

Quarterly Insights

3Q 2025

As the third quarter of 2025 began, geopolitical tensions continued to escalate, pushing gold prices to historic highs and maintaining high volatility. Following an extended tightening cycle, the Federal Reserve initiated its first rate cut, while China deployed targeted rare-earth export policies that increased global supply-chain pressures. Concurrently, China's capital markets demonstrated steady upward momentum, with surging trading activity reflecting robust endogenous resilience and vitality.

We invite you to read the report and explore the latest insights, with key takeaways from our focused sub-sectors below:

Key Takeaways

Healthcare –

Treg therapies surge with clear market momentum

Nobel Prize-recognized paradigm shift in immune balance therapy is driving the rapid rise of T-cell innovations such as CAR-T and engineered Tregs, offering curative pathways for autoimmune diseases, while spurring industry-wide M&A waves and global strategic positioning.

Technology –

AI semiconductors remain red-hot as policy support intensifies

The AI-driven efficiency revolution introduces a new paradigm, accelerating semiconductor localization and catalyzing domestic equipment and materials production. Technology stocks lead market gains, while Robotaxi commercialization diverges and IPO pathways accelerate.

Consumer –

Consumer product landscape undergoes dramatic shifts with supply chains emerging as the decisive factor

The consumer sector is reshaped by private brand proliferation, AI-integrated consumer applications, intensified supply chain consolidation, and full-chain overseas localization, ushering in a new era for consumer investment.

Macro Pulse

Market sentiment and confidence have improved, but remain moderately cautious.

Falling policy uncertainty, loose financial conditions and solid results led to a broad equity rally in 3Q. Meanwhile gold prices grew 56% in the first three quarters of 2025 and hit a record high of more than USD 4,000 per ounce in early October.¹ Nvidia became the first publicly traded company to reach a market capitalization of USD 4tn in July 2025, surpassing Microsoft and Apple. Closer to home, the Hong Kong IPO market has almost 300 active IPO applications in the pipeline as of 30 September 2025, according to KPMG.² Yet amidst the fervor and market adaptation to uncertainty, IMF managing director Kristalina Georgieva warned audience members at a Milken Institute event that “global resilience has not yet been fully tested. And there are worrying signs the test may come.”³ With soaring stock market valuations fueled by the AI boom, and increasing numbness towards Trump’s ongoing tariff threats, investors are swinging from caution to appetite.

US Macroeconomic Update: Expected Interest Rate Cuts to Boost Stock Markets

Total nonfarm payrolls increased by just 22,000 in August 2025, almost 3x lower than expected, and the unemployment rate rose to 4.3%, its highest since 2021.⁴ As such, the Fed chose to cut rates for the first time in 9 months in its September 2025 meeting, lowering the funds rate by 25 basis points to 4.0-4.25%.⁵

The Fed is likely to cut interest rate two more times by 25bps each before the end of 2025. The next Fed Chair, to be appointed by Trump in next May, is expected to be quite dovish, so there could be up to another 75 to 100 bps rate cut in 2026. The reduction in short term interest rate will certainly further boost stock market liquidity and lower financial burden for corporates, especially the smaller companies.

Together with the implementation of the One Big Beautiful Bill and the resultant tax reduction, these could lift cash flows further and spur stock markets. The US import tariffs may have a mild effect on inflation, but as long as the eventual tariff rates are within a manageable level (i.e. less than 30-40% for China and less than 20-25% on average for other countries), the impact is expected to be moderate. Meanwhile, the macro backdrop of falling policy uncertainty, loose financial conditions, and solid economic growth should support consumer spending growth.

¹ <https://www.reuters.com/world/china/gold-hits-record-high-us-china-trade-woes-escalate-silver-scales-all-time-peak-2025-10-13/>

² <https://kpmg.com/cn/en/home/insights/2025/10/china-hk-ipo-2025-q3-review.html>

³ <https://www.theguardian.com/business/2025/oct/08/imf-chief-warns-uncertainty-is-the-new-normal-in-global-economy>

⁴ <https://www.cnbc.com/2025/09/05/jobs-report-august-2025.html>

⁵ <https://www.jpmorgan.com/insights/global-research/economy/fed-rate-cuts#:~:text=Key%20takeaways, followed%20by%20one%20in%202026.>

China Macroeconomic Update:

The total domestic GDP in the first half of 2025 reached RMB 66tn, representing a year-on-year increase of 5.3%, with a year-on-year growth of 5.2% in 2Q. Overall, the proactive and effective macro policies in the first half have taken effect and yielded results; economic operation has continued its steady and positive momentum, demonstrating the resilience of China's economy. In 3Q 2025, China's economy maintained a moderate recovery trend. The year-on-year GDP growth rate for July-September is expected to be between 5.2% and 5.3%, benefiting from continued policy support and marginal improvement in domestic demand. However, real estate investment remains sluggish, and exports face significant uncertainties. Overall corporate profits have improved, and the profits of industrial enterprises above designated size have turned positive year-on-year, indicating that the industrial sector's recovery has shown a certain degree of sustainability.

From the demand side, core CPI (excluding food and energy prices) rose by 0.9% year-on-year in August, with the growth rate expanding for four consecutive months—reflecting the effects of policies to expand domestic demand and boost consumption, though the marginal effect of such stimulation is diminishing. The consumer market operated generally stably: in August, the total retail sales of consumer goods increased by 4.6% year-on-year, with catering revenue and retail sales of goods rising by 2.1% and 3.6% year-on-year, respectively. Among retail commodity categories, sales of gold, silver and jewelry grew by 16.8% year-on-year, which reflects consumers' enthusiasm driven by investment attributes during the phase of rising gold and silver prices. In terms of fixed asset investment (FAI), overall investment expanded slightly, while real estate-related data declined year-on-year. From January to August 2025, the total national FAI reached RMB 32.6tn, a year-on-year increase of 0.5%. By industry:

- Investment in the primary industry amounted to RMB 646.1bn, up 5.5% year-on-year;
- Investment in the secondary industry reached RMB 11.8tn, an increase of 7.6%;
- Investment in the tertiary industry stood at RMB 20.1tn, a decrease of 3.4%.

Within the secondary industry, manufacturing investment grew by 5.1%, while investment in the electricity, heat, gas and water production and supply industry increased by 18.8%. In August, the Purchasing Managers' Index (PMI) was 49.4%, up 0.1 percentage point from the previous month, indicating an improvement in manufacturing prosperity. The New Orders Index was 49.5%, also up 0.1 percentage point month-on-month, signaling a slight improvement in the prosperity level of manufacturing market demand.

From the supply side, the value-added of industrial enterprises above designated size grew by 6.2% year-on-year in January-August. In August alone, the real year-on-year growth of VAIEADS was 5.2%, with:

- Value-added of the mining industry up 5.1% year-on-year;
- Value-added of the manufacturing industry increasing by 5.7%;
- Value-added of the electricity, heat, gas and water production and supply industry rising by 2.4%.

In August, the Non-Manufacturing Business Activity Index was 50.3%, up 0.2 percentage point from the previous month, showing that the non-manufacturing sector continued to expand. Among sub-sectors, the Services Business Activity Index was 50.5%, up 0.5 percentage point month-on-month and reaching a yearly high. Driven by summer consumption and supported by the "new industries and new business forms" policy, all consumer-related industry indices have maintained an expansion trend, and the supporting role of finance in the entire economy has become more prominent. Specifically, the Business Activity Indexes of industries such as capital market services, railway transportation, air transportation, and telecommunications, radio, film and television, and satellite transmission services all remained in the high prosperity range (above 60%), with total business volume growing rapidly.

Chart 1: Heat Map of Monthly Changes in China's Key Macroeconomic Indicators (2024.08-2025.08)

Macro Indicators		2025-08	2025-07	2025-06	2025-05	2025-04	2025-03	2025-02	2025-01	2024-12	2024-11	2024-10	2024-09	2024-08
GDP (%)	Quarterly						5.40			5.40			4.60	
Industrial Added Value (%)	Monthly	5.20	5.70	6.80	5.80	6.10	7.70	5.90		6.20	5.40	5.30	5.40	4.50
Social Financing (%)	Monthly	3.40	3.70	4.80	6.40	5.10	5.90	4.00		3.50	3.00	4.80	3.20	2.10
Fixed Asset Investment (%)	Accumulated	0.50	1.60	2.80	3.70	4.00	4.20	4.10		3.20	3.30	3.40	3.40	3.40
Manufacturing Investment (%)	Accumulated	5.10	6.20	7.50	8.50	8.80	9.10	9.00		9.20	9.30	9.30	9.20	9.10
Infrastructure Investment (%)	Accumulated	2.00	3.20	4.60	5.60	5.80	5.80	5.60		4.40	4.20	4.30	4.10	4.40
Real Estate Investment (%)	Accumulated	-12.90	-12.00	-11.20	-10.70	-10.30	-9.90	-9.80		-10.60	-10.40	-10.30	-10.10	-10.20
Export (%)	Monthly	4.40	7.20	5.80	4.80	8.10	12.40	-3.00		10.70	6.70	12.70	2.40	8.70
CPI (%)	Monthly	-0.40	0.00	0.10	-0.10	-0.10	-0.10	-0.70	0.50	0.10	0.20	0.30	0.40	0.60
PPI (%)	Monthly	-2.90	-3.60	-3.60	-3.30	-2.70	-2.50	-2.20	-2.30	-2.30	-2.50	-2.90	-2.80	-1.80
Social Financing (%)		8.80	9.00	8.90	8.70	8.70	8.40	8.20	8.00	8.00	7.80	7.80	8.00	8.10
RMB Loans (%)		6.60	6.80	7.00	7.00	7.10	7.20	7.10	7.20	7.20	7.40	7.70	7.80	8.10
M1 (%)		6.00	5.60	4.60	2.30	1.50	1.60	0.10	0.40	1.20	-0.70	-2.30	-3.30	-3.00
M2 (%)		8.80	8.80	8.30	7.90	8.00	7.00	7.00	7.00	7.30	7.10	7.50	6.80	6.30

Source: VMS internal analysis

Capital Market Update

The VC/PE market maintained a pattern of "structural vitality": the number of investment events decreased slightly month-on-month, while confidence in the primary market gradually recovered. The Hong Kong stock market remained robust, attracting a large number of consumer and technology enterprises to list in Hong Kong; the Sci-Tech Innovation Board (STAR Market) reopened its "hard technology" channel, and the optimization of exit mechanisms has helped investment logic return to the industrial essence. In the first three quarters of 2025, the number of IPOs by Chinese enterprises reached 161 (including 60 on the Hong Kong stock market and 23 on the U.S. stock market), a year-on-year increase of 25.8%, with 52 IPOs in 3Q (21 on the Hong Kong stock market). Over 180 new IPO enterprises were accepted in the first three quarters. Internet, IT, and machinery manufacturing enterprises remained active.

A total of 11 enterprises completed A+H dual listings in the first three quarters, with a total financing scale of nearly RMB 70bn.

In the first half of 2025, the fundraising amount in the Chinese market reached RMB 728.3bn, a year-on-year increase of 12%; a total of 5,612 investment cases were completed, up 21.9% year-on-year, with an investment amount of approximately RMB 338.9bn, a year-on-year increase of 1.6%. The average investment amount was RMB 86mn, a year-on-year decrease of 8.2%—to some extent reflecting the general shift of project investment stages to an earlier phase. According to statistics on projects with disclosed amounts from ChinaVenture, the top five investment tracks with the highest financing amounts in August 2025 were:

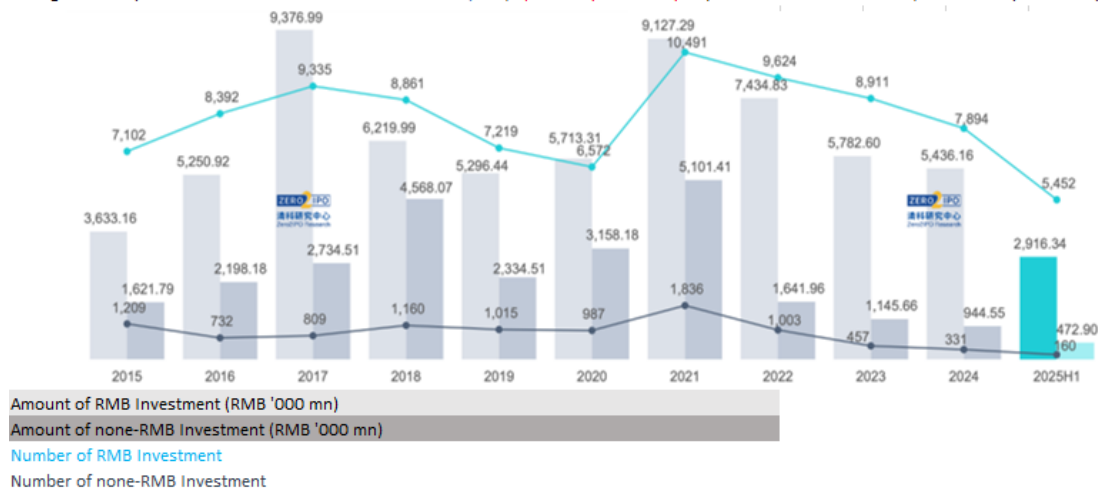
1. Energy and Mining: RMB 21.6bn
2. Public Utilities: RMB 13.2bn
3. Advanced Manufacturing: RMB 10.6bn
4. Electronic Information: RMB 6.7bn
5. Medical and Health Industry: RMB 4.9bn

The total financing scale of these five tracks reached RMB 57.0bn (corresponding to 674 transactions), accounting for 81.3% of the total financing amount. Representative projects included:

- China Fusion Energy Co. Ltd: RMB 11.5bn in strategic round financing
- CGN Inner Mongolia New Energy Investment Company: RMB 11.8bn in strategic round financing
- Guangdong Handar Defense: RMB 1.6bn in strategic round financing
- Hongyang Display: RMB 1.1bn in Series A financing
- Newsonic Technologies: RMB 2.7bn in Series C financing
- Beatbot: RMB 1.0bn in Series B financing
- Lisuan Tech: RMB 500mn in strategic round financing
- METiS TechBio: RMB 400mn in Series D financing

Chart 2: Currency Composition in Chinese Equity Investment Market (2015-2025H1)

Investment Currency: RMB Investments Remain Dominant, Foreign Currency Investment Amount Stops Fall and Rebounds
Distribution of Investment Currencies in China's Equity Investment Market (Including Early - stage Investment Institutions, VC, PE) 2015 - 1H 2025
 RMB investment amount exceeded 2,900 billion yuan, down 2.9% year - on - year; number of cases was 5,452, up 28.3% year - on - year
 Foreign currency investment amount exceeded 470 billion yuan, up 41.3% year - on - year; number of cases was 160, down 5.9% year - on - year



Source: Zero2IPO Ventures & Zero2IPO Research

From the perspective of asset allocation, the valuation of U.S. stocks is significantly higher than that of A-shares. Currently, the S&P 500 Index has a forward P/E ratio of 24.6x for this year, which is significantly higher than its 20-year historical average of 18.3x. In contrast, the MSCI China Index has a forward P/E ratio of 14.5x, slightly above its 20-year historical average of 13.6x, and notably lower than those of the U.S., European, and Japanese stock markets.

In the A-share market, the key focus areas include the AI & technology, internet, healthcare, industrials, materials, consumer staples, and high-dividend sectors.

Healthcare

T-Cell-Based Therapies in Autoimmune Diseases: Where We Are and What Comes Next?

Autoimmune diseases, affecting an estimated 10% of the global population, are a significant cause of disability and mortality.⁶ They place a substantial burden on individuals and healthcare systems worldwide. These conditions arise when the immune system mistakenly attacks the body's own tissues, a process driven by a breakdown in immune tolerance.

Central to this process are T cells, a diverse group of immune cells that act as both regulators and aggressors. In a healthy immune system, a delicate balance is maintained. A specific subset, known as regulatory T cells (Tregs), is crucial for maintaining self-tolerance—the ability to recognize and ignore the body's own components.⁷ In autoimmune diseases, this balance is lost. Either Tregs become dysfunctional, or aggressive, self-reactive T cells overwhelm the body's natural defenses, leading to a sustained attack on healthy tissues.

This deeper understanding of T-cell function is now paving the way for revolutionary treatments. Instead of broadly suppressing the immune system, novel therapies that leverage T-cell engineering—such as T-cell engagers (TCEs), CAR-T cell therapies, and engineered Tregs—are emerging as powerful solutions. These approaches are designed with precision: they aim to either eliminate the specific rogue cells driving the disease or to bolster the regulatory cells that restore balance, offering the potential for cures where none existed before.

In this article, we will explore the current landscape of T-cell-based autoimmune therapies, highlighting the groundbreaking potential they hold to transform patient outcomes.

- **Nobel Spotlight on Tregs – The Checks and Balances in the Immune System**

The 2025 Nobel Prize in Physiology or Medicine was awarded to immunologists Shimon Sakaguchi, Mary Brunkow, and Fred Ramsdell for their discovery of regulatory T cells (Tregs) and the mechanism of peripheral immune tolerance.⁸ Their groundbreaking work revealed how the immune system's 'brakes' prevent self-attack – a finding that laid the foundation for new therapies in autoimmune diseases. Tregs act as the immune system's peacekeepers, curbing overactive immune responses that would otherwise

⁶ Hayter SM, Cook MC. Updated assessment of the prevalence, spectrum and case definition of autoimmune disease. *Autoimmun Rev* 2012; 11: 754–65.

⁷ Press release: The Nobel Prize in Physiology or Medicine 2025 - NobelPrize.org

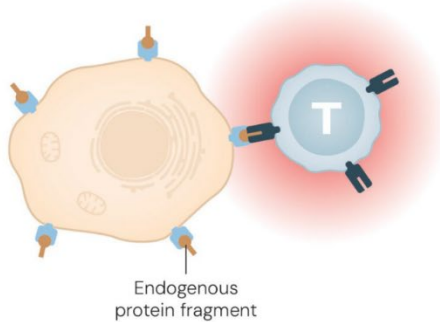
⁸ Press release: The Nobel Prize in Physiology or Medicine 2025 - NobelPrize.org

damage the body's own tissues. Chart 3 below illustrates this concept: a rogue T cell that targets a self-antigen can be reined in by patrolling Tregs, thereby averting an autoimmune flare. This landmark recognition by the Nobel Committee underscores how restoring immune tolerance has moved to the forefront of biomedical innovation, validating Treg-based therapies as a promising strategy against autoimmune disorders.

Chart 3: Mechanism of Tregs against autoimmunity

How regulatory T cells protect us

1 A T cell that has slipped through the test in the thymus reacts to a fragment from one of the body's proteins.



2 Regulatory T cells discover that the attack is a mistake and calm it down. This prevents autoimmune diseases.

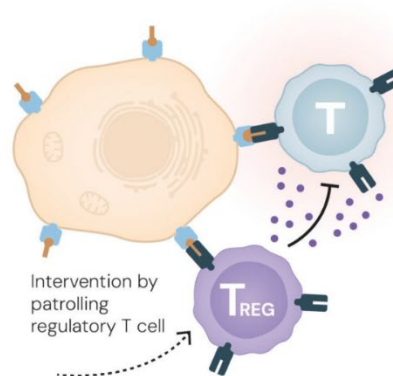


Chart 3: Regulatory T cells serve as immune "police" to protect against autoimmunity. (1) A self-reactive T cell (blue) mistakenly reacts to the body's own protein, which has "slipped through" central tolerance. (2) Regulatory T cells (purple) intervene and secrete suppressive factors to calm down the autoreactive T cell, preventing an autoimmune attack.

Source: Nobel Prize Committee, 2025

Beyond scientific prestige, this Nobel spotlight highlights a paradigm shift for investors and biotech leaders: therapies that reinstate immune balance (rather than broadly suppress immunity) are now clinically validated. In the wake of this recognition, a wave of T cell-focused therapies – from chimeric antigen receptor (CAR) T cells to engineered Tregs and bispecific T cell engagers – is rapidly emerging to tackle autoimmune diseases at their immunological roots. In the following sections, we will explore these cutting-edge modalities, the latest clinical evidence, dealmaking trends, and how companies (especially in China) are positioning to capitalize on this therapeutic revolution.

- **CAR-T Therapies: Unlocking New Therapeutic Potentials in Autoimmune Diseases**

CAR-T (Chimeric Antigen Receptor T-cell) therapy has proven to be a revolutionary treatment in oncology, especially for hematologic malignancies like leukemia and lymphoma. Originally developed to target malignant cells, this powerful approach is now showing remarkable promise in autoimmune diseases.

CAR-T therapy represents an innovative immunotherapeutic approach wherein T lymphocytes are genetically modified to express chimeric antigen receptors (CARs), thereby enabling the precise recognition and targeted elimination of specific antigen-expressing cells.⁹

Clinical Breakthrough in Lupus leads the way

Over the past four years, academic teams in Europe and China have treated small but informative groups of patients with refractory systemic lupus erythematosus (SLE) using anti-CD19 CAR-T cells—with remarkable outcomes.

In an initial study from the University of Erlangen in Germany, five young adults with severe, treatment-resistant SLE received autologous CD19 CAR-T cells after failing all standard options. All five achieved drug-free remission, showing disappearance of autoantibodies and recovery of organ function sustained for up to 12 months.¹⁰

The results were later expanded: by 2025, eight SLE patients had been treated at Erlangen, many maintaining long-term remission after a single CAR-T infusion.¹¹ A New England Journal of Medicine report described 15 patients (8 SLE, 4 systemic sclerosis, and 3 polymyositis) treated with CD19 CAR-Ts—none of the SLE patients relapsed during up to 2 years of follow-up.¹² These outcomes suggest that CAR-T therapy can induce durable remission in lupus by targeting and eliminating disease-driving B cells.

A notable case from China in 2025 demonstrated similar success using BRL-303, an allogeneic (donor-derived) CD19 CAR-T product. The trial patient, a young woman with refractory lupus, achieved rapid and deep remission without major side effects.¹³ This product was genome-edited with CRISPR to be “universal”—lacking patient-specific T-cell receptors—to prevent graft-versus-host disease. Data presented at the 2025 ASGCT conference confirmed no GVHD or neurotoxicity and complete resolution of disease activity.¹⁴ This proof-of-concept for an off-the-shelf CAR-T therapy highlights the possibility of scalable, non-patient-specific treatments for autoimmune disease.

⁹ Wu Yuanhao. CAR-T therapy: pioneering a new era in the treatment of autoimmune diseases. *Front. Immunol*; Volume 16 - 2025

¹⁰ Scherlinger M. et al. “CAR T-cell therapy in autoimmune diseases: where are we and where are we going?” *Lancet Rheumatology* 7(6): e434-e446, June 2025

¹¹ Wilhelm A, Chambers D, Müller F, et al. Selective CAR-T cell mediated B cell depletion suppresses interferon signature in SLE. *JCI Insight* 2024; 9: e179433.

¹² Scherlinger M. et al. “CAR T-cell therapy in autoimmune diseases: where are we and where are we going?” *Lancet Rheumatology* 7(6): e434-e446, June 2025

¹³ Yang, C., Sun, C., Tan, B. et al. Allogeneic anti-CD19 CAR-T cells induce remission in refractory systemic lupus erythematosus. *Cell Res* 35, 607–609 (2025).

¹⁴ Yang, C., Sun, C., Tan, B. et al. Allogeneic anti-CD19 CAR-T cells induce remission in refractory systemic lupus erythematosus. *Cell Res* 35, 607–609 (2025).

Beyond Lupus – Expanding to Other Autoimmune Indications

While SLE has been the initial proving ground, other B-cell–driven autoimmune diseases are following quickly. The Erlangen group also treated five patients with systemic sclerosis using CD19 CAR-Ts and observed improvements in skin thickening and lung function over six months.¹⁵ Similarly, early cases of dermatomyositis and polymyositis have shown clinical improvements after CAR-T treatment.¹⁶

These results underscore the broad potential of CAR-T–mediated B-cell depletion across multiple refractory autoimmune diseases. Looking forward, diseases such as type 1 diabetes (T1D) and multiple sclerosis (MS)—though not primarily B-cell–driven—may also benefit from tailored CAR-T approaches.

For instance, T1D involves autoreactive T cells that destroy pancreatic islets. Novel CAR-T strategies are being developed to target pancreatic stromal antigens, such as fibroblast activation protein (FAP), to reduce local inflammation.¹⁷ Other approaches aim to eliminate antigen-presenting cells or supportive niches that fuel autoreactive T cells. Though still early, these efforts show the potential of CAR-T to reset immune balance in a wide range of autoimmune conditions.

From Autologous to Allogeneic

Early trials used autologous CAR-T products—engineered from each patient’s own T cells. While effective, this process is expensive, time-consuming (2–6 weeks), and depends on the health of often immunocompromised cells.

Allogeneic (“off-the-shelf”) CAR-T therapies, derived from healthy donors, offer a more scalable solution. They can be pre-manufactured, stored, and used on demand—crucial for chronic diseases that affect large patient populations. The potential drop in production costs could also make these therapies more accessible, reducing prices from the ~USD 350–400k seen in oncology to a fraction of that.

Gene-editing technology now allows creation of universal donor cells by removing the T-cell receptor and reducing MHC expression to minimize immune rejection. In 2024, Professor Huji Xu’s group in China achieved a major milestone with the first allogeneic CD19 CAR-T therapy for refractory systemic sclerosis and myositis.¹⁸

Adding to this momentum, **ST PHI Therapeutics** ([Link: ST Phi](#))—a VMS portfolio company—has reported encouraging early clinical signals in autoimmune patients using its proprietary allogeneic CAR-T platform. Designed for immune tolerance restoration, the program has shown potential to rebalance the immune

¹⁵ Scherlinger M. et al. “CAR T-cell therapy in autoimmune diseases: where are we and where are we going?” *Lancet Rheumatology* 7(6): e434–e446, June 2025

¹⁶ Nicolai R, Merli P, Moran Alvarez P, et al. Autologous CD19- targeting CAR T cells in refractory juvenile dermatomyositis. *Arthritis Rheumatol* 2024; 76: 1560–65.

¹⁷ Tenspolde M, Zimmermann K, Weber LC, et al. Regulatory T cells engineered with a novel insulin-specific chimeric antigen receptor as a candidate immunotherapy for type 1 diabetes. *J Autoimmun* 2019; 103: 102289.

¹⁸ Qun Yan, Huji Xu, Harnessing allogeneic CAR-T cell therapy for autoimmune conditions; *hLife*, Volume 3, Issue 4, 2025.

system without chronic immunosuppression, representing one of the first CAR-T successes in T-cell–driven diseases.

As data build, allogeneic CAR-T therapies could redefine autoimmune treatment—offering scalable, potentially curative solutions and positioning innovators like ST PHI Therapeutics at the forefront of this therapeutic revolution.

Challenges and Opportunities

T-cell–based therapies such as CAR-T are transforming autoimmune disease management, but they still face safety and manufacturing challenges. Cytokine release syndrome (CRS) and neurotoxicity (ICANS) can occur but are generally mild in autoimmune cases. Long-term cell persistence and theoretical risks (such as secondary malignancies) are being closely monitored, though incidence so far remains low. Manufacturing complexity—especially for autologous therapies—remains a key bottleneck. This has accelerated interest in allogeneic, universal platforms like ST PHI’s CNK-UT system. Global leaders including Kyverna, Cabaletta Bio, JW Therapeutics, Gracell, and IASO Bio are actively developing CAR-T programs for lupus, myasthenia gravis, and systemic sclerosis.

Together, these efforts mark a rapidly maturing field—balancing curative potential with improved safety and scalability. As technology and data evolve, CAR-T therapies could capture a meaningful share of the ~USD 100bn autoimmune therapeutics market, but realizing this promise will require overcoming significant hurdles in real-world adoption. Autoimmune diseases are chronic and typically non-fatal, making physicians less likely to prescribe expensive, high-risk cell therapies unless they demonstrate unquestionably superior efficacy over conventional biologics. Pricing and reimbursement are critical considerations, since unlike cancer treatments, autoimmune patients often require long-term management. Autologous CAR-T products in particular may face skepticism outside of oncology; their complex, patient-specific manufacturing and high cost can be justified for dire cancer patients with few options, but may limit uptake in chronic conditions where safer biologic therapies exist. These factors suggest that broad commercial success in autoimmunity will hinge on developing more scalable off-the-shelf solutions and on demonstrating clear clinical advantages that outweigh the safety, logistical, and economic challenges.

Table 4. Key CAR-T transactions in autoimmune diseases

Date	Pharma Partner	Biotech Partner	Deal Focus/Target	Deal Value
October 2025	Bristol Myers Squibb	Orbital Therapeutics	OTX-201 – in vivo CAR-T (circular RNA) producing CD19-directed CAR to deplete B cells (for autoimmune disorders)	\$1.5 billion (100% cash)
June 2025	AbbVie	Capstan Therapeutics	CPTX-2309 – in vivo CAR-T (LNP-delivered mRNA) reprogramming T cells to target CD19 B-cells (reset immune system)	Up to \$2.1 billion
Dec 2023	AstraZeneca	Gracell Biotechnologies	GC012F – autologous dual-target CAR-T (BCMA + CD19) for multiple myeloma and systemic lupus erythematosus (SLE)	Up to \$1.2 billion (~\$1.0B upfront + \$0.2B CVR)
June 2023	AstraZeneca	Quell Therapeutics	Engineered Treg cell therapies (CAR-Treg) for T1D and Inflammatory Bowel Disease (using Quell’s Foxp3 “phenotype lock” Treg engineering toolbox)	\$85 million upfront + >\$2 billion milestones
March 2023	Regeneron	Sonoma Biotherapeutics	Engineered Treg cell therapies (CAR-Treg) for ulcerative colitis, Crohn’s disease, and up to 3 additional autoimmune indication	\$75 million upfront (\$45M cash + \$30M equity) + \$45 million milestone

Source: company news, VMS internal analysis

- **Treg Therapies: Engineering Immune Moderation**

The 2025 Nobel Prize in Medicine shone a spotlight on Tregs and their crucial role in autoimmune disease, recognizing the scientists who revealed how these “security guard” cells maintain self-tolerance. The award reinforces the long-term promise of Tregs — not only as a scientific discovery but as the foundation for a new class of immune therapies.

After decades of foundational research, the focus has now shifted to translation: turning Treg biology into real treatments. Current approaches range from infusions of expanded “polyclonal” Tregs to next-generation engineered cells — such as CAR-Tregs and TCR-Tregs — designed to home to specific tissues and restore immune balance.¹⁹ Early clinical studies using patients’ own Tregs have shown encouraging safety and hints of efficacy, though no therapy has yet reached approval.

Today, biotech innovators are working to make Tregs more targeted and potent, echoing the evolution of CAR-T therapies in oncology. Companies such as Sonoma Biotherapeutics, Quell Therapeutics, GentiBio, and Abata Therapeutics are enhancing Tregs with chimeric antigen receptors (CARs) or T-cell receptors (TCRs) to achieve antigen-specific suppression — acting precisely where immune regulation is needed most.²⁰ In short, Treg therapies are rapidly moving from concept to clinic, with growing momentum across multiple autoimmune and inflammatory diseases.

¹⁹ Fisher J & Sennikov S. “Tregs-based therapies for autoimmune diseases: targets, specificity, advantages and disadvantages.” *Front. Immunol.* 16:1511671 (2025)

²⁰ Fisher J & Sennikov S. “Tregs-based therapies for autoimmune diseases: targets, specificity, advantages and disadvantages.” *Front. Immunol.* 16:1511671 (2025)

Growing Industry Momentum

Investor and pharmaceutical interest in the Treg space have surged alongside these scientific advances. The sector is heating up, with a wave of high-value partnerships and financings.

- AstraZeneca partnered with Quell Therapeutics in late 2023 to develop Treg therapies for type 1 diabetes and inflammatory bowel disease (IBD), paying USD 85mn upfront and up to USD 2bn in milestones.²¹
- Bristol Myers Squibb followed with a partnership with GentiBio focused on IBD, worth up to USD 1.9bn.²²
- Regeneron joined forces with Sonoma Biotherapeutics in a USD 75mn collaboration to co-develop CAR-Tregs for ulcerative colitis and related conditions.²³

Venture capital has been equally active. Sonoma Bio raised USD 265mn to advance its Treg pipeline, Quell Therapeutics secured USD 156mn in Series B financing to take its lead CAR-Treg into the clinic, and GentiBio launched with USD 157mn in Series A funding focused on type 1 diabetes. Abata Therapeutics raised USD 95mn to develop Treg therapies for progressive multiple sclerosis.

Table 5. Key Tregs transactions in autoimmune diseases

Date	Pharma Partner	Biotech Partner	Target Modality	Deal Value
June 2023	AstraZeneca	Quell Therapeutics	CAR-Treg for T1D & IBD	<ul style="list-style-type: none">• \$85 million upfront• Up to \$2B milestones
March 2023	Regeneron	Sonoma Therapeutics	Autologous & CAR-Treg	<ul style="list-style-type: none">• \$75million upfront (\$30mn equity)
August 2022	BMS	GentiBio	Engineered Tregs for IBD	<ul style="list-style-type: none">• Total value up to \$1.9B

Source: company news, VMS internal analysis

Rationale and Outlook

Enthusiasm around Treg therapies is well-founded. Autoimmune diseases represent a market exceeding USD 100bn, and a treatment that can re-establish durable immune tolerance would be truly transformative. Over the next 12–18 months, pivotal early data from transplant and autoimmune trials will be crucial to validate this approach.

For now, both investors and pharmaceutical companies are betting that Treg-based platforms could deliver breakthrough outcomes comparable to past revolutions in immunotherapy. With Nobel-recognized science, advancing clinical evidence, and accelerating deal-making, Treg therapies are

²¹ AstraZeneca-Quell (company press release)

²² BMS-GentiBio (company press release)

²³ Regeneron-Sonoma (company press release)

emerging as one of the most compelling new frontiers in autoimmune medicine — where immune modulation may achieve what suppression never could: lasting tolerance and potential cures.

- **T Cell Engagers (TCEs)**

For detailed information, please refer to the VMS 1Q 2025 write-up [[Link: 1Q 2025 market insight](#)]

Outlook: A New Paradigm in Autoimmune Therapeutics

The convergence of CAR-T, CAR-Treg, and TCE technologies is driving a profound shift in autoimmune disease treatment — moving from symptom management toward true immune re-engineering. As clinical validation expands and Phase 2 data emerge, confidence in the field is growing rapidly, bringing with it increased investment and scientific momentum.

While safety and durability remain key risks, the diversity of therapeutic modalities helps mitigate potential downsides. Each platform offers a distinct role: CAR-T therapies may serve as one-time, potentially curative interventions; CAR-Tregs could sustain long-term immune tolerance; and TCEs provide flexible, biologic-based alternatives.

Commercially, these innovations have the potential to redefine standards of care. Although upfront costs are high, the promise of drug-free remission and reduced long-term healthcare burdens may justify the investment. Regulators are beginning to adapt approval frameworks, and advances in manufacturing technologies are making these therapies increasingly scalable and affordable.

China's biopharma ecosystem is emerging as a major force in this space, leveraging its vast patient base, rapid clinical execution, and manufacturing strength to accelerate global collaboration and innovation.

In essence, autoimmune cell therapy stands on the verge of becoming a new therapeutic category — much like bi-specifics antibodies once were. The next two years will be decisive: they will reveal whether immune re-engineering can truly deliver on its promise — transforming the immune system from the cause of disease into its ultimate cure.

Technology

Technology has been the main driver of A-share and Hong Kong stock markets in 3Q 2025

"AI+" and "avoiding inefficient competition (anti-involution)" have become frequently cited keywords in the second half of the year. In late August, the State Council released *the Guiding Opinions on Action*, which stipulates that the penetration rate of AI/smart terminals is expected to reach over 70% by 2027 and over 90% by 2030. Additionally, the Opinions proposes to achieve in-depth integration of AI with six key areas—technology, industry, consumption, people's livelihood, governance, and global cooperation—and will prioritize the layout of data supply, computing power development, and application cultivation.

Hong Kong Stock Market

Index Performance: The Hang Seng Tech Index rose by approximately 22.1% in the quarter, with a year-to-date gain of around 46%, driving the index to a new four-year high in mid-to-late September. Meanwhile, the Hang Seng Index increased by 11.6% in 3Q, closing higher for the third consecutive quarter.

Driving Factors:

Accelerated AI investment and product iteration have improved profit expectations and valuation recovery of leading enterprises.

Policy support for domestic chip/computing power chains and capital inflows (including southbound capital and some overseas capital) have created resonance, forming positive feedback between market sentiment and fundamentals.

Structural Features:

Semiconductor equipment/computing power and internet applications strengthened in a coordinated manner. This, coupled with active listings of large-scale new stocks (i.e., Zijin Gold International, which had the largest listing scale globally this year), boosted market risk appetite and activity.

Despite the index reaching a phase-high, it has not yet fully recovered from the approximately 40% pullback from its 2021 peak.

A-Share Market

Index Performance: The ChiNext Index surged by 50.4%, the STAR 50 Index rose by 49.02%, the Shenzhen Component Index increased by 29.25%, and the Shanghai Composite Index gained 12.73%. Technology-related indices significantly outperformed the broader market.

Trading Dynamics: Trading volume and risk appetite rose in tandem. Total trading volume in September reached approximately RMB 53.2tn, a record high, and daily trading volume exceeded RMB 2tn for 35 consecutive trading days starting from mid-August.

Structural Features: TMT sectors (electronics, communications, power equipment) and the "hard technology" chain led the gains. Prosperous segments such as computing power, semiconductor equipment, and robotics drove leading enterprises and their industrial chains to move upward in synergy.

Core Thematic Insights in Technology

- *AI enters the phase of efficiency revolution, with investment logic shifting to ROI and industry penetration*

AI Shifts from "Traffic-Driven Boom" to "Efficiency Revolution". In 3Q, this transition was prominently reflected in the accelerated penetration of AI applications in vertical industries. Corporate procurement behavior has shifted from pilot exploration to systematic deployment, and AI SaaS (Software-as-a-Service) has become a core component of IT budgets. Financing for solution-based AI projects—represented by AI customer service, AI financial auditing, and AI-aided R&D—remained consistently active.

The price war in AI models persisted, and in terms of cost curves, inference and API prices continued to decline in 3Q:

- OpenAI cut the price of its o3 model by 80%;
- Google updated Gemini 2.5 Flash/Flash-Lite, with output token costs decreasing by approximately 24% and 50% respectively;
- Open-source players and new entrants also lowered their API prices, driving a further drop in overall unit intelligence costs.

Domestic vendors have entered multiple vertical industry markets with low-cost offerings, promoting the gradual "platformization" of large AI models. In scenarios such as government services, finance, and manufacturing, many AI projects featuring "ROI-oriented" as their core selling point have emerged. The financing market has granted significant valuation premiums to enterprises that excel in "practicality + implementability."

Going forward, AI industry investments will place greater emphasis on three core dimensions: clarity of commercial pathways, vertical market share, and model cost control capabilities. We recommend focusing on AI SaaS projects in the healthcare, government services, and industrial sectors—particularly enterprises with the capability to achieve "transition from model layer to industry middle platform" in implementation and deployment.

- *Semiconductor industry chain: distinct differentiation and accelerated domestic manufacture of equipment & materials*

Competition between China and the U.S. in the technology sector has entered deep waters, with both sides competing in their respective chokepoint areas. At the design end, the temporary tightening on EDA (Electronic Design Automation) was revoked by the U.S. Bureau of Industry and Security (BIS) in early July. Vendors such as Synopsys resumed supply to China, leading to a phased easing of bottlenecks in the design segment. Meanwhile, BIS revoked the VEU (Validated End-User)/"exemption" status for foreign-funded wafer fabs in China: it removed Samsung (Xi'an NAND) and other entities from the VEU list, and explicitly stated that no further exemptions would be granted. Former VEU enterprises are required to apply for licenses within 120 days after the publication in the Federal Register. In principle, only the operation of existing capacity will be guaranteed, while capacity expansion or technological upgrades will not be approved. These arrangements will take effect from 31 December 2025. On the raw material front, China's export controls on rare earths and some magnetic materials—implemented since April—continued to be enforced and even tightened in 3Q. The European industrial chain generally reported delays in approval and customs clearance, elevating supply uncertainty.

Driven by the rigid demand for further domestic substitution, China's semiconductor equipment and materials sector has ushered in a "policy-demand resonance" window period. During 3Q, SMIC continued to expand its mature process capacity, while equipment manufacturers such as Naura and Piotech achieved record-high shipment volumes. The localization rate of some key core equipment has exceeded 25%, verifying that domestic substitution is entering the mid-term efficiency improvement phase. Leading optical module enterprises have entered the global supply chain and are playing a more significant role.

We recommend focusing on mid-stream equipment/material localization targets—particularly enterprises that have secured ecosystem support, hold anticipated mass-production orders, maintain stable yield rates, and possess capacity expansion capabilities. For chip design enterprises, it is necessary to assess whether they have established a relatively robust upstream-downstream collaboration system.

- *China's science and technology industrial policy support intensity continues to strengthen, with the policy framework shifting from piecemeal support to systematic ecosystem construction*

At the central government level, the State Council issued the *Opinions of the State Council on Further Implementing the "Artificial Intelligence Plus"*, proposing systematic deployment in computing power and data, key industry applications, security governance and standards; The National Data Administration released the 2025 pilot list for Trusted Data Spaces, and held a series of press conferences on the construction of comprehensive pilot zones for data elements to disclose "replicable and promotable" practices; the National Development and Reform Commission, together with multiple departments, issued the *Notice by the National Development and Reform Commission and Other Ministries and Commissions of the Issuance of the Several Measures for Strengthening the Cultivation of Innovative Enterprises in the Digital Economy*, proposing the establishment of a national-level cultivation database and exploring supply-side tools such as "data vouchers/algorithm vouchers".

At the local government level: Beijing released the *Implementation Opinions on the Development and Utilization of Public Data*. Embodied Intelligence has become a policy focus: Shanghai issued the *Embodied Intelligence Industry Development Implementation Plan* (proposing the "Three Hundreds" goals and a core industry scale of RMB 50bn), and the Shanghai Municipal Science and Technology Commission listed the embodied intelligence direction separately in its key technology R&D program; Hangzhou publicly solicited opinions on the *Hangzhou Three-Year Action Plan for Accelerating the Development of the Artificial Intelligence Terminal Industry (2025-2027) (Draft for Comment)*. In terms of future industries and new scenarios: "Low-altitude economy" was included in the *Opinions of the CPC Central Committee and the State Council on Promoting High-Quality Urban Development*, and the Civil Aviation Administration of China (CAAC) simultaneously issued two regulatory documents to standardize the low-altitude tourism format. Additionally, for quantum technology, Beijing Economic and Technological Development Zone strengthened support through special policies such as the "Quantum Ten Measures", continuing the evolutionary orientation from "forward-looking layout" to "core cultivation".

We recommend focusing on cutting-edge industries with clear policy support, especially the strategic emerging industries that the 14th Five-Year Plan may further strengthen support for, such as commercial aerospace, green environmental protection, new energy/new materials, low-altitude economy, deep-sea technology, quantum technology, embodied intelligence, 6G, and nuclear technology.

- *Robotaxi enters a strategic inflection point, with initial differentiation in commercial implementation*

Robotaxi sector enters a new phase driven by the "operation + cost" dual drivers. Representative enterprises have launched differentiated competitive strategies and built exclusive ecosystems respectively.

- **Pony.ai:** In July, Pony.ai obtained the "full autonomous commercial operation license" in Pudong, Shanghai, achieving "four first-tier cities launch" (Beijing/Shanghai/Guangzhou/Shenzhen); in the same month, it launched 24/7 operation in Guangzhou and Shenzhen, and disclosed the accelerated mass production of its 7th-generation kit in August (with an additional 200+ units).
- **Baidu Apollo Go:** It completed 2.2mn fully autonomous passenger trips in 2Q (up 148%YoY), with cumulative trips exceeding 14mn, maintaining the largest scale in China. Its moves in 3Q focused on ecosystem/regional expansion: it launched the "autonomous vehicle rental" cooperation with Shenzhou Car Rental, its road test mileage in Hong Kong exceeded 20,000 kilometers, and it obtained the first batch of autonomous driving trial operation licenses in Dubai (50 test licenses + 50-vehicle fleet road test), paving the way for the international market.
- **Momenta:** In September, it confirmed with Uber the launch of L4 testing in Munich, Germany in 2026; during the IAA, it successively announced a joint solution with Valeo and a new-generation intelligent driving system with Mercedes-Benz, which will be first installed on the domestic all-new pure electric CLA this autumn. Its "ADAS mass production + overseas Robotaxi platform cooperation" is expected to be the first to realize the "dual flywheel" of L2+ and L4.
- **Tesla:** Meanwhile, Tesla announced that its Robotaxi will expand to overseas markets by 2026, focusing on the "pure vision + pay-per-mile" model, which boosts demand for cameras and computing power chips.

The trend of route differentiation is obvious: lidar vs. pure vision, direct operation vs. platform collaboration, each corresponding to different capital expenditure structures and return cycles behind them.

Robotaxi will drive the upgrading of industrial chains including components and parts, vehicle-mounted AI chips, and autonomous driving software. Attention should be paid to the supporting ecosystem opportunities determined by technological routes.

- *"Hard technology" enterprises: IPO and integration channels enter a phase of substantive acceleration*

The "1+6" reform and the "restart of the STAR Growth Layer/Fifth Set of Standards" launched in June entered the implementation phase in 3Q, with a "visible acceleration" in the pace of review and project progress. A typical case is Moore Threads: it took only 88 days from being accepted for review on 30 June to being reviewed and approved at the meeting on 26 September, and it plans to raise RMB 8bn. This case has been interpreted by many authoritative media as a symbolic example of "accelerated review on the STAR Market".

Meanwhile, Unitree Robotics completed IPO tutoring and filing on 18 July, and clearly stated to the public in September-October that it plans to submit its application in 4Q. The two cutting-edge tracks (GPU and humanoid/quadruped robots) have shown signals of "approval" and "sprint" respectively, which verifies the system's tolerance and approval efficiency for "unprofitable but with core technologies" enterprises.

From the exchange perspective, the STAR Market review in September was "fewer but more refined" with improved efficiency (3 enterprises were reviewed that month, among which Moore Threads and Biocytogen were approved). This echoes the "resumption of the Fifth Set of Standards + establishment of the STAR Growth Layer" mentioned in 2Q, further strengthening exit expectations in the primary market and the valuation anchor for M&A in the secondary market.

It is recommended to focus on pre-IPO enterprises that have gained a relatively leading position in the hard technology track, leverage the price gap between the upward shift of the secondary market's valuation midpoint and the IPO offering price limit, and seek entry opportunities in the Pre-IPO phase.

Consumer Sector

Domestic consumer demand still remains a challenge

The challenge of insufficient demand persists, restricting the recovery of overall macro consumer data. From January to August 2025, the total retail sales of consumer goods reached RMB 32.4tn, with a year-on-year (YoY) growth of 4.6% (3.4% in the same period of 2024); among this, retail sales of consumer goods excluding automobiles stood at RMB 29.3tn, growing by 5.1% (3.8% in the same period of 2024).

Other categories that benefited from policies such as trade-in programs and new purchase subsidies mainly include durable goods like home appliances, communication equipment, furniture, and cultural & office supplies, all of which maintained a growth rate of over 20%. After excluding these categories, the total retail sales of consumer goods achieved a YoY growth of approximately 2.4%, which was lower than both the overall growth rate and the growth rate of categories significantly affected by policies. This reflects that most consumer categories still lack endogenous growth drivers, with insufficient residents' income expectations and asset confidence being key constraints.

It is necessary for the government to further strengthen policy efforts in areas such as employment (to stabilize residents' expectations for future income growth) and the real estate & stock markets (to stabilize residents' expectations for the preservation and appreciation of existing assets), to form stable support for consumer confidence.

Policy Update

In the third quarter of 2025, China introduced a new round of policies including the *Implementation Plan for Fiscal Interest Subsidy Policy on Personal Consumption Loans and the Issuance of the Several Policy Measures for Expanding Service Consumption*, aiming to boost consumption through financial support and service sector incentives. These initiatives complement the ongoing trade-in and new purchase subsidies implemented since 2024. However, their effectiveness hinges on the fiscal commitment of central and local governments, particularly whether such measures can establish a fiscal backstop effect to stabilize market expectations.

From the perspective of capital market sentiment and consumer behavior, the new policies showed limited coverage and intensity in 3Q, failing to significantly repair consumer confidence. Despite policy coordination, the recovery of consumption remains constrained by structural issues, highlighting the need for sustained fiscal support and income growth measures to drive a self-reinforcing consumption cycle.

Core Thematic Insights in Consumer

- *Traditional basic fast-moving consumer goods (FMCG) are weakened, while private brands (PB) of channels continue to rise*

The traditional pattern of "national brands as the core, channels as supplementary" is being challenged by the "channel-led, retail brand + supply chain-led" model. On one hand, the store revamping trend of Yonghui and RT-Mart triggered by Pang Donglai, as well as Sam's Club/Member's Mark, are all strengthening customized private brand products. On the other hand, internet giants such as Alibaba, Meituan, and JD have increased their layout in hard-discount new retail in 2025 (i.e., Hema NB, Meituan Happy Monkey, JD Discount Supermarket), taking direct sales from manufacturers as a key measure to achieve channel differentiation and maintain gross profit margins. Against the backdrop of slowing overall nominal consumption growth and limited household income/confidence, consumers are more sensitive to price and cost-effectiveness. If retailers can build trust through stable quality control, membership systems, and offline reputation, consumers are willing to replace traditional brands with retailer-owned brands. This logic is further strengthened especially in rigid-demand categories with high standardization and low brand awareness, such as daily chemicals, grain and oil, and basic food products. This trend requires consumer brands to further enhance functionality, technological content, and IP & emotional connections, to define new categories through innovation and reshape their premium capabilities.

Large scale companies are paying more attention to offline traffic entry points for local life services. New retail brings opportunities for enterprises on the supply chain side, while also posing huge challenges to traditional retail enterprises potentially affected by channel changes.

- *Generative AI enters the application side and generates new consumer products*

In 2025, the maturation of generative AI (especially multimodal models) has driven new growth in the AI+ consumer application segment. By lowering the barriers to creativity and delivery, it has raised the growth ceiling of many consumer categories. For instance, in the field of 3D printing, multimodal models can directly convert text/images into printable 3D models and assembly instructions, reducing design barriers. This has enabled 3D printing equipment to gradually penetrate from a niche geek hobby to ordinary consumers, allowing individuals to create personalized accessories, toys, and custom home furnishings. Another example is the image creation equipment sector: AI-powered automated editing, retouching, and special effects have further lowered the threshold for content production, generating incremental demand for higher-quality cameras, real-time computing modules, low-latency streaming devices, and supporting creative tools. AI has provided traditional hardware devices with natural dialogue functions and personalized learning paths, transforming one-time purchases into long-term subscription services. Devices such as children's toys, companion hardware, and learning machines will all embrace new product forms and opportunities for software upgrading. Amid this trend, manufacturers with integrated

hardware-software experience, strong model integration capabilities, and content update (data closed-loop) mechanisms will be the first to break through.

Focus on emerging product/brand companies in AI-empowered consumer scenarios, especially enterprises with the ability to create hit consumer hardware and build a strong user content platform.

- *Affordable consumption and supply chain integration capabilities become the key determinant of success*

The sinking markets and cost-effectiveness orientation have driven the continuous evolution of "consumer alternatives at lower prices". From milk tea and bread to daily necessities, efficient supply chains and channel capabilities determine the success or failure of enterprises. Mixue continued to lead in the number of newly opened stores in the third quarter, supported by in-depth refinement of cold chain, raw material bases, and systematic store management.

Against the backdrop of compressed product gross margins, emerging brands have begun to build in-house channel capabilities and explore low-cost conversion channels such as community group buying and private-domain e-commerce.

When evaluating consumer enterprises, it is essential to emphasize their supply chain integration and digital channel capabilities. Companies with large-scale and sustainable profitability will have greater long-term value.

- *The deepening trend of going global: shifting from product export to full-chain localization*

The U.S. T86 customs clearance policy has had a significant impact on cross-border e-commerce. Chinese enterprises going global have shifted from simple agent operation to an integrated "brand + warehousing + local operation" model. Companies such as Anker Innovations, SHEIN, and Temu have increased investment in local warehousing and distribution in North America and Southeast Asia, shortening delivery cycles, enhancing fulfillment experiences, and establishing barriers to entry.

Meanwhile, cross-border consumption upgrading has also prompted domestic brands to accelerate the building of overseas content ecosystems, KOL matrices, and customer support systems, moving towards international branding.

The future overseas expansion competition is "all-factor overseas expansion", where enterprises compete not only on products, but more importantly on organizational capabilities and localized operations. Consumer enterprises with multi-region self-construction capabilities and strong supply chain synergy deserve attention.

Conclusion

The above observations will serve as important references for us to observe and select consumer enterprises. Outstanding consumer enterprises with attributes such as "next-generation innovation", "brand as category", and "globalized products" still have the opportunity to stand out amid changes—delivering differentiated experiences to consumers and promising returns to investors.

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