

# Morning Snapshot

Hong Kong & China Market Daily

**SUNWAH KINGSWAY**  
新華滙富

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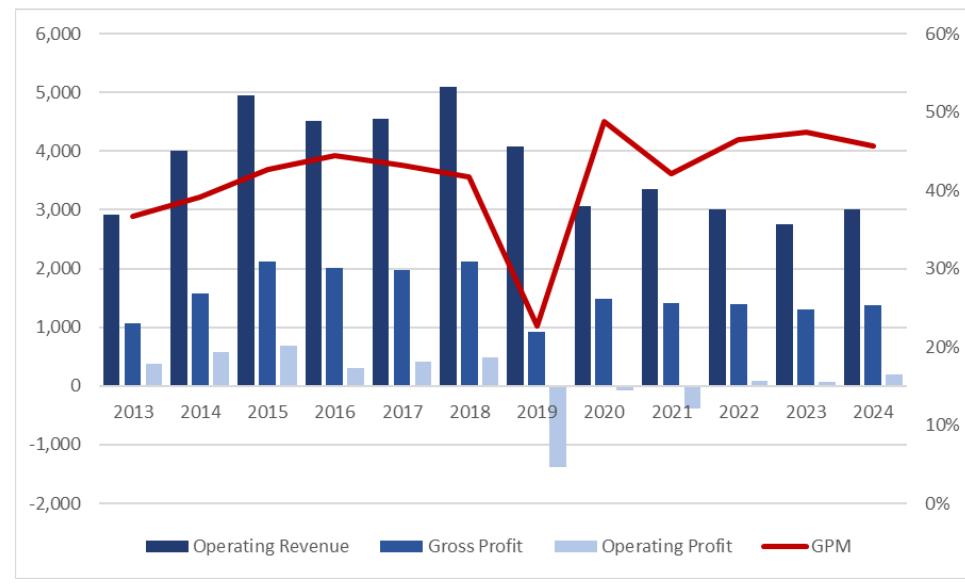
## What's Hot Today:

### ► Cosmo Lady (2298.HK, HK\$0.33, HK\$740mn) – New business strategy brings hope to better profitability

Cosmo Lady, a well-known Chinese women's lingerie brand, is undergoing transformation with a clear path ahead yet facing substantial challenges. The company's past struggles stemmed from an aging brand and unbalanced sales channels. Subsequent to a major asset impairment in 2019, the business was severely affected by the pandemic where its store count has also been halved, from a peak of 8,058 to around 4,500 as at the end of June 2025.

During a recent analyst call, the management has revealed some initial success with a new strategy that focused on cost control and channel transformation. For its online business, the company has shifted to a consignment model since 2024, partnering with over 30 operators to expand on platforms like Tmall, Douyin Live and instant retail. As such, GMV was up 240% YoY to RMB1.52 bn in 1H25. The change also resulted in a new revenue structure. As the company only recognizes service fee income, which led to a decline in e-commerce revenue despite the GMV surge and contributed to a 5.2% YoY dip in 1H25 revenue. This is a strategic trade-off, sacrificing top-line growth for better inventory risk management and cash flow. For the physical channel, the company is now optimizing its existing store network and focusing on lower-tier cities, announcing a plan to open 1,100 new stores in 2024.

Fig 1: Total operating revenue and profit (RMB/mn)



Source: company data, Sunwah Kingsway Research

| China & HK Indices | CLOSE  | 1D    | YTD   |
|--------------------|--------|-------|-------|
| HSI                | 27,387 | -2.1% | 6.9%  |
| HSCEI              | 9,317  | -2.5% | 4.5%  |
| HSCCI              | 4,368  | -2.3% | 8.8%  |
| CS300              | 4,706  | -1.0% | 1.7%  |
| Shanghai A         | 4,318  | -1.0% | 4.2%  |
| Shanghai B         | 264    | -0.6% | 4.2%  |
| Shenzhen A         | 2,808  | -0.8% | 6.0%  |
| Shenzhen B         | 1,245  | -1.6% | -1.5% |

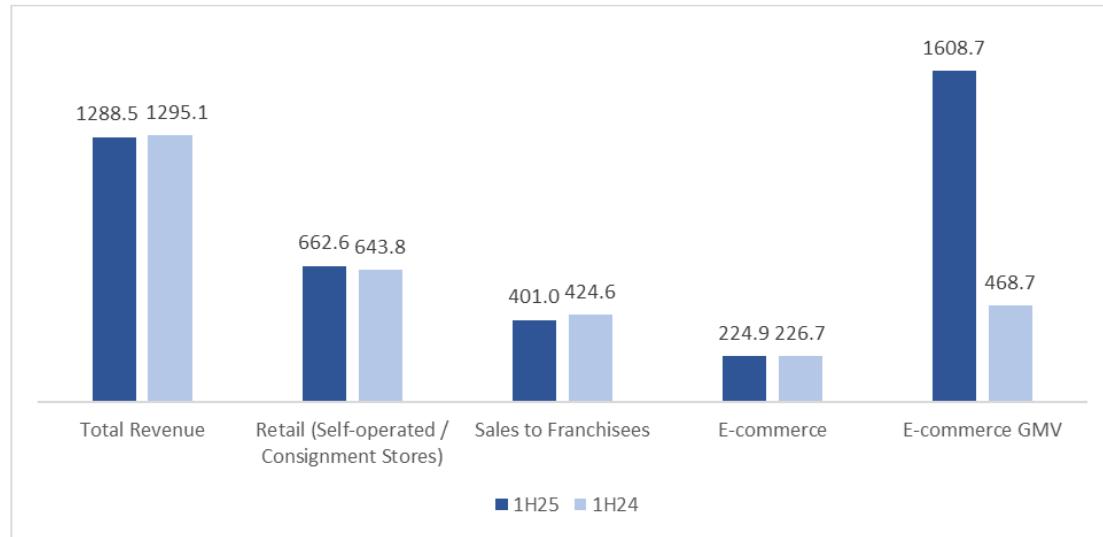
| Key Int'l Indices | CLOSE  | 1D    | YTD   |
|-------------------|--------|-------|-------|
| Dow Jones         | 48,892 | -0.4% | 1.7%  |
| S&P 500           | 6,939  | -0.4% | 1.4%  |
| Nasdaq            | 23,461 | -0.9% | 0.9%  |
| NIKKEI Index      | 53,882 | 1.0%  | 7.0%  |
| FTSE Index        | 10,223 | 0.5%  | 2.9%  |
| CAC Index         | 8,126  | 0.7%  | -0.3% |
| DAX Index         | 24,538 | 0.9%  | 0.2%  |

| Commodities          | CLOSE  | 1D     | YTD   |
|----------------------|--------|--------|-------|
| GOLD (US\$/oz.)      | 4,894  | -8.9%  | 11.5% |
| STEEL (US\$/oz.)     | 2,851  | -2.1%  | 12.1% |
| SILVER (US\$/oz.)    | 85     | -26.4% | 20.7% |
| CRUDE OIL (US\$/bbl) | 65     | -0.3%  | 10.8% |
| COPPER (US\$/oz.)    | 13,157 | 0.5%   | 5.9%  |
| ALUMINIUM (US\$/oz.) | 3,144  | -3.5%  | 5.0%  |
| PLATINUM (US\$/oz.)  | 2,195  | -16.9% | 4.8%  |
| ZINC (US\$/oz.)      | 3,402  | 1.1%   | 9.1%  |
| WHEAT (US\$/bu)      | 538    | 0.4%   | 6.1%  |
| CORN (US\$/bu)       | 428    | -0.4%  | -2.7% |
| SUGAR (US\$/lb)      | 78     | 8.2%   |       |
| SOYBEAN (US\$/bu)    | 1,064  | -1.0%  | 1.6%  |
| PVC (US\$/t.)        | 4,999  | 2.1%   | 2.5%  |
| CRB                  | 320    | 0.4%   | 3.0%  |
| BDI                  |        |        | 14.4% |

| Exchange Rates | USD   | HKD    | EUR     | JPY     | CHF   | RMB |
|----------------|-------|--------|---------|---------|-------|-----|
| USD            | 7.814 | 0.844  | 154.780 | 0.773   | 6.957 |     |
| HKD            | 0.128 | 0.108  | 19.811  | 9.894   | 0.891 |     |
| EUR            | 1.185 | 9.259  | 183.430 | 1.092   | 8.243 |     |
| JPY            | 0.006 | 5.048  | 0.545   | 0.499   | 0.045 |     |
| CHF            | 1.294 | 10.107 | 1.092   | 200.212 | 9.012 |     |
| RMB            | 0.144 | 1.123  | 0.121   | 22.196  | 0.111 |     |

| 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      | 8.4%  |
| Source: Bloomberg       |         |       |

**Fig 2: Revenue breakdown by channel (RMB/mn)**

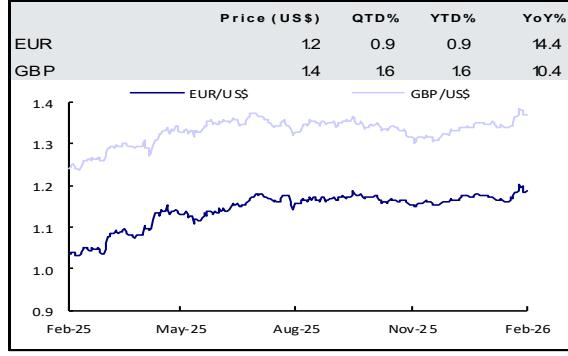
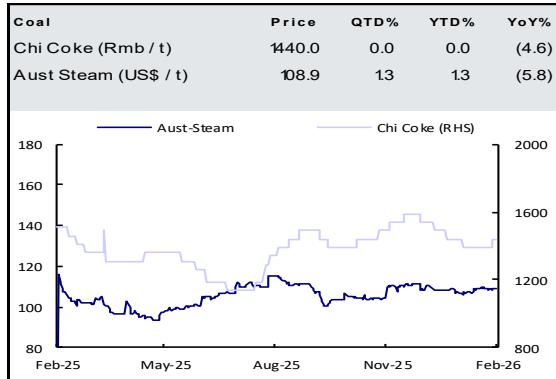
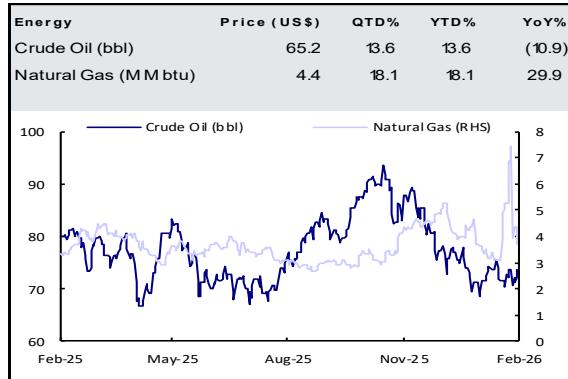
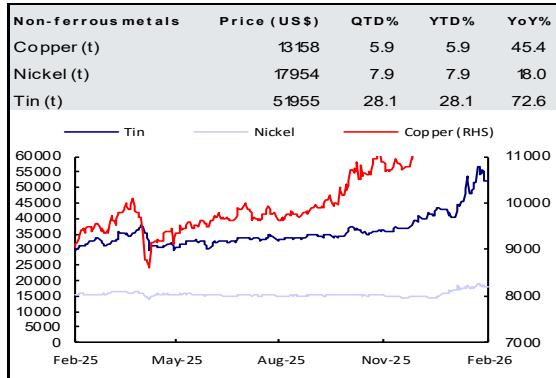
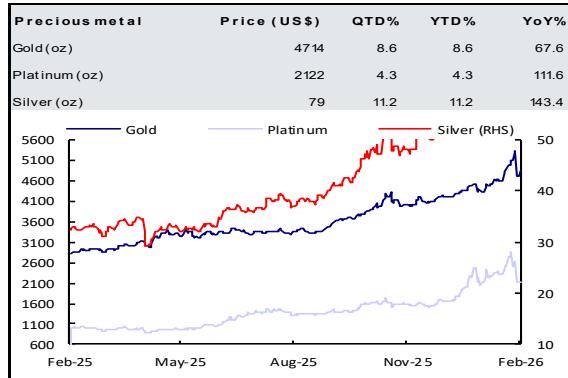


Source: company data, Sunwah Kingsway Research

Financially, cost-control has been effective. Selling and administrative expenses have been reduced for five consecutive years since 2019, and 2024 operating costs were 26% lower than in 2019. However, this has yet to achieve a turnaround in profitability. The main constraint is the shrinking revenue, which limits overall profit potential, and a bottleneck in GPM improvement. Between 2020 and 2024, GPM remained in a narrow range of 43%-46% (45.7% in 2024). The current challenge for Cosmo Lady is the lack of pricing power and brand premium to command a higher GPM.

**Our view:** In conclusion, Cosmo Lady's current transformation moves, especially the e-commerce partnership model, are effective for controlling inventory risk and gaining market share in lower-tier cities. However, they also create a new challenge by capping revenue growth and profit margins. The near-term catalyst would be whether the company can leverage the improved cash flow and market share from this model to achieve sustainable profit growth. Given the strong 1H25 performance, it is expected to have further sequential improvement in 2H25. The counter is currently trading at 6x FY26E estimated P/E.

## Market Watch – Major Commodities and Currencies



Source: Bloomberg

**US Economic Calendar**

| Indicators                        | Freq | Obs Date | Expected Release Date |
|-----------------------------------|------|----------|-----------------------|
| ISM Manufacturing PMI             | MoM  |          | 2-Feb-26              |
| Initial Jobless Claims            | WoW  |          | 5-Feb-26              |
| Employment Report                 | MoM  |          | 6-Feb-26              |
| Retail Sales                      | MoM  |          | 10-Feb-26             |
| Business Inventories              | MoM  |          | 10-Feb-26             |
| Existing Home Sales               | MoM  |          | 12-Feb-26             |
| Durable Goods Orders              | MoM  |          | 18-Feb-26             |
| Housing Starts / Building Permits | MoM  |          | 18-Feb-26             |
| Industrial Production             | MoM  |          | 18-Feb-26             |
| Trade Balance                     | MoM  |          | 19-Feb-26             |
| Wholesale Inventories             | MoM  |          | 19-Feb-26             |
| Personal Income & Spending        | MoM  |          | 20-Feb-26             |
| New home Sales                    | MoM  |          | 20-Feb-26             |
| Factory Orders                    | MoM  |          | 23-Feb-26             |
| PPI                               | MoM  |          | 27-Feb-26             |
| CPI                               | MoM  |          | 11-Feb-26             |
| GDP                               | QoQ  |          | 20-Feb-26             |
| Consumer Confidence               | MoM  |          | 24-Feb-26             |
| Auto Sales                        | MoM  |          |                       |

**China Economic Calendar**

| Indicators                | Freq | Obs Date | Expected Release Date |
|---------------------------|------|----------|-----------------------|
| Foreign Exchange Reserves | QoQ  |          | 7-Feb-26              |
| Money Supply - M2         | MoM  |          | 9-Feb-26              |
| PPI                       | MoM  |          | 11-Feb-26             |
| CPI                       | MoM  |          | 11-Feb-26             |
| PMI Manufacturing         | MoM  |          | 4-Mar-26              |
| Trade Balance             | MoM  |          | 14-Apr-26             |
| Retail Sales              | MoM  |          | 16-Apr-26             |
| Industrial Production     | MoM  |          | 16-Apr-26             |
| GDP                       | YoY  |          | 16-Apr-26             |

**Hong Kong Economic Calendar**

| Indicators               | Freq | Obs Date | Expected Release Date |
|--------------------------|------|----------|-----------------------|
| Retail Sales             | MoM  |          | 3-Feb-26              |
| PMI                      | MoM  |          | 4-Feb-26              |
| Foreign Currency Reserve | MoM  |          | 6-Feb-26              |
| Unemployment Rate        | MoM  |          | 20-Feb-26             |
| CPI                      | MoM  |          | 25-Feb-26             |
| Trade Balance            | MoM  |          | 27-Feb-26             |
| Money Supply - M2        | MoM  |          | 27-Feb-26             |
| GDP                      | QoQ  |          | 28-Feb-26             |
| Producer Prices Index    | QoQ  |          | 13-Mar-26             |
| Industrial Production    | QoQ  |          | 13-Mar-26             |
| Composite Interest Rate  | MoM  |          |                       |

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| Name of listed corporation                                  | Name of substantial share holder        | No. of shares bought/sold/involved | Average price per share |
|---|---|------------------------------------|-------------------------|
| E-House (China) Enterprise Holdings Ltd.                    | Central Sino Global Limited             | 1,445,100(L)                       | HKD 0.0708              |
| FBF Health Ltd.   | YONG RONG (HK) ASSET MANAGEMENT LIMITED | 1,880,000(L)                       | HKD 0.9348              |
| CGN Power Co., Ltd. - H Shares                              | 中信证券资产管理有限公司                            | 11,508,000(L)                      | HKD 3.2046              |
| E-House (China) Enterprise Holdings Ltd.                    | Central Sino Global Limited             | 1,445,100(L)                       | HKD 0.0708              |
| E-House (China) Enterprise Holdings Ltd.                    | Jovial Idea Developments Limited        | 1,445,100(L)                       | HKD 0.0708              |
| E-House (China) Enterprise Holdings Ltd.                    | Tianji Holding Limited (In Liquidation) | 1,445,100(L)                       | HKD 0.0708              |
| Great Harvest Maeta Holdings Ltd.                           | Ablaze Rich Investments Limited         | 450,000(L)                         | HKD 0.0780              |
| Great Harvest Maeta Holdings Ltd.                           | Lam Kw an                               | 450,000(L)                         | HKD 0.0780              |
| Great Harvest Maeta Holdings Ltd.                           | Yan Kim Po                              | 450,000(L)                         | HKD 0.0780              |
| Kindstar GlobalGene Technology, Inc.                        | Malkos Tomasz Jakub                     | 385,000(L)                         | HKD 1.2120              |
| Mei Ah Entertainment Group Ltd.                             | Li Kuo Hsing                            | 100,000(L)                         | HKD 0.1000              |
| Reach New Holdings Ltd.                                     | XIAO FENG CEN                           | 100,000,000(L)                     | HKD 0.0810              |
| Shenzhen Hepalink Pharmaceutical Group Co., Ltd. - H Shares | 洪泽君                                     | 4,815,500(L)                       | HKD 5.4850              |
| Tycoon Group Holdings Ltd.                                  | Ngai Sze Kei                            | 188,000(L)                         | HKD 0.3477              |
| Tycoon Group Holdings Ltd.                                  | Wong Ka Chun Michael                    | 188,000(L)                         | HKD 0.3477              |
| Xiamen Jhong Co., Ltd - A Shares                            | He Jingying                             | 640,000(L)                         | CNY 17.7300             |
| Xiamen Jhong Co., Ltd - A Shares                            | Lu Tashan                               | 640,000(L)                         | CNY 17.7300             |
| Xiamen Jhong Co., Ltd - A Shares                            | Zhang Heping                            | 640,000(L)                         | CNY 17.7300             |
| Xiamen Jhong Co., Ltd - A Shares                            | Zhuang Hao                              | 640,000(L)                         | CNY 17.7300             |
| Xiamen Jhong Co., Ltd - A Shares                            | Zhuang Shu                              | 640,000(L)                         | CNY 17.7300             |
| Xiamen Jhong Co., Ltd - A Shares                            | Zhuang Zhenhai                          | 640,000(L)                         | CNY 17.7300             |
| Xiamen Jhong Co., Ltd - A Shares                            | 西藏永悅詩超企業管理有限公司                          | 640,000(L)                         | CNY 17.7300             |

Source: HKEx

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