What's Hot Today:

► Li Auto (2015 HK, HK$70.15, HK$127 bn) 4Q25 Revenue Soft and Missed Expectations

Li Auto is a leading Chinese NEV company. It reported 4Q25 revenue of RMB28.8bn (-35% YoY / +5% QoQ). During the quarter, an operating loss of RMB0.44bn and a net profit of RMB0.26bn were recorded. Both revenue and earnings came in below market expectations, with the overall results missing consensus.

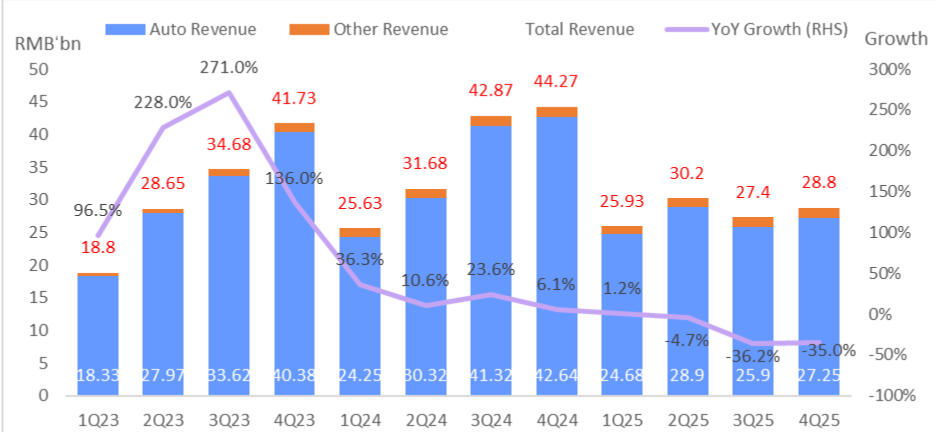
Fig 1: YoY and HoH Comparison (RMB'bn)

2015.HK Li Auto	4Q24		3Q25		4Q25			
	RMB bn	% of Rev	RMB bn	% of Rev	RMB bn	% of Rev	YoY	QoQ
Auto Revenue	42.6	96%	25.9	95%	27.3	95%	-36%	5%
Others Revenue	1.6	4%	1.5	5%	1.5	5%	-7%	1%
Total Revenue	44.3		27.4		28.8		-35%	5%
COGS	35.3		22.9		23.7		-33%	3%
Gross Profit	**9.0**	**20.3%**	**4.5**	**16.3%**	**5.1**	**17.8%**	**-2.5 ppt**	**1.5 ppt**
R&D Expense	2.4	5.4%	3.0	11%	3.0	10%	25%	1%
S&GA expense	3.1	7%	2.8	10%	2.7	9%	-14%	-5%
OPEX	5.5	12%	5.8	21%	5.7	20%	-25%	-2%
Core Operating Profit	**3.5**	**8%**	**(1.3)**	**-5%**	**(0.5)**	**-1.9%**		
Operating Profit	**3.7**	**8%**	**(1.2)**	**-4%**	**(0.44)**	**-2%**		

Source: Company Data, Sunwah Kingsway Research

Auto Revenue Weak on Unfavorable Product Mix: The segment's revenue stood at RMB27.3bn (-36% YoY / +5% QoQ), below market expectations of RMB28.2bn. Vehicle sales reached 109K units, rising QoQ but declining materially YoY by nearly 50K units. Lower-priced models, mainly the i6 and L6, accounted for 55% of quarterly deliveries, further pressuring vehicle ASP down to RMB250K. As a result, vehicle GPM declined both YoY and QoQ to 16.8%. Adjusted for the one-off impact from the MEGA recall, 3Q25 vehicle GPM would have been 19.8%. On this basis, 4Q25 vehicle GPM declined further, marking the lowest underlying level in recent years. Other sales remained broadly stable at RMB1.5bn, while blended GPM came in at 17.8%.

Fig 2: Total Revenue (RMB'bn)



Source: Company Data, Sunwah Kingsway Research

China & HK Indices	CLOSE	1D	YTD
HSI	25,716	-0.7%	0.3%
HSCEI	8,699	-0.1%	-2.4%
HSCCI	4,349	-0.1%	8.3%
CSI300	4,687	-0.4%	1.2%
Shanghai A	4,330	-0.1%	5.3%
Shanghai B	267	-0.3%	5.3%
Shenzhen A	2,851	-0.7%	7.7%
Shenzhen B	1,240	0.1%	-1.9%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	46,677	-1.6%	-2.9%
S&P 500	6,672	-1.5%	-2.5%
Nasdaq	22,311	-1.8%	-4.0%
NIKKEI Index	53,697	-1.4%	6.7%
FTSE Index	10,305	-0.5%	3.8%
CAC Index	7,984	-0.7%	-2.0%
DAX Index	23,589	-0.2%	-3.7%

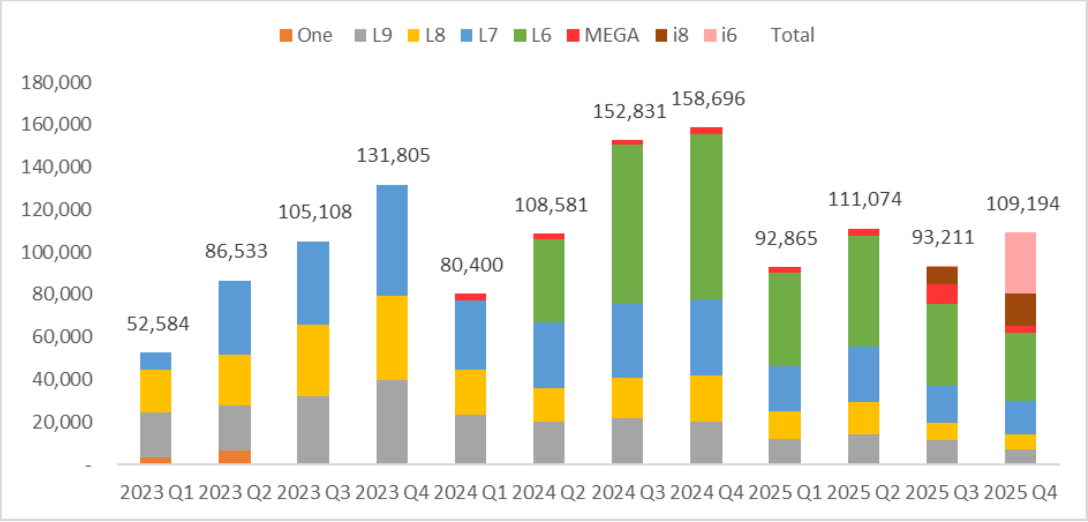
Commodities		CLOSE	1D	YTD
GOLD	(US$/oz.)	5,079	-1.9%	18.3%
STEEL	(US$/oz.)	2,699	-3.7%	6.1%
SILVER	(US$/oz.)	83	-2.2%	18.5%
CRUDE OIL	(US$/bbl)	95	9.7%	65.5%
COPPER	(US$/oz.)	12,999	-1.1%	4.6%
ALUMINIUM	(US$/oz.)	3,516	3.2%	17.4%
PLATINUM	(US$/oz)	2,132	-1.8%	4.9%
ZINC	(US$/oz.)	3,301	-1.3%	5.9%
WHEAT	(US¢/bu)	592	1.3%	16.8%
CORN	(US¢/bu)	462	0.5%	3.2%
SUGAR	(US¢/lb)	123	8.4%	
SOYBEAN	(US¢/bu)	1,227	1.1%	15.4%
PVC	(US$/t.)	5,748	6.8%	25.0%
CRB		365	4.9%	3.0%
BDI				2.6%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.827	0.869	159.350	0.786	6.881
HKD	0.128		0.111	20.360	10.043	0.879
EUR	1.151	9.010		183.440	1.105	7.921
JPY	0.006	4.912	0.545		0.493	0.043
CHF	1.272	9.957	1.105	202.705		8.757
RMB	0.145	1.138	0.126	23.167	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	27	14.9%

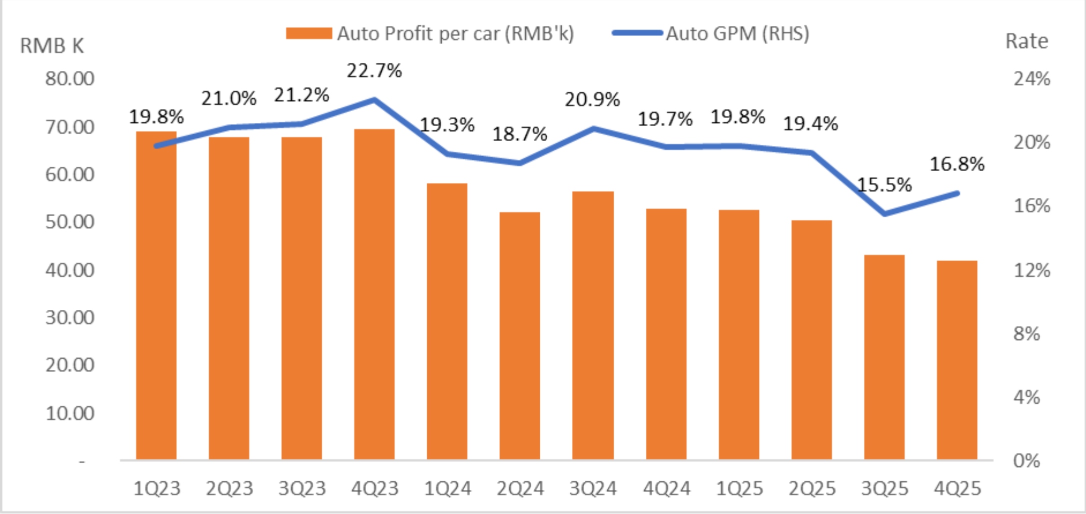
Source: Bloomberg

Fig 3: Li Auto Product Structure



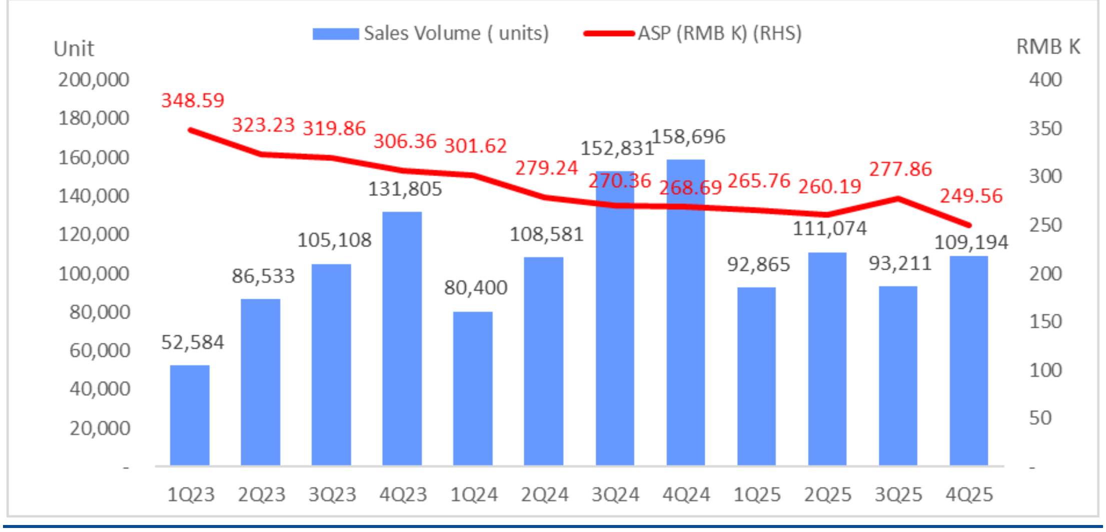
Source: Company Data, Sunwah Kingsway Research

Fig 4: Li Auto Auto Profit Per Car (RMB'K)



Source: Company Data, Sunwah Kingsway Research

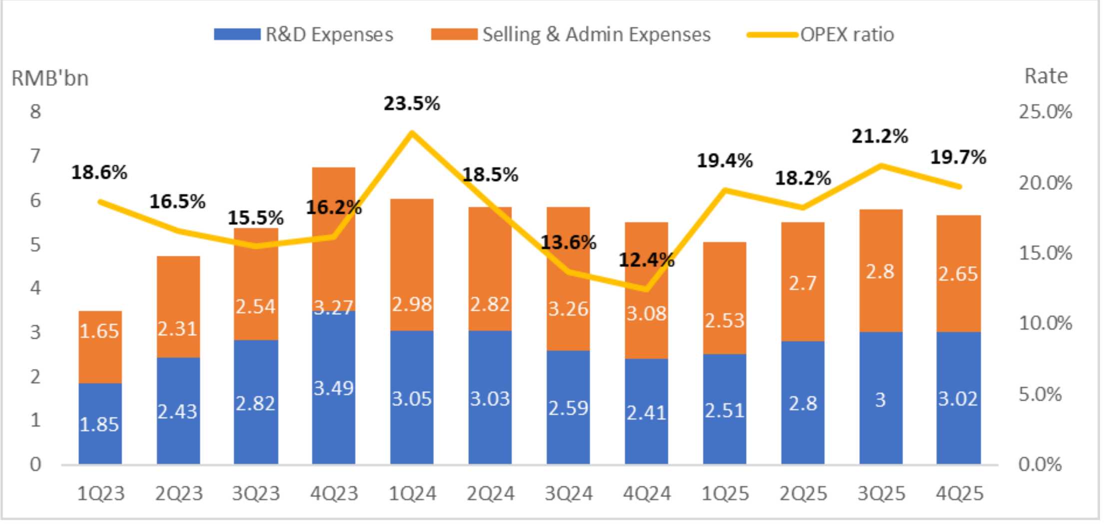
Fig 5: Li Auto Sales Volume Units



Source: Company Data, Sunwah Kingsway Research

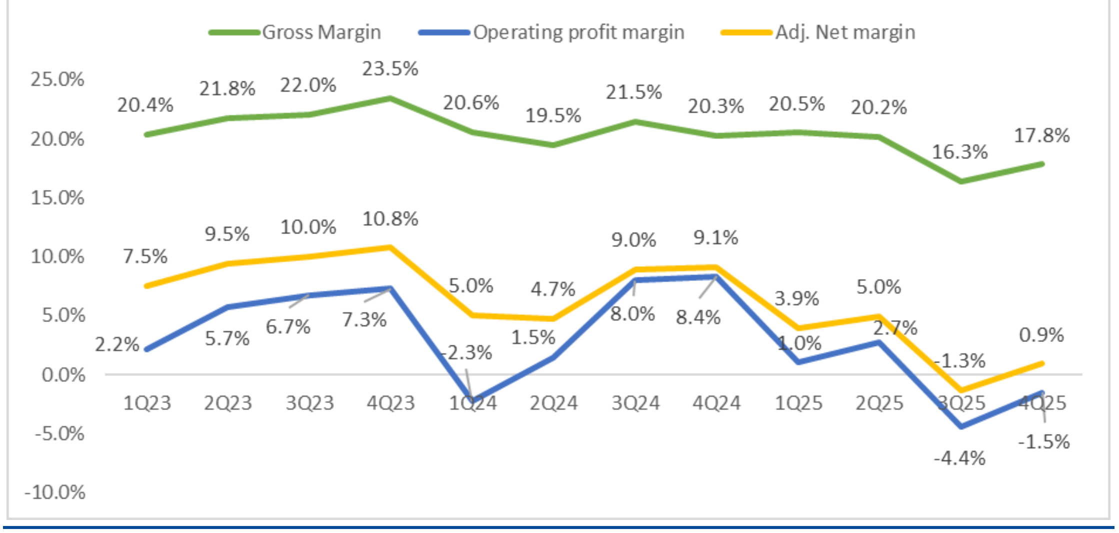
Core operating profit improved QoQ but remained under pressure: 4Q25 core operating loss narrowed to RMB0.5bn, as weaker vehicle sales still weigh on profitability while OPEX remained relatively rigid at RMB5.7bn. Adjusted net profit recovered to RMB0.26bn. Free cash flow returned to the positive territory in 4Q25. Meanwhile, cash, term deposits and short-term investments remained solid at RMB101bn, with the interest-bearing debt ratio at about 6.4% of total assets and net cash at roughly RMB91.2bn, underscoring a still healthy liquidity position.

Fig 6: Li Auto OPEX Breakdown



Source: Company Data, Sunwah Kingsway Research

Fig 7: Li Auto Profit Breakdown



Source: Company Data, Sunwah Kingsway Research

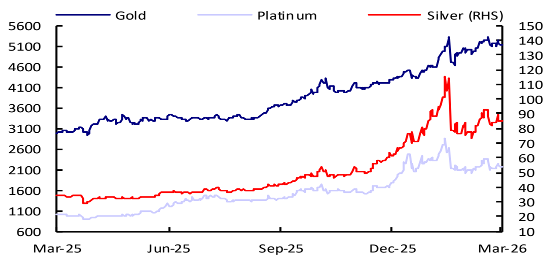
Business Outlook: Li Auto expects full-year 2026 deliveries of 490K units, implying 20% YoY growth. In the near term, 1Q26 deliveries should rise gradually as BEV capacity ramps up, with i6 monthly delivery capacity reaching 20K units and March i8 shipments up 180% from January. On the product side, the company plans to launch the refreshed L9 in 1H26 and the pure EV i9 in 2H26, while 2026 will also mark its first year of overseas expansion. The company will also continue investing in AI-related areas, including the VLA foundation model and robotics. To manage rising raw material costs, it will deepen supplier coordination and sign long-term LTAs with key partners to lock in pricing or secure supply. It also plans to raise adoption of its self-developed range extender and in-house M100 chip, while standardizing battery sourcing from 2026 onward to only two brands, Li Auto and CATL, to support cost control and supply chain efficiency.

Our views: Li Auto's 4Q25 miss mainly reflected a product-cycle mismatch. While new launches were concentrated in the battery EV i-series, the legacy L-series entered a more mature stage of its cycle, weighing on deliveries and dragging on both revenue and profitability. As i-series capacity ramps up, the i6 and i8 could gradually fuel future volume growth. However, given the relatively lower ASP of the i6 and the still-elevated mix of lower-priced models, it may not boost margin recovery in the near term. Key catalysts include the 2026 product cycle, especially the refreshed L9 in 2Q26, further upgrades to the VLA autonomous driving model, and the potential launch of Li Auto's embodied AI two-wheeled robot in 1H26. Despite near-term earnings pressure, Li Auto maintains a very strong balance sheet and remains the most cash-rich among China's major EV startups. We remain positive on Li Auto's medium-term outlook, as its upcoming product cycle and technology execution should support a gradual improvement in fundamentals. The counter is trading at 28X FY26 P/E and 0.4X FY26 P/S. (Research Department)

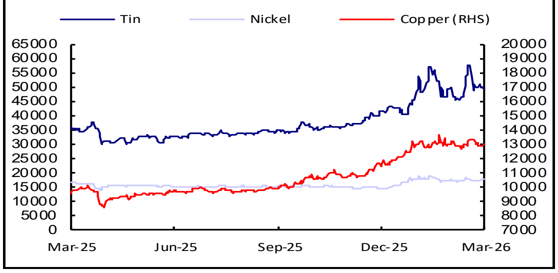
Li Auto (HK. 2015)	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
Unit: RMB 'bn												
Total Revenue	18.8	28.65	34.68	41.73	25.63	31.68	42.87	44.27	25.93	30.2	27.4	28.8
YoY Growth	96.5%	228.0%	271.0%	136.0%	36.3%	10.6%	23.6%	6.1%	1.2%	-4.7%	-36.2%	-35.0%
QoQ Growth	6.4%	52.4%	21.0%	20.3%	-38.6%	23.6%	35.3%	3.3%	-41.4%	16.5%	-9.4%	5.2%
Gross Profit	3.83	6.24	7.64	9.79	5.28	6.18	9.22	8.97	5.32	6.10	4.47	5.13
Gross Margin	20.4%	21.8%	22.0%	23.5%	20.6%	19.5%	21.5%	20.3%	20.5%	20.2%	16.3%	17.8%
R&D Expenses	1.85	2.43	2.82	3.49	3.05	3.03	2.59	2.41	2.51	2.8	3	3.02
R&D Ratio	9.8%	8.5%	8.1%	8.4%	11.9%	9.6%	6.0%	5.4%	9.7%	9.3%	11.0%	10.5%
Selling & Admin Expenses	1.65	2.31	2.54	3.27	2.98	2.82	3.26	3.08	2.53	2.7	2.8	2.65
Selling & Admin Ratio	8.8%	8.1%	7.3%	7.8%	11.6%	8.9%	7.6%	7.0%	9.8%	8.9%	10.2%	9.2%
Operating costs	3.50	4.74	5.36	6.76	6.03	5.85	5.85	5.49	5.04	5.50	5.80	5.67
Operating costs ratio	18.6%	16.5%	15.5%	16.2%	23.5%	18.5%	13.6%	12.4%	19.4%	18.2%	21.2%	19.7%
Operating profit	0.41	1.63	2.34	3.04	-0.58	0.47	3.43	3.7	0.27	0.83	-1.2	-0.44
OPM	2.2%	5.7%	6.7%	7.3%	-2.3%	1.5%	8.0%	8.4%	1.0%	2.7%	-4.4%	-1.5%
Net Income	0.93	2.293	2.28	5.66	0.59	1.103	2.81	3.52	0.65	1.1	-0.62	0.01
NPM	4.9%	8.0%	6.6%	13.6%	2.3%	3.5%	6.6%	8.0%	2.5%	3.6%	-2.3%	0.0%
Adj. Net Income	1.41	2.71	3.48	4.49	1.28	1.50	3.84	4.03	1.02	1.50	-0.36	0.26
Adj. Net margin	7.5%	9.5%	10.0%	10.8%	5.0%	4.7%	9.0%	9.1%	3.9%	5.0%	-1.3%	0.9%
Auto Revenue	18.33	27.97	33.62	40.38	24.25	30.32	41.32	42.64	24.68	28.9	25.9	27.25
YoY Growth	96.90%	229.70%	271.60%	133.80%	32.3%	8.4%	22.9%	5.6%	1.8%	-4.7%	-37.3%	-36.1%
QoQ Growth	6.10%	52.6%	20.2%	20.1%	-39.9%	25.0%	36.3%	3.2%	-42.1%	17.1%	-10.4%	5.2%
Auto Cost	-14.70	-22.10	-26.49	-31.21	-19.57	-24.65	-32.68	-34.24	-19.79	-23.29	-21.89	-22.67
Sales Volume (units)	52,584	86,533	105,108	131,805	80,400	108,581	152,831	158,696	92,865	111,074	93,211	109,194
YoY Growth	66%	202%	296%	185%	53%	25%	45%	20%	16%	2%	-39%	-31%
QoQ Growth	14%	65%	21%	25%	-39%	35%	41%	4%	-41%	20%	-16%	17%
Auto Gross Profit	3.63	5.87	7.13	9.17	4.68	5.67	8.64	8.40	4.89	5.61	4.01	4.58
Auto GPM	19.80%	21.00%	21.20%	22.70%	19.30%	18.70%	20.90%	19.70%	19.80%	19.40%	15.50%	16.80%
Auto Revenue per car (RMB' k)	348.59	323.23	319.86	306.36	301.62	279.24	270.36	268.69	265.76	260.19	277.86	249.56
Cost per Vehicle (RMB' k)	279.57	255.35	252.05	236.82	243.40	227.02	213.86	215.76	213.14	209.71	234.80	207.63
Auto Profit per car (RMB' k)	69.02	67.88	67.81	69.54	58.21	52.22	56.51	52.93	52.62	50.48	43.07	41.93
YoY Growth					-15.7%	-23.1%	-16.7%	-23.9%	-9.6%	-3.3%	-23.8%	-20.8%
QoQ Growth		-1.7%	-0.1%	2.6%	-16.3%	-10.3%	8.2%	-6.3%	-0.6%	-4.1%	-14.7%	-2.7%
Others Revenue	0.46	0.68	1.06	1.35	1.38	1.36	1.55	1.63	1.25	1.36	1.5	1.52
Others Gross Profit	0.21	0.35	0.52	0.61	0.59	0.49	0.57	0.58	0.44	0.46	0.46	0.55
Others GPM	45.7%	51.5%	49.1%	45.2%	42.8%	36.0%	36.8%	35.6%	35.2%	33.5%	30.3%	36.1%
Operating Cash flow	7.78	11.11	14.51	17.29	-3.34	-0.43	11.02	8.68	-1.7	-3.04	-7.4	3.52
Capex	1.08	1.49	1.28	2.66	1.71	1.42	1.97	2.62	0.83	0.81	1.52	1.05
Free Cash Flow	6.7	9.62	13.22	14.64	-50.6	-18.5	9.05	6.06	-2.53	-3.84	-8.91	2.47
Total Store	296	331	372	467	474	497	479	502	500	535	542	548
Cover Cities	123	127	133	140	142	148	145	150	150	153	157	159

Market Watch – Major Commodities and Currencies

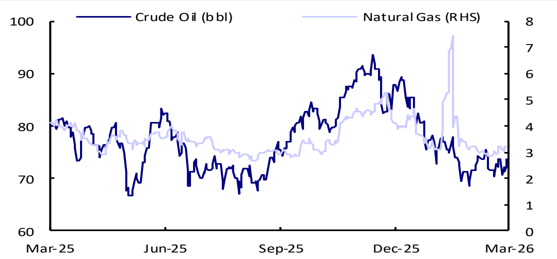
Precious metal	Price (US$)	QTD%	YTD%	YoY%
Gold (oz)	5126	18.1	18.1	71.4
Platinum (oz)	2166	6.4	6.4	115.3
Silver (oz)	85	19.9	19.9	148.7



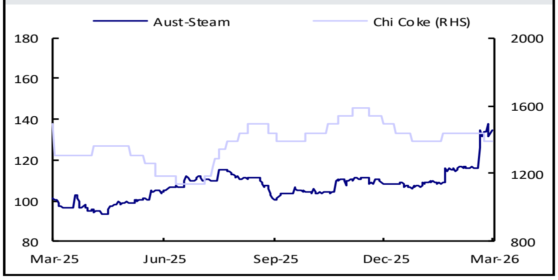
Non-ferrous metals	Price (US$)	QTD%	YTD%	YoY%
Copper (t)	12954	6.5	6.5	36.0
Nickel (t)	17742	6.6	6.6	7.5
Tin (t)	49388	21.8	21.8	37.6



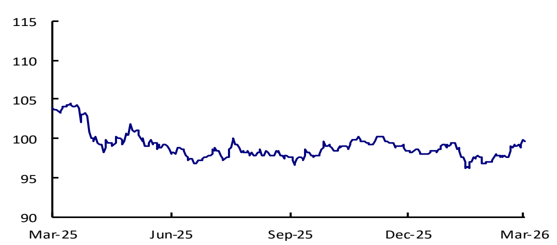
Energy	Price (US$)	QTD%	YTD%	YoY%
Crude Oil (bbl)	95.7	66.7	66.7	43.8
Natural Gas (MMbtu)	3.2	(12.3)	(12.3)	(21.4)



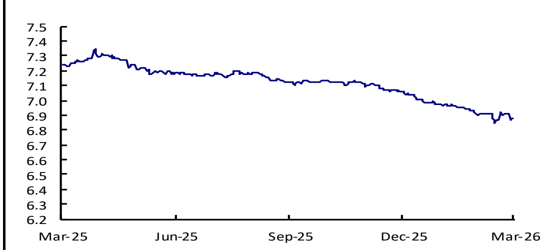
Coal	Price	QTD%	YTD%	YoY%
Chi Coke (Rmb / t)	1390.0	(3.5)	(3.5)	(6.7)
Aust Steam (US$ / t)	135.0	25.6	25.6	33.6



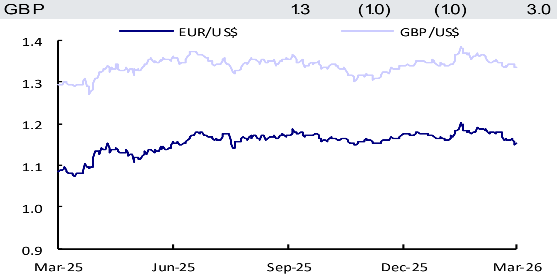
	Price (US$)	QTD%	YTD%	YoY%
Dollar Index Spot	99.7	1.4	1.4	(3.9)



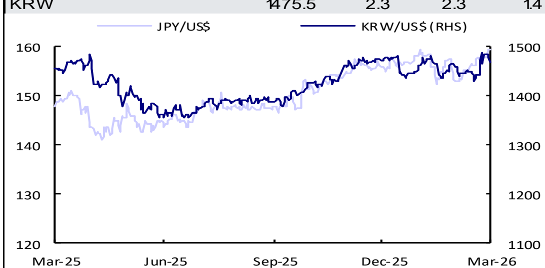
	Price (US$)	QTD%	YTD%	YoY%
Rmb/US$	6.9	(1.6)	(1.6)	(5.0)



	Price (US$)	QTD%	YTD%	YoY%
EUR	1.2	(2.0)	(2.0)	6.1
GBP	1.3	(1.0)	(1.0)	3.0



	Price (US$)	QTD%	YTD%	YoY%
JPY	159.4	1.7	1.7	7.8
KRW	1475.5	2.3	2.3	1.4



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Housing Starts / Building Permits	MoM		12-Mar-26
GDP	QoQ		13-Mar-26
PPI	MoM		18-Mar-26
Consumer Confidence	MoM		31-Mar-26
CPI	MoM		10-Apr-26
ISM Manufacturing PMI	MoM		1-Apr-26
Personal Income & Spending	MoM		13-Mar-26
Durable Goods Orders	MoM		13-Mar-26
Factory Orders	MoM		18-Mar-26
Initial Jobless Claims	WoW		12-Mar-26
Trade Balance	MoM		12-Mar-26
Wholesale Inventories	MoM		19-Mar-26
Employment Report	MoM		3-Apr-26
Retail Sales	MoM		1-Apr-26
Existing Home Sales	MoM		13-Apr-26
Industrial Production	MoM		16-Mar-26
New home Sales	MoM		19-Mar-26
Business Inventories	MoM		1-Apr-26
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Money Supply - M2	MoM		12-Mar-26
PMI Manufacturing	MoM		31-Mar-26
Foreign Exchange Reserves	QoQ		7-Apr-26
PPI	MoM		10-Apr-26
CPI	MoM		10-Apr-26
Trade Balance	MoM		14-Apr-26
Retail Sales	MoM		16-Apr-26
Industrial Production	MoM		16-Apr-26
GDP	YoY		16-Apr-26

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Producer Prices Index	QoQ		13-Mar-26
Industrial Production	QoQ		13-Mar-26
Unemployment Rate	MoM		18-Mar-26
CPI	MoM		20-Mar-26
Trade Balance	MoM		26-Mar-26
Money Supply - M2	MoM		31-Mar-26
Retail Sales	MoM		1-Apr-26
PMI	MoM		8-Apr-26
Foreign Currency Reserve	MoM		9-Apr-26
GDP	QoQ		5-May-26
Composite Interest Rate	MoM		

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Notice of interest disclosure filed by substantial shareholders for the two previous trading days			
Name of listed corporation	**Name of substantial share holder**	**No. of shares bought/sold/involved**	**Average price per share**
Lion Rock Group Ltd.	Chang Mun Kee	160,000(L)	HKD 1.3225
Lion Rock Group Ltd.	JcbNext Berhad	160,000(L)	HKD 1.3225
Elephant Holdings Group Ltd.	DI XIAOGUANG	600,000(L)	HKD 0.3950
Langham Hospitality Inv and Langham Hospitality Inv Ltd. -SS	Lo Ka Shui	50,000(L)	HKD 0.5800
Lvji Technology Holdings Inc.	ZHANG HUAN	452,000(L)	CNY 0.1180
Oshidori International Holdings Ltd.	Hope Securities Limited	45,000,000(L)	HKD 1.6800
Shanghai INT Medical Instruments Co., Ltd. - H Shares	Ningbo Huaige Gongxin Equity Investment Partnership (Limited Partnersh	1,500,000(L)	HKD 30.0000
Shanghai INT Medical Instruments Co., Ltd. - H Shares	Ningbo Huaige Health Investment Management Partnership (Limited Partn	1,500,000(L)	HKD 30.0000
Shanghai INT Medical Instruments Co., Ltd. - H Shares	Ningbo Huaige Taiyi Equity Investment Partnership (Limited Partnership)	1,500,000(L)	HKD 30.0000
Shanghai INT Medical Instruments Co., Ltd. - H Shares	Wang Kai	1,500,000(L)	HKD 30.0000
Shanghai INT Medical Instruments Co., Ltd. - H Shares	Zhao Wei	1,500,000(L)	HKD 30.0000
Sino Harbour Holdings Group Ltd.	Chan Heung Ling	8,308,000(L)	HKD 0.0880
Sino Harbour Holdings Group Ltd.	Wong Lam Ping	8,308,000(L)	HKD 0.0880
Wanjia Group Holdings Ltd.	LAM WILLIAMSON	5,224(L)	HKD 0.0800

Source: HKEx

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