Morning Snapshot

SUNWAH KINGSWAY 新華滙富

Hong Kong & China Market Daily

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What's Hot Today:

► China Autonomous Driving – SoC Chips: Mainstream Penetration & Robotics Volume Ramp

The intelligent driving industry witnessed strong growth in 2H25, with ADAS solutions penetrating the mainstream price segment of below RMB200k and robotics applications gradually scaling up. High-end chips and optimized product structure drove industry expansion, while continuous R&D investment ensured stable product performance, supporting steady growth in the intelligent driving sector.

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

RMB'mn	Horizon Robotics (9660 HK)			Black Sesame (2533 HK)		
	2H25	YoY	HoH	2H25	YoY	HoH
Total Revenue	**2,192**	**51%**	**40%**	**569**	**94%**	**125%**
Gross Profit	1,401	27%	37%	274	162%	338%
GPM	64%	-12pct	-1pct	48%	+12pct	+23pct
Selling Expense	360	70%	32%	36	-48%	-29%
Administrative Expense	419	6%	36%	128	-31%	-25%
R&D Expense	2,854	64%	24%	799	7%	29%
OPEX	**3,632**	**55%**	**26%**	**964**	**-4%**	**15%**
Core Operating Profit	**-2,231**	**N/A**	**N/A**	**-690**	**N/A**	**N/A**
Net income	**-5,236**	**N/A**	**N/A**	**-662**	**N/A**	**N/A**

Source: Company Data, Sunwah Kingsway Research

Horizon Robotics (9660 HK, HK$6.99, HK$102.4bn) Strong Revenue Growth but Limited Profit Improvement.

The company posted revenue of RMB2.19bn in 2H25 (+51% YoY, +40.0% HoH), where 93% of the revenue was contributed by sales and services at RMB2.04bn (+46% YoY, +35% HoH). Product solutions revenue edged up 9% HoH to RMB 844mn (+91% YoY), as overall chip shipments were flat compared to 1H25. The growth was driven by the Horizon SuperDrive (HSD) full-scenario urban NOA solution and Journey 6 high-end chips, which lifted average chip value meaningfully. However, product GPM fell from 46% to 24%, due to low-margin domain controllers and peripherals bundled to speed up HSD rollout, as well as aggressive pricing on Journey 6 chips to compete for market share against Huawei and NVIDIA in the high-end ADAS. Pure chip margin was thus down from 45.6% to 42%. Excluding domain controllers and peripherals, adjusted GPM stood at 42.5%, indicating resilient core profitability.

China & HK Indices	CLOSE	1D	YTD
HSI	25,752	-0.5%	0.5%
HSCEI	8,611	-0.8%	-3.4%
HSCCI	4,256	0.0%	6.0%
CSI300	4,566	-0.6%	-1.4%
Shanghai A	4,159	-0.7%	4.6%
Shanghai B	265	-0.1%	4.6%
Shenzhen A	2,733	-0.6%	3.2%
Shenzhen B	1,190	-0.8%	-5.9%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	48,185	0.6%	0.3%
S&P 500	6,824	0.6%	-0.3%
Nasdaq	22,822	0.8%	-1.8%
NIKKEI Index	56,783	1.6%	12.8%
FTSE Index	10,603	-0.1%	6.8%
CAC Index	8,245	-0.2%	1.2%
DAX Index	23,806	-1.1%	-2.8%

Commodities		CLOSE	1D	YTD
GOLD	(US$/oz.)	4,766	1.0%	10.1%
STEEL	(US$/oz.)	2,954	5.8%	16.2%
SILVER	(US$/oz.)	75	1.6%	4.8%
CRUDE OIL	(US$/bbl)	97	3.7%	71.6%
COPPER	(US$/oz.)	12,681	3.0%	2.1%
ALUMINIUM	(US$/oz.)	3,444	-0.9%	15.0%
PLATINUM	(US$/oz)	2,101	3.4%	1.2%
ZINC	(US$/oz.)	3,327	0.6%	6.7%
WHEAT	(US¢/bu)	574	-1.0%	13.6%
CORN	(US¢/bu)	444	-0.7%	-0.6%
SUGAR	(US¢/lb)	117	-12.9%	
SOYBEAN	(US¢/bu)	1,181	0.3%	10.4%
PVC	(US$/t.)	5,149	-2.0%	70.8%
CRB		368	-3.4%	3.0%
BDI				14.0%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.834	0.855	158.960	0.790	6.831
HKD	0.128		0.109	20.291	10.090	0.872
EUR	1.170	9.166		185.980	1.081	7.993
JPY	0.006	4.928	0.538		0.497	0.043
CHF	1.265	9.912	1.081	201.110		8.643
RMB	0.146	1.147	0.125	23.275	0.116	

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	19	-20.6%

Source: Bloomberg

License and services revenue surged 62% HoH to RMB1.20bn (+61% YoY), as scaled HSD deployment boosted demand for premium algorithms and IP licensing while lifting the share of pure licensing revenue. Segment's GPM rose from 89.7% to 97.4%, driven by a higher-margin mix, lower service reliance and standardized delivery, contributing 83% of total gross profit and serving as the company's core high-margin profit driver.

Non-automotive solutions revenue tripled HoH to RMB150mn (+227% YoY) on ramped robotics and edge AI chip shipments, where GPM improved from 13.1% to 19.2% on scale effects and higher-margin licensing.

However, blended GPM stayed at 65%, pressured by competitive pricing for premium ADAS chips and low-margin HSD-related components. Meanwhile, sequential growth in R&D expense to RMB2.85bn continued to hinder profitability, resulting in a net loss of RMB5.24bn for 2H25 that was largely unchanged from 1H25.

Black Sesame (2533 HK, HK$15.91, HK$10.8bn) New Business Booms but Losses Persist

The company posted 2H25 revenue of RMB569 (+94% YoY, +125% HoH), driven by volume growth and product mix improvement in driving assistance, together with the breakout of new businesses. Driving assistance revenue was RMB450mn (+90% YoY, +79% HoH), representing 79% of total revenue, supported by mass adoption of the Huashan A1000 mainstream SoC with major automakers (BYD, Geely and Dongfeng), volume ramp of the high-end Wudang C1200 central computing chip at leading OEMs, and shipments in commercial vehicles and L4 autonomous delivery applications.

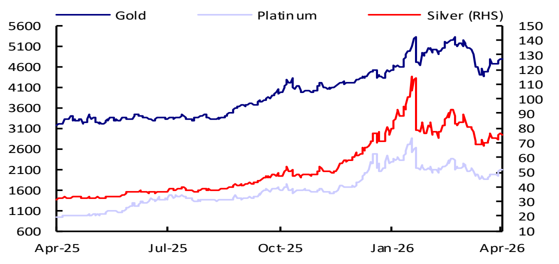
A better product mix and economies of scale subsequently lifted its GPM from 21% in 1H25 to 46%. Intelligent imaging solutions generated RMB23.1mn (-2% YoY, +43% HoH), mainly from customized algorithms for Li Auto's Livis AI glasses, while maintaining a high GPM of 86%. Embodied intelligence solutions, as a newly scaled business, contributed RMB 96.3mn in revenue following the launch of the SesameX robotics platform and mass delivery with top-tier robot partners, boasting a 49% GPM and establishing a new high-margin growth engine.

Nevertheless, with ongoing heavy R&D investments driving up OPEX, the company only managed to improve its overall net loss from RMB762mn in 1H25 to RMB662mn in 2H25, even as the overall GPM rebounded sharply from a trough of 25% in 1H25 to 48% sequentially.

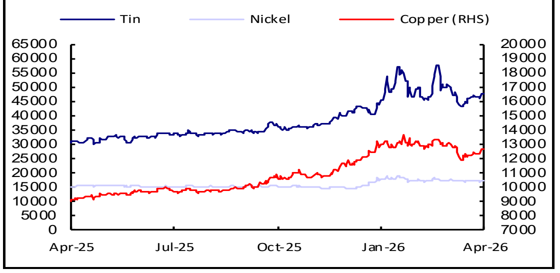
Our views: China's passenger vehicle intelligent transformation accelerated in 2025, with intelligent driving as a key purchase consideration. The penetration rate of intelligent driving assistance reached 67.6% on new cars sold, and the share of mid-to-high-end NOA-equipped vehicles rose from 21.6% in 2024 to 42.6%. Although industry revenue and high-end shipments grew steadily, high R&D investment remains a factor in better profitability. Meanwhile, competition intensified as Nvidia expanded cooperation with BYD, Geely and others to penetrate the RMB200k and below car models, and NIO, XPeng have also been advancing their self-developed chips, which would raise the substitution risks. Horizon Robotics may hold a relatively strong domestic position with its 47.7% market share in basic ADAS, 14.4% in high-end NOA and 44.2% in the mass market vehicles of RMB200k and below price range. The industry-wide profitability remains unclear, and future growth will increasingly depend on scaled deployment in the robotics sector. Horizon Robotics is trading at 12x EV/Revenue for FY26E. (Research Department)

Market Watch – Major Commodities and Currencies

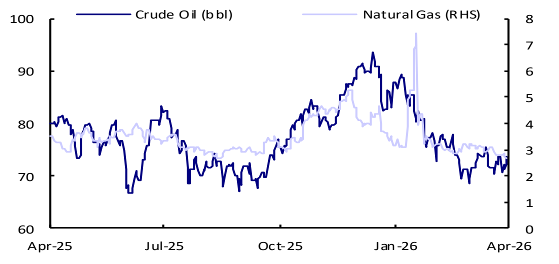
Precious metal	Price (US$)	QTD%	YTD%	YoY%
Gold (oz)	4792	3.1	10.4	51.9
Platinum (oz)	2097	7.5	3.1	127.3
Silver (oz)	76	2.0	8.3	148.5



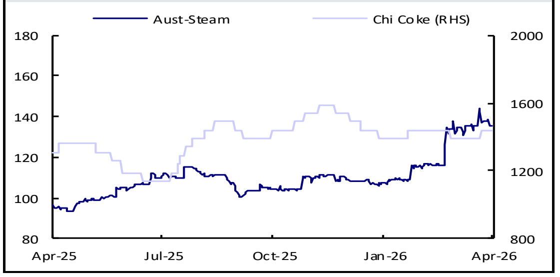
Non-ferrous metals	Price (US$)	QTD%	YTD%	YoY%
Copper (t)	12682	2.8	2.1	41.1
Nickel (t)	17088	(0.1)	2.7	15.5
Tin (t)	47686	2.0	17.6	55.5



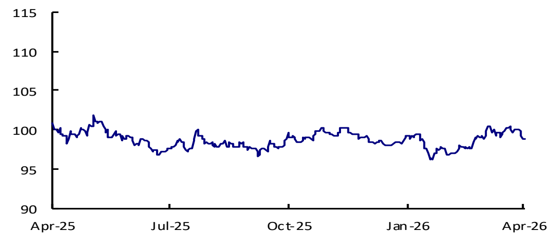
Energy	Price (US$)	QTD%	YTD%	YoY%
Crude Oil (bbl)	97.9	(3.5)	70.4	62.9
Natural Gas (MMbtu)	2.7	(7.4)	(27.6)	(24.9)



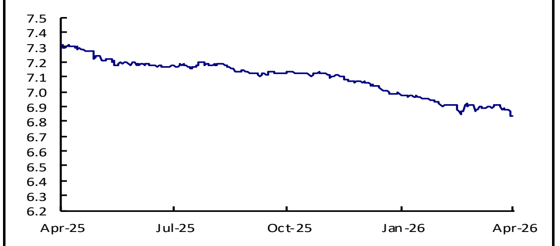
Coal	Price	QTD%	YTD%	YoY%
Chi Coke (Rmb / t)	1440.0	3.6	0.0	9.9
Aust Steam (US$ / t)	135.5	(4.9)	26.0	40.8



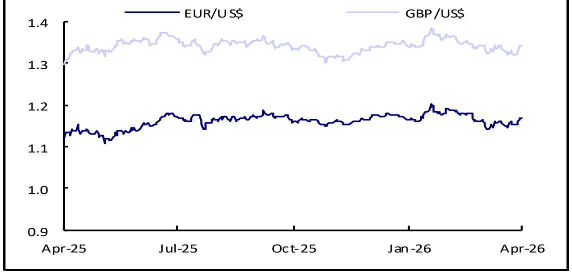
	Price (US$)	QTD%	YTD%	YoY%
Dollar Index Spot	98.8	(1.1)	0.5	(2.0)



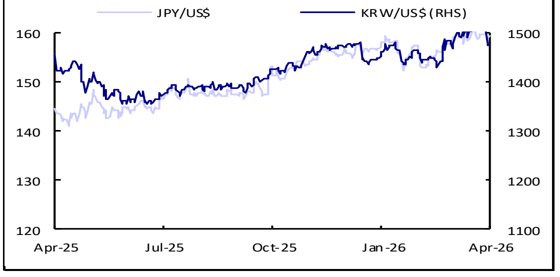
	Price (US$)	QTD%	YTD%	YoY%
Rmb/US$	6.8	(0.9)	(2.3)	(6.6)



	Price (US$)	QTD%	YTD%	YoY%
EUR	1.2	1.3	(0.4)	4.4
GBP	1.3	1.6	(0.3)	3.6



	Price (US$)	QTD%	YTD%	YoY%
JPY	159.0	0.2	1.4	10.0
KRW	1474.8	(2.7)	2.1	1.4



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
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
Durable Goods Orders	MoM		10-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
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
PMI	MoM		6-May-26
Foreign Currency Reserve	MoM		7-May-26
Producer Prices Index	QoQ		12-Jun-26
Industrial Production	QoQ		12-Jun-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**
CMGE Technology Group Ltd.	Xiao Jian	210,000(L)	HKD 0.2410
SSY Group Ltd.	China Pharmaceutical Company Limited	3,000,000(L)	HKD 2.5153
SSY Group Ltd.	Qu Jiguang	3,000,000(L)	HKD 2.5153
Archosaur Games Inc.	LI Qing	121,000(L)	HKD 1.5106
Asia-express Logistics Holdings Ltd.	Choy Wing Hang William	5,500,000(L)	HKD 0.1737
Asia-express Logistics Holdings Ltd.	Diligent City Limited	5,500,000(L)	HKD 0.1737
Asia-express Logistics Holdings Ltd.	Leung Song	5,500,000(L)	HKD 0.1737
BAIOO Family Interactive Ltd.	TMF (Cayman) Ltd.	310,000(L)	HKD 0.4587
CAI Corp	Cai Wensheng	20,000,000(L)	HKD 0.4437
CAI Corp	Cai Wensheng	20,000,000(L)	HKD 0.4437
CAI Corp	Longling Capital Ltd	20,000,000(L)	HKD 0.4437
China Modern Dairy Holdings Ltd.	SUN Yugang	920,048(L)	HKD 0.0000
China Modern Dairy Holdings Ltd.	Zhu Xiaohui	519,673(L)	HKD 0.0000
CMGE Technology Group Ltd.	Xiao Jian	270,000(L)	HKD 0.2290
Glorious Sun Enterprises Ltd.	Yeung Chun Kam	20,000(L)	HKD 1.4000
Green Tea Group Ltd.	Lu Changmei	102,800(L)	HKD 8.8416
Green Tea Group Ltd.	Wang Qinsong	102,800(L)	HKD 8.8416
Kingboard Holdings Ltd.	Hallgain Management Limited	2,029,500(L)	HKD 35.7600
Kintor Pharmaceutical Ltd. - B	KT International Investment Limited	65,000(L)	HKD 2.7000
Kintor Pharmaceutical Ltd. - B	Tong Youzhi	65,000(L)	HKD 2.7000
NetDragon Websoft Holdings Ltd.	Liu Dejian	900,000(L)	HKD 9.2093
NetDragon Websoft Holdings Ltd.	Liu Luyuan	900,000(L)	HKD 9.2093
Paradise Entertainment Ltd.	CHUN JAY	500,000(L)	HKD 0.4790
Rongzun International Holdings Group Ltd.	YANG JINGYAO	84,000,000(L)	HKD 0.5200
Sino Harbour Holdings Group Ltd.	Chan Heung Ling	3,724,000(L)	HKD 0.0880
Sino Harbour Holdings Group Ltd.	Wong Lam Ping	3,724,000(L)	HKD 0.0880
SSY Group Ltd.	China Pharmaceutical Company Limited	4,200,000(L)	HKD 2.5123
SSY Group Ltd.	Qu Jiguang	4,200,000(L)	HKD 2.5123
Zhejiang Sanhua Intelligent Controls Co., Ltd. - H Shares	Schroders PLC	2,169,700(L)	HKD 31.1386

Source: HKEx

Disclaimer

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