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The Hong Kong Retirement Schemes Association

15 Jul 2025 (Tuesday)
11:00 am – 12:00 pm

China's AI Revolution and Future Technologies

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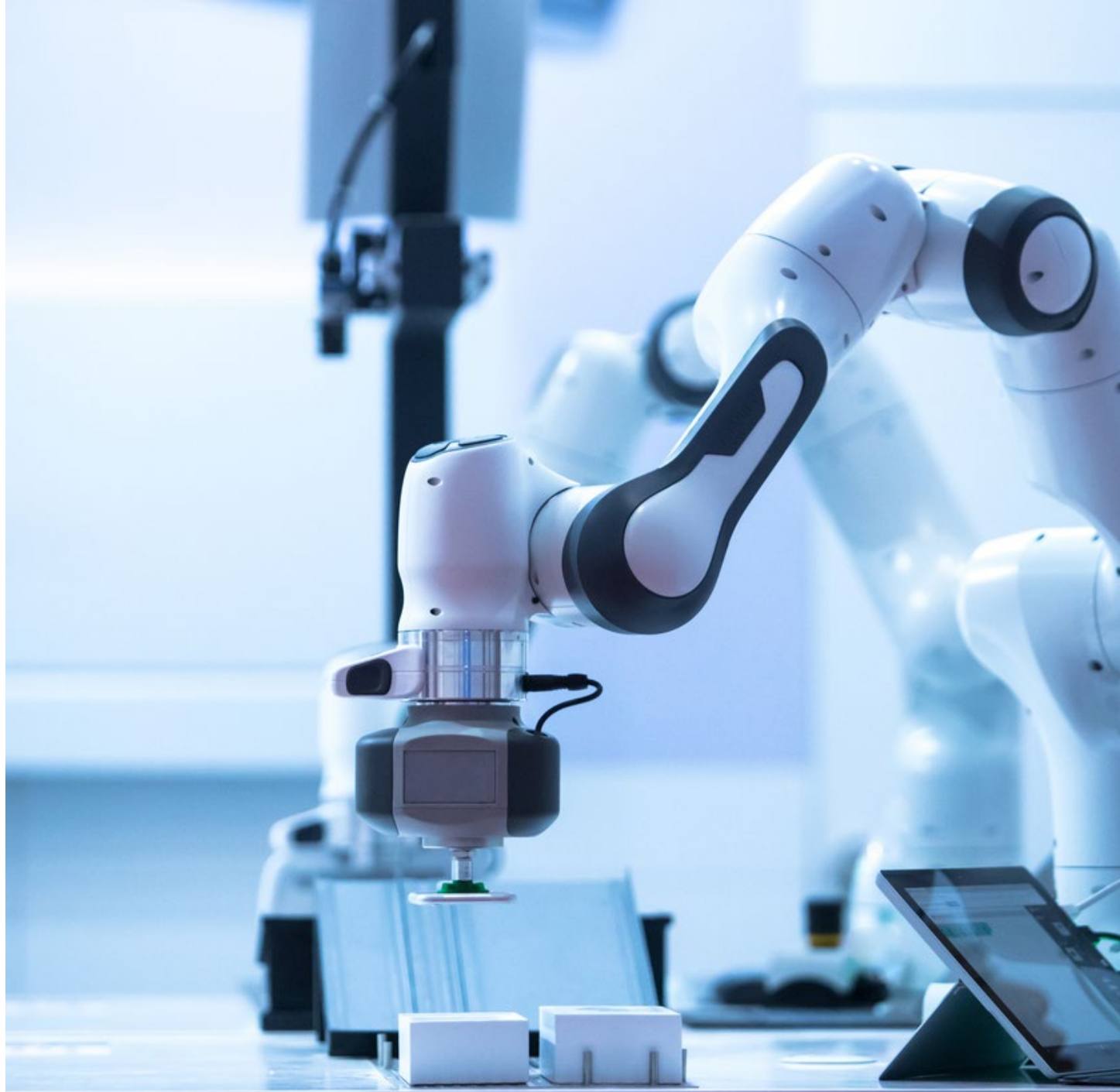


China's AI Revolution and Future Technologies

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Stephen Chow, Portfolio Manager

15 July 2025



Beyond Deepseek, the rising wave of China's AI ecosystem



Leading model for each modality, by company

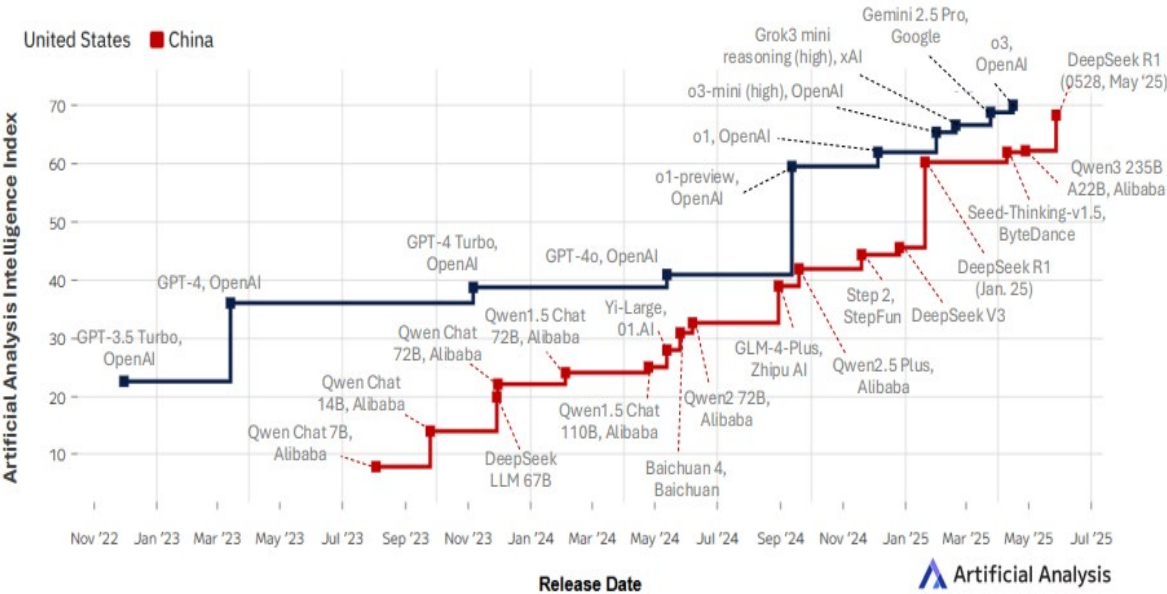
■ No Model ■ Research Model Only ■ Publicly Released Model

Includes models released since January 2024, Not exhaustive

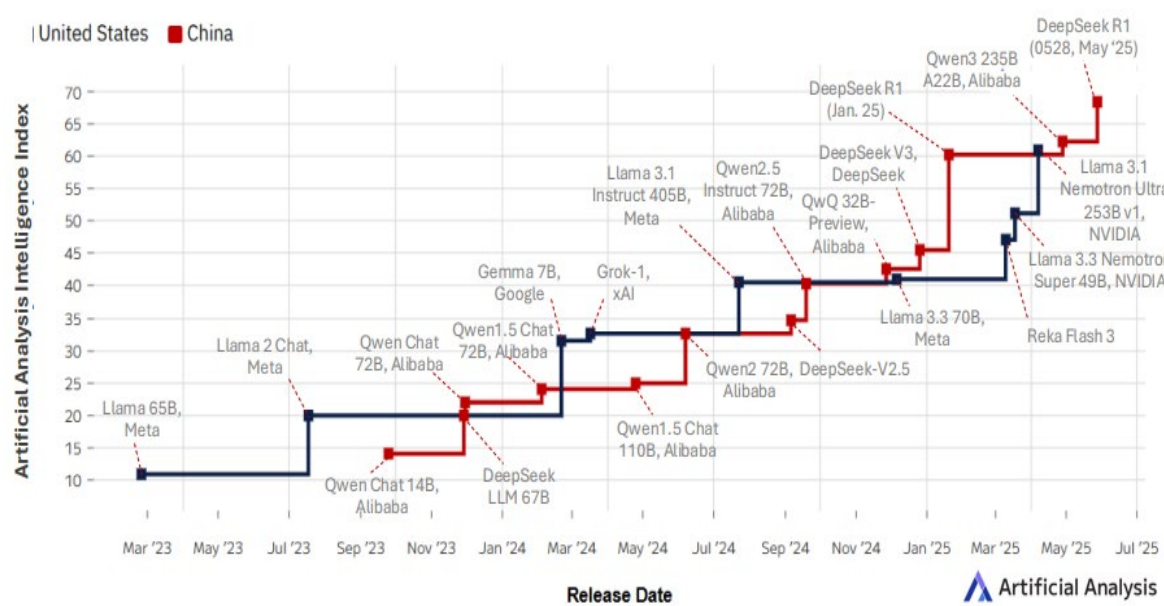
	Company	Language, Reasoning	Language, Non-Reasoning	Text to Speech	Speech to Speech	Image Gen.	Video Gen.	3D Gen.
"Big tech" Players	Alibaba	Qwen3 235B A23B		Qwen2.5 Omni		Wan 2.1		LHM
	Baidu	ERNIE X1	ERNIE 4.5	-	-	I-RAG	UniVG	Xiling
	ByteDance	Seed-Thinking-v1.5	Doubao-1.5-pro	Seed-TTS	Doubao-1.5-pro	Seedream 3.0	Seaweed-7B	ImageDream
	Huawei	PanGu Ultra MoE	Pangu 5.0	-	-	PixArt	-	-
	Tencent	Hunyuan-T1	Hunyuan-TurboS	-	-	HunyuanDiT	HunyuanVideo	Hunyuan3D
AI Startups	DeepSeek	DeepSeek R1	DeepSeek V3	-	-	Janus Pro 7B	-	-
	MoonShot AI	Kimi k1.5	Moonshot-v1	-	Kimi-Audio	-	-	-
	Zhipu	Glm-z1-32b	Glm-4-32b	-	-	CogView4	CogVideo	-
	Stepfun	Step-R1-V-Mini	Step-2	Step-audio		Step-1x	StepVideo T2V	Step1X 3D
	MiniMax	-	MiniMax-Text-01	Speech-02 HD	-	Image-01	Video-01	-
	01.AI	-	Yi-Lightning	-	-	-	-	-
	Baichuan	Baichuan-M1	Baichuan 4	Baichuan-Audio		-	-	-

China's frontier LLM intelligence is closing the gap vs US leaders

US vs China: Frontier Language Model Intelligence



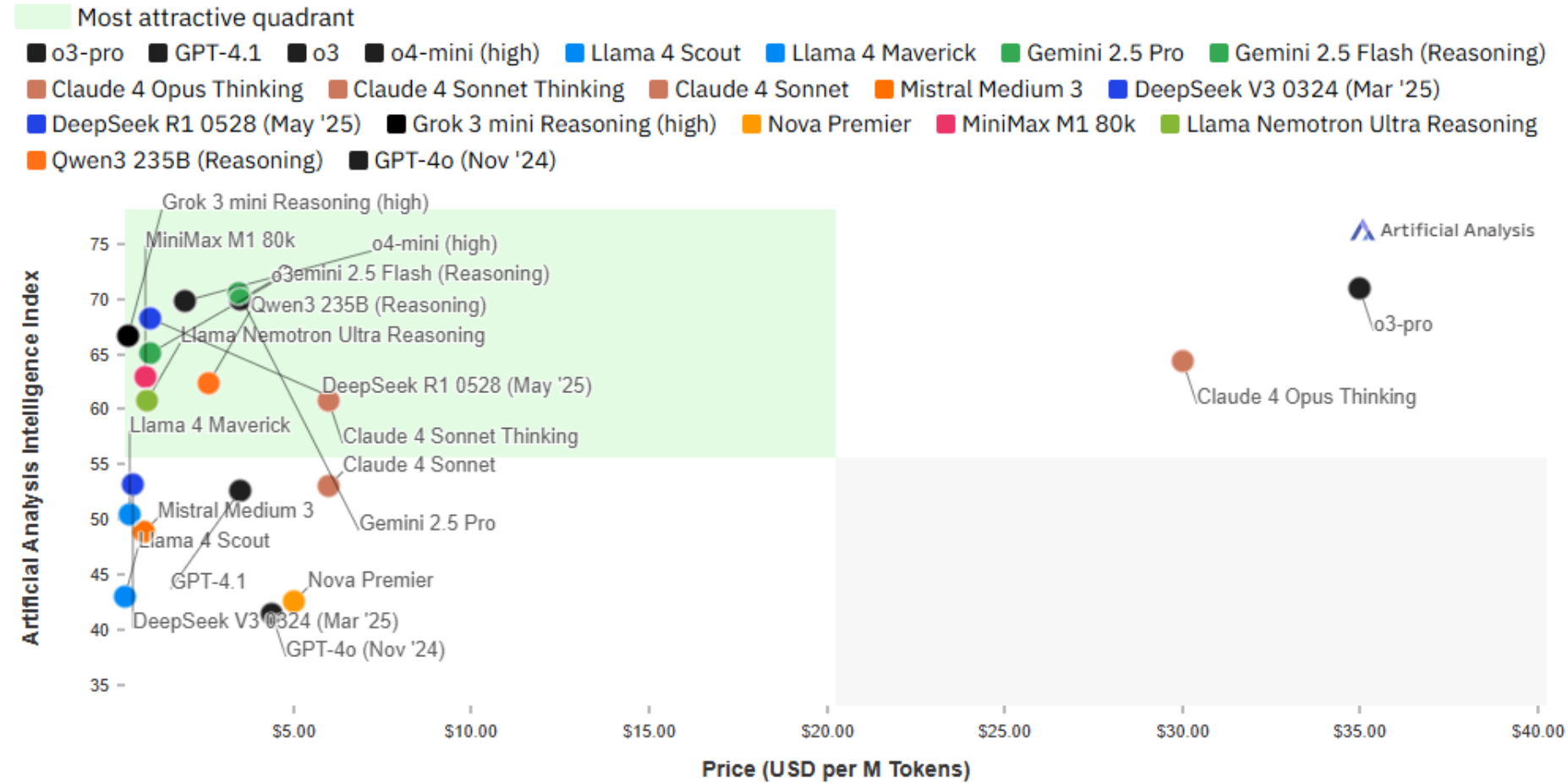
US vs China: Open Weights Frontier Language Model Intelligence



Source: Artificial Analysis, State of AI: China Q2 2025. Data as of 30 May 2025)

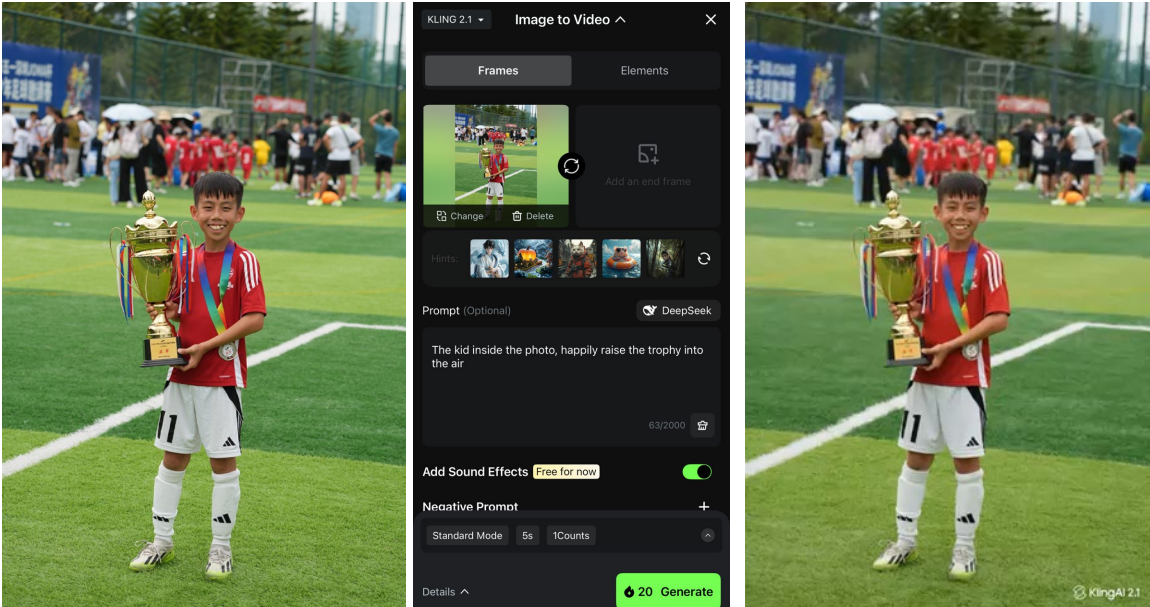
Not only they are intelligent, they are also cost competitive

Artificial Analysis Intelligence Index; Price: USD per 1M Tokens

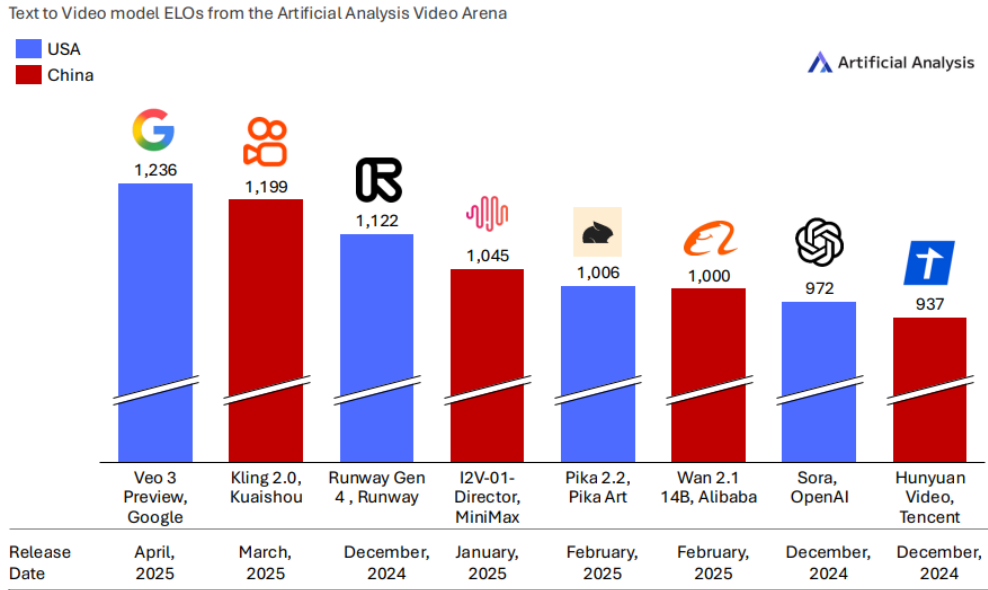


AI tools demonstration: Kling AI

Kling AI: image to video



US and China are head-to-head in image to video AI tools



What is China's competitive edge in AI?

Robust energy network

- Training LLMs and running AI data centers are extremely energy-intensive processes.
- China's state-led, advanced, and reliable (24/7) electricity grid enables cost-effective, large-scale AI development.

High-speed communication network

- Expansive 5G network provides ultra-fast, low-latency connectivity essential for AI-driven applications across industries.

Government support

- AI is regarded as top priority to support the application of large-scale AI models to a wide range of sectors in China's economy.

Talent

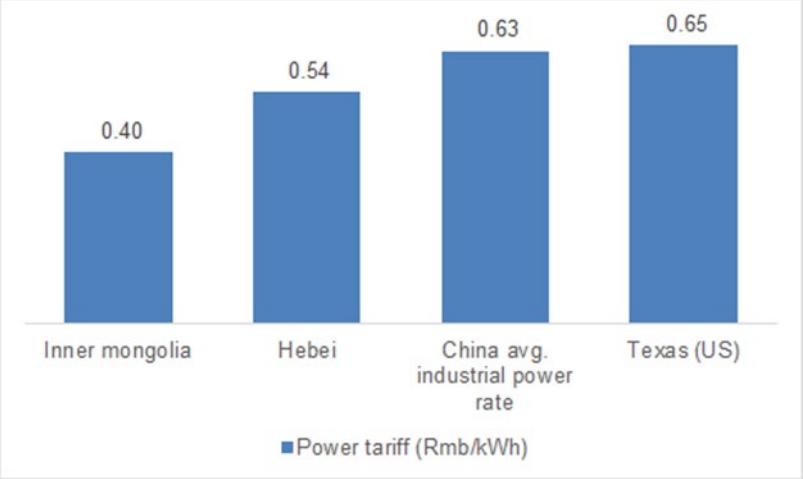
- China's abundant AI talent pool combined with lower engineer costs allows rapid scaling of AI technologies and commercial deployment at a lower cost.

AI applications

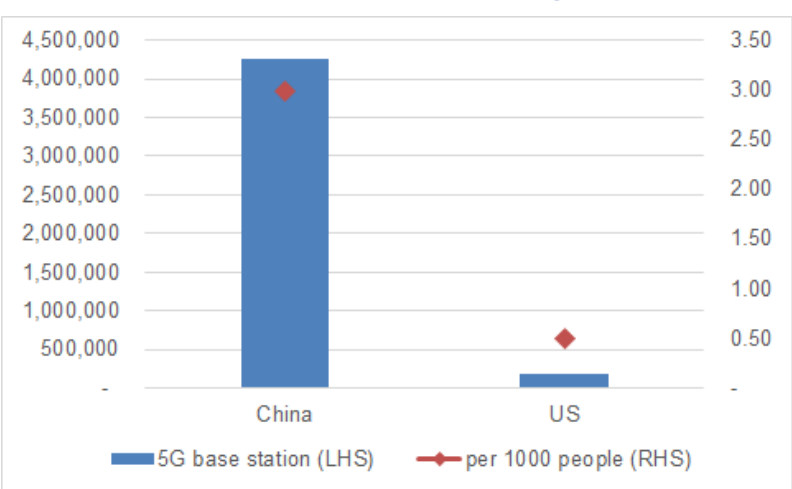
- Driving practical impact across industries through transforming innovations into scalable, real-world applications.

China's competitive edge in AI – in graphical perspective

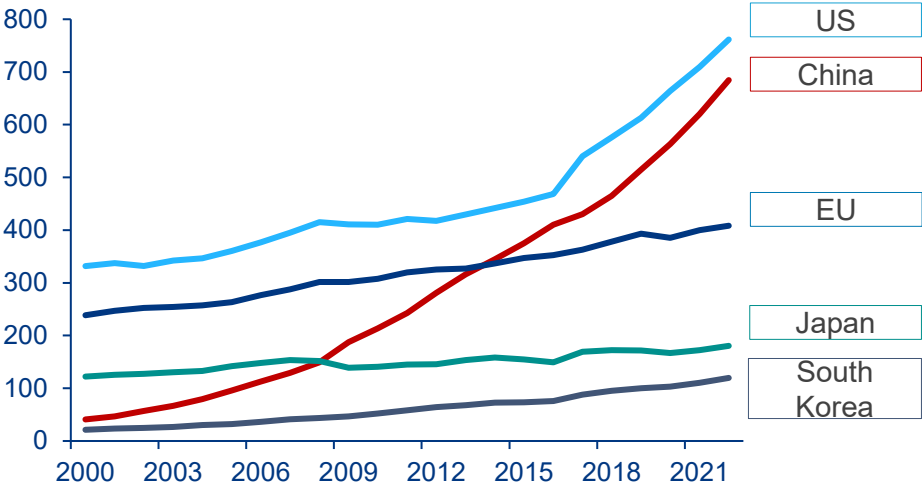
China has lower power costs ¹



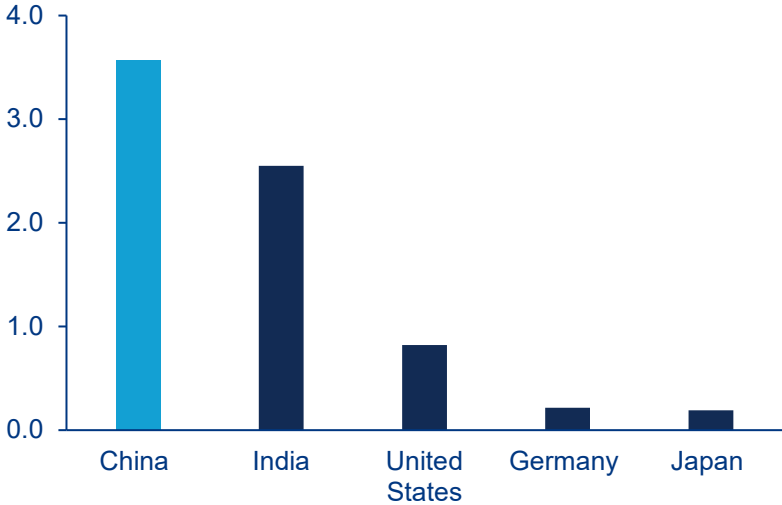
Significant lead in 5G network coverage ²



Global R&D expenditure and growth (USD bn) ³



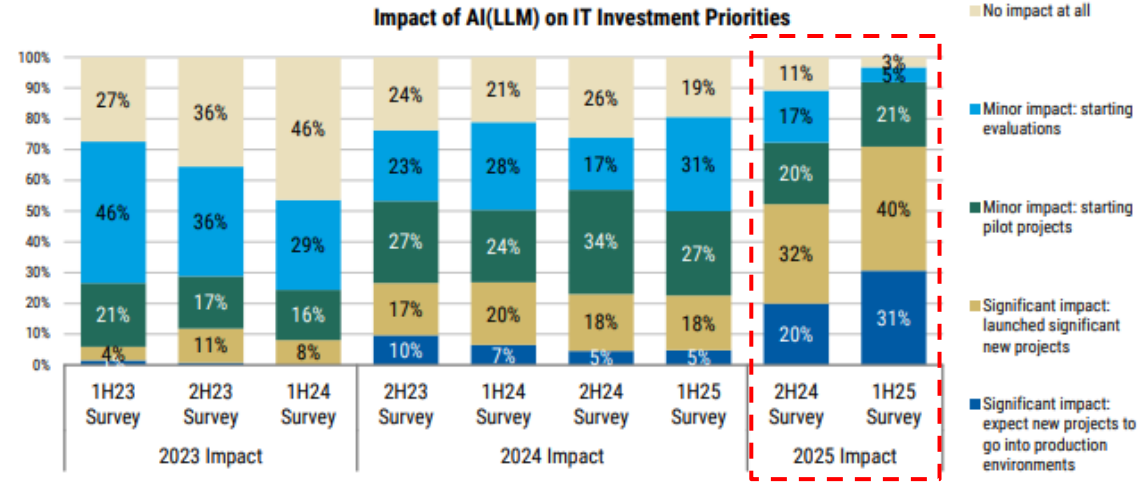
Number of STEM graduates ⁴ (2020, millions)



Source:
¹ State Grid, Allianz Global Investors Industry Survey, data as of June 2025 ² RCRWirelessNews, data as of April 2025. Statista, data as of February 2025
³ OECD data, China National Bureau of Statistics, Allianz Global Investors, data as of 31 December 2022. ⁴ Center for Security and Emerging Technology, data as of 27 November 2023.

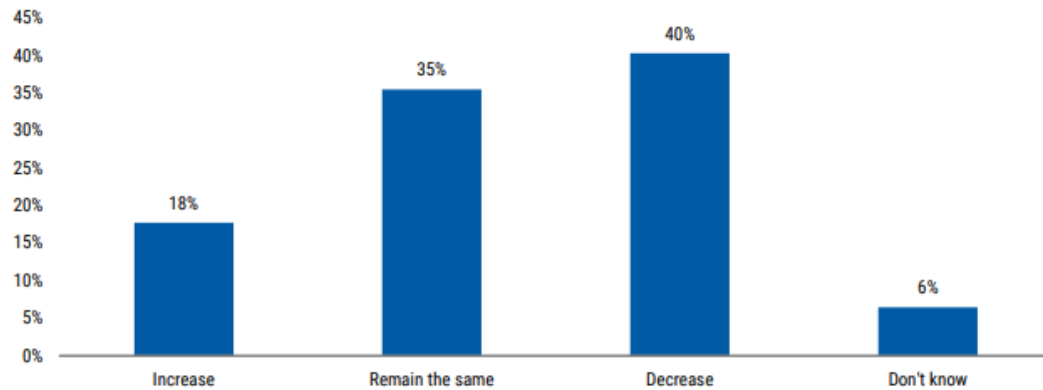
Mass adoption of enterprise AI around the corner

Enterprises are increasingly prioritizing AI projects

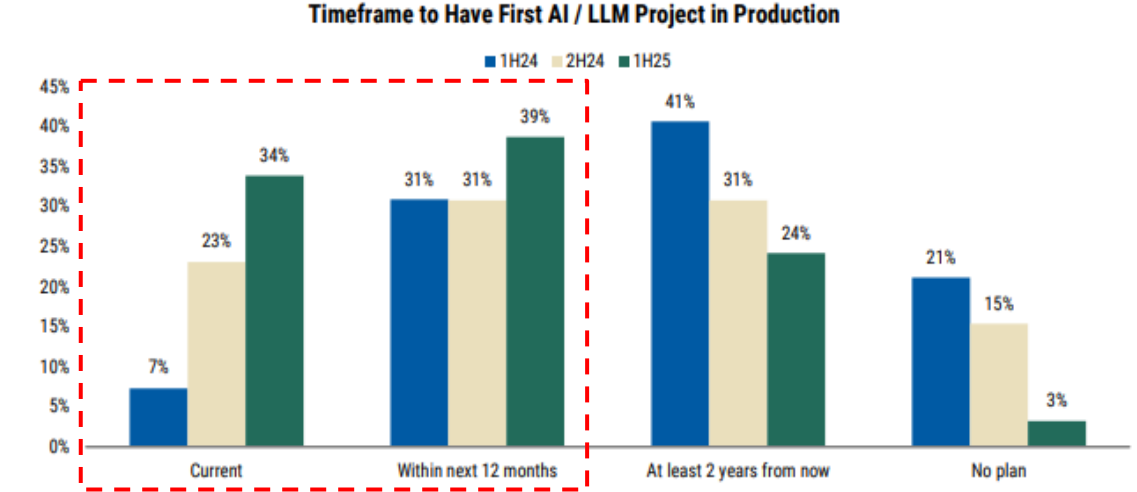


40% of enterprises said they would reduce headcount due to AI

Anticipated Changes to Total Headcounts Due to the Use of GenAI/LLM in Next 3 Years

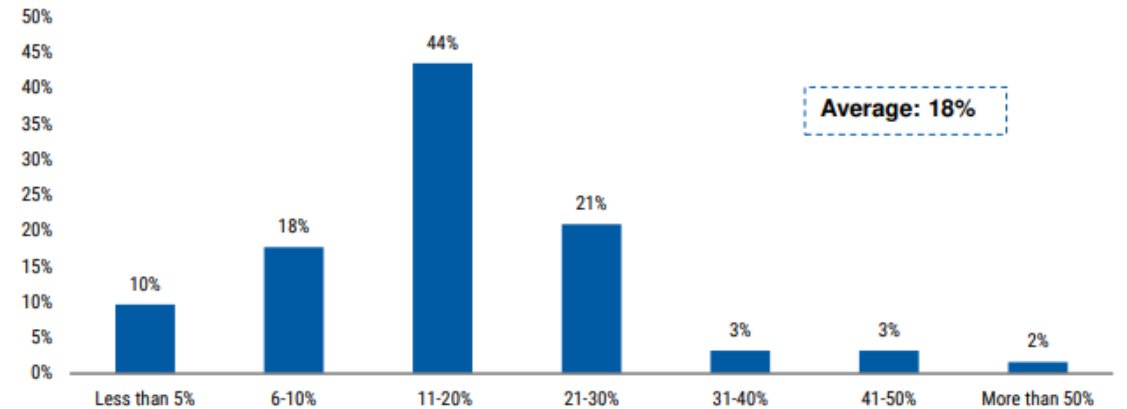


Many expect to adopt their first AI project in the next 12 months



Approx. 18% of workload to be replaced by AI in 3 years

Estimates on Work Hours to be Replaced by GenAI/LLM in Next 3 Years



AI is not just about the tech industry, it is driving innovation across many industries

Health



- New drug discovery
- Early disease detection

Farming



- Autonomous Tractors
- Improved crop yields

Internet of things



- Automated data analysis
- Automated decision-making

Retail



- Personalised experiences
- Supply chain optimisation

Home



- Smart personal assistant
- Enhanced security

AI is transforming healthcare across multiple dimensions

ECNS Wire

Text: [A](#) [A](#) [A](#)  Print

'AI doctors' are transforming China's healthcare landscape

2025-02-24 13:27:11 Ecns.cn Editor: Zhang Dongfang [ECNS App Download](#)    



A medical team composed of several renowned experts, alongside the AI pediatrician, conducts consultations for 10 children with challenging medical conditions at Beijing Children's Hospital, Feb. 20. (Photo/China News Service)

(ECNS) -- Several hospitals across China have begun integrating artificial intelligence (AI) into their clinical practices, marking a significant step forward in the application of AI in healthcare.

The first "AI pediatrician" in China was launched last Thursday at Beijing Children's Hospital, also China's National Center for Children's Health, serving as a clinical research assistant to help doctors quickly access the latest scientific findings and authoritative guidelines as well as assist doctors in diagnosis and treatment of complex and rare diseases.

A medical team composed of several renowned experts, alongside the AI pediatrician, conducted consultations for 10 children with challenging medical conditions. As the experts deliberated, engineers input the patients' medical records into the AI system, which then proposed treatment plans, surgery and chemotherapy, which is aligned with those of the expert panel. It sometimes marks specific indicators in patient reports, offering additional insights that enhanced the treatment strategy.

Source: ECNS Wire, data as of February 2024, SCMP.com, data as of December 2024.

Generative AI helps Hong Kong's Insilico Medicine design potential new IBD drug

Using AI, Insilico took only 12 months from initiating the project to nominating the molecule for preclinical trials, instead of several years

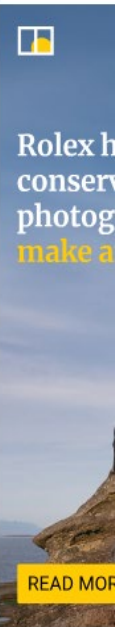
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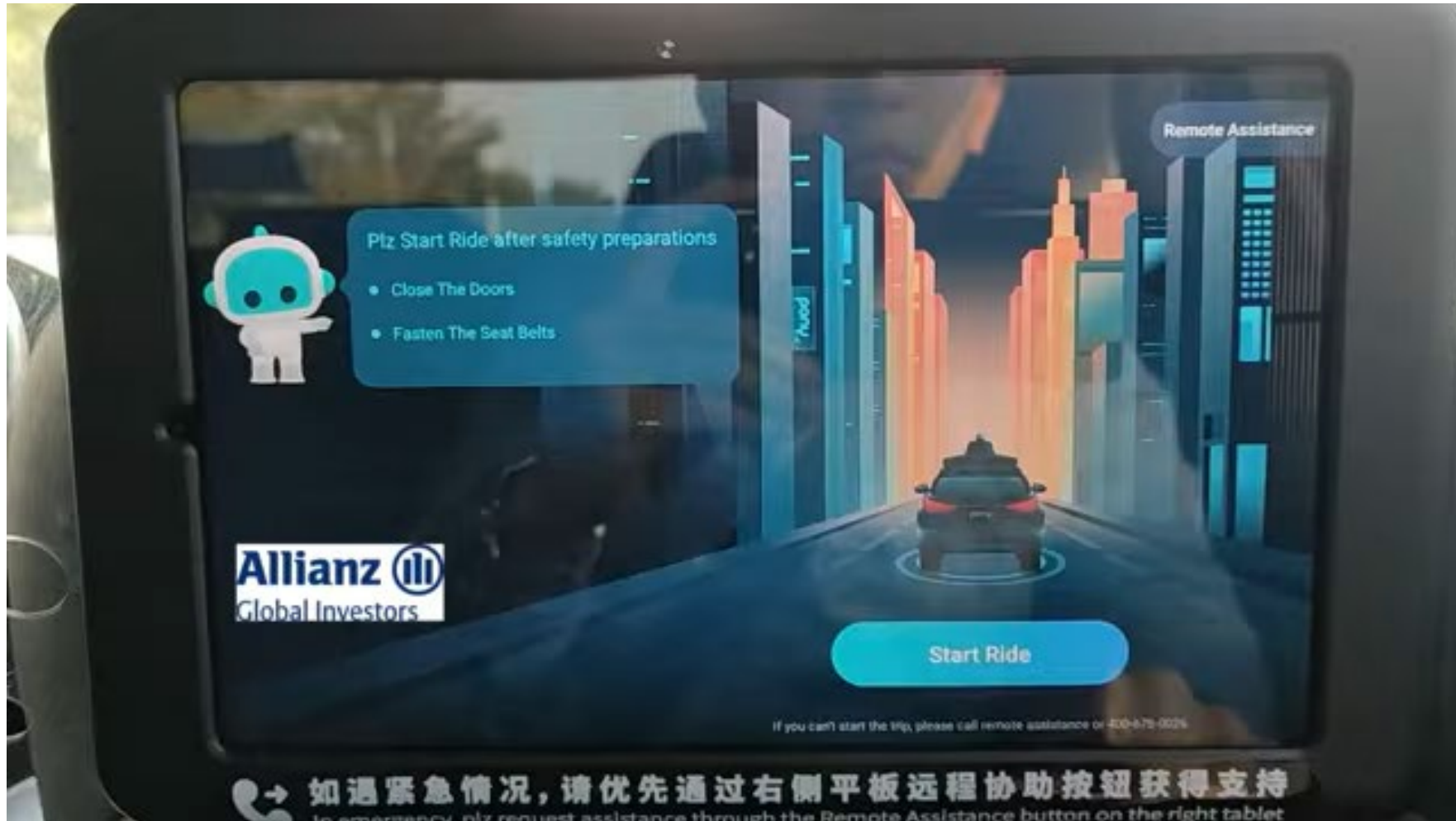


Xinmei Shen
Published: 6:00pm, 11 Dec 2024

Hong Kong-based Insilico Medicine said its generative artificial intelligence (AI) platforms helped it design a molecule that showed promise in a new drug for treating inflammatory bowel disease (IBD), a sign that AI is becoming increasingly influential in drug discovery.



AI applications: autonomous driving



Source: Proprietary video taken by Allianz Global Investors, December 2023. The information above is provided for illustrative purposes only, it should not be considered a recommendation to purchase or sell any particular security or strategy or an investment advice. Because market and economic conditions are subject to rapid change, all opinions and views expressed constitute judgments as of the date of the presentation and may change at anytime without notice and with no obligation to update.

AI applications: smart manufacturing

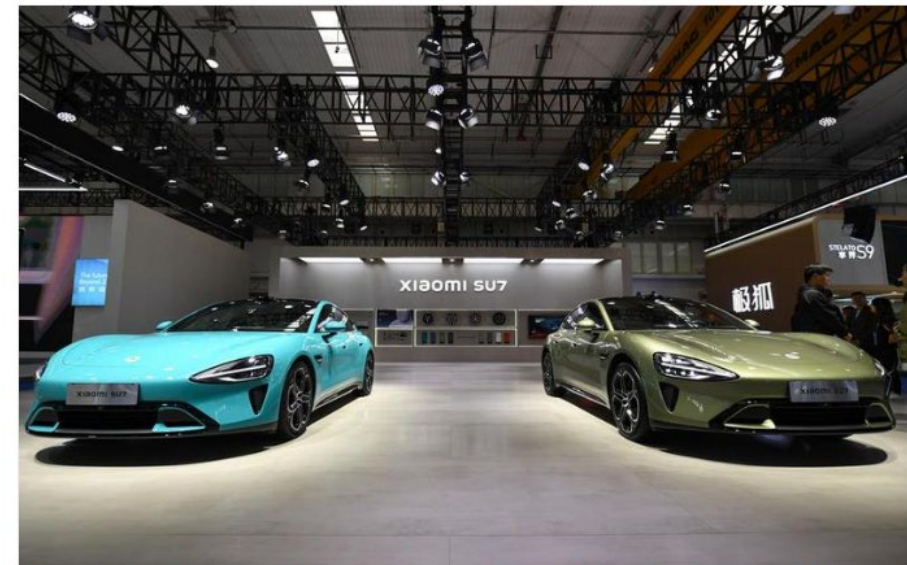
“The ChatGPT moment for general robotics is just around the corner”

Jensen Huang, Nvidia CEO,
7 January 2025

Xiaomi powers EV growth through smart manufacturing

Xinhua | Updated: 2025-06-17 09:56

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This photo taken on Oct 17, 2024 shows new energy vehicle model SU7 produced by Chinese tech firm Xiaomi displayed during the 2024 World Intelligent Connected Vehicles Conference in Beijing, capital of China. [Photo/Xinhua]

BEIJING - Inside a workshop at Chinese tech giant Xiaomi's electric vehicle (EV) factory, the scene is a stark contrast to what one might expect to see on a factory floor.

With few workers in sight, robotic arms move with precision and speed, seamlessly assembling vehicle body components. Autonomous Mobile Robots (AMRs) glide across the floor, efficiently transporting materials to their designated stations.

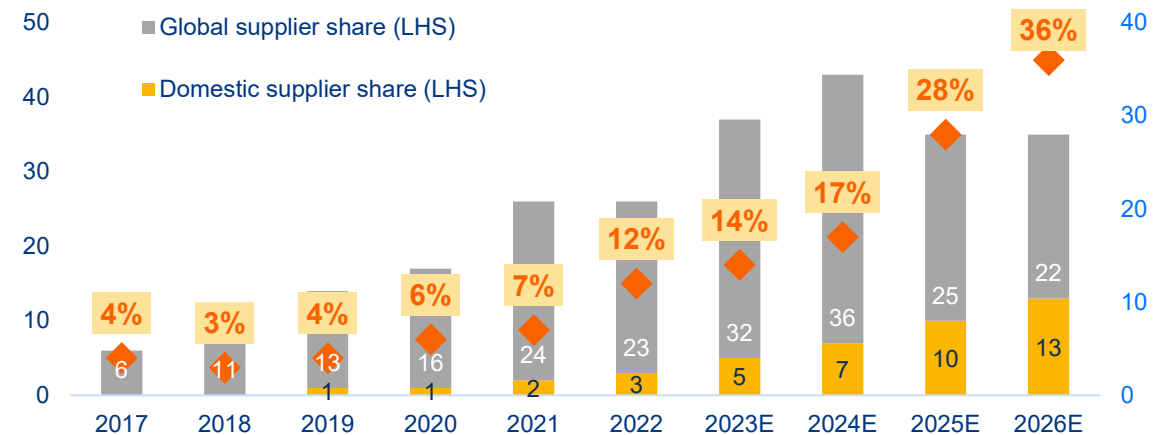
Chinese companies have entered commercialization stages for humanoid robots

Manufacturer	Unitree		Fourier	Agibot	Xiaomi	UBTech		Xpeng	ROBOTERA	Galbot
Name	G1	H1-2	GR-2	Raise A2 (远征 A2)	CyberOne (铁大)	Walker S1	Walker X	Iron	Star1	G1
Height (cm)	130	178	175	169	177	172	130	178	171	173
Weight (kg)	35	70	63	69	52	76	63	70	63	85
Degree of freedom (DoF)	49	27	53	40+	21	n/a	36	62	55	42
Speed (km/h)	7.2	7.2	5.0	3.6	3.6	3.0	3.0	3.6	13.0	n/a
Motion type	Biped	Biped	Biped	Biped	Biped	Biped	Biped	Biped	Biped	Wheel-driven
Torque (Nm/kg)	120	360	380	n/a	96	250	200	n/a	400	n/a
ASP	USD16k	USD90k	n/a	USD80-100k	n/a	n/a	n/a	USD26k	n/a	n/a
Application scenario	Commercial, industrial	Commercial, industrial	Industrial, household	Industrial, household	Commercial, household	Commercial	Commercial, household	Commercial, industrial	Commercial, household	Industrial, household
Commercial production	Large scale from 2024	Small scale in 2024	Small scale in 4Q24	Small scale in 2024	Not yet	Small scale	Small scale	Not yet	Large scale in 2H25	Large scale in 2026
         										

Tariffs, trade and technology

- Technology restrictions will remain as a base case.
- Might temporarily disrupt China's technology development but at the same time forcing China to go innovative and develop their own ways to do things.
- Government support plays an important role, with notable progress seen in localization of the domestic technology supply chain.
- DeepSeek's success because of, not despite, US sanctions?

Total market and domestic share of Wafer Fab Equipment (WFE) in China



Working around technology restrictions

April 16, 2025

Huawei AI CloudMatrix 384 – China's Answer to Nvidia GB200 NVL72

// China Abundance of Power, 100% Optics, 0% Copper, Power Inefficiency, 2.6x lower FLOP per Watt, 14 Transceivers per Chip, Linear Pluggable Optics

8 minutes

5 comments

By Dylan Patel, Daniel Nishball, Myron Xie, Patrick Zhou, Ivan Chiam, AJ Kourabi, Christopher Seifel and Doug OLaughlin



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