



# Latest Developments in the Chinese Market

Annual Report 2025

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# Chinese Market News

## 2025 marked as a 'breakout year' for HK markets

2025 was a stellar year for HKEX, securing the #1 global IPO fundraising spot with 106 new listings raising US\$35.25 billion, including four of the world's top 10 IPOs.

Trading surged to new heights with cash market ADT up 43% to US\$29.61 billion, derivatives averaging 1.69 million contracts daily, and ETF turnover doubling to US\$4.83 billion.



## Hong Kong growth beat expectations in 2025

Hong Kong's economy expanded in the third quarter by a faster-than-expected 3.8% year on year, official advance estimates showed on Friday (October 31), growing for an 11th consecutive quarter. That was a faster rate than the mean forecast of 3.1% year-on-year growth by 10 economists in a Reuters poll. Overall investment expenditure rose, and total exports of goods grew markedly, the government said.

Private consumption expenditure increased by 2.1% in the third quarter, compared with a 1.9% growth in the second quarter and a fall of 1.2% in the first quarter. Goods exports rose 12.2%, compared with an 11.5% jump in the second quarter and a 8.4 % surge in the first quarter.



## China's trade surplus tops record US\$1tn as exports rebound

China's annual trade surplus has exceeded US\$1 trillion for the first time, as November exports recovered from the previous month's slump even though trade with the U.S. continued to nose-dive. For the first 11 months of 2025, China's overall exports increased 5.4%, while imports fell 0.6%, delivering a trade surplus of US\$1.07 trillion. That already tops 2024 record of US\$992 billion, according to Trade Data Monitor.



## China auto brands to top 2025 global sales, overtaking Japanese rivals

Chinese automakers are set to take the top spot in global new vehicle sales for the first time in 2025, knocking Japanese players, which held the position for more than 20 years, to second place. Nikkei compiled sales figures for 2025 based on automaker announcements and S&P Global Mobility data from January to November. The totals include commercial vehicles and encompass both domestic sales and exports. Sales were attributed by country based on company ownership ratios. For 50/50 joint ventures, the country of the manufacturer associated with the brand name at the time of sale was used.



## UBS sees China AI equities as top pick amid global EM slowdown

Global institutional holdings in the China market have risen to their highest level since early 2023. UBS advises staying overweight on Chinese stocks due to attractive valuations, solid fund flows, and favorable macro catalysts. AI remains the key growth driver, accounting for about 23% of the MSCI EM Index and over 40% of 2025 returns, favoring Chinese consumer-facing AI for its valuations and potential. The rising institutional holdings underscore renewed confidence in Chinese equities as a long-term engine.



# Major Listed Companies News

## Alibaba Health Information Technology (241 HK)



In 2025, the company strengthened its strategic position as a leading "internet + healthcare" platform, aligned with national policy and backed by continued AI and digital health investments.



Net profit reached \$176.2 million, a 64.7% year-on-year increase, while adjusted net profit rose 38.7% to \$188.7 million, supported by margin expansion. This growth was primarily driven by user base expansion and higher average revenue per user on the Tmall Healthcare platform, facilitated by supply-side upgrades and digital operations.



## BEONE MEDICINES (6160.HK)



In 2025, BeOne Medicines became consistently profitable, earning US\$220.4 million in the first nine months versus a US\$493 million loss in 2024. Revenue grew 43.3% to US\$3.84 billion.



Sector-wise, China's National Medical Products Administration (NMPA) announced plans to strengthen support for innovative drugs (new mechanisms/targets) and to enhance data protection and market exclusivity systems, which broadly benefits innovative biopharma names such as BeOne.



## WuXi Biologics (2269 HK)



WuXi added a record number of new integrated projects (over 80 in H1, including late-stage programs), bringing total integrated projects to more than 860, one of the largest complex biologics portfolios globally.



Late-stage and commercial manufacturing revenue grew nearly 25% year-on-year, supported by a high number of process performance qualification (PPQ) runs scheduled for 2025 and a growing order backlog.

## Pop Mart International (9992 HK)



Pop Mart's Q3 2025 revenue surged by about 245–250% year-on-year, significantly accelerating from already strong growth in the first half.



Overseas revenue increased by roughly 365–370% year-on-year, with the Americas market up more than 1,260%, and Europe plus other regions also showing several-hundred-percent growth.



The company saw strong expansion of its global retail network, with offline channels in China growing about 130–135% and online channels up around 300% year-on-year, supported by limited-edition and co-branded IP launches.



Foreign investment banks (Nomura, Goldman Sachs, Citi, HSBC, etc.) collectively raised target prices while maintaining “buy” ratings, citing diversified IP, expanded production capacity and robust global channel build-out, even as they flagged questions about sustainability of such rapid growth

## Xiaomi (1810.HK)



Xiaomi's third-quarter net profit surged 129 percent year-on-year to over US\$1.73 billion, a result driven significantly by its electric vehicle business reporting its first-ever quarterly operating profit.



The company's smart EV, AI, and other new initiatives segment achieved positive income from operations for the first time in a single quarter, amounting to US\$100 million.



For the first nine months of 2025, this strong performance culminated in a 140 percent growth in net profit to over US\$5 billion, alongside a 32.5 percent increase in revenue to US\$48.65 billion.

## Meituan (3690.HK)



Meituan's Keeta achieved profitability in Hong Kong seven months ahead of plan, validating its overseas business model.



Alongside consolidating its Hong Kong leadership, Keeta launched in Brazil in December 2025, backed by a US\$10 billion five-year investment plan to enter Latin America's largest economy.



Keeta also expanded its operations to Bahrain in early January 2026, marking its entry into the sixth GCC market after launching in Saudi Arabia, UAE, Kuwait, Qatar, and Oman. This move strengthens its regional footprint.

## BYD Electronic (285 HK)



At group level, BYD overtook Tesla in pure-EV unit sales in the first nine months of 2025 (1.61 million vs Tesla's reported 1.22 million), consolidating its position as a global EV leader, which structurally benefits the electronics division's addressable base, with overseas sales and exports more than doubled, with coverage extending to 117 countries and regions, laying groundwork for higher content per vehicle and external OEM electronics business.



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