

What's Hot Today:

► China Beverage: Bottled drinks outpace beer in resilient growth

China Resources Beer (291 HK, HK\$26.00, HK\$84.3bn) – Solid Core Profit

China Resources Beer (CRB) posted a 29% YoY drop in net profit to RMB3.37bn blaming on the weak baijiu business which recorded a LBIT of RMB3.35bn. The poor baijiu performance included a goodwill impairment of RMB2.88bn. Meanwhile, total revenue slid by 1.7% YoY to RMB38.0bn, where the baijiu business saw a 30% YoY revenue decline. Thanks to the resilient beer business, both EBITDA and net profit remained robust, growing 9.9% and 19.6% YoY, respectively. CRB declared a final dividend of RMB0.557 per share, alongside an interim dividend of RMB0.464 per share, bringing total dividends for the year up 34.3% YoY.

Fig 1: Key Financial

(RMB'mn)	2025	2024	YoY
Revenue			-1.7%
Beer	38,257	38,254	0.01%
Baijiu	1,496	2,161	-30.8%
EBIT			-19.8%
Beer	7,908	6,502	21.6%
Baijiu	(3,354)	121	-28.7x
EBITDA (excluding the special items)*			9.9%
Beer	9,611	8,187	17.4%
Baijiu	264	N/A	N/A
Net Profit	3,371	4,739	-28.9%
Net Profit (excluding the special items)*	5,724	4,786	19.6%

*2024 data for the items are based on estimates.

Source: Company Data, Sunwah Kingsway Research

Robust beer business – CRB's beer business remained stable. Segment's revenue came in flat YoY at RMB38.3bn with sales reaching 11.0mn kiloliters, up 1.4% YoY, despite a contracting beer industry. Sales of super-premium and above saw MSD to HSD growth YoY, accounting for nearly 25% of total sales. Sales volumes of core brands such as Heineken, Lao Xue, and Amstel recorded growth of nearly 20%, 60%, and doubled, respectively. Sales expansion combining lower raw material cost, the GPM of the beer business rose 140bps to 42.5%.

Goodwill pressure persists – The impairment accounted for approximately 38.8% of the total goodwill of the baijiu business. The carrying cost of goodwill for baijiu business stood at RMB4.54bn at the end of 2025. Should the business and the baijiu industry continue its weakness, there is still risk of further impairment.

China & HK Indices	CLOSE	1D	YTD
HSI	25,063	2.8%	-2.2%
HSCEI	8,499	2.3%	-4.6%
HSCCI	4,210	1.7%	4.8%
CSI300	4,474	1.3%	-3.4%
Shanghai A	4,070	1.8%	2.2%
Shanghai B	259	1.3%	2.2%
Shenzhen A	2,652	2.2%	0.2%
Shenzhen B	1,196	1.4%	-5.4%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	46,124	-0.2%	-4.0%
S&P500	6,556	-0.4%	-4.2%
Nasdaq	21,761	-0.8%	-6.4%
Nikkei Index	53,918	3.2%	7.1%
FTSE Index	9,965	0.7%	0.3%
CAC Index	7,743	0.2%	-5.0%
DA-X Index	22,636	-0.1%	-7.6%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	4,475	1.6%	5.7%
STEEL (US\$/oz.)	2,707	5.5%	6.4%
SILVER (US\$/oz.)	71	3.0%	3.2%
CRUDE OIL (US\$/bbl)	92	4.8%	51.3%
COPPER (US\$/oz.)	12,100	1.4%	-2.6%
ALUMINIUM (US\$/oz.)	3,260	1.4%	8.8%
PLATINUM (US\$/oz)	1,931	2.7%	-3.8%
ZINC (US\$/oz.)	3,042	-0.8%	-2.4%
WHEAT (US\$/bu)	590	0.4%	15.4%
CORN (US\$/bu)	462	0.7%	2.4%
SUGAR (US\$/lb)	134	-9.0%	
SOYBEAN (US\$/bu)	1,155	-0.7%	8.7%
PVC (US\$/t)	5,977	-2.4%	45.8%
CRB	359	-2.1%	3.0%
BDI		-0.9%	8.5%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.827	0.862	158.700	0.788	6.893
HKD	0.128		0.110	20.276	10.071	0.881
EUR	1.161	9.085		184.210	1.093	7.984
JPY	0.006	4.932	0.543		0.497	0.043
CHF	1.269	9.930	1.093	201.345		8.723
RMB	0.145	1.135	0.125	23.063	0.115	

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	26	20.5%

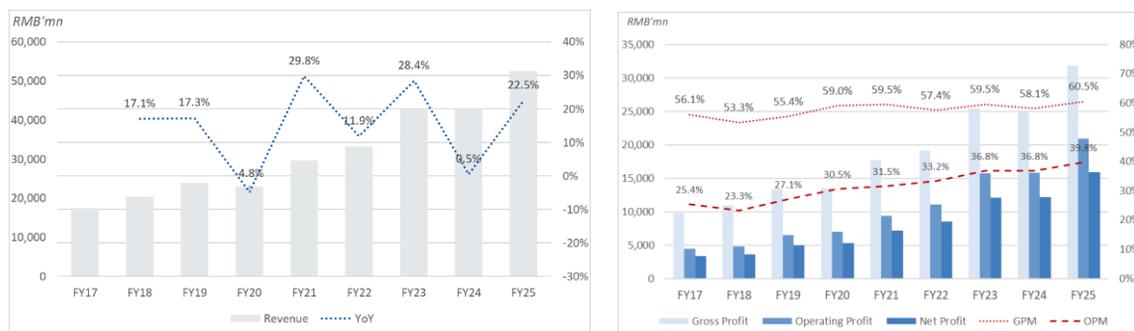
Source: Bloomberg

Nongfu Spring (9633 HK, HK\$42.44, HK\$477bn) – Strong FY25 earnings led by tea beverages

Nongfu Spring FY25 results beat market expectations, with total revenue up 22.5% to RMB52.6bn. Operating profit reached RMB20.9bn, up 32.5% YoY, significantly higher than market consensus. Benefiting from lower raw material cost such as PET and white sugar, the company's gross margin increased by 240bps to 60.5% from 58.1% in the previous year. Selling and distribution expenses as a percentage of revenue declined by 280 bps to 18.6%, reflecting continuous improvement in operational efficiency. The company announced a final dividend of RMB0.99 per share, up 30% YoY, representing a payout ratio of 70%.

Tea drinks led beverage portfolio – Tea beverages emerged as the primary growth engine, growing at 29% YoY for a revenue of RMB21.6bn in FY25. Its contribution to total revenue rose to 41.1% from 37.2% in the prior period, surpassing packaged drinking water for the first time to become the company's largest business segment. The drinking water business resumed growth, increasing by 17.3% compared with the previous period, and the company maintained its position as the market leader in China's packaged drinking water. Functional beverages and fruit juice beverages also recorded double-digit growth of 16.8% and 26.7%, respectively.

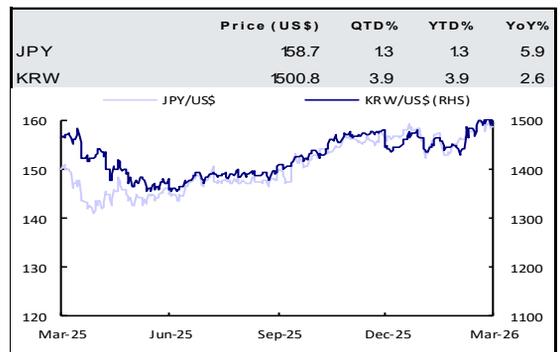
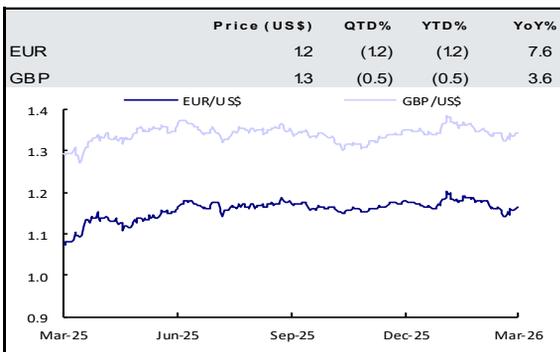
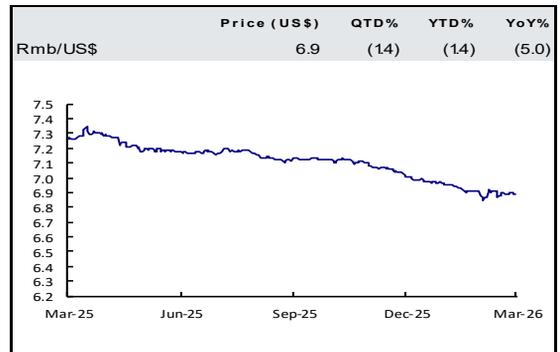
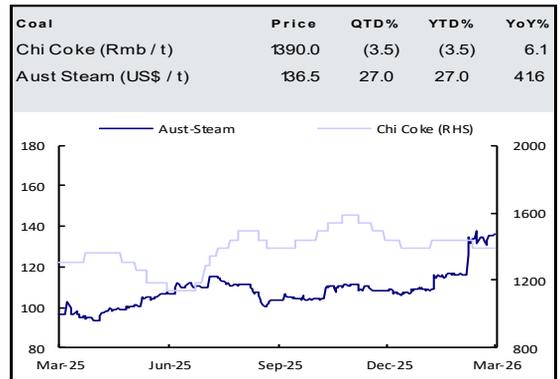
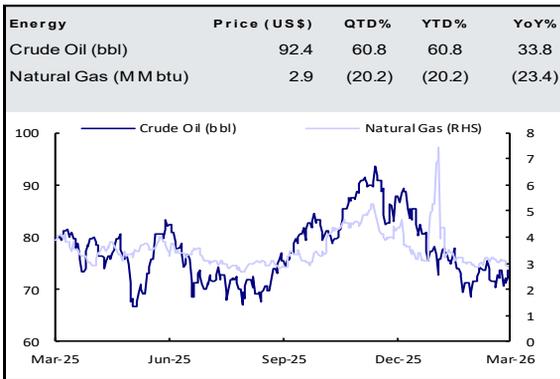
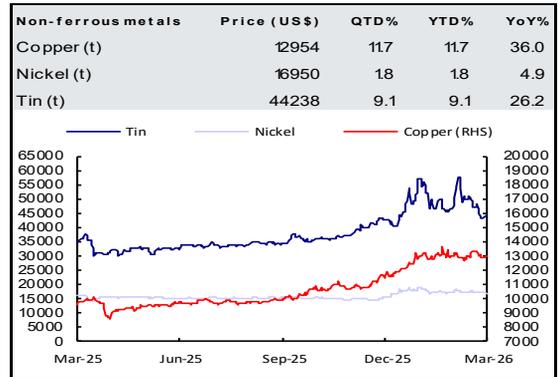
Fig 2: Revenue and Profit



Source: Company Data, Sunwah Kingsway Research

Our view: Citing the weak consumer sentiment, packaged drinking water and beverage products appears more resilient compared to alcoholic drinks. Nongfu Spring delivered HDD growth in both revenue and profit, empowered by strength across multiple categories including functional drinks, fruit juices, and coffee, which helped mitigate category concentration risks. As consumer preference shifts toward healthier diet, it is expected that there is still room to grow for unsweetened tea like the East Leaf brand. Meanwhile, CRB maintained steady profitability in its beer business through premiumization and cost control. That said, the recovery outlook for its baijiu segment remains a major swing factor. CR Beer and Nongfu Spring are currently trading at 12.5x and 24.4x FY26E P/E, respectively. (Research Department)

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Consumer Confidence	MoM		31-Mar-26
ISM Manufacturing PMI	MoM		1-Apr-26
Retail Sales	MoM		1-Apr-26
Business Inventories	MoM		1-Apr-26
Trade Balance	MoM		2-Apr-26
Employment Report	MoM		3-Apr-26
Durable Goods Orders	MoM		7-Apr-26
Personal Income & Spending	MoM		9-Apr-26
GDP	QoQ		9-Apr-26
CPI	MoM		10-Apr-26
PPI	MoM		14-Apr-26
Housing Starts / Building Permits	MoM		29-Apr-26
New home Sales	MoM		5-May-26
Factory Orders	MoM		10-Apr-26
Initial Jobless Claims	WoW		26-Mar-26
Wholesale Inventories	MoM		9-Apr-26
Existing Home Sales	MoM		13-Apr-26
Industrial Production	MoM		16-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
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
Unemployment Rate	MoM		23-Apr-26
CPI	MoM		23-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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