

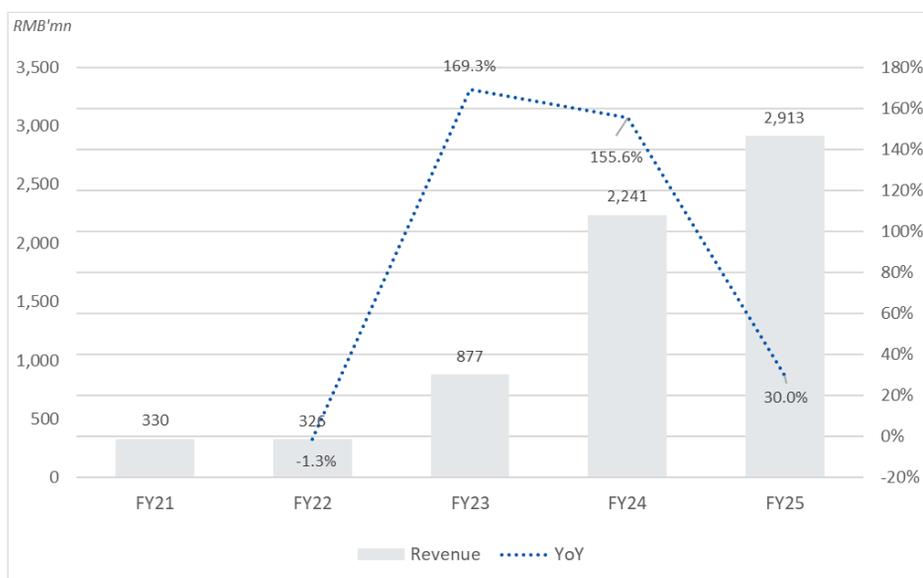
## What's Hot Today:

### ► Bloks (325 HK, HK\$61.25, HK\$15.2bn) – FY25 earnings turned profitable

Bloks Group, a maker of assembly character toys, posted a 30% YoY growth in FY25 revenue to RMB2.91bn and a 15% YoY growth in adjusted net profit to RMB675mn. The strong topline was driven by the successful commercialization of its expanding IP portfolio and increasing offline sales. On an adjusted basis, net profit margin stood at 23.2% in FY25 compared to 26.1% last year mainly due to lower GPM, higher R&D and selling expenses. No dividend was declared for the period under review.

**GPM pressure due to more low margin products** – The top four IPs remained key revenue drivers, with TRANSFORMERS and ULTRAMAN contributing 32.6% and 28.0% of total revenue respectively. Gross profit grew 15.7% YoY to RMB1,364mn, though GPM contracted by 580bps to 46.8%. This decline was primarily driven by a product mix shift towards the lower-margin RMB9.90 value-price segment, which contributed 18.6% of revenue.

Fig 1: Revenue and YoY Change



Source: Company Data, Sunwah Kingsway Research

**Market penetration by IP expansion and pricing strategy** – Beyond the headline numbers, licensed IP portfolio saw rapid expansion, growing from 50 to 73 including Disney and Universal, which has significantly broadened the company's audience and enabled the launch of 913 new SKUs during the period. On the pricing front, the RMB9.90 value-price strategy introduced in late 2024, has proven highly effective in penetrating the mass market, contributing 122mn units in sales and accounting for 47.8% of total volume, as well as widening user base and brand awareness at scale.

China & HK Indices	CLOSE	1D	YTD
HSI	25,465	-1.0%	-0.6%
HSCEI	8,671	-0.3%	-2.7%
HSCCI	4,329	-0.4%	7.8%
CSI300	4,669	-0.4%	0.8%
Shanghai A	4,294	-0.8%	4.9%
Shanghai B	266	-0.4%	4.9%
Shenzhen A	2,826	-0.9%	6.7%
Shenzhen B	1,234	-0.5%	-2.4%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	46,558	-0.3%	-3.1%
S&P500	6,632	-0.6%	-3.1%
Nasdaq	22,105	-0.9%	-4.9%
NIKKEI Index	53,673	-0.3%	6.6%
FTSE Index	10,261	-0.4%	3.3%
CAC Index	7,911	-0.9%	-2.9%
DAX Index	23,447	-0.6%	-4.3%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	5,019	-1.2%	16.4%
STEEL (US\$/oz.)	2,626	-6.3%	3.3%
SILVER (US\$/oz.)	80	-3.9%	13.6%
CRUDE OIL (US\$/bbl)	98	3.1%	70.6%
COPPER (US\$/oz.)	12,780	-2.0%	2.9%
ALUMINIUM (US\$/oz.)	3,439	-0.5%	14.8%
PLATINUM (US\$/oz.)	2,028	-4.9%	-0.3%
ZINC (US\$/oz.)	3,296	-0.4%	5.7%
WHEAT (US\$/bu)	613	3.6%	19.7%
CORN (US\$/bu)	467	1.0%	3.1%
SUGAR (US\$/lb)	122	1.7%	-
SOYBEAN (US\$/bu)	1,225	-0.2%	13.1%
PVC (US\$/t)	5,729	-0.3%	25.0%
CRB	365	3.0%	3.0%
BDI			8.0%

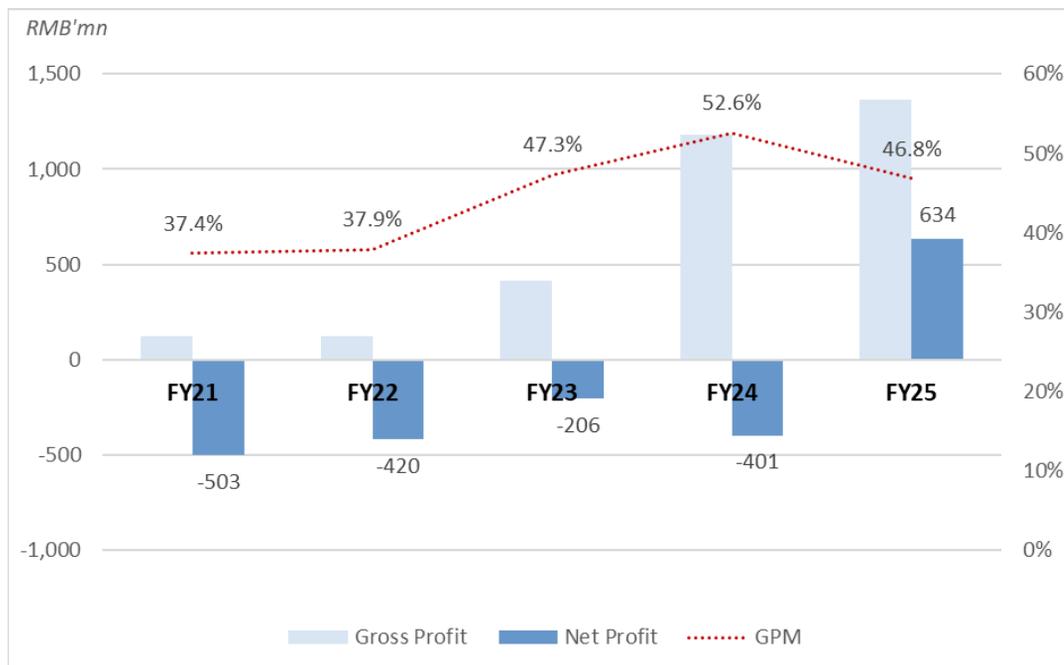
Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.828	0.876	159.730	0.791	6.904
HKD	0.128		0.112	20.404	10.109	0.882
EUR	1.142	8.937		182.360	1.107	7.894
JPY	0.006	4.901	0.548		0.496	0.043
CHF	1.264	9.893	1.107	201.842		8.725
RMB	0.145	1.134	0.127	23.123	0.115	

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece		N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	27	-7.8%

Source: Bloomberg

**Robust overseas expansion** – Overseas sales emerged as a powerful new growth point, surging almost 4x YoY to RMB319mn, accounting for 11.0% of total revenue (vs. 2.9% in FY24). The Americas region led the growth, soaring 804% YoY to RMB150mn, followed by Asia ex-China (up 238% YoY to RMB133mn). This expansion was supported by targeted localization strategies, participation in global toy fairs, and the launch of the "BLOKEES" fan community app across 12 Asia-Pacific regions. We expect overseas contribution to continue rising as the company deepens its presence in North America and Europe.

Fig 2: Profit and Margin



Source: Company Data, Sunwah Kingsway Research

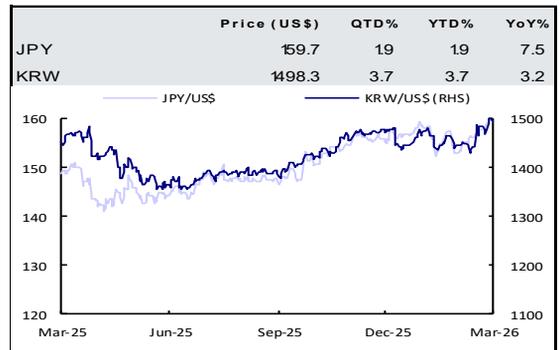
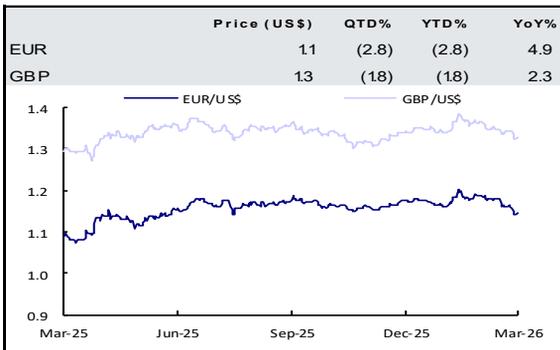
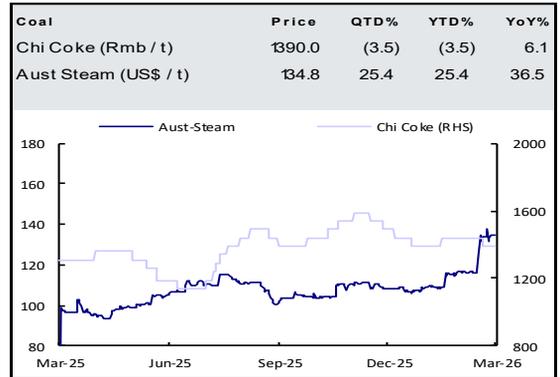
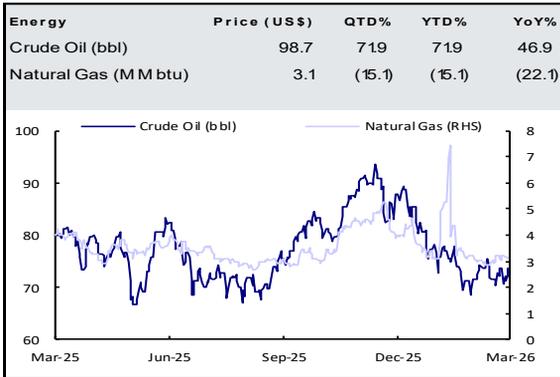
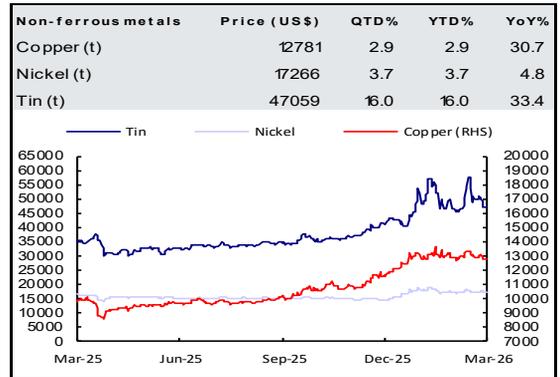
Fig 3: Revenue Breakdown by Region

RMB'mn	FY25 Revenue	FY24 Revenue	YoY Change
Americas	149.5	16.5	804.1%
Asia (excluding China)	132.6	39.2	238.1%
Others	36.8	8.5	334.1%
<b>Total Overseas</b>	<b>318.9</b>	<b>64.2</b>	<b>396.6%</b>

Source: Company Data, Sunwah Kingsway Research

**Our view** – Bloks Group has delivered solid growth and strong overseas growth. Although margins are under pressure from the shift in product mix and increased R&D and marketing spend, it is believed that these investments are necessary to a sustainable expansion of products portfolio and global business. Key catalysts include sustained momentum in overseas markets, successful renewal of key IP licenses, and margin stabilization as new products mature. The counter is currently trading at 18.9x FY26E P/E. (Research Department)

**Market Watch – Major Commodities and Currencies**



Source: Bloomberg

**US Economic Calendar**

Indicators	Freq	Obs Date	Expected Release Date
PPI	MoM		18-Mar-26
New home Sales	MoM		19-Mar-26
Business Inventories	MoM		1-Apr-26
ISM Manufacturing PMI	MoM		1-Apr-26
Personal Income & Spending	MoM		9-Apr-26
Durable Goods Orders	MoM		18-Mar-26
Factory Orders	MoM		18-Mar-26
Initial Jobless Claims	WoW		19-Mar-26
Trade Balance	MoM		2-Apr-26
Wholesale Inventories	MoM		19-Mar-26
Housing Starts / Building Permits	MoM		
Employment Report	MoM		3-Apr-26
CPI	MoM		10-Apr-26
Retail Sales	MoM		1-Apr-26
Existing Home Sales	MoM		13-Apr-26
Industrial Production	MoM		16-Mar-26
GDP	QoQ		9-Apr-26
Consumer Confidence	MoM		31-Mar-26
Auto Sales	MoM		

**China Economic Calendar**

Indicators	Freq	Obs Date	Expected Release Date
PMI Manufacturing	MoM		31-Mar-26
Foreign Exchange Reserves	QoQ		7-Apr-26
Money Supply - M2	MoM		9-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
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
Producer Prices Index	QoQ		12-Jun-26
Industrial Production	QoQ		12-Jun-26
Composite Interest Rate	MoM		

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