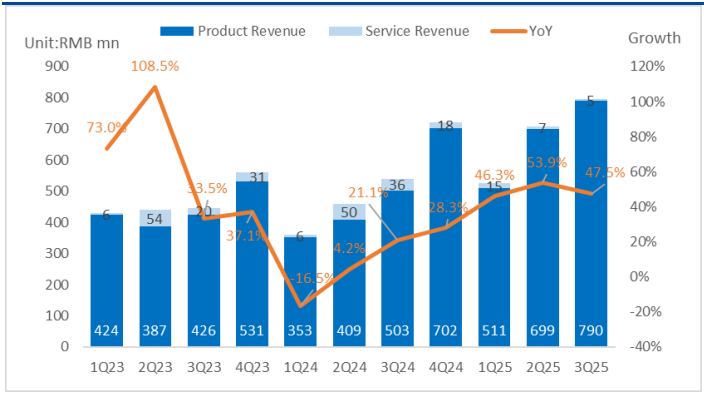
Fig 5: Breakdown of Profitability



Source: Company Data, Sunwah Kingsway Research

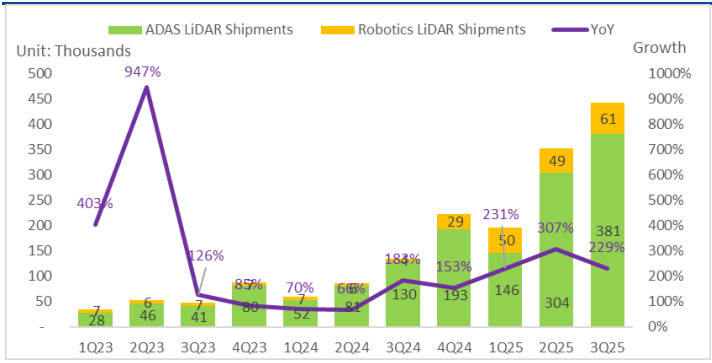
Hesai Group (2525 HK, HK\$150.60, HK\$23.5bn) posted a 48% YoY gain in 3Q25 net revenue of RMB795mn, ahead of market expectations, driven by strong LiDAR shipments. Total shipments reached 441.4k units, including 380.8k for ADAS and 60.6k for robotics, representing a 193% and 13x YoY growth, respectively. The jump was mainly supported by the large-scale ramp-up of the lower-priced ATX series. Blended LiDAR ASP was around RMB1.8K, consistent with the company’s “penetration-led, ASP-normalization” strategy. GPM came in at 42.1% in 3Q25, down from 47.7% a year ago, as scale-driven unit cost reductions in ADAS were offset by a lower contribution from higher-margin services.

Fig 1: Total Revenue (RMB'mn)



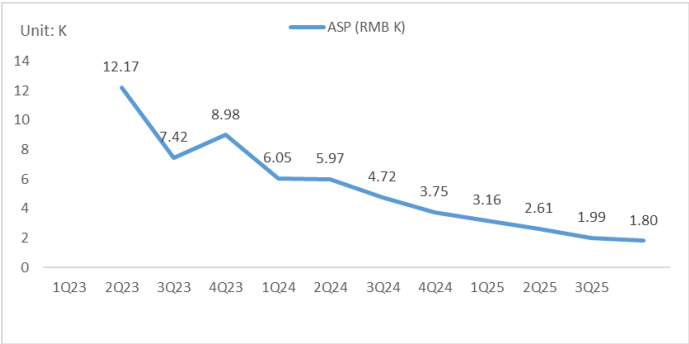
Source: Company Data, Sunwah Kingsway Research

Fig 2: Breakdown of Lidar Shipments



Source: Company Data, Sunwah Kingsway Research

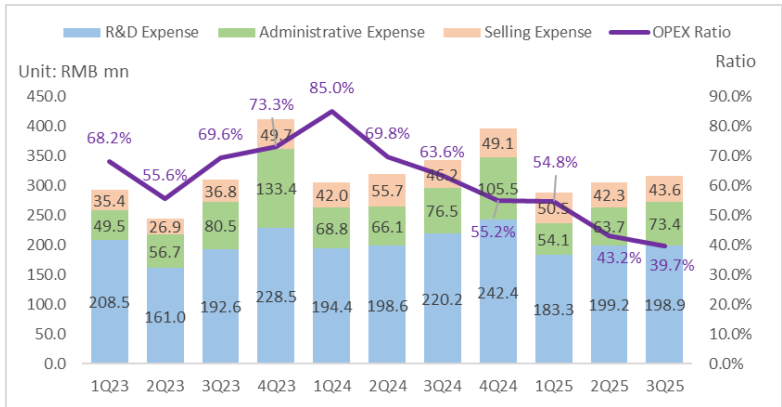
Fig 3: Breakdown of Lidar ASP



Source: Company Data, Sunwah Kingsway Research

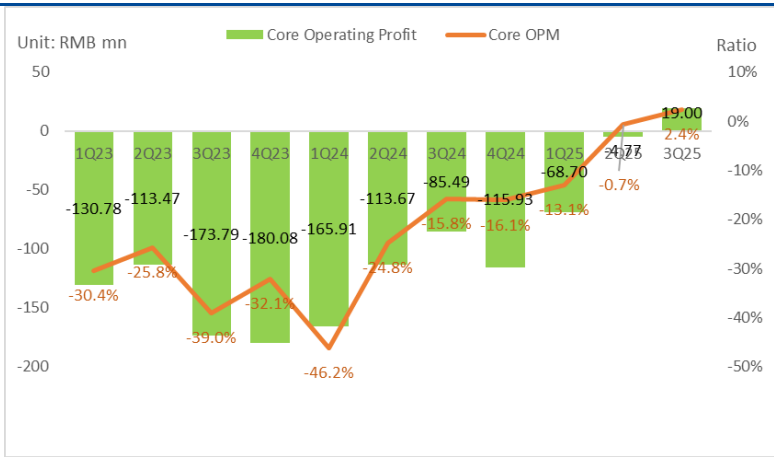
Hesai also delivered its first core operating profit as cost discipline paid off. The OPEX ratio fell to 39% of revenue from 64% in 3Q24, and total operating expenses declined by 8% YoY despite strong top-line growth, due to lower personnel and professional services costs and benefit in scale. Core operating profit turned positive to RMB19mn from a loss of RMB85mn a year earlier, implying a core OPM of 2.4%. Including disposal income of RMB173mn, attributable net profit reached RMB256mn versus a loss of RMB70mn in 3Q24. Excluding this one-off gain, underlying net margin was 13.8% for the quarter, marking a clear earnings inflection.

Fig 4: Breakdown of OPEX



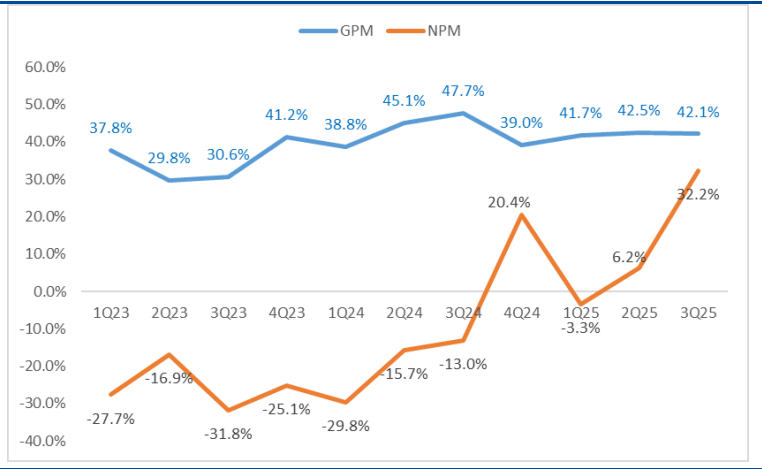
Source: Company Data, Sunwah Kingsway Research

Fig 5: Breakdown of Core Operating Profit



Source: Company Data, Sunwah Kingsway Research

Fig 6: Breakdown of Profitability

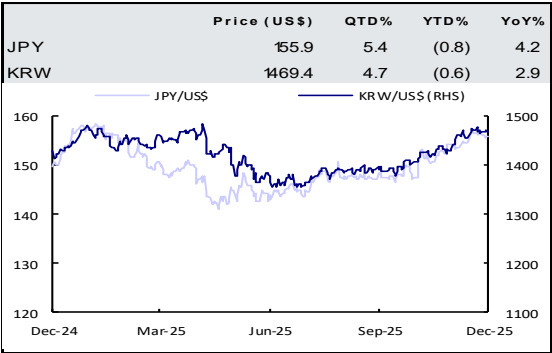
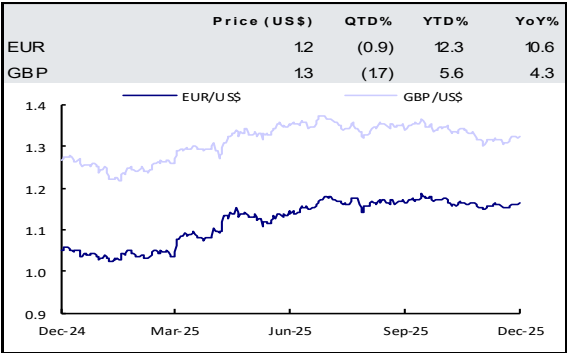
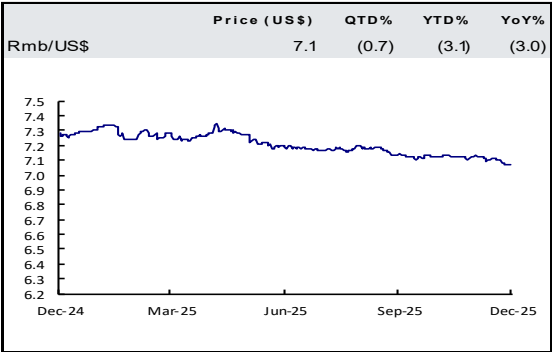
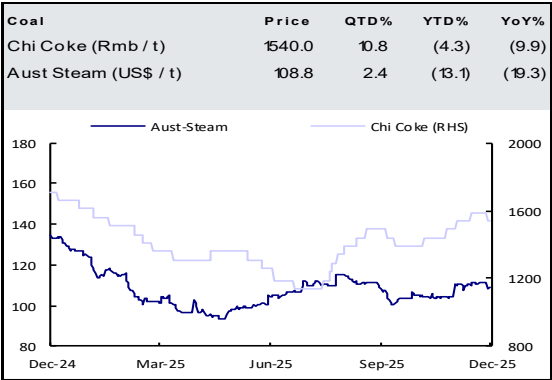
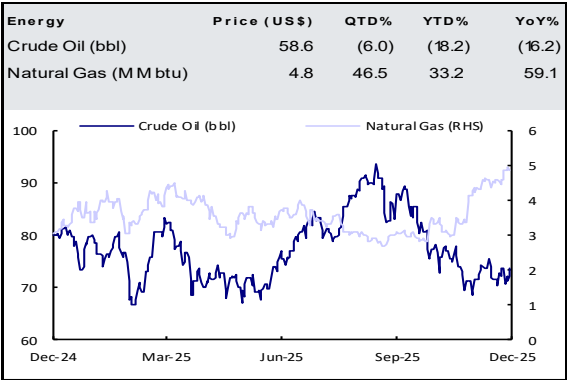
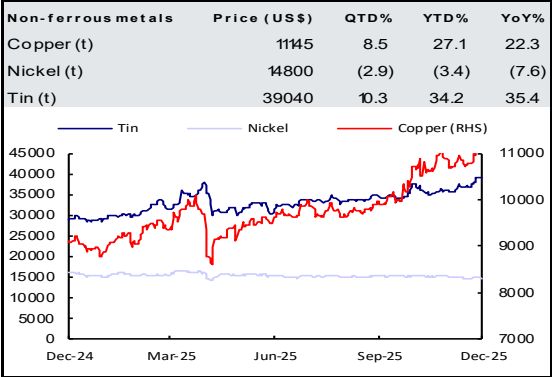
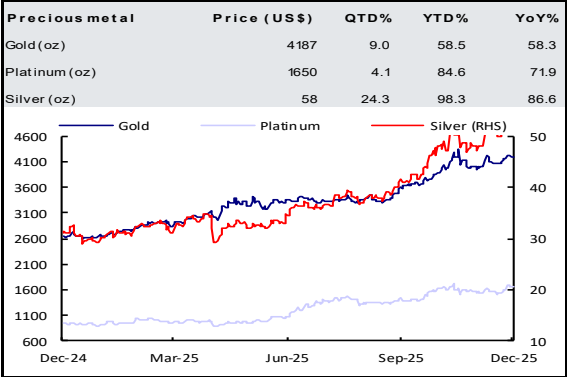


Source: Company Data, Sunwah Kingsway Research

Our views: With L3 regulations taking effect, OEMs are moving towards full-line LiDAR adoption. In addition to increase application of LiDAR in robots, the segment is shifting from a “premium feature” to a “safety necessity,”. Both companies posted strong growth in robotics usage this quarter and this will likely be the near-term growth driver.

With this backdrop, we see better short-term earnings leverage at RoboSense. Its Mgt noted that 3Q was mainly driven by legacy products, while its self-developed SPAD-SoC digital chip has achieved architecture-level simplification and is now in volume delivery, offering high performance with better reliability. Shipments reached a record 120k units in October, and the company targets around 400k units in 4Q. As the new platform scales and in-house chips drive further cost reduction, RoboSense guides for a 4Q break-even, implying higher near-term earnings elasticity versus Hesai. The counter is trading at 3.3x EV/Revenue for FY26E. (Research Department)

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Trade Balance	MoM		2-Dec-25
Wholesale Inventories	MoM		2-Dec-25
PPI	MoM		2-Dec-25
Housing Starts / Building Permits	MoM		2-Dec-25
New home Sales	MoM		2-Dec-25
Durable Goods Orders	MoM		2-Dec-25
Factory Orders	MoM		2-Dec-25
Industrial Production	MoM		3-Dec-25
Initial Jobless Claims	WoW		4-Dec-25
Personal Income & Spending	MoM		5-Dec-25
Retail Sales	MoM		8-Dec-25
Business Inventories	MoM		15-Dec-25
Employment Report	MoM		16-Dec-25
CPI	MoM		18-Dec-25
Existing Home Sales	MoM		19-Dec-25
Consumer Confidence	MoM		23-Dec-25
GDP	QoQ		23-Dec-25
ISM Manufacturing PMI	MoM		5-Jan-26
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Foreign Exchange Reserves	QoQ		7-Dec-25
Trade Balance	MoM		8-Dec-25
Money Supply - M2	MoM		9-Dec-25
PPI	MoM		10-Dec-25
CPI	MoM		10-Dec-25
Retail Sales	MoM		15-Dec-25
Industrial Production	MoM		15-Dec-25
PMI Manufacturing	MoM		31-Dec-25
GDP	YoY		

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
PMI	MoM		3-Dec-25
Foreign Currency Reserve	MoM		5-Dec-25
Producer Prices Index	QoQ		15-Dec-25
Industrial Production	QoQ		15-Dec-25
Unemployment Rate	MoM		16-Dec-25
CPI	MoM		22-Dec-25
Trade Balance	MoM		29-Dec-25
Money Supply - M2	MoM		31-Dec-25
Retail Sales	MoM		2-Jan-26
GDP	QoQ		30-Jan-26
Composite Interest Rate	MoM		

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