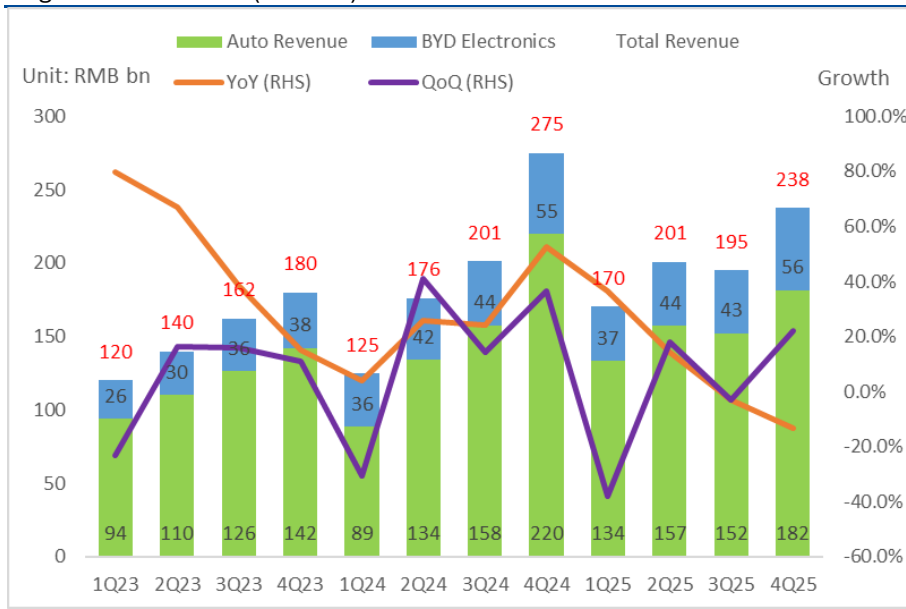


## What's Hot Today:

### ► BYD (1211.HK, HK\$103.90, HK\$947bn) Global Expansion Empowers Gains

BYD's 4Q25 revenue reached RMB196bn (-13.5% YoY/+21.9% QoQ), with net profit at RMB9.3bn (NPM 3.9% / -38.2% YoY), mainly affected by increased R&D investment. Despite near-term profit headwinds, we remain positive on its accelerated overseas expansion in 2026, backed by solid progress and robust overseas growth in 2025. Its full vertical supply chain and global production layout will further strengthen long-term competitive edges.

Fig 1: Total Revenue (RMB'bn)



Source: Company Data, Sunwah Kingsway Research

**Optimized Automotive Product Mix:** BYD automotive revenue stood at RMB182bn (YoY -17.4%, QoQ +19.2%), accounting for a steady 76% of total revenue and in line with market expectations. Total vehicle sales reached 1.34mn units, with overseas sales hitting 349k units (YoY +193%, QoQ +34%), 26% of total units sold (up 2.6ppts QoQ). A higher mix of premium models (Yangwang + Denza + Fangchengbao) at 12% (up 4ppts QoQ) offset inventory-clearing discounts for older models amid the 2026 NEV tax policy update. As a result, ASP declined slightly to RMB 135k. Driven by cost reduction and higher sales of high-end models and exports, the automotive GPM expanded 1.2ppts QoQ to 21.6%. Overseas GPM remained solid at 28% in 2H25, fully offsetting weaker domestic margin compression at 16% amid fierce local competition.

China & HK Indices	CLOSE	1D	YTD
HSI	25,116	-0.7%	-2.0%
HSCEI	8,456	-0.6%	-5.1%
HSCCI	4,170	-0.1%	3.9%
CSI300	4,440	-0.0%	-4.1%
Shanghai A	4,079	0.3%	3.8%
Shanghai B	263	-0.0%	3.8%
Shenzhen A	2,635	0.8%	-0.5%
Shenzhen B	1,187	-1.0%	-6.1%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	46,584	-0.2%	-3.1%
S&P 500	6,616	0.1%	-3.3%
Nasdaq	22,017	0.1%	-5.3%
NIKKEI Index	55,762	4.4%	10.8%
FTSE Index	10,348	-0.8%	4.2%
CAC Index	7,908	-0.7%	-3.0%
DA-X Index	22,921	-1.1%	-6.4%

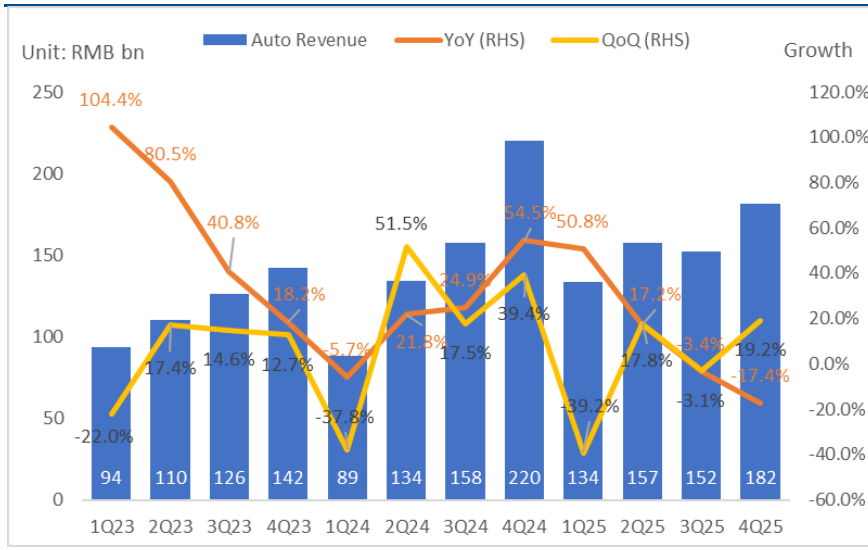
Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	4,706	1.2%	11.5%
STEEL (US\$/oz.)	2,792	0.3%	9.8%
SILVER (US\$/oz.)	73	0.3%	6.6%
CRUDE OIL (US\$/bbl)	112	0.5%	70.9%
COPPER (US\$/oz.)	12,313	-1.0%	-0.9%
ALUMINIUM (US\$/oz.)	3,476	-1.6%	16.0%
PLATINUM (US\$/oz.)	1,961	-1.0%	-1.8%
ZINC (US\$/oz.)	3,307	0.5%	6.1%
WHEAT (US\$/bu)	598	0.5%	15.1%
CORN (US\$/bu)	449	-1.1%	-0.9%
SUGAR (US\$/lb)	134	11.3%	
SOYBEAN (US\$/bu)	1,158	-0.7%	8.4%
PVC (US\$/t)	5,417	-0.2%	70.8%
CRB	381	0.1%	3.0%
BDI			10.1%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.836	0.863	159.620	0.798	6.863
HKD	0.128		0.110	20.371	10.180	0.876
EUR	1.160	9.086		185.080	1.081	7.943
JPY	0.006	4.909	0.540		0.500	0.043
CHF	1.253	9.823	1.081	200.032		8.591
RMB	0.146	1.142	0.126	23.290	0.116	

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	25	-15.8%

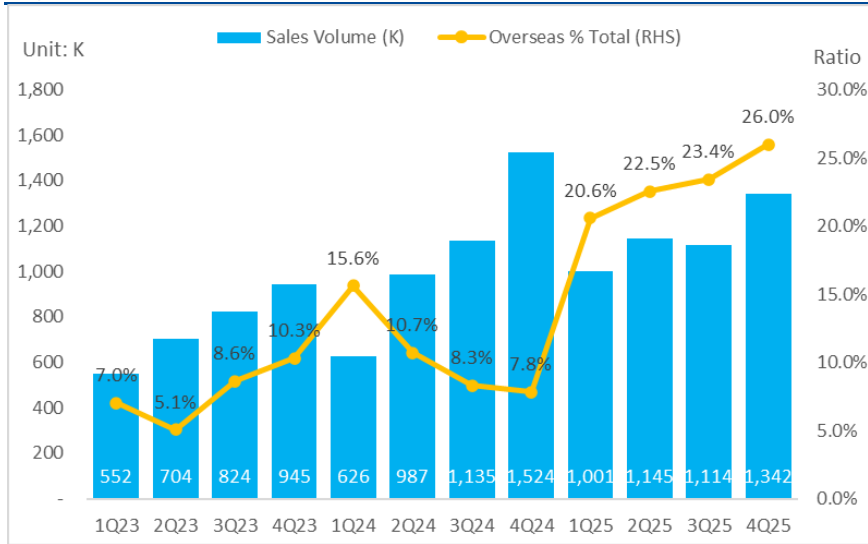
Source: Bloomberg

Fig 2: Automotive Revenue (RMB'bn)



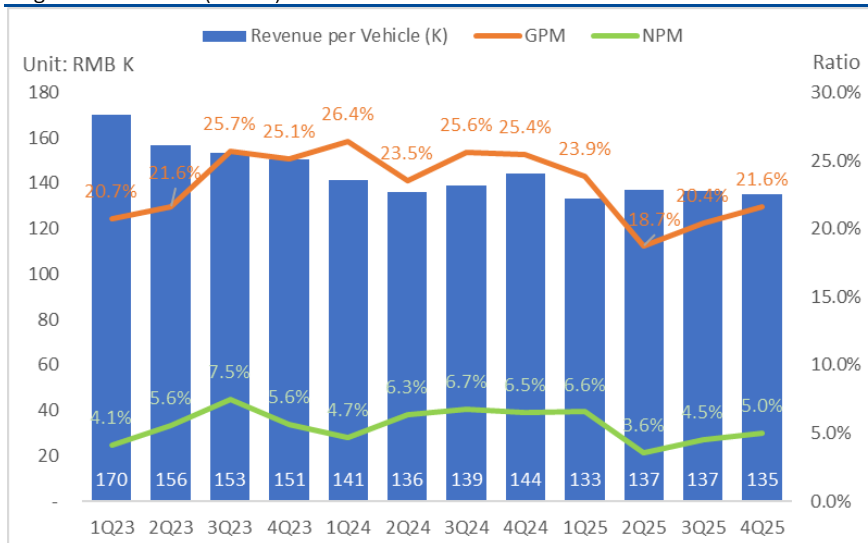
Source: Company Data, Sunwah Kingsway Research

Fig 3: Auto Sales Volume Units



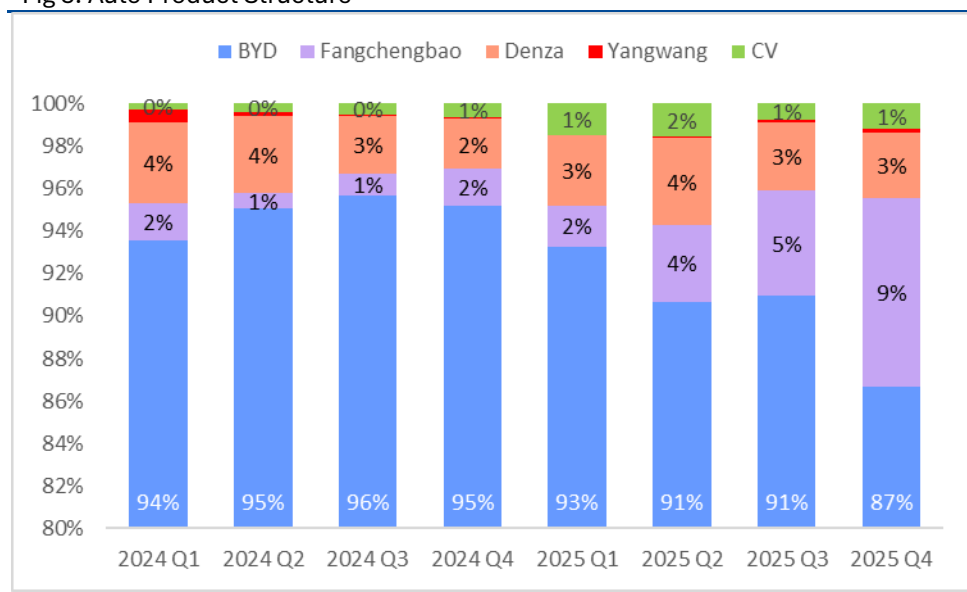
Source: Company Data, Sunwah Kingsway Research

Fig 4: Auto Per Car (RMB'K)



Source: Company Data, Sunwah Kingsway Research

Fig 5: Auto Product Structure

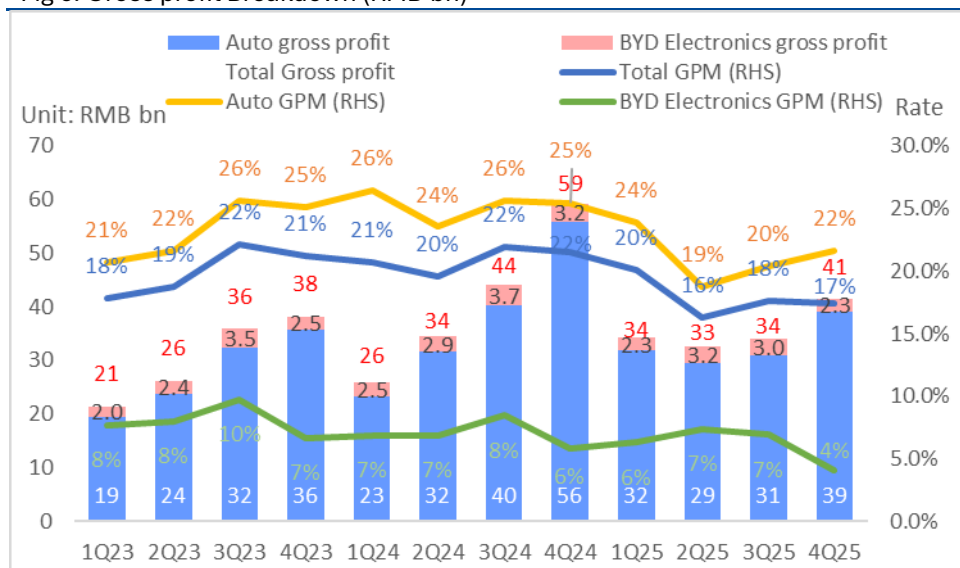


Source: Company Data, Sunwah Kingsway Research

**BYD Electronics (285.HK) demonstrated resilience:** its 4Q25 revenue edged up by 1.8% YoY to RMB56.2bn, accounting for 24% of BYD Group’s total revenue. About 85% of this business stemmed from mobile and smart terminal offerings and the rest from NEV intelligent cockpit and thermal management products. Over 60% of its revenue is generated from overseas.

**Gross Margin Differentiation:** Automotive 4Q25 GPM rose 1.2ppts QoQ to 21.6%, driven by high-margin overseas sales which represented about 43% of total automotive gross profits in 2H25. Conversely, higher costs pushed consumer electronics GPM down to 4%, with its gross profit contribution falling 3ppts QoQ to 5.5%. As such, dragging the blended GPM to 17.4% in 4Q25.

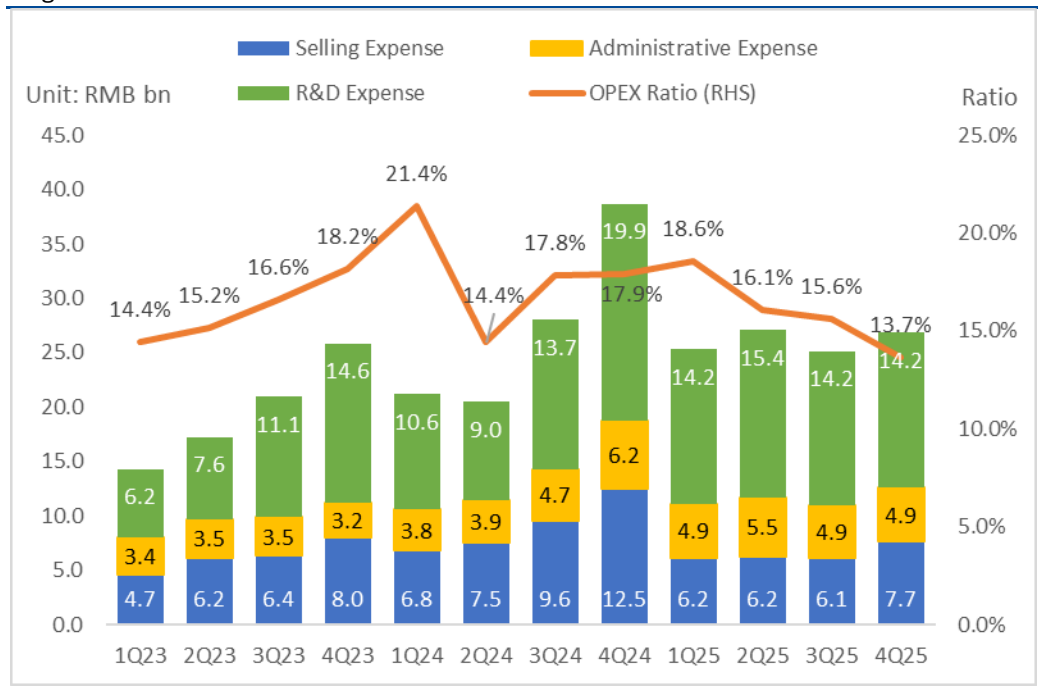
Fig 6: Gross profit Breakdown (RMB’bn)



Source: Company Data, Sunwah Kingsway Research

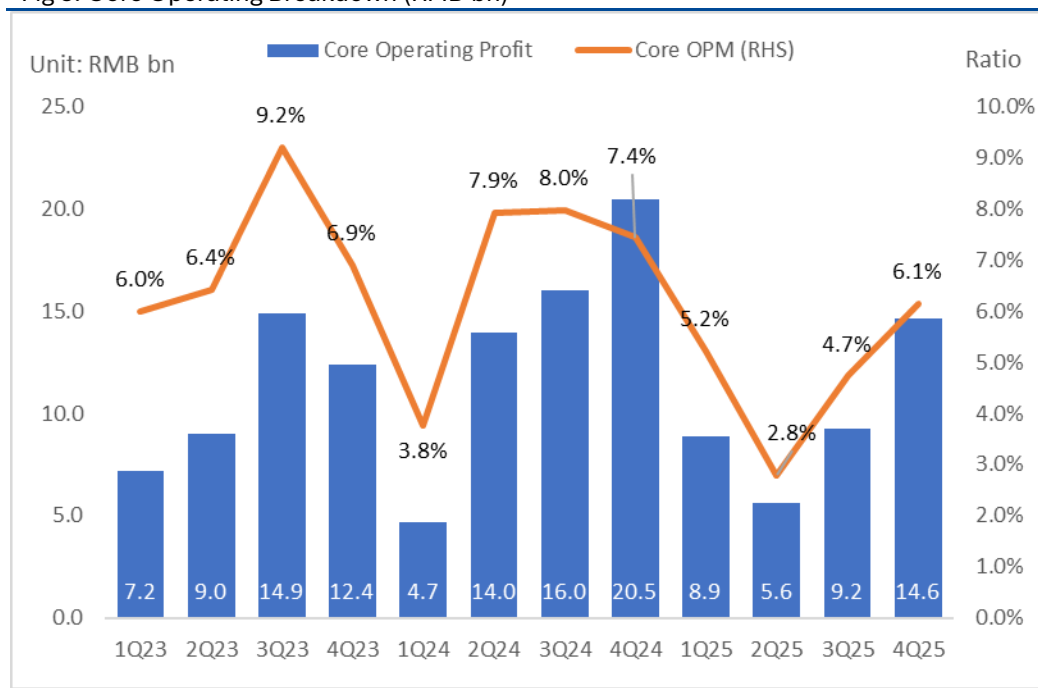
**Cost rigidity weighed on earnings:** Core operating profit reached RMB14.6bn (-29% YoY / +58% QoQ), with core OPM rebounded QoQ from the 2Q25 bottom of 2.8% to 6.1% but still short of the 7.4% in 4Q24. This was mainly due to rigid OPEX, especially the R&D expenses which accounted for 6% of total revenue. With nearly 90% of R&D spending expensed directly, net profit remained under pressure at RMB9.3bn (-38.2% YoY / +19% QoQ), keeping NPM at a subdued 3.9%.

Fig 7: OPEX Breakdown



Source: Company Data, Sunwah Kingsway Research

Fig 8: Core Operating Breakdown (RMB'bn)



Source: Company Data, Sunwah Kingsway Research

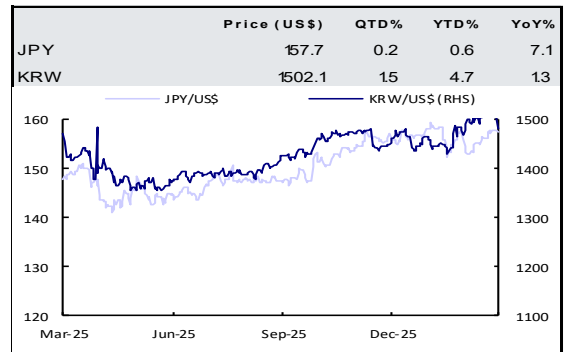
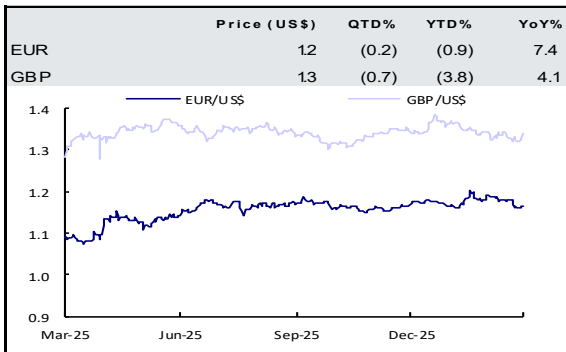
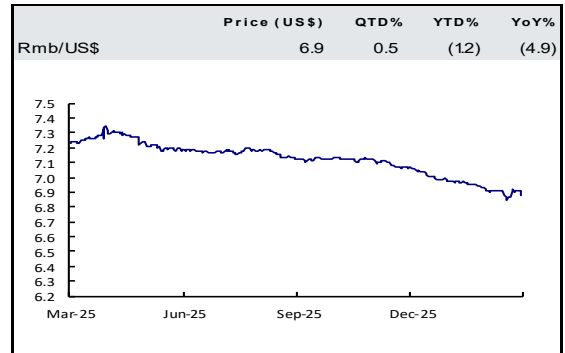
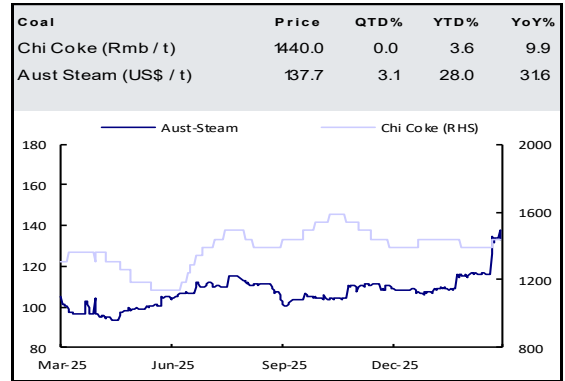
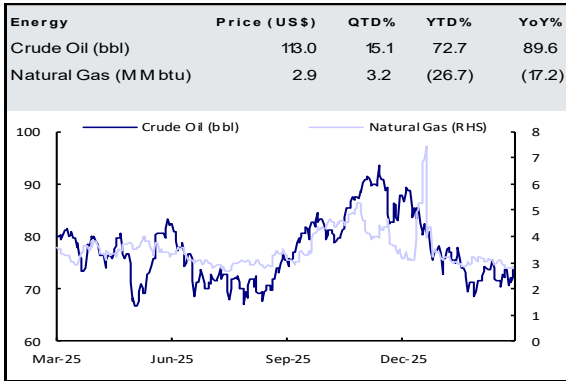
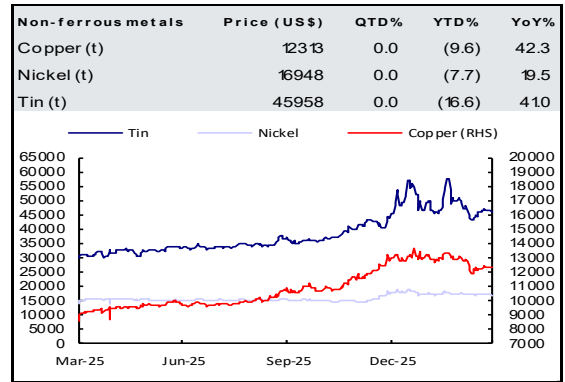
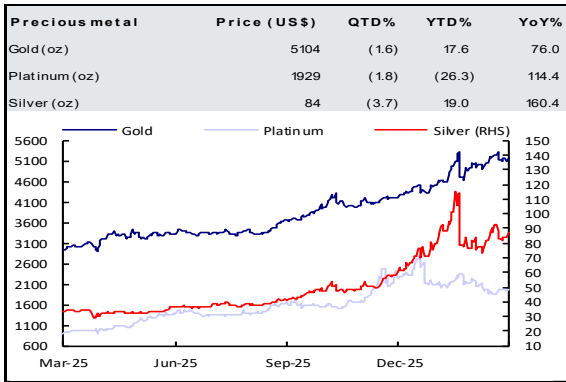
**Business outlook:** Management targets a balanced domestic and overseas sales, aiming for 1.5mn overseas deliveries in 2026 via localized production in South America, Europe, Thailand and Indonesia. Near-term overseas capacity is constrained by battery supply and the Gen 1-to-Gen 2 battery upgrade until year-end. Monthly capacity will expand by 30k to 50k units steadily. Future investment will be focusing on ultra-fast charging and batteries, targeting 5km charging coverage across 90% of urban areas, with 20k ultra-fast charging stations in total, including 2k dedicated highway charging sites. A stronger charging network is expected to enhance user experience and encourage the conversions of fuel-car buyers. Annual capex is expected to stabilize at RMB100bn, aligned with depreciation levels to strengthen cash flow generation.

**Our views:** Fierce domestic competition and weak sales pressured BYD's 4Q25 performance. Its domestic NEV market share fell from a peak of 36% in 2023 to 25% in late 2025, losing grounds to peers including Geely, Leapmotor and others. However, we believe these negatives are already priced into the stock price. Since 2H25, proactive production adjustments have lowered inventory pressure. The inventory-to-assets ratio eased from 18% in Q1 2025 to 16% where inventory days reduced from 85 days to around 63 days, restoring healthy operational efficiency.

In March 2026, BYD launch its upgraded second-generation Blade Battery and ultra-fast charging technology, enabling a charging speed of 10%–95% in roughly 9 mins at room temperature and 12 mins under minus 30°C, delivering a refueling-equivalent charging experience. The rollout of 20k ultra-charging stations this year will further enhance user stickiness and attract fuel-car users. Meanwhile, its in-house developed urban NOA (Navigation on Autopilot) will be deployed on mainstream models priced at RMB 100k–150k in 2026. This enhanced feature is expected to increase its product competitiveness in the domestic market.

Overseas outlets will expand from 1k to 2k, matching the annual export target of 1.5mn units. With an estimated per-unit profit of RMB20k, the overseas business is expected to contribute over 50% of total group profits in 2026, creating a profit base of around RMB30bn. Meanwhile, the near-term earnings growth could be hindered by the heavy capacity capex and R&D spending. Key catalysts near-term include the mass rollout of upgraded second-generation battery technology and the upcoming intelligent driving launch in April. As at the end of 2025, BYD had a net cash position of about RMB25.8bn, supplemented by over RMB80bn in restricted cash and short-term financial investments, offering strong financials. The counter is trading at 19x FY26E P/E. (Research Department)

**Market Watch – Major Commodities and Currencies**



Source: Bloomberg

**US Economic Calendar**

Indicators	Freq	Obs Date	Expected Release Date
Durable Goods Orders	MoM		7-Apr-26
Personal Income & Spending	MoM		9-Apr-26
Initial Jobless Claims	WoW		9-Apr-26
Wholesale Inventories	MoM		9-Apr-26
GDP	QoQ		9-Apr-26
Factory Orders	MoM		10-Apr-26
CPI	MoM		10-Apr-26
Existing Home Sales	MoM		13-Apr-26
PPI	MoM		14-Apr-26
Industrial Production	MoM		16-Apr-26
Retail Sales	MoM		21-Apr-26
Business Inventories	MoM		21-Apr-26
Consumer Confidence	MoM		28-Apr-26
Housing Starts / Building Permits	MoM		29-Apr-26
ISM Manufacturing PMI	MoM		1-May-26
Trade Balance	MoM		5-May-26
New home Sales	MoM		5-May-26
Employment Report	MoM		8-May-26
Auto Sales	MoM		

**China Economic Calendar**

Indicators	Freq	Obs Date	Expected Release Date
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
PMI Manufacturing	MoM		30-Apr-26
Foreign Exchange Reserves	QoQ		7-May-26

**Hong Kong Economic Calendar**

Indicators	Freq	Obs Date	Expected Release Date
PMI	MoM		8-Apr-26
Foreign Currency Reserve	MoM		9-Apr-26
Unemployment Rate	MoM		23-Apr-26
CPI	MoM		23-Apr-26
Trade Balance	MoM		28-Apr-26
Money Supply - M2	MoM		30-Apr-26
GDP	QoQ		5-May-26
Retail Sales	MoM		6-May-26
Producer Prices Index	QoQ		12-Jun-26
Industrial Production	QoQ		12-Jun-26
Composite Interest Rate	MoM		

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