Morning Snapshot

SUNWAH KINGSWAY
新華滙富

Hong Kong & China Market Daily

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What's Hot Today:

► Chinese home appliance sector: Mixed 3Q25 results

Leading Chinese home appliance companies reported mixed results for 3Q25. Market softened in 3Q25 as the effect of trade-in subsidies faded. According to AVC(奥維雲網), retail sales of home appliances (excluding 3C products) in 3Q25 dropped by 3.2% YoY to RMB199bn, compared to 9.2% YoY growth in 1H25. However, top-tier brands such as Midea (300 HK, HK$84.0, HK$55bn) and Haier (6690 HK, HK$25.24, HK$72bn) maintained their robust momentum, while Gree (651 SZ, RMB39.75, RMB222bn) and Hisense (921 HK, HK$22.94, HK$11bn) underperformed the peers.

Midea: solid 3Q25 on diversified products and B2B strength. Midea recorded the highest growth among the four market leaders, with revenue up by 10% YoY to RMB112bn in 3Q25, inline with market expectations. Net profit grew by 9% YoY to RMB12bn. Midea actively expands its footprint in B2B business amid weak property segment. B2B revenue surged 15% YoY thanks to the consolidation of Arbonia and Toshiba's elevator business in China. Revenue from B2C remained resilient, with segment revenue up 10%, on back of MSD YoY growth in the China market and 15%+ overseas. Looking ahead, the Mgt expects a steady topline and net profit for 4Q25.

Haier: premiumization and overseas expansion drove the growth. Revenue increased by 10% YoY to RMB77.6bn in 3Q25, due to better-than-expected air conditioners sales (up 30%+ YoY) in China and solid overseas market (up 8% YoY). Net profit grew by 13% YoY to RMB5.3bn. Strong AC sales owing to 1) multi-brand strategy, with premium brand Casarte growing 18% YoY and fashion brand Leader increasing 25% in 9M25. 2) Continued to implement digital transformation. For overseas markets, Europe led with 30% YoY growth, emerging markets posted double-digit YoY expansion, while the US market slowed amid softer demand. Looking into 4Q25, the Mgt expects to achieve MSD sales growth with NPM expansion, despite challenges amid the high base last year.

China & HK Indices	CLOSE	1D	YTD
HSI	25,906	-1.4%	29.1%
HSCEI	9,168	-1.9%	25.8%
HSCCI	4,065	-0.8%	7.5%
CSI300	4,640	-1.5%	17.9%
Shanghai A	4,146	-0.8%	-2.6%
Shanghai B	260	-0.4%	-2.6%
Shenzhen A	2,625	-0.3%	28.2%
Shenzhen B	1,305	-0.8%	7.6%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	47,562	0.1%	11.8%
S&P 500	6,840	0.3%	16.3%
Nasdaq	23,724	0.6%	22.9%
NIKKEI Index	52,411	2.1%	31.4%
FTSE Index	9,717	-0.4%	18.9%
CAC Index	8,121	-0.4%	10.0%
DAX Index	23,958	-0.7%	20.3%

Commodities		CLOSE	1D	YTD
GOLD	(US$/oz.)	4,002	-0.5%	51.3%
STEEL	(US$/oz.)	2,383	-1.7%	33.4%
SILVER	(US$/oz.)	48	-0.5%	67.3%
CRUDE OIL	(US$/bbl)	60	0.7%	-14.5%
COPPER	(US$/oz.)	10,887	-2.6%	24.2%
ALUMINIUM	(US$/oz.)	2,884	-0.1%	13.0%
PLATINUM	(US$/oz)	1,574	-2.0%	73.3%
ZINC	(US$/oz.)	3,055	-0.9%	2.6%
WHEAT	(US¢/bu)	534	0.3%	-3.2%
CORN	(US¢/bu)	431	-0.6%	-2.8%
SUGAR	(US¢/lb)	N/A	N/A	
SOYBEAN	(US¢/bu)	1,115	1.9%	7.9%
PVC	(US$/t.)	N/A	N/A	-14.2%
CRB		302	0.6%	3.0%
BDI				97.2%

Exchange Rates

	USD	HKD	EUR	JPY	CHF	RMB
USD		7.770	0.867	153.990	0.805	7.120
HKD	0.129		0.112	19.820	10.355	0.916
EUR	1.154	8.965		177.670	1.077	8.205
JPY	0.006	5.046	0.563		0.522	0.046
CHF	1.243	9.657	1.077	191.435		8.852
RMB	0.140	1.091	0.122	21.645	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	17	6.5%

Source: Bloomberg

Gree: softer performance amid heavy reliance on AC business. Gree was the only leading company reporting a revenue decline in 3Q25, mainly due to weaker demand and intense market competition in the domestic AC industry. Revenue/net profit in 3Q25 stood at RMB40bn/RMB7bn, down 15%/10% YoY, respectively. GPM declined 0.25ppts YoY to 28.6% but was offset by 0.8ppts YoY decline in SG&A ratio as the company strengthened operation efficiency. As a result, NPM expanded by 1ppts YoY to 17.6%. Meanwhile, the company declared a cash dividend of RMB1 per share (inclusive tax), accounting for 28% of the net profit in 9M25. However, Gree is expected to face pressure in 4Q25 as it is heavily concentrated in Air-con segment and focuses on mid-high end market.

Hisense: overseas channels destocking dragged 3Q25 results. Revenue grew by 1% YoY to RMB22bn, but net profit dropped by 5% YoY to RMB735mn. GPM contracted by 0.6 ppts YoY to 20.2%, mainly due to fierce market competition and higher discount. The AC segment faced export headwinds but maintained solid domestic performance. According to IOL(產業在綫), domestic/overseas AC sale +40%/-20% YoY in 3Q25, respectively. However, washing machines and refrigerators showed more resilience for both domestic and overseas market.

Our view: The home appliance industry is expected to face pressure in the near term due to the fading of trade-in subsidies, weak property market and consumption downgrade. Meanwhile, the competition of traditional white goods becomes fiercer, with brands offering more competitive pricing and increasing discounts to attract consumers. It is believed that Midea and Haier could outperform peers leveraging on its diversified product portfolios, solid overseas expansion, and strict cost controls. Midea, Haier, Gree and Hisense are trading at 12.4x, 9.1x, 6.3x and 7.3x FY26E P/E, respectively.

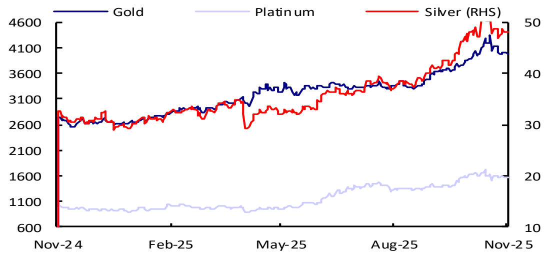
Fig 1: 3Q25 results of the six companies

	Midea	Haier	Gree	Hisense
Revenue	**112,384.6**	**77,559.6**	**40,034.1**	**22,192.3**
YoY	10%	10%	-15.1%	1%
Gross Profit	**30,050.8**	**21,624.6**	**11,450.0**	**4,482.7**
YoY	11%	3%	-15.8%	2%
GPM	26.7%	27.9%	28.6%	20.2%
Other Operating Income	1,107.8	387.1	440.0	164.5
Operating Expenses	18,129.8	15,902.7	4,699.3	3,699.4
% of revenue	16.1%	20.5%	11.7%	16.7%
Selling & Marketing	*9,782.7*	*9,031.1*	*1,387.4*	*2,211.7*
% of revenue	8.7%	11.6%	3.5%	10.0%
General & Administrative	*3,719.6*	*2,902.9*	*1,158.9*	*568.4*
% of revenue	3.3%	3.7%	2.9%	2.6%
Research & Development	4,177.9	3,432.0	1,704.3	836.6
% of revenue	3.7%	4.4%	4.3%	3.8%
Other Operating Expense	449.5	536.8	448.6	82.6
% of revenue	0.4%	0.7%	1.1%	0.4%
Net Income	**11,869.7**	**5,339.7**	**7,048.9**	**735.2**
YoY	9%	12.8%	-9.9%	-5%
NPM	10.6%	6.9%	17.6%	3.3%

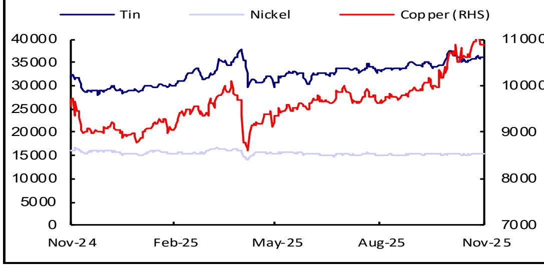
Source: Company Data, Sunwah Kingsway Research

Market Watch – Major Commodities and Currencies

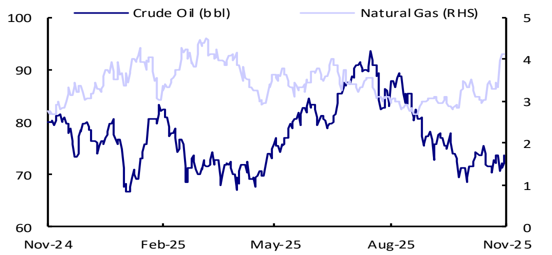
Precious metal	Price (US$)	QTD%	YTD%	YoY%
Gold (oz)	3997	4.1	51.3	45.5
Platinum (oz)	1575	(0.6)	76.2	59.1
Silver (oz)	48	3.3	64.7	47.7



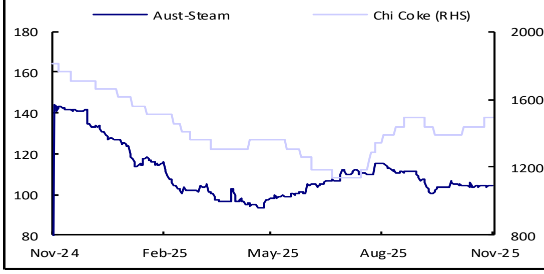
Non-ferrous metals	Price (US$)	QTD%	YTD%	YoY%
Copper (t)	10888	6.0	24.2	13.8
Nickel (t)	15226	(0.1)	(0.7)	(4.5)
Tin (t)	36086	1.9	24.1	13.7



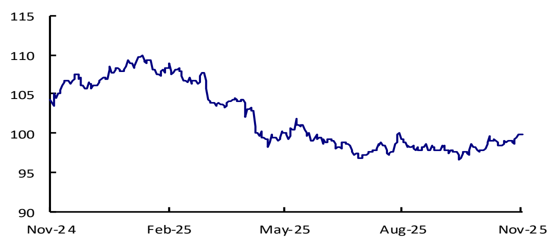
Energy	Price (US$)	QTD%	YTD%	YoY%
Crude Oil (bbl)	61.0	(2.2)	(15.0)	(14.7)
Natural Gas (MMbtu)	4.1	24.9	13.5	48.3



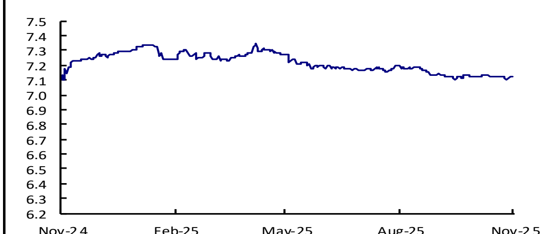
Coal	Price	QTD%	YTD%	YoY%
Chi Coke (Rmb / t)	1490.0	7.2	(7.5)	(17.7)
Aust Steam (US$ / t)	104.2	(1.9)	(16.8)	(27.6)



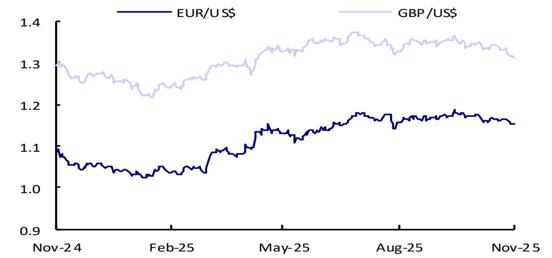
	Price (US$)	QTD%	YTD%	YoY%
Dollar Index Spot	99.8	2.1	(8.0)	(4.3)



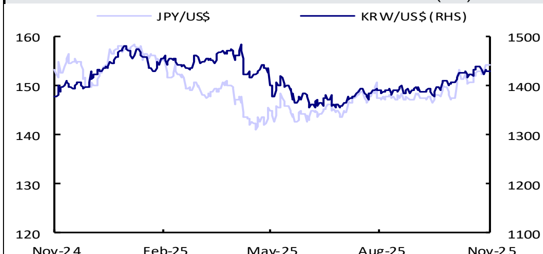
	Price (US$)	QTD%	YTD%	YoY%
Rmb/US$	7.1	(0.0)	(2.5)	(0.1)



	Price (US$)	QTD%	YTD%	YoY%
EUR	1.2	(1.7)	11.4	6.5
GBP	1.3	(2.2)	5.1	1.8



	Price (US$)	QTD%	YTD%	YoY%
JPY	154.0	4.1	(2.0)	0.6
KRW	1429.6	1.8	(3.3)	3.7



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
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
Initial Jobless Claims	WoW		6-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
GDP	QoQ		26-Nov-25
Personal Income & Spending	MoM		26-Nov-25
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
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
PMI Manufacturing	MoM		30-Nov-25
GDP	YoY		

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
PMI	MoM		5-Nov-25
Foreign Currency Reserve	MoM		7-Nov-25
GDP	QoQ		14-Nov-25
Unemployment Rate	MoM		18-Nov-25
CPI	MoM		20-Nov-25
Trade Balance	MoM		25-Nov-25
Money Supply - M2	MoM		28-Nov-25
Retail Sales	MoM		1-Dec-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
Bank of Qingdao Co., Ltd. - H Shares	青島國信產融控股(集團)有限公司	20,526,000(L)	CNY 3.9237
Bank of Qingdao Co., Ltd. - H Shares	青島國信發展(集團)有限責任公司	20,526,000(L)	CNY 3.9237
BaTeLab Co., Ltd. - H Shares	Asian Equity Special Opportunities Portfolio Master Fund Limited	75,700(L)	HKD 54.8044
China In-Tech Ltd.	China Yuen Capital Limited	3,216,000(L)	HKD 1.0219
China In-Tech Ltd.	Li Yuelan	3,216,000(L)	HKD 1.0219
China In-Tech Ltd.	Liu Xuezhong	3,216,000(L)	HKD 1.0219
China Kingstone Mining Holdings Ltd.	Zhang Cuiwei	1,760,000(L)	HKD 0.5000
China Kingstone Mining Holdings Ltd.	Zhang Weijun	1,320,000(L)	HKD 0.5000
China Kingstone Mining Holdings Ltd.	張勉	1,320,000(L)	HKD 0.5000
China XLX Fertiliser Ltd.	Liu Xingxu	378,000(L)	HKD 7.3500
Da Yu Financial Holdings Ltd.	Allied Group Limited	5,000(L)	HKD 0.1200
Da Yu Financial Holdings Ltd.	Lee Seng Huang	5,000(L)	HKD 0.1200
Da Yu Financial Holdings Ltd.	Lee Seng Hui	5,000(L)	HKD 0.1200
Da Yu Financial Holdings Ltd.	Lee Su Hwei	5,000(L)	HKD 0.1200
Emperor Watch & Jewellery Ltd.	Yeung Cindy	2,000,000(L)	HKD 0.2825
Gemdale Properties and Investment Corporation Ltd.	Loh Lian Huat	568,000(L)	HKD 0.1760
Genertec Universal Medical Group Co. Ltd.	CITIC Capital Holdings Limited	122,665,263(L)	USD 0.8367
Genertec Universal Medical Group Co. Ltd.	CP Management Holdings Limited	122,665,263(L)	USD 0.8367
Genertec Universal Medical Group Co. Ltd.	OP Co., Ltd.	122,665,263(L)	USD 0.8367
Genertec Universal Medical Group Co. Ltd.	Trustar Capital Holdings Limited	122,665,263(L)	USD 0.8367
Genertec Universal Medical Group Co. Ltd.	Zhang Yichen	122,665,263(L)	USD 0.8367
Glorious Sun Enterprises Ltd.	Yeung Chun Kam	60,000(L)	HKD 1.3400
Greentown Management Holdings Co. Ltd.	WANG Junfeng	500,000(L)	HKD 3.0483
Homeland Interactive Technology Ltd.	Futu Trustee Limited	25,000,000(L)	HKD 2.0000
Hong Wei (Asia) Holdings Co. Ltd.	Chu Hin Ming Alfonso	900,000(L)	HKD 0.1560
Kingboard Holdings Ltd.	Hallgain Management Limited	1,045,000(L)	HKD 28.4105
Kingland Group Holdings Ltd.	CHAN Wing Yu	13,600,000(L)	HKD 0.9328
Kingland Group Holdings Ltd.	Ip Vincent	13,600,000(L)	HKD 0.9328
Kingland Group Holdings Ltd.	Wealth Maker Investment Holdings Limited	13,600,000(L)	HKD 0.9328
Meilleure Health International Industry Group Ltd.	Shunda Investment Limited	1,980,000(L)	HKD 0.2826
Meilleure Health International Industry Group Ltd.	Zhongjia U-Home Investment Limited	1,980,000(L)	HKD 0.2826
Meilleure Health International Industry Group Ltd.	Zhou Xuzhou	1,980,000(L)	HKD 0.2826
Prosperity Real Estate Investment Trust	ESR Asset Management (Prosperity) Limited	183,000(L)	HKD 1.4025
PuraPharm Corporation Ltd.	Providence Discovery Fund	46,512,000(L)	HKD 0.4300
Sands China Ltd.	Chafetz Irwin	2,900,000(L)	HKD 20.4300
Sands China Ltd.	Las Vegas Sands Corp.	2,900,000(L)	HKD 20.4300
SSY Group Ltd.	Qu Jiguang	5,000,000(L)	HKD 3.0829
Tanwan Inc.	WU XUBO	200,000(L)	HKD 14.6400
Wai Kee Holdings Ltd.	ZEN WEI PAO, WILLIAM	2,014,000(L)	HKD 0.7401
Yunkang Group Ltd.	ZHANG Yong	749,000(L)	HKD 1.0200

Source: HKEx

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