

## What's Hot Today:

### ► Great Wall Motor (2333 HK, HK18.59, HK159bn) New Product Cycle

In 1H25, total revenue edged up by 1% YoY to RMB92.4 bn with attributable net profit down 10.2% YoY to RMB6.34bn. For 2Q25, revenue stood at RMB52.4bn, up7.8% YoY and 30.8% QoQ while attributable profit reached RMB4.6 bn, up 19.1% YoY and 162% QoQ.

**Product Mix Upgrade & Export Resilience:** Auto revenue reached RMB 79.8bn, up 1% YoY during the period but down 17.4% HoH with sales volume totaling 569,000 units, rising 8% YoY yet falling 15% HoH. The period ASP stood at RMB139k for a gross profit of RMB25k per vehicle. The proportion of high-value products (Tank and Wey) continued to increase. EV sales accounted for a record high of 31% of the total during the period whereas 34% of the sales were exported, maintaining solid momentum. Moreover, Great Wall Pickup is well-recognized in Australia, South America, South Africa, while Haval/Tank SUVs will explore the Middle East, Africa, Latin America to expand overseas markets.

**Operating expenses stayed stable:** R&D and SG&A expense-to-revenue ratios stood at 4.6% and 7.5%, respectively. Notably, sales expenses hit RMB5.04bn, soaring 63.3% YoY, which was mainly driven by the building of a new direct channel, as well as increasing promotion of new vehicle models and brand enhancement. As a result, operating profit dropped 15% YoY to RMB6.86bn with OPM also falling by 1.44% YoY to 7.43%. The profit decline was primarily attributed to discounts given out during the transition to new models in Q1 and the increasing investment in branding.

**Business outlook:** Tank Hi4-Z (high-end urban intelligent driving and interior upgrades) is expected to achieve 1.5-2x the sales of the original model. WEY “Gaoshan” series are projected to grow to a stable monthly sale of 10k units, with overall Q3/Q4 sales forecast at over 130k/150k units respectively. The Brazil plant will start mass production in August (initial annual capacity of 50k units) to support overseas sales. Overseas markets (excl. Russia, Europe) are expected to grow fast in 2H, with annual overseas sales target reaching 500k units. The company plans to enter Europe & launch new products in 4Q25 or 1Q26.

China & HK Indices	CLOSE	1D	YTD
HSI	25,077	0.3%	25.0%
HSCEI	8,947	0.3%	22.7%
HSCCI	4,273	-0.4%	13.0%
CSI300	4,496	0.7%	14.3%
Shanghai A	4,044	0.4%	-0.6%
Shanghai B	265	0.6%	-0.6%
Shenzhen A	2,556	0.5%	24.9%
Shenzhen B	1,327	0.3%	9.5%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	45,544	-0.2%	7.1%
S&P 500	6,460	-0.6%	9.8%
Nasdaq	21,455	-1.2%	11.1%
NIKKEI Index	42,441	-0.6%	6.4%
FTSE Index	9,187	-0.3%	12.4%
CAC Index	7,703	-0.8%	4.4%
DAX Index	23,902	-0.6%	20.1%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	3,447	0.9%	31.2%
STEEL (US\$/oz.)	2,138	0.3%	19.7%
SILVER (US\$/oz.)	39	1.7%	37.8%
CRUDE OIL (US\$/bbl)	64	-0.9%	-10.8%
COPPER (US\$/oz.)	9,902	1.5%	12.9%
ALUMINIUM (US\$/oz.)	2,615	0.5%	2.5%
PLATINUM (US\$/oz.)	1,370	0.5%	51.0%
ZINC (US\$/oz.)	2,819	2.1%	-5.4%
WHEAT (US\$/bu)	518	3.1%	-6.1%
CORN (US\$/bu)	420	3.5%	-5.3%
SUGAR (US\$/lb)	N/A	N/A	N/A
SOYBEAN (US\$/bu)	1,054	0.7%	2.9%
PVC (US\$/t.)	N/A	N/A	-10.1%
CRB	302	0.5%	3.0%
BDI		-1.0%	103.1%

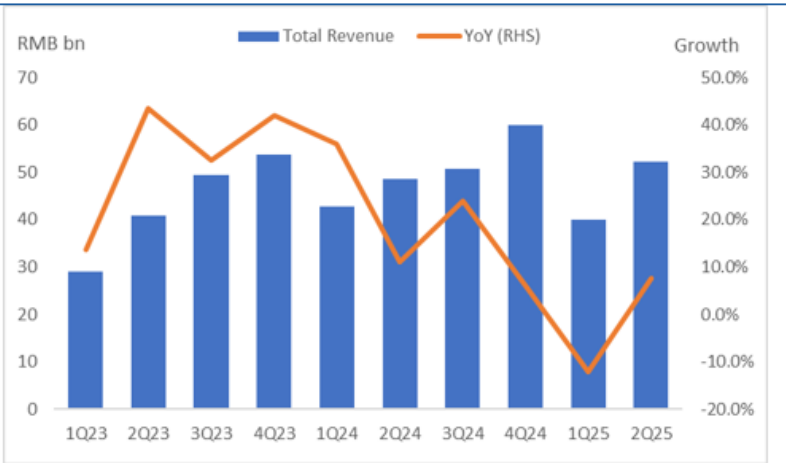
Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.796	0.856	147.050	0.801	7.131
HKD	0.128		0.110	18.862	10.270	0.915
EUR	1.169	9.112		171.860	1.069	8.342
JPY	0.007	5.302	0.582		0.545	0.049
CHF	1.249	9.739	1.069	183.699		8.912
RMB	0.140	1.093	0.120	20.616	0.112	

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	15	8.0%

Source: Bloomberg

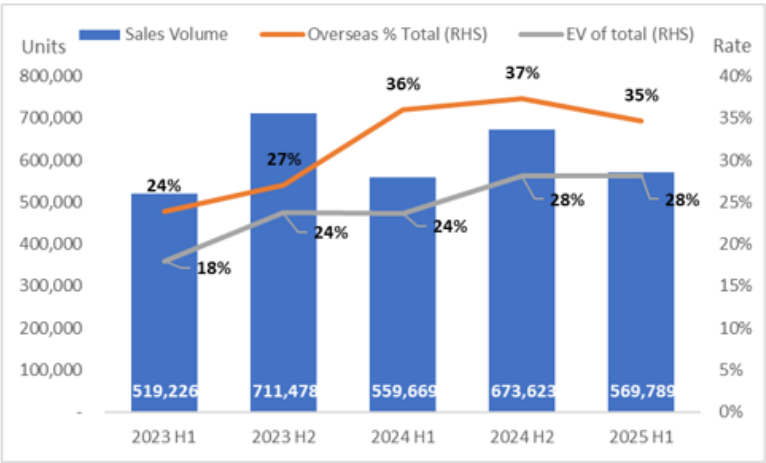
**Our View:** GWMs 1H25 saw profit pressure from Q1, but sales rose steadily on strong demand for new high-end models in Q2. It is believed the recent rally in its stock price reflects the strong sales of WEY/Tank new models. It is noted that Tank holds over 50% share in the off-road segment in China, a testament to its leadership in this niche market. To keep its long-term competitiveness, the company is investing in direct sales channels and enhancing its R&D on intelligent technologies. 2H is traditionally its peak season and more new products are scheduled to launch. We maintain our positive view on GWM owing to its high-end products with core competitiveness and well executed overseas expansion. With 2025E net profit consensus at RMB15bn, the counter is trading at a corresponding 10x P/E. (Research department)

Fig 1: Total Revenue (RMB\$ bn)



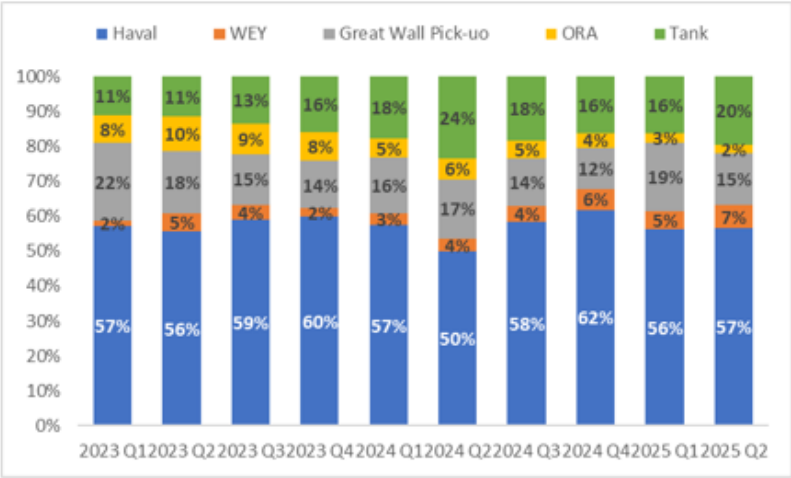
Source: Company Data, Sunwah Kingsway Research

Fig 2: Auto Sales Breakdown



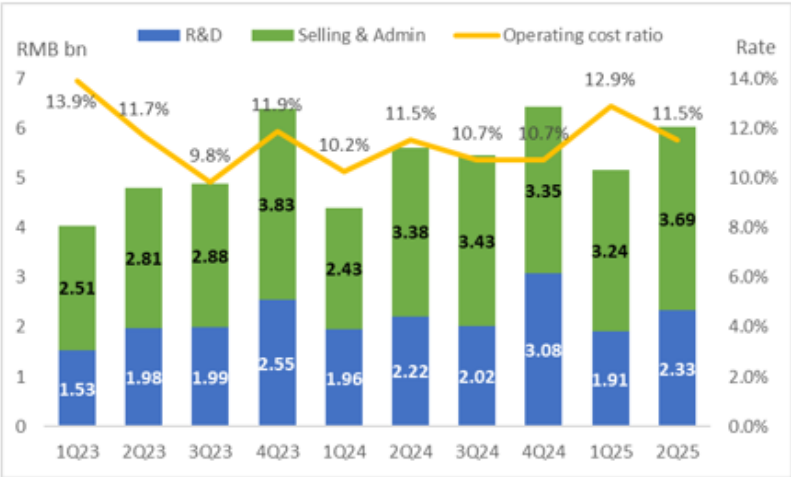
Source: Company Data, Sunwah Kingsway Research

Fig 3: Product Structure Breakdown



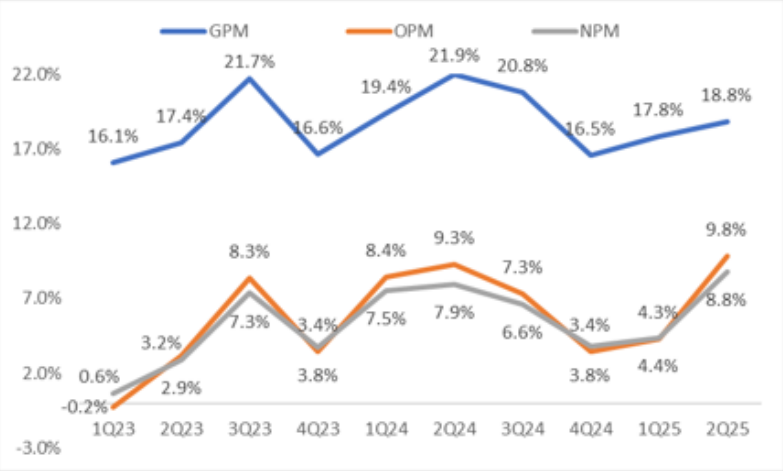
Source: Company Data, Sunwah Kingsway Research

Fig 4: OPEX Breakdown



Source: Company Data, Sunwah Kingsway Research

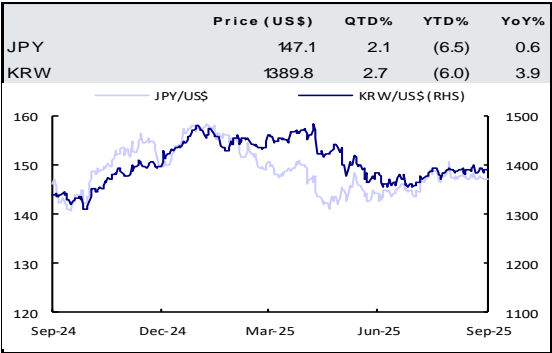
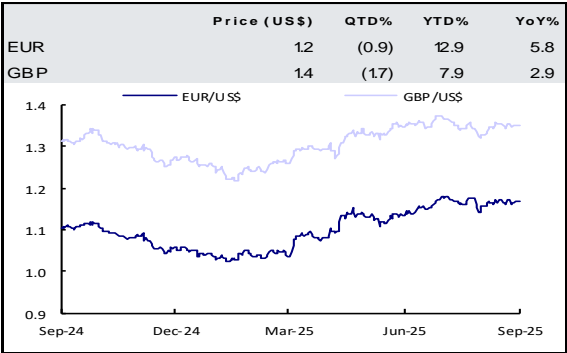
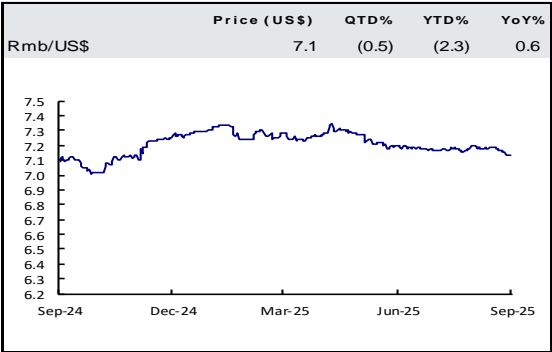
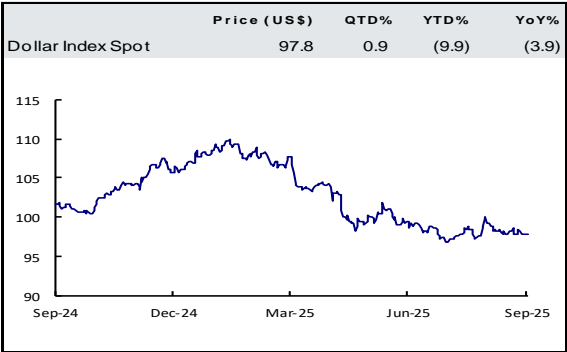
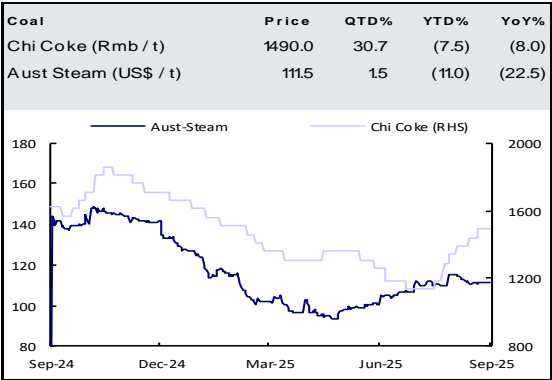
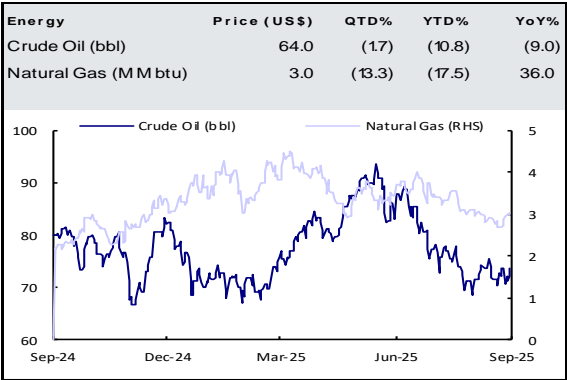
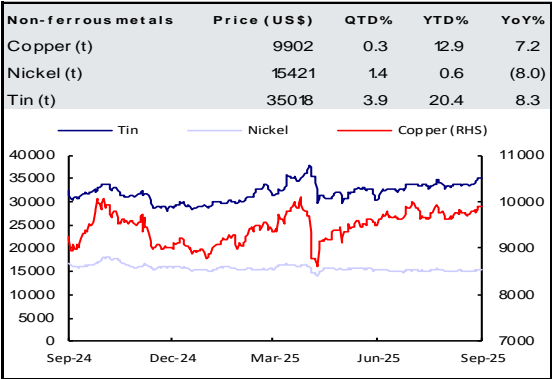
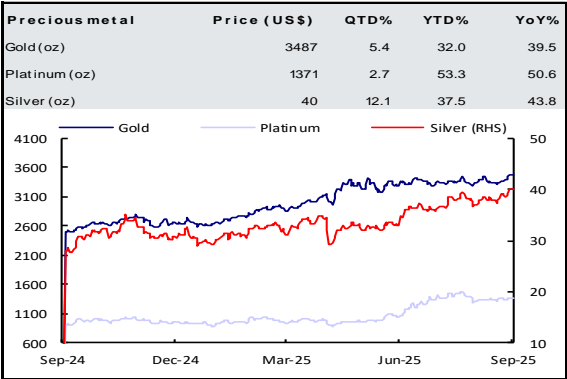
Fig 5: Profit Breakdown



Source: Company Data, Sunwah Kingsway Research

GWM(HK.2333)	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Unit: Billion in RMB										
Total Revenue	29.04	40.93	49.53	53.71	42.86	48.57	50.82	59.95	40.02	52.31
YoY Growth	13.6%	43.6%	32.6%	41.9%	36.0%	11.0%	24.0%	6.0%	-12.0%	7.7%
QoQ Growth	-23.3%	40.9%	21.0%	8.4%	-20.2%	13.3%	4.6%	18.0%	-33.2%	30.7%
Gross Profit	4.67	7.12	10.73	8.92	8.30	10.66	10.57	9.92	7.14	9.83
Gross Margin	16.1%	17.4%	21.7%	16.6%	19.4%	21.9%	20.8%	16.5%	17.8%	18.8%
R&D Expenses	1.53	1.98	1.99	2.55	1.96	2.22	2.02	3.08	1.91	2.33
R&D Ratio	5.3%	4.8%	4.0%	4.7%	4.6%	4.6%	4.0%	5.1%	4.8%	4.5%
Selling & Admin Expenses	2.51	2.81	2.88	3.83	2.43	3.38	3.43	3.35	3.24	3.69
Selling & Admin Ratio	8.6%	6.9%	5.8%	7.1%	5.7%	7.0%	6.7%	5.6%	8.1%	7.1%
Operating cost	4.04	4.79	4.87	6.38	4.39	5.60	5.45	6.43	5.15	6.02
Operatin cost ratio	13.9%	11.7%	9.8%	11.9%	10.2%	11.5%	10.7%	10.7%	12.9%	11.5%
Operating profit	-0.07	1.3	4.13	1.84	3.62	4.51	3.73	2.06	1.72	5.14
OPM	-0.2%	3.2%	8.3%	3.4%	8.4%	9.3%	7.3%	3.4%	4.3%	9.8%
Net Income	0.18	1.18	3.64	2.02	3.22	3.86	3.35	2.26	1.75	4.58
NPM	0.6%	2.9%	7.3%	3.8%	7.5%	7.9%	6.6%	3.8%	4.4%	8.8%
	1H23	2H23	1H24	2H24	1H25					
Auto Revenue	60.66	92.62	78.93	96.56	79.75					
YoY Growth	12.61%	271.60%	30.1%	4.3%	1.0%					
QoQ Growth	6.10%	52.7%	-14.8%	22.3%	-17.4%					
Auto Cost	-	-75.60	-62.73	-78.60						
Sales Volume ( units )	519,226	711,478	559,669	673,623	569,789					
YoY Growth	0%	30%	8%	-5%	2%					
QoQ Growth	-5%	37%	-21%	20%	-15%					
Auto Gross Profit	10.12	17.02	16.20	17.96	14.60					
Auto GPM	16.68%	18.38%	20.52%	18.60%	18.3%					
Auto Revenue per car (K in RMB)	116.83	130.18	141.03	143.34	139.96					
Cost per Vehicle (K in RMB)	97.34	106.26	112.08	116.68	114.34					
Auto Profit per car (K in RMB)	19.49	23.92	28.95	26.66	25.62					
YoY Growth			48.5%	11.5%	-11.5%					
QoQ Growth		22.7%	21.0%	-7.9%	-3.9%					
Operating Cash flow	-8.2	5.77	0.57	19.62	-2.62	12.02	4.79	13.58	-8.98	18.19
Capex	3.13	4.63	1.76	7.2	2.37	3.37	0.96	5.04	2.25	5
Free Cash Flow	-11.33	1.14	-1.19	12.42	-4.99	8.65	3.83	8.54	-11.23	13.19

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
ISM Manufacturing PMI	MoM		2-Sep-25
Durable Goods Orders	MoM		3-Sep-25
Factory Orders	MoM		3-Sep-25
Trade Balance	MoM		4-Sep-25
Initial Jobless Claims	WoW		4-Sep-25
Employment Report	MoM		5-Sep-25
Wholesale Inventories	MoM		10-Sep-25
PPI	MoM		10-Sep-25
CPI	MoM		11-Sep-25
Business Inventories	MoM		16-Sep-25
Retail Sales	MoM		16-Sep-25
Industrial Production	MoM		16-Sep-25
Housing Starts / Building Permits	MoM		17-Sep-25
Existing Home Sales	MoM		23-Sep-25
New home Sales	MoM		24-Sep-25
GDP	QoQ		25-Sep-25
Personal Income & Spending	MoM		26-Sep-25
Consumer Confidence	MoM		30-Sep-25
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Foreign Exchange Reserves	QoQ		7-Sep-25
Trade Balance	MoM		8-Sep-25
Money Supply - M2	MoM		9-Sep-25
PPI	MoM		10-Sep-25
CPI	MoM		10-Sep-25
Retail Sales	MoM		15-Sep-25
Industrial Production	MoM		15-Sep-25
PMI Manufacturing	MoM		30-Sep-25
GDP	YoY		20-Oct-25

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Retail Sales	MoM		1-Sep-25
PMI	MoM		3-Sep-25
Foreign Currency Reserve	MoM		5-Sep-25
Producer Prices Index	QoQ		15-Sep-25
Industrial Production	QoQ		15-Sep-25
Unemployment Rate	MoM		16-Sep-25
CPI	MoM		22-Sep-25
Trade Balance	MoM		25-Sep-25
Money Supply - M2	MoM		30-Sep-25
GDP	QoQ		31-Oct-25
Composite Interest Rate	MoM		

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