Morning Snapshot

SUNWAH KINGSWAY 新華滙富

What's Hot Today:

► New Oriental Education (9901 HK, HK$46.78, HK$80bn) solid 1Q26 yet head wind persists

New Oriental Education (EDU US), a leading private educational services provider in China, released a solid 1Q FY5/26 results. Revenue grew by 6% YoY to US$1.5bn, higher than the previous guidance of 2%-5% YoY growth. Core business, domestic tutoring business maintained a robust momentum of 14% YoY growth. Non-GAAP operating profit grew by 11% YoY to US$336mn, thanks to enhanced cost controls. Net profit stood at US$241mn, down 2% YoY.

Fig 1. 1Q26 Financial Review

	1Q25		1Q26			Results comments
	US$ mn	% of Rev	US$ mn	% of Rev	YoY chg	
Net revenues	**1435.4**		**1523.0**		**6%**	**Overseas test prep and consulting+1% and 2%, domestic tutoring+14%**
Cost of revenues	-583.5	-41%	-637.8	-42%	9%	
S&M expense	-193.7	-13%	-200.6	-13%	4%	
Admin. expense	-365.1	-25%	-373.8	-25%	2%	
Operating profit	**293.2**	**20%**	**310.8**	**20%**	**6%**	**OPM maintained at 20.4%**
Net profit	**245.4**	**17%**	**240.7**	**16%**	**-2%**	

Source: Company Data, Sunwah Kingsway Research

Overseas education business beat yet continued to face pressure. Overseas test preparation and consulting business grew by 1% and 2% YoY, respectively, beating market expectations of a 5% decline. However, the growth pace slowed down from 15% and 8% in 4Q25, respectively, mainly due to softer demand for overseas study amid ongoing China-US trade frictions. Although Chinese students are increasingly considering alternative study destinations, such as the UK, Australia, and Canada which could partly mitigate the impact in the near term, this segment still faces pressure as uncertainties with studying aboard grow.

New educational business slowed down. New educational business including non-academic tutoring and learning devices, increased by 5% YoY, down from +30% in 4Q25, due to intensified market competition as local tuition institutions concentrated their resources on the summer and winter holiday periods. However driven by a robust enrollment growth in non-academic tutoring and learning device subscribers, the segment is likely to recover in 2Q26.

China & HK Indices	CLOSE	1D	YTD
HSI	26,346	-0.3%	31.3%
HSCEI	9,375	-1.0%	28.6%
HSCCI	4,088	-0.7%	8.1%
CSI300	4,747	1.2%	20.7%
Shanghai A	4,211	0.7%	-2.3%
Shanghai B	261	0.2%	-2.3%
Shenzhen A	2,668	1.3%	30.3%
Shenzhen B	1,324	-0.8%	9.2%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	47,632	-0.2%	12.0%
S&P 500	6,890	-0.0%	17.2%
Nasdaq	23,958	0.5%	24.1%
NIKKEI Index	51,321	0.0%	28.6%
FTSE Index	9,756	0.6%	19.4%
CAC Index	8,200	-0.2%	11.1%
DAX Index	24,124	-0.6%	21.2%

Commodities		CLOSE	1D	YTD
GOLD	(US$/oz.)	3,930	-0.6%	50.6%
STEEL	(US$/oz.)	2,424	2.6%	35.8%
SILVER	(US$/oz.)	47	1.0%	65.3%
CRUDE OIL	(US$/bbl)	60	0.5%	-15.8%
COPPER	(US$/oz.)	11,183	1.4%	27.5%
ALUMINIUM	(US$/oz.)	2,887	0.4%	13.1%
PLATINUM	(US$/oz)	1,594	0.3%	76.4%
ZINC	(US$/oz.)	3,082	0.9%	3.5%
WHEAT	(US¢/bu)	532	0.6%	-3.0%
CORN	(US¢/bu)	434	0.5%	-2.1%
SUGAR	(US¢/lb)	N/A	N/A	
SOYBEAN	(US¢/bu)	1,094	-0.1%	6.0%
PVC	(US$/t.)	N/A	N/A	-14.2%
CRB		300	-0.2%	3.0%
BDI				95.6%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.771	0.862	152.730	0.800	7.099
HKD	0.129		0.111	19.654	10.295	0.914
EUR	1.160	9.015		177.180	1.077	8.231
JPY	0.007	5.088	0.564		0.524	0.046
CHF	1.250	9.713	1.077	190.919		8.854
RMB	0.141	1.095	0.121	21.530	0.113	

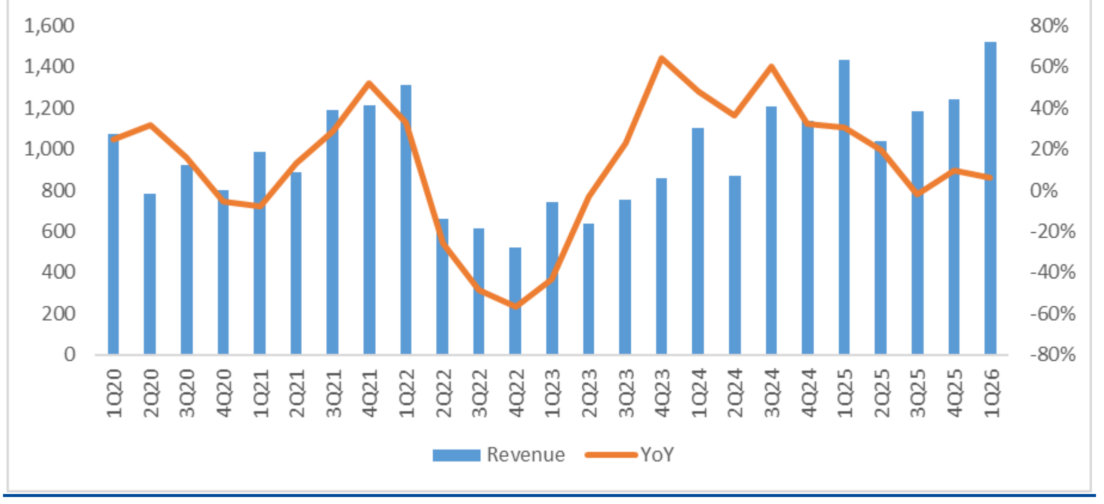
Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece	N/A	N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	16	-9.0%

Source: Bloomberg

Enhanced shareholders return program. The Mgt expects total net revenues for 2Q26 to range from US$1.13bn to US$1.16bn, implying a 9 to 12% YoY growth. For FY26, the Mgt reiterates its revenue guidance in the range of US$5.15bn to US$5.39bn, reflecting a YoY increase of 5% to 10%. This indicates that overseas studying business is expected to stabilize. Meanwhile, EDU announced a FY26 shareholder return plan totaling US$490mn, comprising US$190mn in dividends and US$300mn in share buybacks. The payout ratio reaches 130% of FY25 net profit, significantly exceeding the market forecast of 100%.

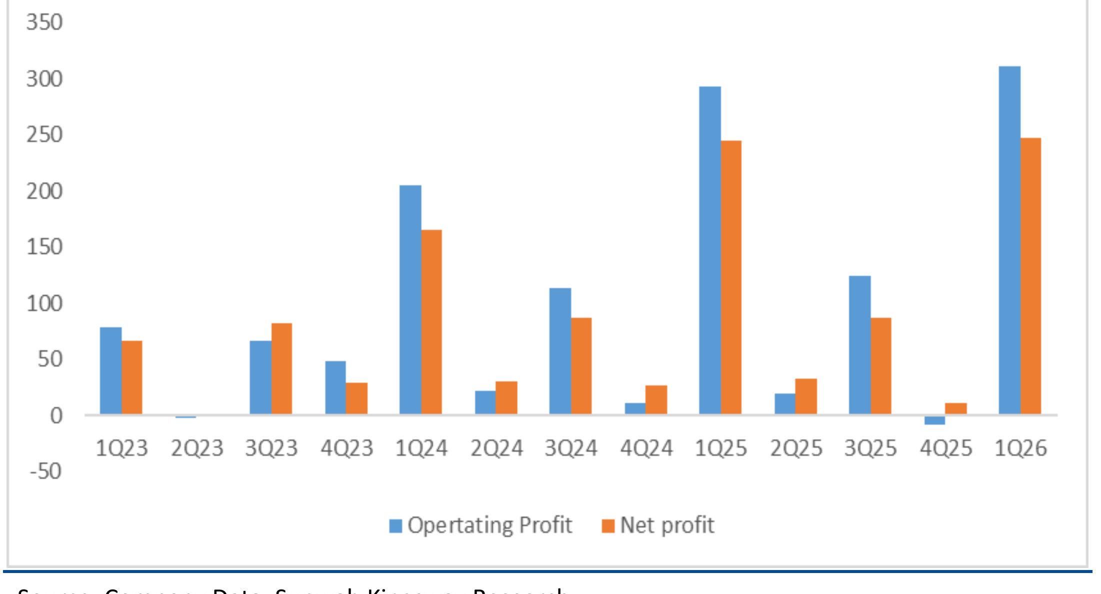
Our view: 1Q26 delivered a solid result, with stable domestic tutoring business, better-than-expected overseas study segment and enhanced shareholders return program. However, we also note that key segments are experiencing softer growth and overseas study segment remains under pressure in the near term due to the weak economy and geopolitical conflict. The counter is trading at 21x FY26 P/E. (Ensley LIU)

Fig 2: Revenue (US$ mn) and YoY



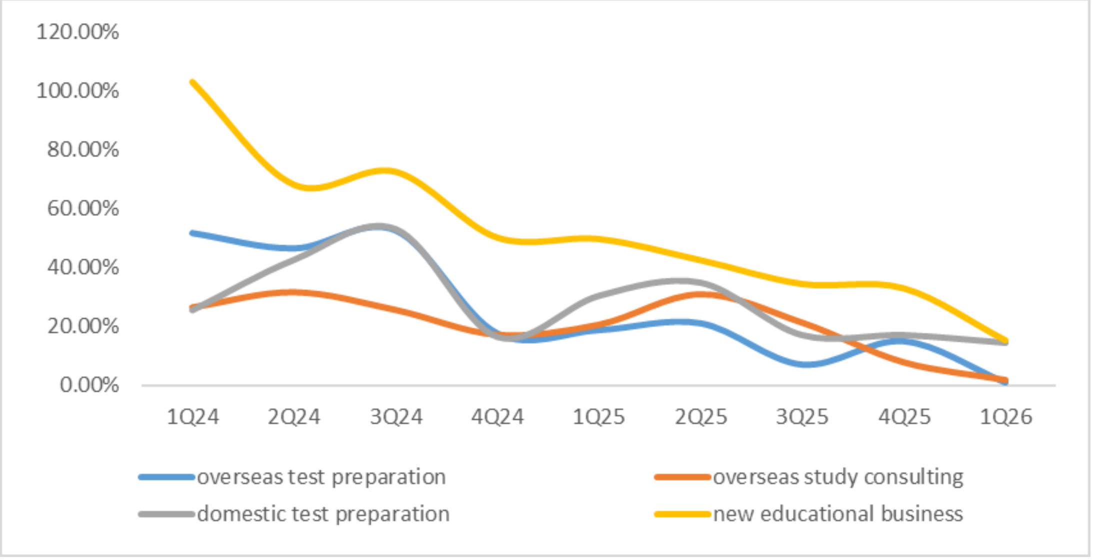
Source: Company Data, Sunwah Kingsway Research

Fig 3: Net profit and operating profit (US$ mn)

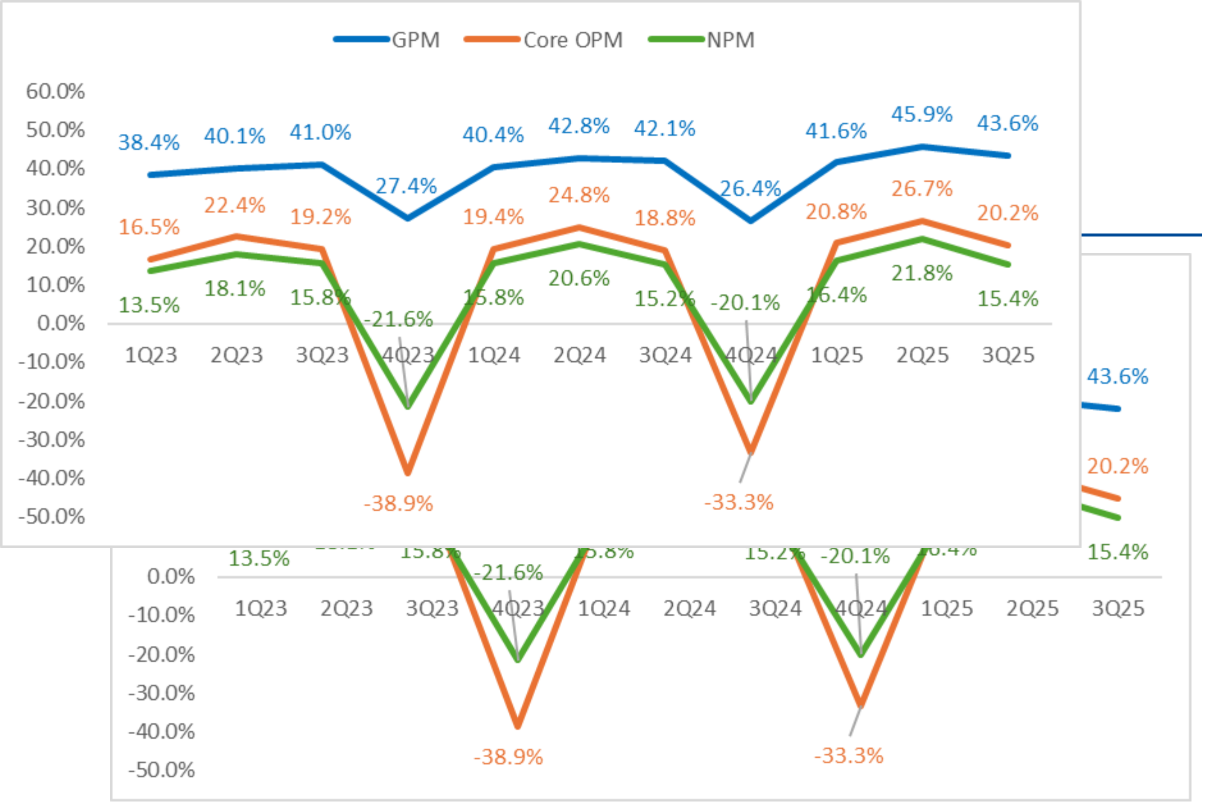


Source: Company Data, Sunwah Kingsway Research

Fig 4: Growth rate of each segment

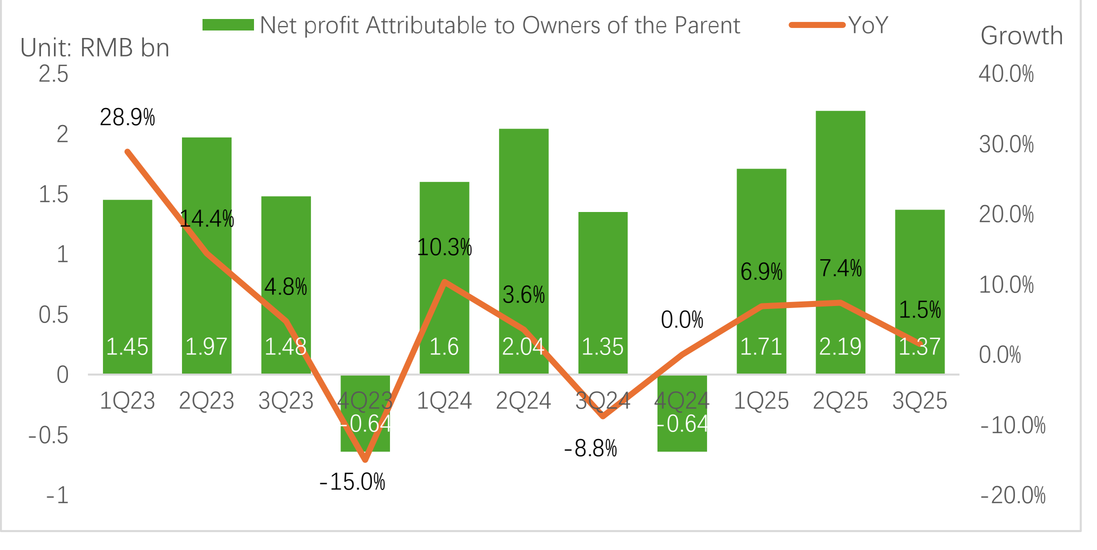


Source: Company Data, Sunwah Kingsway Research



Source: Company Data, Sunwah Kingsway Research

Fig 6: Breakdown of Net Profit



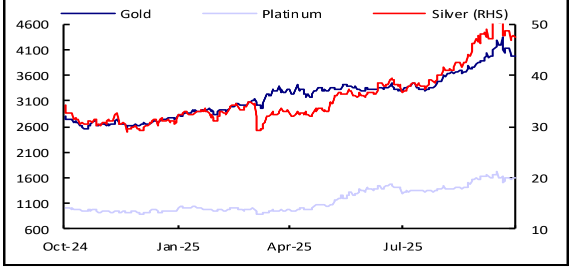
Source: Company Data, Sunwah Kingsway Research

SUNWAH KINGSWAY 新華滙富

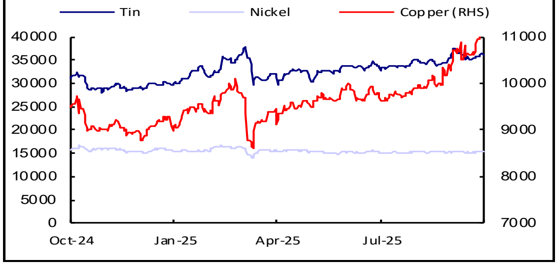
30 October 2025

Market Watch – Major Commodities and Currencies

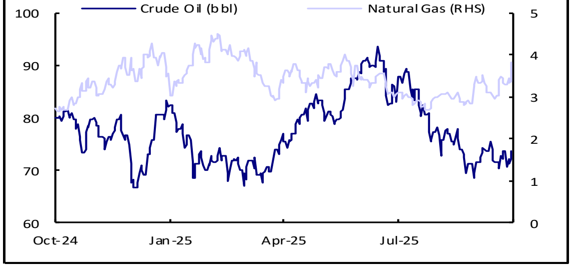
Precious metal	Price (US$)	QTD%	YTD%	YoY%
Gold (oz)	3984	3.7	50.8	42.2
Platinum (oz)	1591	0.4	78.0	55.8
Silver (oz)	48	2.7	63.8	40.6



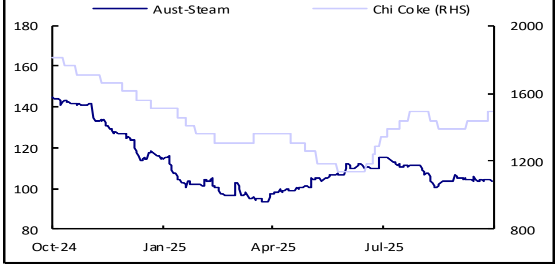
Non-ferrous metals	Price (US$)	QTD%	YTD%	YoY%
Copper (t)	11184	8.9	27.5	17.3
Nickel (t)	15366	0.9	0.2	(2.8)
Tin (t)	36184	2.2	24.4	16.9



Energy	Price (US$)	QTD%	YTD%	YoY%
Crude Oil (bbl)	60.5	(3.0)	(15.7)	(11.8)
Natural Gas (MMbtu)	3.4	2.2	(7.1)	18.7

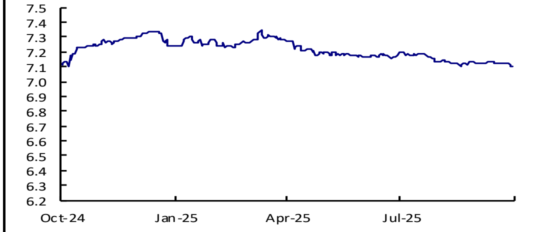


Coal	Price	QTD%	YTD%	YoY%
Chi Coke (Rmb / t)	1490.0	7.2	(7.5)	(17.7)
Aust Steam (US$ / t)	103.9	(2.2)	(17.0)	(28.3)

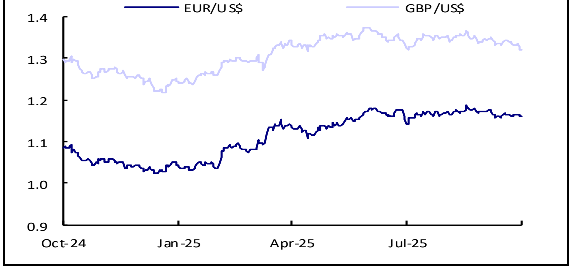


	Price (US$)	QTD%	YTD%	YoY%
Dollar Index Spot	99.2	1.5	(8.5)	(4.6)

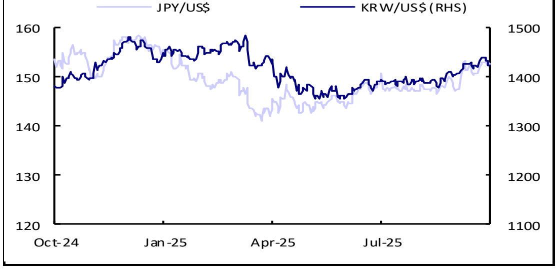
	Price (US$)	QTD%	YTD%	YoY%
Rmb/US$	7.1	(0.3)	(2.7)	(0.2)



	Price (US$)	QTD%	YTD%	YoY%
EUR	1.2	(1.1)	12.0	6.9
GBP	1.3	(1.9)	5.4	1.8



	Price (US$)	QTD%	YTD%	YoY%
JPY	152.7	3.3	(2.8)	(0.4)
KRW	1421.0	1.2	(3.9)	3.0



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Initial Jobless Claims	WoW		30-Oct-25
GDP	QoQ		30-Oct-25
Personal Income & Spending	MoM		31-Oct-25
ISM Manufacturing PMI	MoM		3-Nov-25
Trade Balance	MoM		4-Nov-25
Durable Goods Orders	MoM		4-Nov-25
Factory Orders	MoM		4-Nov-25
Wholesale Inventories	MoM		6-Nov-25
Employment Report	MoM		7-Nov-25
CPI	MoM		13-Nov-25
PPI	MoM		14-Nov-25
Business Inventories	MoM		14-Nov-25
Retail Sales	MoM		14-Nov-25
Industrial Production	MoM		18-Nov-25
Housing Starts / Building Permits	MoM		19-Nov-25
Existing Home Sales	MoM		20-Nov-25
Consumer Confidence	MoM		25-Nov-25
New home Sales	MoM		26-Nov-25
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
PMI Manufacturing	MoM		31-Oct-25
Foreign Exchange Reserves	QoQ		7-Nov-25
Trade Balance	MoM		7-Nov-25
Money Supply - M2	MoM		9-Nov-25
PPI	MoM		9-Nov-25
CPI	MoM		9-Nov-25
Retail Sales	MoM		14-Nov-25
Industrial Production	MoM		14-Nov-25
GDP	YoY		

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
GDP	QoQ		31-Oct-25
Money Supply - M2	MoM		31-Oct-25
Retail Sales	MoM		31-Oct-25
PMI	MoM		5-Nov-25
Foreign Currency Reserve	MoM		7-Nov-25
Unemployment Rate	MoM		18-Nov-25
CPI	MoM		20-Nov-25
Trade Balance	MoM		25-Nov-25
Producer Prices Index	QoQ		15-Dec-25
Industrial Production	QoQ		15-Dec-25
Composite Interest Rate	MoM		

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Notice of interest disclosure filed by substantial shareholders for the two previous trading days

Name of listed corporation	Name of substantial share holder	No. of shares bought/sold/involved	Average price per share
CR Construction Group Holdings Ltd.	Li Kar Yin	200,000(L)	HKD 0.3600
JiaXing Gas Group Co., Ltd. - H Shares	Sun Lianqing	50,000(L)	HKD 7.7000
Quanzhou Huixin Micro-credit Co., Ltd. - H Shares	CAI JIANCHU	26,846,000(L)	HKD 0.9000
Quanzhou Huixin Micro-credit Co., Ltd. - H Shares	Wu Weiqi	26,846,000(L)	HKD 0.9000
Quanzhou Huixin Micro-credit Co., Ltd. - H Shares	YUE TAI INVESTMENT LIMITED	26,846,000(L)	HKD 0.9000
BaTeLab Co., Ltd. - H Shares	RAYS Capital Partners Limited	101,200(L)	HKD 50.6248
China In-Tech Ltd.	China Yuen Capital Limited	4,692,000(L)	HKD 1.0851
China In-Tech Ltd.	Li Yuelan	4,692,000(L)	HKD 1.0851
China In-Tech Ltd.	Liu Xuezhong	4,692,000(L)	HKD 1.0851
China XLX Fertiliser Ltd.	Liu Xingxu	704,000(L)	HKD 7.3500
Elephant Holdings Group Ltd.	Di Xiaoguang	15,124,000(L)	HKD 1.5313
Elephant Holdings Group Ltd.	Ever Persist Holdings Limited	15,124,000(L)	HKD 1.5313
Giant Biogene Holding Co., Ltd	YAN JIANYA	560,000(L)	HKD 38.9990
Glorious Sun Enterprises Ltd.	Yeung Chun Kam	28,000(L)	HKD 1.3400
Homeland Interactive Technology Ltd.	ZHANG Na	15,000,000(L)	HKD 1.7000
JiaXing Gas Group Co., Ltd. - H Shares	Sun Lianqing	9,500(L)	HKD 7.6974
Kingboard Holdings Ltd.	Hallgain Management Limited	1,026,000(L)	HKD 27.6395
Kingland Group Holdings Ltd.	CHAN Wing Yu	1,960,000(L)	HKD 1.0036
Kingland Group Holdings Ltd.	Ip Vincent	1,960,000(L)	HKD 1.0036
Kingland Group Holdings Ltd.	Wealth Maker Investment Holdings Limited	1,960,000(L)	HKD 1.0036
Luk Fook Holdings (International) Ltd.	Silchester International Investors LLP	635,000(L)	HKD 25.8245
Smart Fish Wealthlink Holdings Ltd.	Zhao Zhijian	65,000,000(L)	HKD 0.4550
Tanwan Inc.	WU XUBO	345,200(L)	HKD 14.6800

Source: HKEx

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