KIMKJ.COM DAILY BRIEFING

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Sunday, September 13, 2026

AI, Economy, and Global Conflict Daily Briefing

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This edition omits: Global AI News Briefing, World Economy Top 10, Global Incidents and Disasters Briefing. Available sections are published first.

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KIMKJ.COM CHINA AI BRIEFING

China AI, Robotics and Semiconductors In-Depth Briefing

China AI, Robotics and Semiconductors In-Depth Briefing **2026-09-13**

Sunday, September 13, 2026

Top 5 Highlights of the Day

1. Anthropic disclosed Claude distillation attacks conducted by five Chinese AI labs. Alibaba accounted for the largest share with 151 million exchanges, while Moonshot passed off Claude outputs as native Kimi responses. China's Ministry of Commerce warned of retaliation.

2. Moonshot AI's annual recurring revenue (ARR) surpassed $1 billion in August—a threefold increase in just two months following the launch of Kimi K3. The company is targeting $2 billion in annual revenue by year-end as it prepares for a Hong Kong IPO.

3. The center of gravity in China's AI industry is pivoting from large foundation model competition to agent commercialization. Inference compute is projected to account for 80% of total computing power by 2029.

4. UBTECH's first-half humanoid robot revenue surged 1,445% year-over-year to 590 million yuan, with the order backlog for the Walker S2 exceeding 800 million yuan.

5. The Exit and Entry Administration Regulations take effect on September 15. The Chinese government can now bar key AI personnel from leaving the country based solely on suspected export control violations.

Chinese AI Models & Platforms

1. Moonshot AI Targets $2 Billion in Annual Revenue

Moonshot AI's annual recurring revenue (ARR) crossed $1 billion in August. This represents a three-fold increase in just two months, up from $300 million in June. Users surged following the July release of Kimi K3, which topped benchmark leaderboards. K3 is a 2.8-trillion-parameter model. Its API pricing is set at $3 per million input tokens and $15 per million output tokens, less than half the price of competing U.S. models.

The company is preparing for an initial public offering on the Hong Kong Stock Exchange, aiming for $2 billion in annualized revenue by the end of the year. It is targeting a valuation of $50 billion and seeking to raise between $3 billion and $5 billion. CICC, Goldman Sachs, and Bank of America are serving as lead underwriters.

(Bloomberg 2026-09-11, TechCrunch 2026-09-11)

2. Anthropic Discloses Details of 200 Million Chinese Distillation Attacks

Distillation is a technique where queries are repeatedly sent to a third-party AI model to train one's own model using the returned outputs. On September 10, Anthropic published a threat report revealing that approximately 200 million exchanges targeting Claude occurred between May and July of this year.

Alibaba accounted for the largest volume. Utilizing 3,500 fraudulent accounts, it transmitted up to 3 million queries per day, totaling 151 million exchanges. The extracted data is believed to have been used to train Qwen models.

Moonshot employed a particularly notable method: it routed user queries from Kimi to Claude through 5,380 accounts, presenting the returned Claude answers directly to customers as if they were Kimi's native responses. This proxy operation accounted for approximately 300,000 exchanges over a 10-day period.

This disclosure aligns with the joint advisory (AA26-251A) issued on September 8 by the NSA, CISA, and FBI. The advisory named six companies—DeepSeek, Moonshot, Alibaba, MiniMax, StepFun, and Zhipu AI—stating that billions of tokens had been extracted from Claude, GPT, Gemini, and Grok since late 2024.

(Anthropic Threat Report 2026-09-10, CISA AA26-251A 2026-09-08)

3. DeepSeek Reverses Decision to Deprecate V4 Pro API

DeepSeek had planned to replace its V4 Pro API with V4.1 Flash on September 14. However, following substantial user feedback, the company decided to maintain V4 Pro separately. V4.1 Flash is a 552-billion-parameter Mixture-of-Experts (MoE) model released under the MIT license, outperforming V4 Pro across all benchmark metrics. Nonetheless, demand for backward compatibility among existing enterprise clients remained decisive.

(DeepSeek API Changelog 2026-09-12)

4. Chinese AI Industry Pivots from Foundation Models to Agents

According to a report by the China Academy of Information and Communications Technology (CAICT), the Chinese AI industry is shifting its focus from large model development to agent deployment. AI agents are projected to drive compute demand tenfold annually over the next two to three years. By 2029, inference compute is expected to represent 80% of total computing capacity. DeepSeek's recent order of 160,000 Huawei Ascend 950DT processors exclusively for inference reflects this broader trajectory.

(Bloomberg 2026-09-12)

Robotics, Humanoids & Embodied AI

1. UBTECH Humanoid Robot Revenue Surges 1,445%

UBTECH reported humanoid robot revenue (including the Walker S2) of 590.3 million yuan for the first half of 2026, marking a 1,445% increase year-over-year. Humanoids have become the company's largest business segment, accounting for 46.5% of its total revenue of 1.27 billion yuan. Shipment volume reached 921 units—roughly 20 times that of the previous year—and the order backlog surpassed 800 million yuan. In collaboration with Siemens, the company established an annual production capacity of 10,000 units.

Consumer shipments of the UWORLD U1 home companion robot will commence in mid-September, signaling an expansion from industrial settings into residential markets.

(KR-Asia 2026-09-10)

2. X Square Robot Files Confidentially for Hong Kong IPO

Shenzhen-based X Square Robot (方块机器人), founded in December 2023, has submitted confidential filing documents for an IPO in Hong Kong. In June, the company raised 2 billion yuan in a Series B round at a valuation of 20 billion yuan (approximately $2.9 billion), backed by Alibaba, Meituan, ByteDance, and Sequoia China (HongShan). The firm develops the proprietary embodied AI model WALL-A and the Quantum series robot hardware. This could mark the third public listing of a Chinese humanoid robot company, following AgiBot and Unitree.

(SCMP 2026-08-29)

3. Shenzhen Announces Three-Year Intelligent Robot Industry Plan

The Shenzhen Bureau of Industry and Information Technology and the Science, Technology and Innovation Commission jointly unveiled the "Shenzhen Intelligent Robot Industry High-Quality Development Action Plan (2026–2028)" on September 3. Key initiatives include porting indigenous robot operating systems, building embodied AI data hubs, and fostering open-source communities. Government subsidies will reach up to 50 million yuan per project, channeling state capital into the ongoing wave of humanoid IPOs led by Unitree, AgiBot, and X Square.

(Shenzhen Municipal Government 2026-09-03)

AI Semiconductors & Computing Infrastructure

1. Huawei Mate XT 2 Launches September 12 Powered by Kirin 9050 Pro

Huawei released its Mate XT 2 tri-fold smartphone on September 12, featuring the Kirin 9050 Pro processor, with pricing starting at 19,999 yuan (approximately $2,900). The Kirin 9050 Pro is the first commercial processor to incorporate LogicFolding, a 3D stacking architecture. Transistor density reached 238 million per square millimeter, a 55% improvement over its predecessor achieved without transitioning to a more advanced process node.

GPU performance increased by 142% compared to the prior generation, enabling on-device execution of 30-billion-parameter models. This commercial release showcases Huawei's architectural workarounds designed to sustain hardware competitiveness in the absence of extreme ultraviolet (EUV) lithography equipment.

(SCMP 2026-09-08, TechTimes 2026-09-07, Sales Launch 2026-09-12)

2. CXMT HBM3E Yield at 25% as Generational Gap Persists

ChangXin Memory Technologies (CXMT) has initiated risk production of HBM3E high-bandwidth memory, targeting volume manufacturing in 2027. However, the final production yield for its prior-generation 8-layer HBM3 remains at 25%, resulting from a 30% front-end yield and a 70% back-end packaging pass rate. In comparison, SK Hynix achieved yields exceeding 90% on the same product tier starting in 2022. While Samsung Electronics, SK Hynix, and Micron have commenced mass production of HBM4, CXMT continues to trail by a full product generation. Nevertheless, commercial viability is supported domestically as U.S. export controls redirect Chinese procurement toward domestic suppliers. Alibaba's T-Head and Cambricon are currently conducting trial deployments with CXMT's HBM3E samples.

(The Decoder 2026-09-01, Tom's Hardware 2026-09-01, Chip Briefing 2026-09-09)

Telecommunications, Networks & Edge AI

1. MIIT 15th Five-Year Plan Targets 9,800 EFLOPS in Intelligent Compute

The Ministry of Industry and Information Technology (MIIT) released the 15th Five-Year Plan for the Information and Communications Industry (2026–2030) on September 7, officially incorporating commercial 6G services into state planning documents for the first time. The target density for 5G and 5G-

Advanced base stations will rise to 50 per 10,000 residents, up 45% from 34.4 at year-end 2025. The national target for intelligent computing power is set at 9,800 EFLOPS, backed by 3.8 trillion yuan in planned infrastructure investment over five years. Core 6G research vectors encompass network-native AI, integrated sensing, communication, and computing (ISCC), token-based communications, and satellite-terrestrial spectrum sharing.

(China Government Official 2026-09-07, Unite.AI 2026-09-08)

2. Big Three Telcos Expand Computing Infrastructure Capex

China Telecom allocated 25.5 billion yuan to computing infrastructure this year, a 26% year-over-year increase, while China Mobile expanded its computing power network investments by 62.4%. All three major state carriers are broadening token-based billing tiers, an adoption GSMA recognized as the world's first implementation of token-denominated telecom billing structures. At the China International Fair for Trade in Services (CIFTIS) in early September, China Telecom demonstrated industrial AI agents covering predictive energy management, autonomous facility operations, and continuous pipeline leak diagnostics.

(SCMP 2026-08-26, C114 2026-08-28)

Policy, Regulation & National Strategy

1. Exit and Entry Administration Regulations Take Effect September 15 (D-2)

State Council Decree No. 841, the Exit and Entry Administration Regulations, takes effect on September 15. Comprising 19 articles, it marks the most extensive regulatory overhaul since the 2013 Exit and Entry Administration Law. The core provision authorizes exit bans on individuals suspected of violating export control or technology transfer rules that could endanger industrial or technological security. While statutory exit ban orders have a three-year ceiling, extensions are not limited, creating the legal framework for open-ended restrictions.

The co-founder of AI agent startup Manus has been barred from leaving China since March, a circumstance that precipitated the collapse of a planned $2 billion acquisition by Meta. Japan's President Online described the regulatory framework as "a cage with no exit."

(Ministry of Justice 2026-07-31, France 24 2026-08-18, President Online 2026-09-10)

2. China's Ministry of Commerce Rebuts Distillation Claims as "Standard Technical Practice"

On September 9, China's Ministry of Commerce issued a formal rebuttal to the joint advisory from the NSA, CISA, and FBI, characterizing the allegations as "groundless and devoid of legal foundation." Beijing advanced a three-pronged counterargument: distillation is a universally accepted technique used across the global AI industry for cross-model learning; U.S. enterprises also engage in large-scale distillation of Chinese open models; and the U.S. is applying double standards to entrench techno-hegemony. The ministry warned that if the U.S. leverages distillation crackdowns to sanction Chinese AI firms, Beijing will "take resolute countermeasures." On September 10, Bloomberg reported that China is pursuing a dual-track strategy—maintaining bilateral AI dialogue channels while actively preparing retaliatory trade measures.

(People's Daily Online English 2026-09-10, SCMP 2026-09-10, Bloomberg 2026-09-10)

U.S.-China Tech Hegemony

1. Trump-Xi Summit Countdown: D-11

President Xi Jinping will visit Washington from September 23 to 25, with the bilateral summit scheduled for September 24. CSIS characterizes the meeting as an exercise in containment and risk management rather than a vehicle for breakthroughs. Commerce Secretary Howard Lutnick dismissed the prospect of concessions on semiconductor export controls, stating that "Beijing has already rejected an olive branch." The most probable outcome is a one-year extension of the October 2025 Busan trade truce. The AI agenda is expected to remain limited to frontier model risk controls and intellectual property protection. Given that the distillation advisory was published shortly before the summit, establishing mutual trust on AI governance will remain challenging.

(CSIS 2026-09-12, Brownstein 2026-09-11)

2. South Korean Semiconductor Exports Reach Record 47% of Total Shipments

During the first ten days of September, semiconductor exports accounted for 47% of South Korea's total exports. Total outbound shipments reached $34.97 billion, setting a new historical high. Cumulative 2026 semiconductor export volume has already eclipsed full-year 2025 totals. Demand across the global AI hardware supply chain drove heavy shipments to Taiwan and the United States. Concurrently, the share of semiconductor exports destined for China has contracted. As China fosters domestic semiconductor alternatives such as CXMT, Cambricon, and Moore Threads, structural dependence on South Korean memory is steadily declining.

Samsung Electronics and SK Hynix account for approximately 95% of worldwide HBM production, with SK Hynix's entire 2026 allocation already committed. While this market advantage is poised to persist in the near term, CXMT's planned 2027 commercialization of HBM3E represents a critical mid-to long-term variable.

(TechTimes 2026-09-11, Bloomberg 2026-09-04)

Attorney Kim Kyung-jin Commentary

The central legal question raised by Anthropic's distillation report is whether model distillation constitutes theft or legitimate machine learning. U.S. intelligence agencies classify it as industrial-scale unauthorized extraction, whereas China's Ministry of Commerce defends it as standard industry practice.

From a legal perspective, vulnerabilities exist on both sides. U.S. authorities acknowledged that detection is nearly impossible and recommended silently routing suspect accounts to degraded models, a tactic that could raise consumer protection and deceptive practice concerns. Conversely, while

Beijing defends distillation as standard technical practice, Moonshot's deployment of thousands of deceptive accounts to proxy user requests through Claude exceeded accepted technical and commercial norms.

The enforcement of the Exit and Entry Administration Regulations on September 15 marks a turning point where China's state control over technical personnel is formalized into statutory administrative law.

With the bilateral summit 11 days away, mutual pressure tactics are converging: Washington is tightening scrutiny around AI distillation, while Beijing leverages border controls to constrain technical talent.

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International Conflict Briefing

International Conflict Briefing **2026-09-13**

As of: 2026-09-12 09:20 KST - 2026-09-13 09:20 KST

Key Developments Today

1. Russian forces launched consecutive airstrikes on an apartment building and logistics facilities in Ukraine's Odesa Oblast, killing 1 person and injuring 26.

2. The Iraqi government launched an investigation into whether drones that struck Saudi Arabian oil pipelines were launched from its territory and abruptly closed three border crossings linked to Iran.

3. Immediately following North Korea's ballistic missile launch, the South Korean government convened an emergency National Security Council (NSC) Standing Committee meeting to review its security posture.

4. Bahrain officially announced that it will not participate in the Strait of Hormuz maritime safety talks proposed by Iran.

Frontline Updates

Russian forces attacked key energy infrastructure facilities in Mykolaiv, cutting off power in parts of the city.

The Israeli military launched retaliatory airstrikes on ground positions and surrounding areas in southern Lebanon amid the postponement of diplomatic talks.

As Yemen's Houthi rebels expanded frontlines around the strategic Red Sea port of Mokha, assessments emerged that Iran's position in the Middle East standoff has been strengthened.

Civilian Casualties and Humanitarian Situation

The UN Humanitarian Coordinator reported that Ukrainian civilians are facing the harshest winter since the start of the war due to Russia's targeted attacks on power and heating infrastructure.

Bulgarian authorities are investigating a fire and explosion at an arms factory producing military supplies for export to Ukraine, keeping arson or sabotage in mind as a potential cause.

Diplomacy, Sanctions, and Military Support

The foreign ministers of the United Arab Emirates and Iran met on the sidelines of the BRICS Summit for their first high-level meeting since the outbreak of military conflict to discuss maritime security.

The Bahraini Ministry of Foreign Affairs finalized its position not to participate in the Iran-led Strait of Hormuz maritime safety talks.

Points to Watch Over the Next 24 Hours

It is necessary to monitor the Iraqi government's upcoming announcement on the investigation into the perpetrators of the Saudi pipeline attack, as well as potential tightening of border controls.

Power restoration progress in Ukraine following strikes on energy grids in Odesa and Mykolaiv, along with the possibility of additional airstrikes, must be observed.

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