Morning Snapshot

SUNWAH KINGSWAY

18 December 20<u>25</u>

Hong Kong & China Market Daily

What's Hot Today:

China Autonomous Driving – L3 vehicles approved for highway trials

In a significant regulatory move, the Ministry of Industry & Information Technology (MIIT) has granted licenses to test Level 3 advanced driverassistance systems (ADAS) to two models namely, Arcfox (極狐汽車) Alpha S6 and Changan Deepal SL03. The Arcfox will undergo trials on selected highways in Beijing at speeds up to 80km/h while the Deepal will be tested in congested urban areas of Chongging at a maximum speed of 50km/h. Under current regulations, L3 vehicles still require a human driver to remain behind the wheel, ready to take control in case of emergency.

In terms of hardware, the Alpha S6 is equipped with 3 LiDARs units and 34 high-precision sensors. Deepal also features 34 sensors but does not include LiDAR. Both models utilize Huawei's autonomous driving system.

Separately, BYD has reportedly already conducted extensive testing in Shenzhen, covering over 150,000 kilometers, while Xpeng and Li Auto are set to begin trials in Guangzhou and Beijing, respectively. MIIT is expected to continue issuing test licenses to other automakers.

The shift to Level 3 represents a significant technological and legal advancement. According to MIIT officials, liability for accidents will be shared among the driver, the automaker, and the autonomous driving system provider according to the situation of the event and whether the system is engaged. This framework is crucial for building consumer trust and stimulating demand in a market facing reduced subsidies.

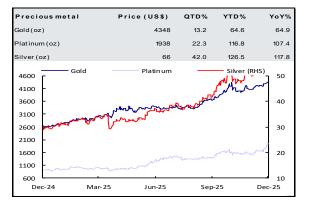
Our view: We believe this regulatory catalyst is positive for both automotive and autonomous component industries. Among automakers, we consider BYD (1211 HK, HK\$95.25, HK\$350bn) to be another prepared player, having already conducted extensive testing. Xpeng (9868 HK, HK\$72.30, HK\$138bn) also stands out well as a software-centric contender. In addition, Hesai (2525 HK, HK\$169.40, HK\$26.5bn) and Robosense (2498 HK, HK\$36.16, HK\$17.1bn) are likely to benefit from rising volume demand. However, the road ahead involved navigating liability and insurance complexities, suggesting that full commercial deployment may still be a multi-year journey.

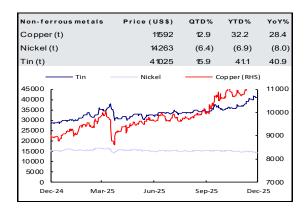
China & HK Indices			CLOSE	1D	YTD	
HSI			25,468	0.9%	27.0%	
HSCE			8,843	1.0%	21.3%	
HSCCI	HSCCI			4,060	0.0%	7.4%
CSI300				4,579	1.8%	16.4%
Shanghai	A			4,058	1.2%	-7.8%
Shanghai l	В			246	-0.1%	-7.8%
Shenzhen	Α			2,571	1.7%	25.6%
Shenzhen	В			1,265	0.1%	4.4%
Key Int	'I Indices			CLOSE	1D	YTD
Dow Jone	es			47,885	-0.5%	12.6%
S&P 500				6,721	-1.2%	14.3%
Nasdaq				22,693	-1.8%	17.5%
NIKKE Ind	lex			49,512	0.3%	24.1%
FTSE Inde	ex			9,774	0.9%	19.6%
CAC Index	x			8,086	-0.2%	9.6%
DAX Index	x			23,960	-0.5%	20.3%
Commo	dities			CLOSE	1D	YTD
GOLD	(L	JS\$/oz.)		4,338	0.8%	65.4%
STEEL	(L	JS\$/oz.)		2,536	0.0%	42.0%
SILVER	(L	JS\$/oz.)		66	3.9%	130.1%
CRUDE OIL	L (U	JS\$/bbl)		55	1.2%	-20.6%
COPPER	(L	JS\$/oz.)		11,592	0.7%	32.2%
ALUMINIU	M (L	JS\$/oz.)		2,876	0.3%	12.7%
PLATINUM	1 (L	JS\$/oz)		1,902	3.1%	110.6%
ZINC	ZINC (US\$/oz.)			3,041	-2.7%	2.1%
WHEAT	(L	JS¢/bu)		506	-2.8%	-8.2%
CORN	CORN (US¢/bu)			440	0.2%	-3.2%
SUGAR	SUGAR (US¢/lb)			N/A	N/A	-30.8%
SOYBEAN	١ (١	JS¢/bu)		1,068	-1.2%	3.3%
PVC	(L	JS\$/t.)		N/A	N/A	-18.9%
CRB				291	-1.3%	3.0%
BDI						121.1%
Exchan	ge Rates					
	USD	HKD	EUR	JPY	CHF	RMB
USD		7.781	0.852	155.690	0.796	7.044
HKD	0.129		0.110	20.010	10.226	0.905
EUR	1.174	9.135		182.800	1.071	8.273
JPY	0.006	4.997	0.547		0.511	0.045
CHF	1.257	9.779	1.071	195.727		8.860

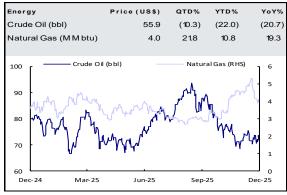
RMB	0.142	1.105	0.121	22.096	0.113	
Marke	t Sentimer	nt		CU	RRENT	5D
CDS Mon	itor - USD SR	5Y				
Greece					N/A	N/A
Ireland					83	-2.4%
Italy					139	-0.6%
Portugal					207	-0.0%
Spain					108	0.3%
VIX					17	11.7%
Source: I	Bloomberg					

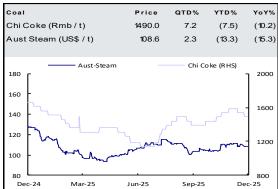


Market Watch - Major Commodities and Currencies



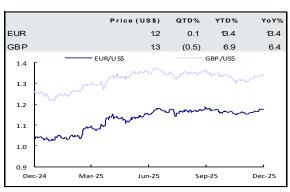














Source: Bloomberg



US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
New home Sales	MoM	000000	18-Dec-25
Initial Jobless Claims	WoW		18-Dec-25
Housing Starts / Building Permits	MoM		19-Dec-25
Existing Home Sales	MoM		19-Dec-25
Business Inventories	MoM		22-Dec-25
Durable Goods Orders	MoM		23-Dec-25
GDP	QoQ		23-Dec-25
Consumer Confidence	MoM		23-Dec-25
Industrial Production	MoM		23-Dec-25
Retail Sales	MoM		27-Dec-25
Factory Orders	MoM		1-Jan-26
Trade Balance	MoM		1-Jan-26
ISM Manufacturing PMI	MoM		5-Jan-26
Employment Report	MoM		9-Jan-26
СРІ	MoM		13-Jan-26
PPI	MoM		14-Jan-26
Personal Income & Spending	MoM		29-Jan-26
Wholesale Inventories	MoM		
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
PMI Manufacturing	MoM		31-Dec-25
Foreign Exchange Reserves	QoQ		7-Jan-26
Money Supply - M2	MoM		9-Jan-26
Trade Balance	MoM		14-Jan-26
PPI	MoM		
CPI	MoM		
Retail Sales	MoM		
Industrial Production	MoM		
GDP	YoY		

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
СРІ	MoM		22-Dec-25
Trade Balance	MoM		29-Dec-25
Money Supply - M2	MoM		31-Dec-25
Retail Sales	MoM		2-Jan-26
РМІ	MoM		6-Jan-26
Foreign Currency Reserve	MoM		7-Jan-26
Unemployment Rate	MoM		20-Jan-26
GDP	QoQ		30-Jan-26
Producer Prices Index	QoQ		13-Mar-26
Industrial Production	QoQ		13-Mar-26
Composite Interest Rate	MoM		

Kingsway Research Team

Howard Wong Ensley Liu Email Howard.wong@sunwahkingsway.com Ensley.liu@sunwahkingsway.com

Phone No. (852) 2283 7307 (852) 2283 7618



Notice of interest disclosure filed by substantial shareholde		No of change have bell 110 1 1	A
lame of listed corporation	Name of substantial share holder	No. of shares bought/sold/involved	Average price per share
Beijing Sports and Entertainment Industry Group Ltd.	Hollyview International Limited	2,000,000(L)	HKD 0.0900
eijing Sports and Entertainment Industry Group Ltd.	Hu Yebi	2,000,000(L)	HKD 0.0900
hina Star Entertainment Ltd.	CHEN MING YIN, TIFFANY	18,000,000(L)	HKD 2.4500
hina Star Entertainment Ltd.	HEUNG WAH KEUNG	18,000,000(L)	HKD 2.4500
hina Star Entertainment Ltd.	HEUNG WAH KEUNG FAMILY ENDOWMENT LIMITED	18,000,000(L)	HKD 2.4500
led Star Macalline Group Corporation Ltd H Shares	Alibaba Group Holding Limited	12,869,200(L)	HKD 1.2394
ed Star Macalline Group Corporation Ltd H Shares	Taobao China Holding Limited	6,434,600(L)	HKD 1.2394
led Star Macalline Group Corporation Ltd H Shares	Taobao Holding Limited	6,434,600(L)	HKD 1.2394
nxian Yuan China Holdings Ltd.	Law Fei Shing	1,370,000(L)	HKD 0.1308
Chengdu SWI Science and Technology Co. Ltd H Shares	KANG Yiguo	10,000(L)	HKD 0.8980
hina XLX Fertiliser Ltd.	Zhang Qingjin	60,000(L)	HKD 8.2600
Slobal Digital Creations Holdings Ltd.	He Peng	1,084,000(L)	HKD 0.0600
Red Star Macalline Group Corporation Ltd H Shares	Alibaba Group Holding Limited	7,633,800(L)	HKD 1.1759
Shanghai Bio-heart Biological Technology Co., Ltd B - H Shares	Wang Philip Li	10,000(L)	HKD 5.6560
Shanghai Bio-heart Biological Technology Co., Ltd B - H Shares	Winning Pow erful Limited	10,000(L)	HKD 5.6560
hanghai Chicmax Cosmetic Co., Ltd H Shares	Luo Yan	1,600(L)	HKD 82.9500
hanghai Haohai Biological Technology Co., Ltd H Shares	TANG MINJIE	10,000(L)	HKD 24.8600
pring Real Estate Investment Trust	MURRAY Simon		
		67,000(L)	HKD 1.6020
pring Real Estate Investment Trust	Spring Asset Management Limited	207,000(L)	HKD 1.6020
TAR CM Holdings Ltd.	East Brothers Investment Holdings Limited	48,500(L)	HKD 1.1014
STAR CM Holdings Ltd.	Goldenbroad Investment Holdings Limited	48,500(L)	HKD 1.1014
TAR CM Holdings Ltd.	Harvest Sky Investment Holdings Limited	48,500(L)	HKD 1.1014
STAR CM Holdings Ltd.	Jin Lei	48,500(L)	HKD 1.1014
STAR CM Holdings Ltd.	Tian Ming	48,500(L)	HKD 1.1014
STAR CM Holdings Ltd.	Unionstars Investment Holdings Limited	48,500(L)	HKD 1.1014
TAR CM Holdings Ltd.	Xu Xiangdong	48,500(L)	HKD 1.1014
•	Liu Chuang		
wintek Investment Holdings Ltd.		36,000(L)	HKD 0.2437
wintek Investment Holdings Ltd.	Mars Nest Limited	36,000(L)	HKD 0.2437
'eahka Ltd.	LIU YINGQI	23,200(L)	HKD 7.6262
hongguancun Science-Tech Leasing Co., Ltd H Shares	ZGC International Holding Limited	25,476,000(L)	HKD 0.8600
hongguancun Science-Tech Leasing Co., Ltd H Shares	Zhongguancun Development Group Co., Ltd. (中關村發展集團股份有限		HKD 0.8600

Source: HKEx



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Head	Office
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Hong Kong Kingsway Financial Services Group Limited 7/F, Tower One, Lippo Centre, 89 Queensway, Hong Kong Tel: 852-2283-7000

Fax: 852-2877-2665

Guangdong 廣東新華滙富商業保理有限公司 2701, Dongshan Plaza,

69 Xianlie Middle Road, Yuexiu District Guangzhou, 510095 Sunwah Kingsway Vietnam Services Limited Representative Office Sunwah Tower, Mezzanine Floor 115 Nguyen Hue District 1 Ho Chi Minh City Vietnam

Affiliated & Overseas Offices

Vietnam