

What's Hot Today:

► KE Holdings (2423.HK, HK\$44.04, HK\$149bn) 4Q25

Earnings Missed Expectations

KE Holdings is a leading omni-channel property agent and services in China. It reported 4Q25 revenue of RMB5.4bn (-37% YoY /-9% QoQ), while net profit dropped to RMB100mnb (-86% YoY). Both revenue and earnings missed market expectations. A final dividend of 9.2 US cents per share was declared.

Fig 1: Comparison of Financial data on YoY/QoQ

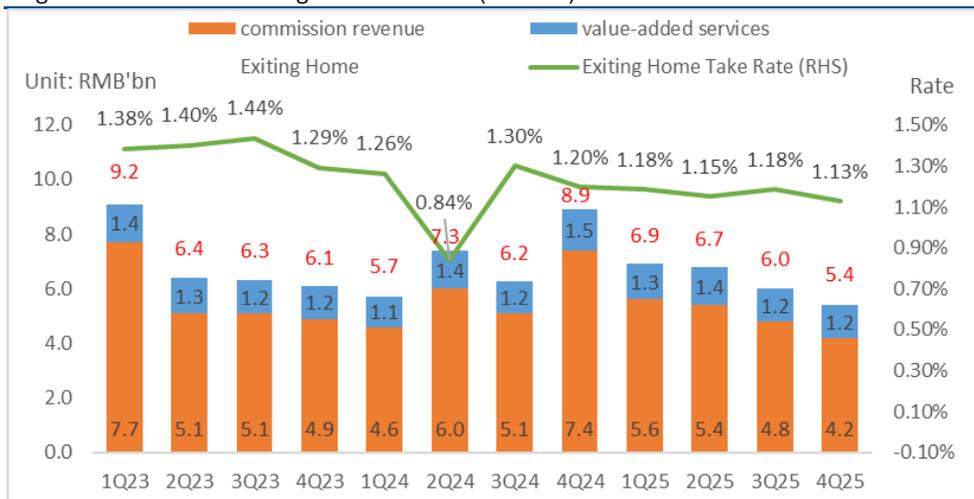
	2H24		1H25		2H25		YoY	HoH
	RMB'bn	% of Rev	RMB'bn	% of Rev	RMB'bn	% of Rev		
CCM	7.6	90%	8.0	90%	11	90%	43%	36%
FRM	0.78	9%	0.83	9%	1.1	9%	38%	31%
Others	0.09	1%	0.05	1%	0.11	1%	20%	118%
Total Revenue	8.5		8.8		12.0		42%	36%
COGS	8.4		8.2		11.08			
Gross Profit	0.58	7%	0.65	7%	0.96	8%	+1%	+1%
S&M Expenses	0.01	0.1%	0.01	0%	0.03	0%	232%	136%
R&D Expenses	0.10	1%	0.08	1%	0.09	1%	-11%	10%
G&A Expenses	0.22	3%	0.28	3%	0.38	3%	72%	35%
Core Operating Profit	0.26	3%	0.28	3%	0.47	4%	83%	67%
Net income to parent	0.16	2%	0.31	3%	1.18	10%	623%	284%

Source: Company Data, Sunwah Kingsway Research

Weak Property Market Demand Weighs on Segment Revenue

1). Existing home business (secondary market) net revenue in 4Q25 stood at RMB5.4bn (-39% YoY, -9% QoQ), with its revenue share declining from 45% in Q1 2023 to 25%. The decrease was driven by a high base from 2024 property easing policies (purchase restrictions relaxation, down payment and mortgage rate cuts) and a lower take rate of 1.13%. Total existing home GTV fell 35.3% YoY to RMB482bn. Direct commission revenue dropped 42.9% YoY to RMB4.2bn with direct GTV down 43.0% YoY to RMB178bn, while platform, franchise and value-added services revenue fell 19.9% YoY to RMB1.2 bn with platform GTV down 29.7% YoY to RMB305bn, reflecting stronger platform resilience.

Fig 2: Breakdown of Existing home business (RMB'bn)



Source: Company Data, Sunwah Kingsway Research

China & HK Indices	CLOSE	1D	YTD
HSI	25,868	0.1%	0.9%
HSCEI	8,826	0.1%	-1.0%
HSCCI	4,312	-0.1%	7.4%
CSI300	4,637	-0.7%	0.2%
Shanghai A	4,247	-0.9%	3.8%
Shanghai B	263	-0.4%	3.8%
Shenzhen A	2,778	-1.9%	4.9%
Shenzhen B	1,235	-0.1%	-2.3%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	46,993	0.1%	-2.2%
S&P 500	6,716	0.2%	-1.9%
Nasdaq	22,479	0.5%	-3.3%
Nikkei Index	54,488	1.5%	8.2%
FTSE Index	10,403	0.8%	4.8%
CAC Index	7,974	0.5%	-2.1%
DAX Index	23,730	0.7%	-3.1%

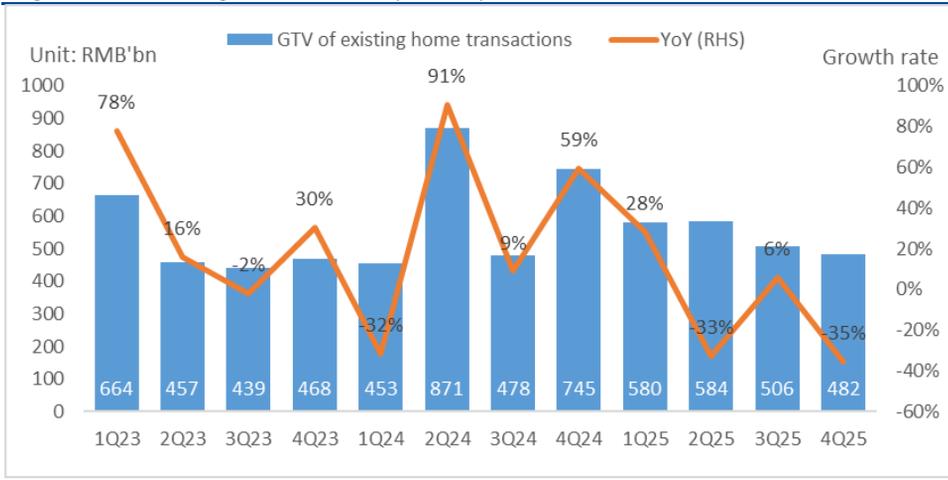
Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	5,005	-0.0%	15.8%
STEEL (US\$/oz.)	2,688	2.3%	5.7%
SILVER (US\$/oz.)	79	-1.8%	10.6%
CRUDE OIL (US\$/bbl)	96	2.9%	66.3%
COPPER (US\$/oz.)	12,775	-0.0%	2.8%
ALUMINIUM (US\$/oz.)	3,399	-1.2%	13.5%
PLATINUM (US\$/oz.)	2,128	0.6%	3.0%
ZINC (US\$/oz.)	3,227	-2.1%	3.5%
WHEAT (US\$/bu)	589	-1.3%	16.6%
CORN (US\$/bu)	454	0.0%	1.5%
SUGAR (US\$/lb)	126	3.4%	
SOYBEAN (US\$/bu)	1,157	0.2%	8.9%
PVC (US\$/t)	5,811	-0.8%	40.0%
CRB	364	-0.4%	3.0%
BDI			8.6%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.836	0.867	159.000	0.785	6.885
HKD	0.128		0.111	20.292	10.014	0.879
EUR	1.154	9.043		183.490	1.104	7.945
JPY	0.006	4.929	0.545		0.494	0.043
CHF	1.274	9.987	1.104	202.622		8.774
RMB	0.145	1.138	0.126	23.100	0.114	

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	22	-10.3%

Source: Bloomberg

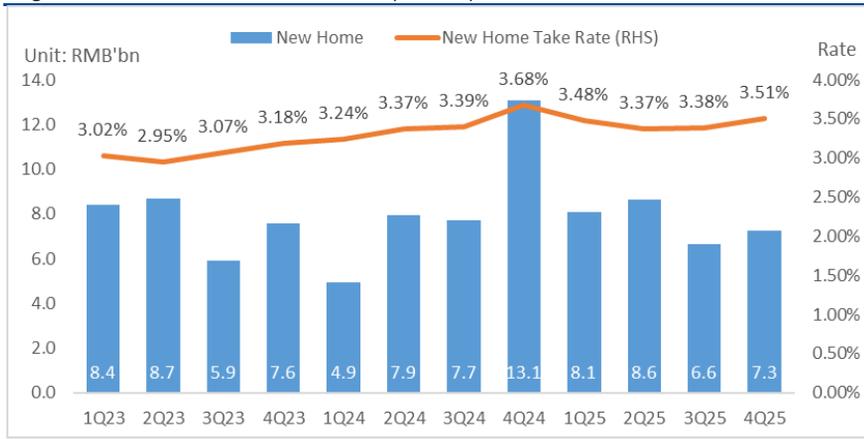
Fig 3: GMV of Existing home business (RMB'bn)



Source: Company Data, Sunwah Kingsway Research

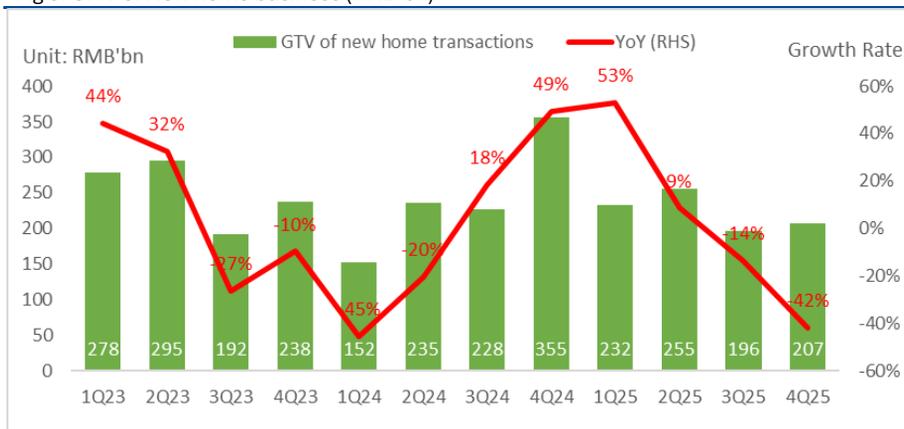
2). **New home business** net revenue in 4Q25 amounted to RMB7.3bn (-44.5% YoY, +9% QoQ), representing 33% of total revenue. The decline was due to weaker industry demand and a high base, while the new home take rate edged up QoQ to 3.5%. Total new home GTV decreased 41.7% YoY to RMB207bn, of which Beike platform channels GTV fell 41.3% YoY to RMB 169bn and Lianjia owned channels GTV dropped 43.5% YoY to RMB38.3bn.

Fig 4: Breakdown of New home business (RMB'bn)



Source: Company Data, Sunwah Kingsway Research

Fig 5: GMV of New home business (RMB'bn)



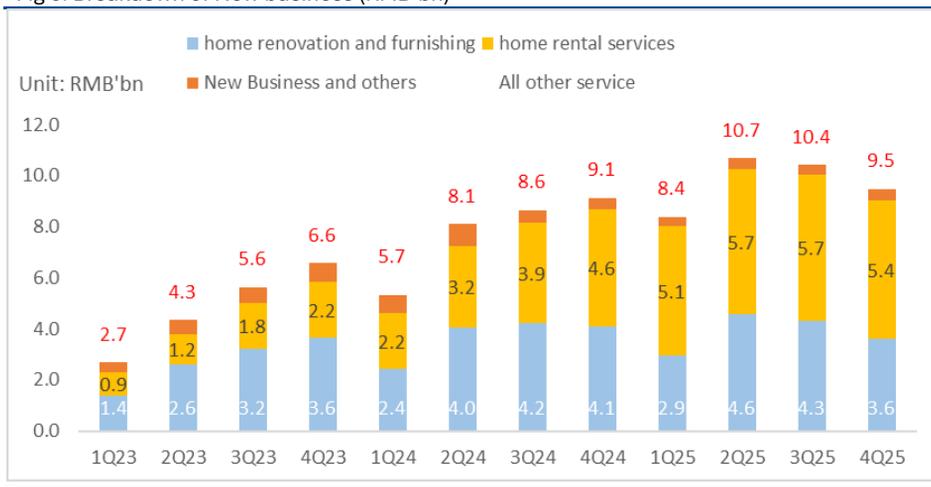
Source: Company Data, Sunwah Kingsway Research

3). Home renovation and furnishing offers one-stop decoration and furnishing solutions. The segment's revenue share rose from 7% in Q1 2023 to 16%. Net revenue in 4Q25 came to RMB3.6bn (-12% YoY, -16% QoQ), mainly due to proactive channel mix optimization and slower non-agent channel growth.

4). Rental services net revenue in 4Q25 reached RMB5.4bn (+18.1% YoY, -6% QoQ). As an important growth engine, its revenue share increased from 4% in Q1 2023 to 24%. Growth was supported by more properties under the Worry-Free Rental model, partially offset by a higher proportion of the new asset-light service model, under which owners retain property control and the company earns net commissions and management fees.

5). Emerging businesses and others' net revenue were RMB459mn in 4Q25, relatively flat vs RMB439mn in 4Q24.

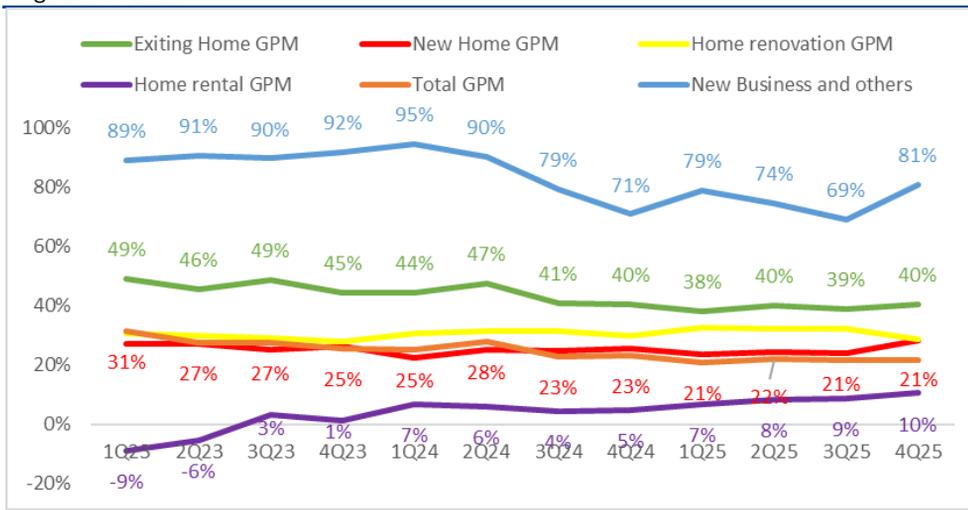
Fig 6: Breakdown of New business (RMB'bn)



Source: Company Data, Sunwah Kingsway Research

Overall GPM remained stable at 21%. By segment, GPM improved to 40% for existing home segment, 28% for the new home business, and 81% for new businesses and others, while home renovation and furnishing GPM declined to 29%.

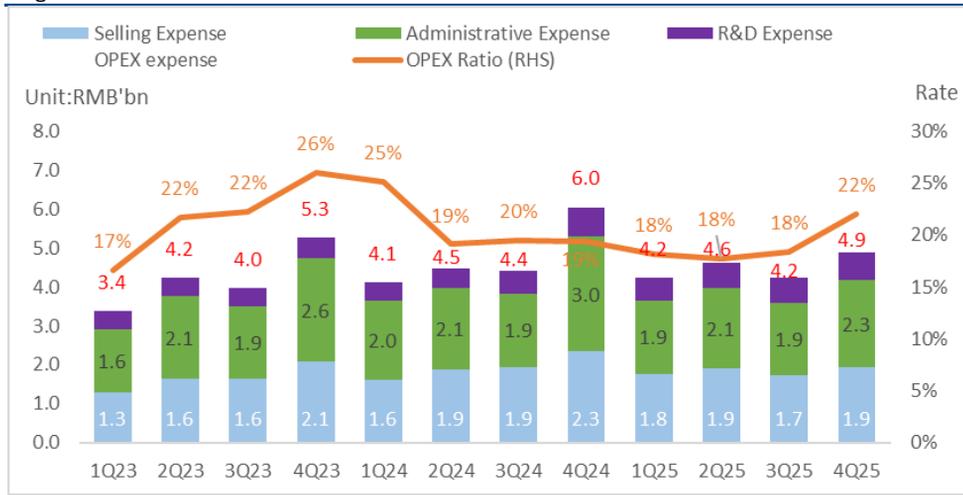
Fig 7: GPM trend



Source: Company Data, Sunwah Kingsway Research

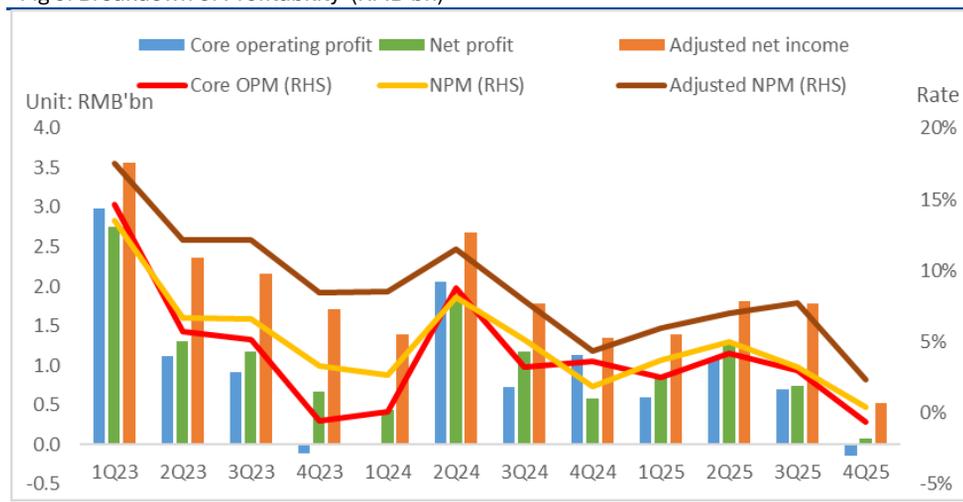
4Q25 Profitability Declined Sharply: Core operating profit swung to a loss of RMB100mn in 4Q25. Although OPEX fell 20% YoY to RMB4.9bn, a deeper revenue decline raised the OPEX ratio to 22% from 18% the rest of FY25. Net profit plunged 86% YoY to RMB82mn, and adjusted net profit declined 61.5% YoY to RMB 517mn.

Fig 8: Breakdown of OPEX



Source: Company Data, Sunwah Kingsway Research

Fig 9: Breakdown of Profitability (RMB'bn)



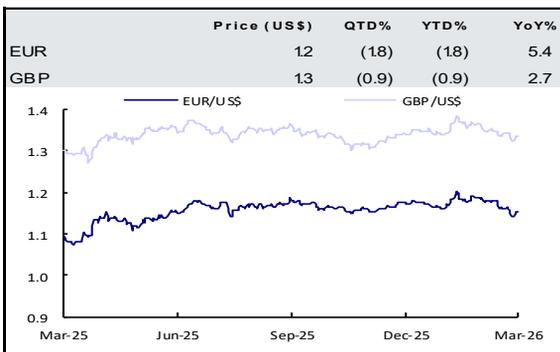
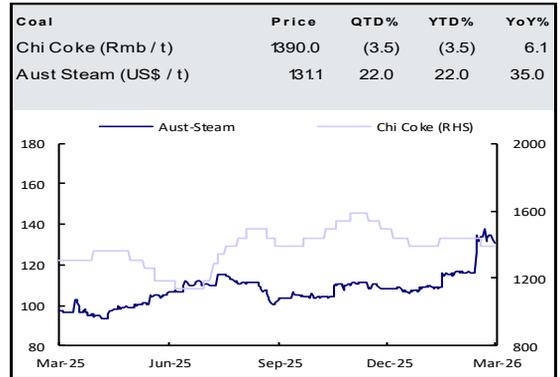
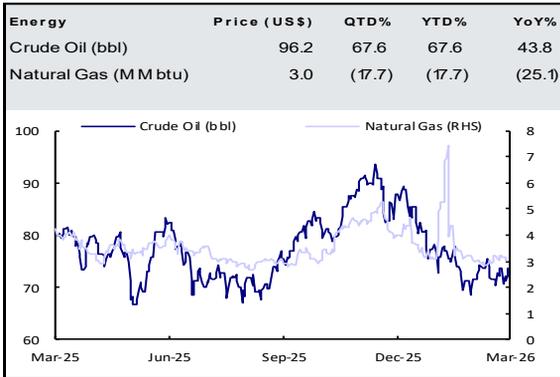
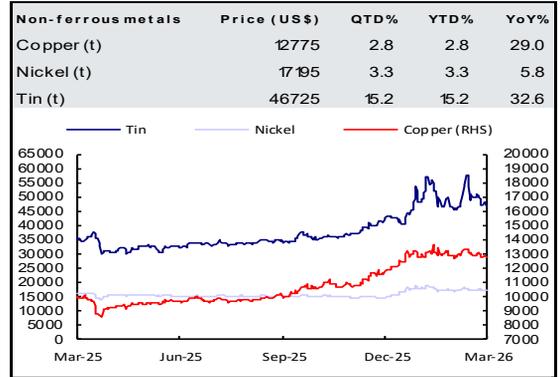
Source: Company Data, Sunwah Kingsway Research

Our views: 4Q25 revenue was dragged lower by a sharp drop in core brokerage revenue amid weak demand. Although rental and home furnishing businesses grew, their low margins constrained profitability and weighed on net income. The company has scaled back operations and optimized costs to reduce OPEX and improve efficiency. The existing housing market in major cities showed support in March. However, without new stimulus and high new-home inventory, industry weakness will continue to pressure the company GMV and take rate.

KE Holdings enjoys robust and sustainable long-term competitive advantages. Its proprietary Property Dictionary, ACN (Agency Cooperation Network), and 3D+VR viewing technology underpin standardized high-quality listings, efficient cross-agent collaboration, and superior online user experience. Supported by its extensive agent and store network, the company maintains abundant housing supply and a clear leadership position among peers.

The company has repurchased over RMB900mn of shares in 2025, meanwhile, net cash remained ample at RMB51.6bn. The counter is trading at 20.3x FY26E P/E. (Research Department)

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Factory Orders	MoM		18-Mar-26
PPI	MoM		18-Mar-26
Initial Jobless Claims	WoW		19-Mar-26
Wholesale Inventories	MoM		19-Mar-26
Existing Home Sales	MoM		13-Apr-26
Industrial Production	MoM		16-Apr-26
ISM Manufacturing PMI	MoM		1-Apr-26
Personal Income & Spending	MoM		9-Apr-26
Durable Goods Orders	MoM		18-Mar-26
Trade Balance	MoM		2-Apr-26
Housing Starts / Building Permits	MoM		
Employment Report	MoM		3-Apr-26
CPI	MoM		10-Apr-26
Retail Sales	MoM		1-Apr-26
GDP	QoQ		9-Apr-26
Consumer Confidence	MoM		31-Mar-26
New home Sales	MoM		19-Mar-26
Business Inventories	MoM		1-Apr-26
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
PMI Manufacturing	MoM		31-Mar-26
Foreign Exchange Reserves	QoQ		7-Apr-26
Money Supply - M2	MoM		9-Apr-26
PPI	MoM		10-Apr-26
CPI	MoM		10-Apr-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
Unemployment Rate	MoM		18-Mar-26
CPI	MoM		20-Mar-26
Trade Balance	MoM		26-Mar-26
Money Supply - M2	MoM		31-Mar-26
Retail Sales	MoM		1-Apr-26
PMI	MoM		8-Apr-26
Foreign Currency Reserve	MoM		9-Apr-26
GDP	QoQ		5-May-26
Producer Prices Index	QoQ		12-Jun-26
Industrial Production	QoQ		12-Jun-26
Composite Interest Rate	MoM		

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