Morning Snapshot

SUNWAH KINGSWAY

新華滙富

Hong Kong & China Market Daily

03 October 2025

What's Hot Today:

Chery Auto (9973 HK, HK\$32.12, HK\$185bn)

Solid Revenue Growth, But Margin Pressure Persists

Chery Auto is a fully integrated automaker founded in 1997 and headquartered in Anhui. According to Frost & Sullivan, the company ranked as the second largest domestic passenger vehicle brand in China and 11th in the world. It is also the top passenger vehicle exporter among domestic brands for 22 consecutive years. Chery operates five distinct brands, offering a comprehensive product portfolio across sedans and SUVs, covering both ICE and BEV models. With price ranging from RMB 60K to 330K, the company strategically targets the mass market, mid-to-high-end, and premium segments, leveraging its extensive domestic and international dealer networks to drive sales.

High Growth with Multi-Brand Expansion: Chery recorded a revenue of RMB 141 bn in 1H25, up 26% YoY. 1) Multi-brand strategy: Chery's five major brands namely — Chery, Jetour, Exeed, iCAR, and Luxeed accounted for 60%, 24%, 5%, 5%, and 1% of sales during the period, respectively. The flagship Chery brand targets the mass market while Jetour focuses on travel and off-road segments. Exeed is positioned in the mid-to-high-end market and iCAR targets tech-enthusiastic Gen Z customers. Luxeed is the vehicle co-developed with Huawei and pursue intelligent driving technology; 2) Strong NEV momentum: Revenue from NEV jumped 242% YoY to RMB36.2 bn in 1H25 and contributed to 28.1% of revenue. 3) Leading overseas exporter: Overseas revenue grew 44% YoY to RMB 65bn in 1H25 to account for 46% of 1H25 revenue. It is the first domestic automaker to export complete vehicles, knock down, and engines. Overseas sales are primarily composed of ICE models, with key markets in Russia, Brazil, and Australia.

China & F	IK Indic	es		CLOSE	1D	YTD
HSI				27,287	1.6%	36.0%
HSCE				9,724	1.8%	33.4%
HSCCI				4,028	-0.3%	6.6%
CSI300				4,640	0.4%	17.9%
Shanghai A				4,070	0.5%	-2.2%
Shanghai B				261	0.1%	-2.2%
Shenzhen A				2,635	0.4%	28.7%
Shenzhen B				1,351	-0.8%	11.4%
Key Int'l	Indices			CLOSE	1D	YTD
Dow Jones				46,519	0.2%	9.3%
S&P 500				6,715	0.1%	14.2%
Nasdaq				22,844	0.4%	18.3%
NIKKEI Index	<			45,285	0.8%	13.5%
FTSE Index				9,427	-0.2%	15.4%
CAC Index				8,056	1.1%	9.2%
DAX Index				24,422	1.3%	22.7%
Commodi				CLOSE	1D	YTD
GOLD		IS\$/oz.)		3,856	-0.2%	47.0%
STEEL		IS\$/oz.)		2,226	2.1%	24.7%
SILVER	,	IS\$/oz.)		46	-0.7%	62.2%
CRUDE OIL		IS\$/bbl)		60	-2.1%	-15.5%
COPPER		S\$/oz.)		10,490	2.2%	19.6%
ALUMINIUM		IS\$/oz.)		2,692	0.4%	5.5%
PLATINUM		IS\$/oz)		1,576	0.7%	73.3%
ZINC		IS\$/oz.)		3,020	2.0%	1.4%
WHEAT	,	IS¢/bu)		514	1.1%	-6.7%
CORN		IS¢/bu)		421	1.3%	-4.9%
SUGAR	,	IS¢/lb)		N/A	N/A	
SOYBEAN		IS¢/bu)		1,023	1.1%	-0.3%
PVC	(U	IS\$/t.)		N/A	N/A	-12.2%
CRB				298	-0.8%	3.0%
BDI						98.6%
Exchange	Patec					
Lxchange	USD	HKD	EUR	JPY	CHF	RMB
USD		7.783	0.854	147.260	0.798	7.121
HKD	0.128		0.110	18.921	10.251	0.915
EUR	1.172	9.118		172,520	1.070	8.346
JPY	0.007	5.285	0.580		0.542	0.048
CHF	1.253	9.754	1.070	184.597		8.925
RMB	0.140	1.093	0.120	20.688	0.112	
Market S	entimer	nt		CL	RRENT	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					16	-0.7%



Profitability Affected by Low GPM and High Expenses: The company's GPM in 1H25 reached 13%, down 2 ppts YoY, mainly due to a higher share of lower-margin new energy vehicles and intensifying market competition. Its NPM stayed flat YoY at 7%. Overall expenses rose slightly, with the expense ratio edged up 60 bps YoY to 9.8% in 1H25 where selling expenses surged 73.1% YoY to RMB5.96bn in 1H25 due to higher advertising and marketing costs. However, excluding non-operating items, operating profit decreased by 29% YoY to RMB4.6bn 1H25. While 1H25 OPM dropped 2.5 ppts YoY to 3.3%, weighed down by lower GPM and higher expenses.

Our views: Chery's dealership network which accounts for over 90% of sales, expanded rapidly with its outlet network growing from 3,901 in 2022 to 6,285 in 2024. Alongside notable growth in overseas revenue, underpinned by a long-standing rebate policy of 8%-9% that boosted dealer motivation. However, high rebates have compressed margins, with profitability below BYD's 20% GPM. Also, the multi-brand strategy has yet to achieve scale and hinders overall efficiency. Chery intends to spend about HK\$6.3bn or about 75% of its IPO proceeds on R&D, aiming to strengthen core capabilities and enhance future product competitiveness. The counter is trading at 10x FY25E P/E. (Research department)

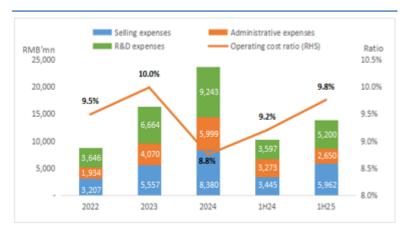


Fig 1: Total Revenue (RMB' mn)

Source: Company Data, Sunwah Kingsway Research

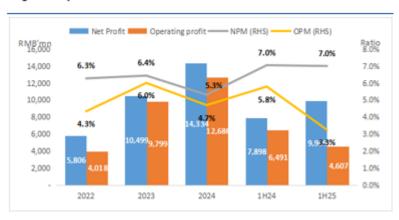


Fig 2: Chery OPEX Breakdown



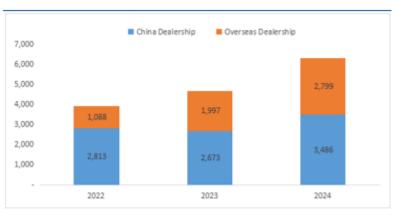
Source: Company Data, Sunwah Kingsway Research

Fig 3: Chery Profit Breakdown



Source: Company Data, Sunwah Kingsway Research

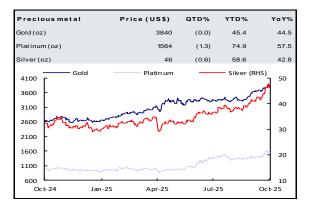
Fig 4: Dealership Breakdown

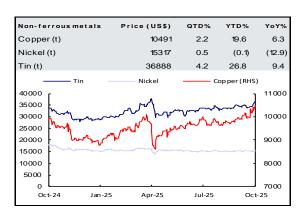


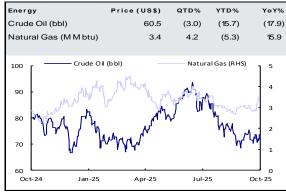
Source: Company Data, Sunwah Kingsway Research

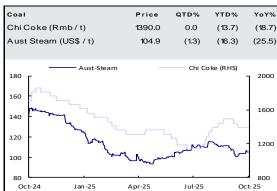


Market Watch - Major Commodities and Currencies

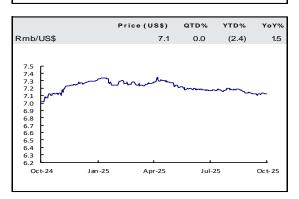


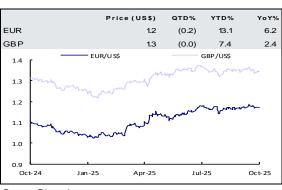














Source: Bloomberg



US Economic Calendar

			Expected
Indicators	Freq	Obs Date	Release Date
Employment Report	MoM		3-Oct-25
Trade Balance	MoM		7-Oct-25
Initial Jobless Claims	WoW		9-Oct-25
Wholesale Inventories	MoM		9-Oct-25
CPI	MoM		15-Oct-25
PPI	MoM		16-Oct-25
Business Inventories	MoM		16-Oct-25
Retail Sales	MoM		16-Oct-25
Industrial Production	MoM		17-Oct-25
Housing Starts / Building Permits	MoM		17-Oct-25
Existing Home Sales	MoM		23-Oct-25
New home Sales	MoM		24-Oct-25
Durable Goods Orders	MoM		27-Oct-25
Consumer Confidence	MoM		28-Oct-25
GDP	QoQ		30-Oct-25
Personal Income & Spending	MoM		31-Oct-25
ISM Manufacturing PMI	MoM		3-Nov-25
Factory Orders	MoM		4-Nov-25
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Foreign Exchange Reserves	QoQ		7-Oct-25
Money Supply - M2	MoM		10-Oct-25
Trade Balance	MoM		13-Oct-25
PPI	MoM		15-Oct-25
CPI	MoM		15-Oct-25
Retail Sales	MoM		20-Oct-25
Industrial Production	MoM		20-Oct-25
GDP	YoY		20-Oct-25
PMI Manufacturing	MoM		31-Oct-25

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
PMI	MoM		6-Oct-25
Foreign Currency Reserve	MoM		8-Oct-25
Unemployment Rate	MoM		20-Oct-25
CPI	MoM		23-Oct-25
Trade Balance	MoM		27-Oct-25
GDP	QoQ		31-Oct-25
Money Supply - M2	MoM		31-Oct-25
Retail Sales	MoM		31-Oct-25
Producer Prices Index	QoQ		15-Dec-25
Industrial Production	QoQ		15-Dec-25
Composite Interest Rate	MoM		

Kingsway Research Team

Howard Wong Ensley Liu Email
Howard.wong@sunwahkingsway.com
Ensley.liu@sunwahkingsway.com

Phone No. (852) 2283 7307 (852) 2283 7618



Notice of interest disclosure filed by substantial sha Name of listed corporation	Name of substantial share holder	No. of shares bought/sold/involved	Average price per sha
SPC Pharmaceutical Group Ltd.	Cai Dong Chen	6,000,000(L)	HKD 9.6383
Broker Group Ltd.	Financial Data Technologies Limited	12,820,000(L)	HKD 0.0328
roker Group Ltd.	Nie Fanqi	12,820,000(L)	HKD 0.0328
nenguan Holdings (Group) Ltd.	Zhou Yaxian	4,210,000(L)	HKD 0.2950
uminum Corporation of China Ltd H Shares	中信证券资产管理有限公司	10,106,000(L)	HKD 8.0536
usupreme International Holdings Ltd.	Beatitudes International Ltd.	40,000(L)	HKD 0.3275
usupreme International Holdings Ltd.	Choy Chi Fai	40,000(L)	HKD 0.3275
usupreme International Holdings Ltd.	Ho Ka Man	40,000(L)	HKD 0.3275
ank of Zhengzhou Co., Ltd H Shares	弘康人寿保险股份有限公司	11,000,000(L)	HKD 1.3141
GN Pow er Co., Ltd H Shares	中信证券资产管理有限公司	5,981,000(L)	HKD 2.8354
nina Galaxy Securities Co., Ltd H Shares	易方达基金管理有限公司	1,694,500(L)	HKD 11.8400
ephant Holdings Group Ltd.	Di Xiaoguang	1,600,000(L)	HKD 1.2809
ephant Holdings Group Ltd.	Ever Persist Holdings Limited	1,600,000(L)	HKD 1.2809
ver Sunshine Services Group Ltd.	Zhou Hongbin	100,000(L)	HKD 1.7900
uotai Haitong Securities Co., Ltd H Shares	易方达基金管理有限公司	1,129,400(L)	HKD 16.0598
engan International Group Co. Ltd.	Hui Ching Lau	200,000(L)	HKD 25.3488
ratai Securities Co., Ltd H Shares	易方达基金管理有限公司	794,400(L)	HKD 20.5800
ing Hing Printing Group Ltd.	YUM CHAK MING MATTHEW	78,000(L)	HKD 0.9200
Mag Rare-Earth Co., Ltd A Shares	Cai Baogui	13,529,965(L)	CNY 34.6747
Mag Rare-Earth Co., Ltd A Shares	Hu Zhibin	13,529,965(L)	CNY 34.6747
Mag Rare-Earth Co., Ltd A Shares	Li Xinnong	13,529,965(L)	CNY 34.6747
Holdings Inc W	Tencent Holdings Limited	39,969,852(L)	USD 6.5733
Holdings Inc W	The Bank of New York Mellon Corporation	21,636,057(L)	HKD 0.0000
ngboard Holdings Ltd.			HKD 27.5800
	Cheung Kw ok Wing	10,000(L)	
ngboard Laminates Holdings Ltd.	lp Shu Kw an,Stephen	200,000(L)	HKD 12.3700
ngland Group Holdings Ltd.	Chan Yuk Sing	39,269,000(L)	HKD 0.2406
ngland Group Holdings Ltd.	Cho Bik Nung	39,269,000(L)	HKD 0.2406
gland Group Holdings Ltd.	Supreme Voyage Limited	39,269,000(L)	HKD 0.2406
ng Kee Group Holdings Ltd.	SIU TIT LUNG	6,493,000(L)	HKD 1.7000
ng Kee Group Holdings Ltd.	SIU YUK LUNG	6,493,000(L)	HKD 1.7000
ei Ah Entertainment Group Ltd.	Li Kuo Hsing	200,000(L)	HKD 0.0920
nth Group Ltd.	Chin Wei Ching-Lien	200,000(L)	HKD 33.7188
icific Basin Shipping Ltd.	BANGA HARINDARPAL SINGH	5,411,000(L)	HKD 2.5179
acific Basin Shipping Ltd.	BANGA INDRA	5,411,000(L)	HKD 2.5179
acific Basin Shipping Ltd.	CARAVEL MARITIME VENTURES INC.	5,411,000(L)	HKD 2.5179
acific Basin Shipping Ltd.	THE CARAVEL GROUP LTD.	5,411,000(L)	HKD 2.5179
uam Plus International Financial Ltd.	HAN Xiaosheng	10,000(L)	HKD 0.1570
uam Plus International Financial Ltd.	LAM Kin Hing Kenneth	10,000(L)	HKD 0.1570
uam Plus International Financial Ltd.	Quam Tonghai Holdings Limited	10,000(L)	HKD 0.1570
henzhou International Group Holdings Ltd.	Ma Renhe	2,060,000(L)	HKD 0.0000
ao Heung Holdings Ltd.	Chung Wai Ping	1,000(L)	HKD 0.3500
w ngas Smart Energy Co. Ltd.	弘康人寿保险股份有限公司	8,300,000(L)	HKD 3.8991

Source: HKEx



Disclaimer

This document is not an offer to sell or the solicitation of an offer to buy or subscribe for any securities. The securities referred to in this document may not be eligible for sale in certain jurisdiction. Neither this document nor any portion hereof may be taken distributed or transmitted directly or indirectly into such jurisdiction nor to any residents thereof. Any failure to comply with this restriction may constitute a violation of the applicable laws and regulations and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. This document has been produced for private circulation and may not be copied, photocopied, duplicated, or redistributed without the prior written consent of Kingsway Financial Services Group Limited ("KFS") and its affiliated companies (collectively, "Kingsway Group").

This report is distributed in Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong") by KFS which is registered as a licensed corporation under the Securities and Futures Ordinance (Cap.571 of The Laws of Hong Kong) with the Securities and Futures Commission of Hong Kong ("SFC") and its SFC CE number is ADF346.

The information contained in this report has been taken from sources believed to be reliable but no representation or warranty expressed or implied is made as to their accuracy or correctness. This report is published for the assistance of recipients but is not to be relied upon as authoritative or taken in substitution for the exercise of judgment by any recipient. It is not to be construed as an offer, invitation or solicitation to buy or sell any securities of the company or companies covered herein. Any recommendation contained in this report does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. All opinions and estimates reflect our judgment on the date of this report and are subject to change without notice.

KFS, including its parent, subsidiaries and/or affiliates, may act as lead or co-manager in an offering of the securities of any issuer discussed herein, may from time to time perform financial services or other advisory services for, or solicit financial services or other business from, any issuer.

Within the past year, KFS, including its parent, subsidiaries and/or affiliates, may have acted as market maker or traded on a principal basis in the financial instruments of any issuer discussed herein and may act as underwriter, placement agent, advisor or lender to such issuer.

KFS, including its parent, subsidiaries, affiliates, shareholders, officers, directors, and employees may have long or short positions in, and buy or sell, the securities, commodities or derivatives (including options) or any other financial instruments thereof, of any issuers.

An employee of KFS, including its parent, subsidiaries and/or affiliates, may act as director, or be represented on the boards of directors, of any such entities or issuers.

Copyright 2025 Kingsway Group. All rights reserved.

Hong Kong Kingsway Financial Services Group Limited 7/F, Tower One, Lippo Centre, 89 Queensway, Hong Kong Tel: 852-2283-7000

Fax: 852-2877-2665

_____ Affiliated & Overseas Offices

Guangdong 廣東新華滙富商業保理有限公司 2701, Dongshan Plaza, 69 Xianlie Middle Road, Yuexiu District Guangzhou, 510095 Vietnam Sunwah Kingsway Vietnam Services Limited Representative Office Sunwah Tower, Mezzanine Floor 115 Nguyen Hue District 1 Ho Chi Minh City Vietnam