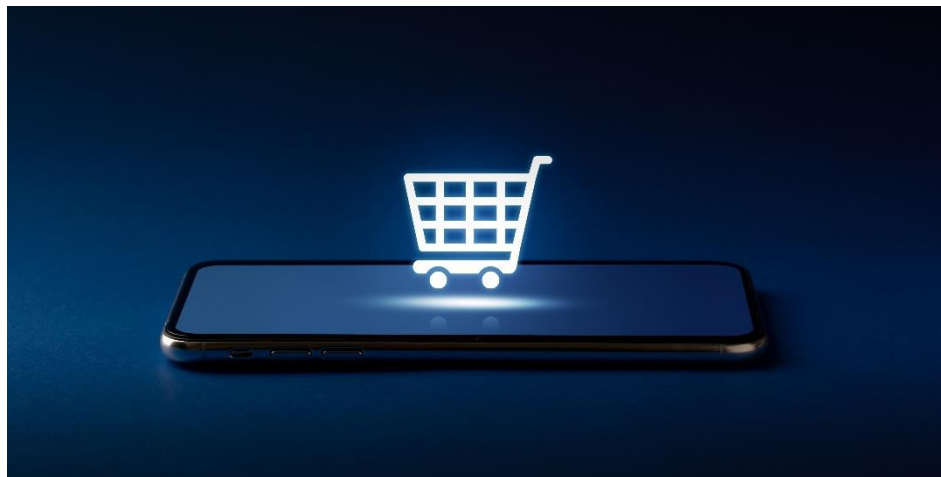


China Retail & E-commerce Weekly Update



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I. Sector Review

Internet & E-commerce

Meituan's adjusted net profit for 2Q25 plummets nearly 90%

On 27 August, Meituan (美团) released its financial results for the second quarter of 2025. During this period, Meituan's revenue increased 11.7% yoy to 91.8 billion yuan. However, operating profit and net profit saw significant declines: operating profit was 226 million yuan, down 98% yoy; adjusted net profit was 1.49 billion yuan, down 89% yoy. Analysts said that the drop in Meituan's profit was mainly attributable to the months-long price war with Alibaba's Ele.me and newcomer JD Food Delivery in the already low-margin food delivery market. During the earnings conference call, Meituan CEO Wang Xing stated that while competition in the food delivery market continues to intensify, Meituan will defend its market position.¹

Alibaba restructures business organization into four major groups

Alibaba (阿里巴巴) recently restructured its business organization into four major groups: the Alibaba China E-commerce Group, the Alibaba International Digital Commerce Group (largely e-commerce), the Cloud Intelligence Group (Alibaba Cloud 阿里云), and a catch-all for 'All Other Businesses'. The Chinese e-commerce group now includes Taobao (淘宝), Tmall (天猫), Xianyu (闲鱼), travel platform Fliggy (飞猪旅行) and local life services such as food delivery platform Ele.me (饿了么), Taobao's instant retail service Taobao Flash Sale (淘宝闪购), and wholesale and distribution businesses such as 1688. Meanwhile, Alibaba's supermarket and grocery arm Freshippo (盒马) is part of the 'All Other Businesses' group, along with DingTalk (钉钉), Quark (夸克), Gaode Map (高德地图), Cainiao (菜鸟), Damai Entertainment (大麦娱乐), Youku (优酷), Ali Health (阿里健康) and Ali Sports (橙狮体育).²

PDD's adjusted net profit reaches 32.71 billion yuan in 2Q25

On 25 August, PDD (拼多多) released its unaudited financial results for the second quarter of 2025. PDD's revenue was 103.98 billion yuan in the second quarter, up 7% from 97.06 billion yuan in the same period of 2024; adjusted net profit was 32.71 billion yuan, down 5% from 34.43 billion yuan in the same period of 2024. The company's second-quarter revenue from online marketing services and other businesses was 55.70 billion yuan, up 13% from 49.12 billion yuan in the same period in 2024.³

Meituan Instashopping: Sports shoes and apparel sales up over 200% yoy since summer

This summer saw over 50,000 new brand stores join Meituan Instashopping (美团闪购), with sports and outdoor and apparel brands launching a lot of new products. These include official direct operations from brands like ANTA (安踏), Beneunder (蕉下), and 361°, as well as sports retailers like Topsports (滔搏) and YYSports (胜道). Since the summer period, Meituan Instashopping's sports shoes and apparel sales have grown over 200% yoy, while swimming and cycling product sales increased over 100% yoy. Meituan Instashopping provides full-chain operational support for merchants, helping sports brands expand their instant retail channels.⁴

Kuaishou E-commerce pilots next-day and day-after delivery services

Kuaishou E-commerce (快手电商) has recently launched next-day and day-after delivery services to enhance the shopping experience. The platform rolled out these services on 27 August for products from the first batch of merchants. With this development, all major e-commerce platforms now offer next-day and day-after express delivery services. During the trial period for next-day and day-after delivery services (which will last until 30 September, with potential for extension), the platform will monitor the delivery time and fulfilment rate for relevant products. The platform will also provide compensation coverage for unfulfilled delivery promises.⁵

Tmall Beauty's number of 'super new products' grow 170% yoy in 1H25

On 28 August, at the Tmall Beauty Awards, Tmall (天猫) released its performance data for the first half of 2025. During the first six months of the year, more than 200 leading FMCG merchants on Tmall achieved double-digit growth in recognized revenue; over 500 ten-million-yuan-level new brands saw 40% year-on-year transaction growth; and over 1,000 million-yuan-level new merchants achieved transaction growth exceeding 40% yoy. Member operations drove a 23% increase in repeat purchase members, boosting 88VIP transactions by 25% yoy. On the product side, Tmall Beauty's new product traffic increased six-fold year-on-year, with super new product counts growing 170% yoy. The number of bestselling products grew 86%, and trending new product transactions increased 170% yoy.⁶

Supermarkets & Hypermarkets

Freshippo NB achieves 8 billion yuan of revenue in 1H25 as store count nears 300

On 27 August, market sources indicated that Freshippo NB (盒马 NB) achieved eight billion yuan in revenue during the first half of this year, representing double-digit growth compared to the same period last year. The total number of stores has now reached nearly 300, doubling in just six months, primarily concentrated in urban and suburban areas of core cities in East China. Previously, Freshippo NB launched its private label brand 'Chaohesuan' (超盒算), with hundreds of products including rice, vegetarian food, tissues, fresh milk, and ice cream having been rebranded. It is understood that Freshippo NB as a whole will soon be renamed to 'Chaohesuan NB'. Freshippo declined to comment on this information.⁷

Walmart China's sales up 30% yoy to US\$5.8 billion in 2Q25

Walmart recently announced its second quarter results for fiscal year 2026 (ending 31 July 2025). During the reporting period, Walmart China achieved net sales of US\$5.8 billion, up 30.1% yoy; comparable sales increased 21.5% yoy; e-commerce net sales grew 39% yoy, with e-commerce accounting for over 50% of sales. Sam's Club maintained strong growth momentum, with transaction volume achieving double-digit year-on-year growth, sales up 5.9%, and e-commerce sales growing 26%.⁸

Apparel

Li-Ning's revenue up by 3.3% yoy and net profit down by 11% yoy in 1H25

Li Ning (李宁) recently released its interim results for the first half of 2025. During this period, Li Ning achieved revenue of 14.817 billion yuan, up 3.3% yoy. Continuous optimization of e-commerce platform operations, deepening online marketing efforts, and improving member service systems have contributed to the improvement in Li Ning's online sales and customer loyalty. E-commerce channel revenue increased 7.4% yoy, contributing the largest increment of revenue. Franchised distributor revenue grew 4.4% yoy, with its proportion further increasing to 46.5%. Retail channels faced pressure, with directly-operated store adjustments and shifting consumer scenarios leading to a 3.4% year-on-year revenue decline. As of 30 June, the number of conventional stores, flagship stores, China Li Ning stores and factory outlets under the LI-NING brand totalled 7,534, a net decrease of 51 compared to the end of 2024.⁹

ANTA Sports' revenue reaches 38.5 billion yuan in 1H25

On 27 August, ANTA Sports released its financial results for the first half of 2025. During this period, the company's performance reached a new record

high, with its multi-brand matrix driving growth. Revenue increased 14.3% yoy to 38.54 billion yuan, with all brands under the group achieving record revenues in the first half. The group's revenue maintained steady growth, marking 12 consecutive years of positive growth and four consecutive years ranking first in the Chinese market. Among the brands, ANTA brand's revenue increased 5.4% yoy to 16.95 billion yuan in the period, outpacing the industry average.¹⁰

Food & Beverage

HEYTEA's 4,000+ stores join Taobao Flash Sale

On 22 August, HEYTEA (喜茶) and Taobao Flash Sale (淘宝闪购) officially announced that all of HEYTEA's over 4,000 stores nationwide have fully launched on Taobao Flash Sale (Ele.me). This means HEYTEA customers now have another online channel to order HEYTEA, which is the latest industry-leading brand to launch on the platform. Prior to joining Taobao Flash Sale (Ele.me), HEYTEA was only present on Meituan (美团) as a delivery platform. Therefore, online purchases of HEYTEA were limited to just two channels: Meituan or HEYTEA's own mini-program.¹¹

Tims China's revenue down 4.9% yoy in 2Q25

On 26 August, Tims China released its financial results for the second quarter of 2025, during which the company achieved revenue of 349 million yuan, down 4.9% yoy. The number of franchise stores increased to 449, up 35% yoy. Total stores nationwide reached 1,015, covering 90 cities. Company owned and operated store costs and expenses decreased 12.1% yoy. Tims China CEO Lu Yongchen stated that profitable growth is the core focus for 2025. This quarter, the company has already optimized its operational efficiency and store unit economics, with the differentiated 'coffee + freshly prepared food' strategy helping to drive store revenue growth.¹²

Mixue Group achieves 14.87 billion yuan of revenue in 1H25 as global store count exceeds 53,000

Mixue Group (蜜雪集团) recently released its interim results for the first half of 2025, with all core financial indicators achieving high double-digit growth. During this period, the company achieved revenue of 14.87 billion yuan, up 39.3% yoy; gross profit of 4.71 billion yuan, up 38.3% yoy; and net profit of 2.72 billion yuan, up 44.1% yoy. In terms of store scale, as of 30 June 2025, Mixue Group's global store count increased to 53,014, adding 9,796 new stores compared to the same period last year, with its store network covering China and 12 other countries. In the Chinese mainland market, Mixue Group increased its coverage of lower-tier markets: By end-June, stores in third-tier cities and below reached 27,804, accounting for 57.6% of total mainland stores, representing an addition of 5,707 stores compared to the same period last year.¹³

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