

What’s Hot Today:

► Trip.com (9961 HK, HK\$505.50, HK\$345bn)

beat on resilient travel demand

Topline inline with profit beat. Trip.com released 1Q25 results with net revenue up 16.2% YoY to RMB13.8bn, largely inline with expectations. OPM of 25.8% in 1Q25 was weaker than 1Q24’s, primarily ascribed to softer GPM of 80.4% (vs. 1Q24 of 81.2%) combined with elevated selling & marketing spending. Net adjusted profit attributable stood at RMB4.2bn, flat YoY, but 26% above consensus.

Robust travel demand is seen in different markets. Accommodation reservation, which accounted for about 40% of total, led the growth of 23%, as overseas hotel booking continued to drive growth, while the mainland market remained resilient due to strong booking volume yet offset by lower Average Daily Rate (ADR). Transportation ticketing, about 39% of total, was back to HSD growth, as both outbound and inbound air ticket prices declined by low-double digits. Packaged tour slowed down to LSD, reflecting consumers’ preference for independent budget travel and fierce competition from Douyin and Meituan. Corporate travel increased by 12%.

Takeaway from earnings call. Trip.com continues to prioritize AI technology aiming to become the most efficient travel platform. Currently, AI handles nearly 80% of inquiries, and over 70% of after-sales service. The Mgt also noted that the travel demand was strong during the Labor Day Holiday. Domestic hotel bookings was up over 20% YoY, while the decline in ADR narrowed to LSD, compared to a HSD drop in 1Q25. The Mgt expects ADR to stabilize due to the increasing travel demand.

Our view: Benefiting from resilient travel demand, overseas expansion and its leading position, it is expected that Trip.com will continue to outperform peers. Although its profitability will face pressure, likely due to rapid overseas expansion, we expect the scale effects will eventually drive bottom line. The counter is trading at 31.2x FY25 P/E.(Ensley LIU)

China & HK Indices	CLOSE	1D	YTD
HSI	23,681	1.5%	18.1%
HSCBI	8,589	1.5%	17.8%
HSCCI	3,911	1.4%	3.5%
CSI300	3,898	0.5%	-0.9%
Shanghai A	3,543	0.4%	-2.9%
Shanghai B	259	0.0%	-2.9%
Shenzhen A	2,102	0.8%	2.7%
Shenzhen B	1,193	0.3%	-1.6%

Key Int’l Indices	CLOSE	1D	YTD
Dow Jones	42,677	-0.3%	0.3%
S&P 500	5,940	-0.4%	1.0%
Nasdaq	19,142	-0.4%	-0.9%
Nikkei Index	37,612	0.2%	-5.7%
FTSE Index	8,781	0.9%	7.4%
CAC Index	7,942	0.7%	7.6%
DAX Index	24,036	0.4%	20.7%

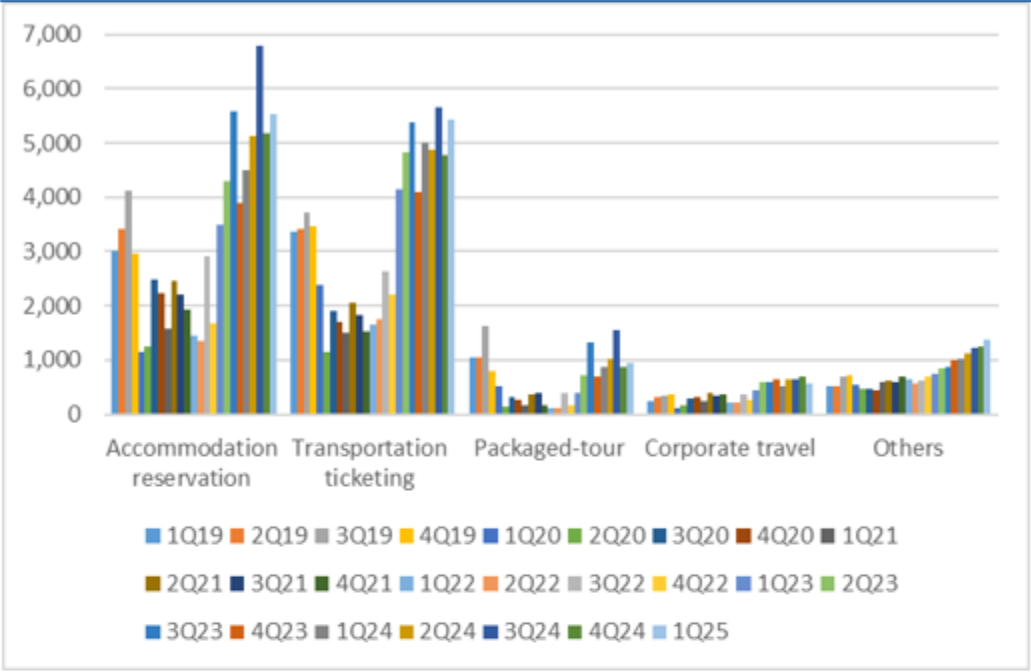
Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	3,290	1.9%	25.6%
STEEL (US\$/oz.)	1,911	-0.4%	7.0%
SILVER (US\$/oz.)	33	2.2%	14.7%
CRUDE OIL (US\$/bbl)	62	-1.1%	-12.1%
COPPER (US\$/oz.)	9,519	0.8%	8.6%
ALUMINIUM (US\$/oz.)	2,471	-0.4%	-3.1%
PLATINUM (US\$/oz)	1,068	5.6%	16.3%
ZINC (US\$/oz.)	2,710	0.7%	-9.0%
WHEAT (US\$/bu)	546	3.2%	-0.7%
CORN (US\$/bu)	454	1.6%	-2.8%
SUGAR (US\$/lb)	N/A	N/A	
SOYBEAN (US\$/bu)	1,063	0.2%	2.0%
PVC (US\$/t.)	N/A	N/A	-8.1%
CRB	298	0.7%	3.0%
BDI			35.1%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.827	0.886	144.510	0.828	7.217
HKD	0.128		0.113	18.463	10.584	0.922
EUR	1.128	8.832		163.050	1.070	8.135
JPY	0.007	5.416	0.613		0.573	0.050
CHF	1.207	9.449	1.070	174.457		8.700
RMB	0.139	1.085	0.123	20.029	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	18	-0.7%

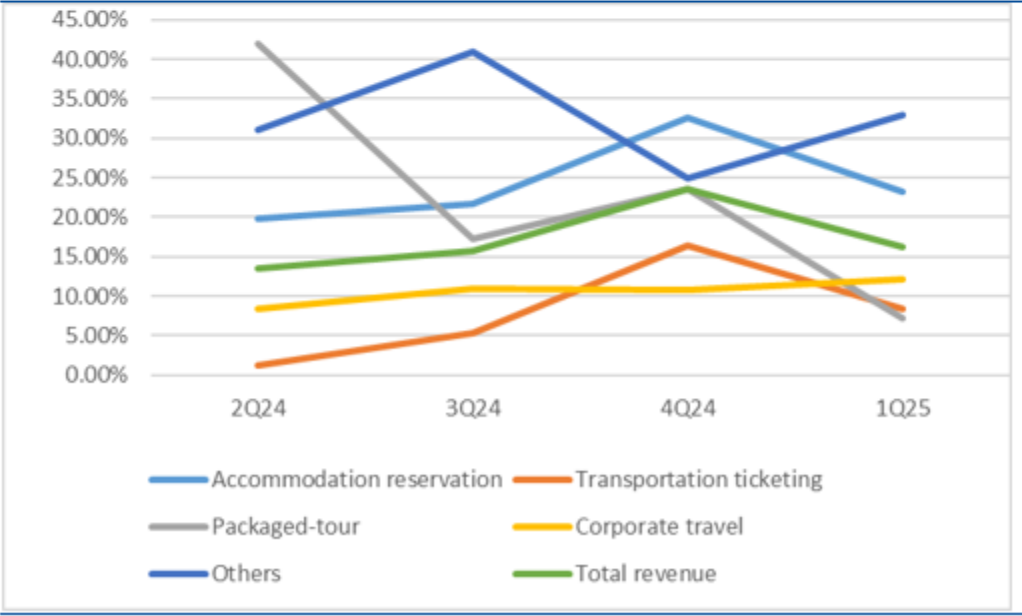
Source: Bloomberg

Fig 1: The revenue of different business



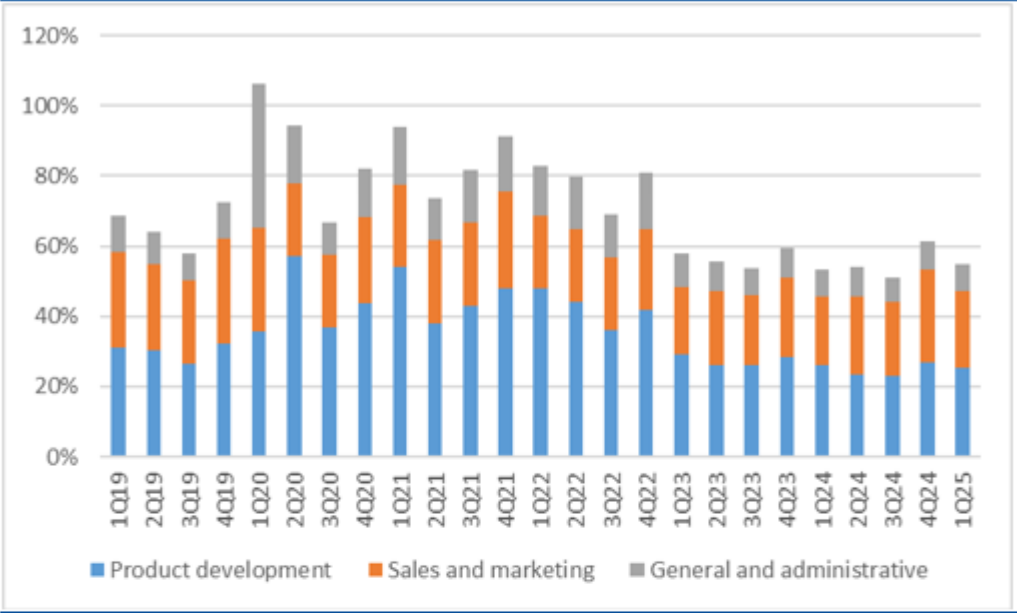
Source: Company Data, Sunwah Kingsway Research

Fig 2: YoY growth of different business



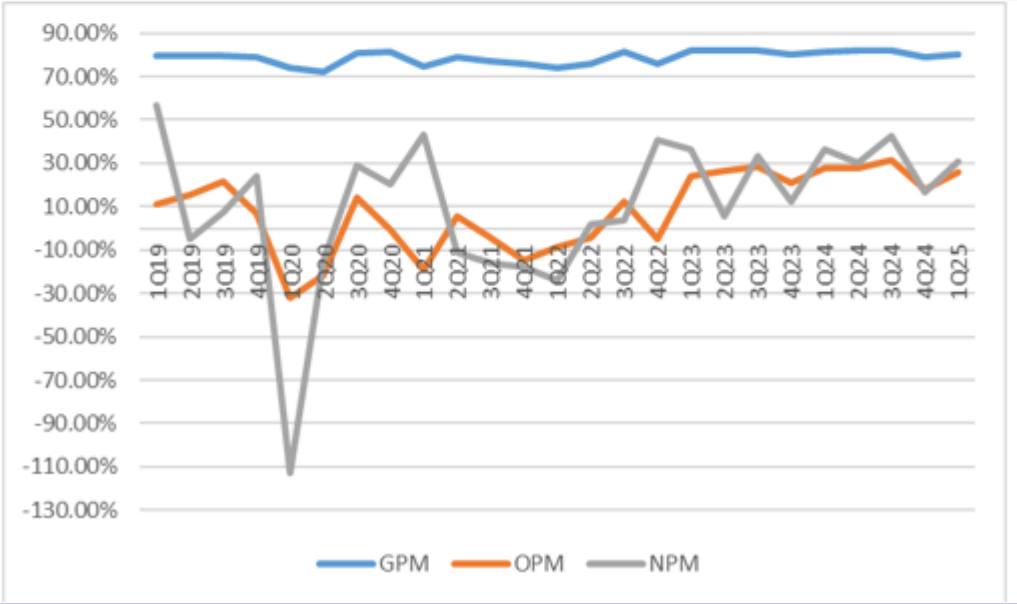
Source: Company Data, Sunwah Kingsway Research

Fig 3: Expense ratio



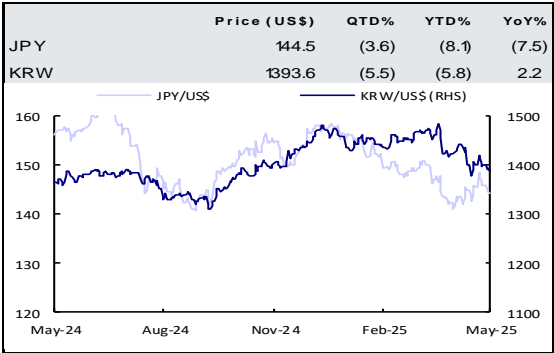
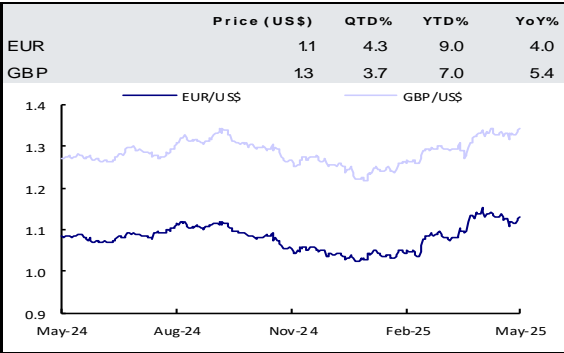
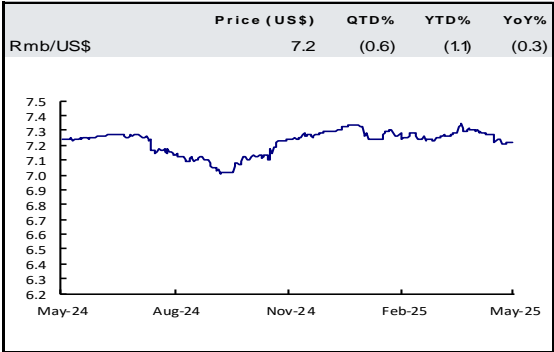
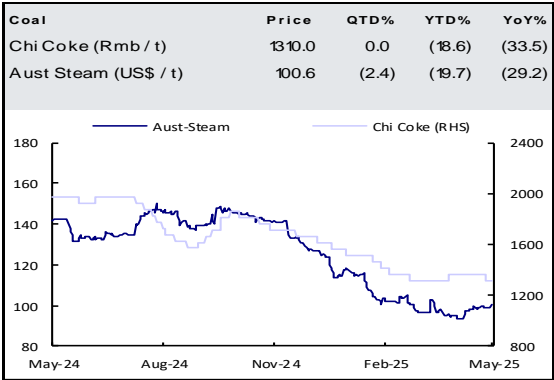
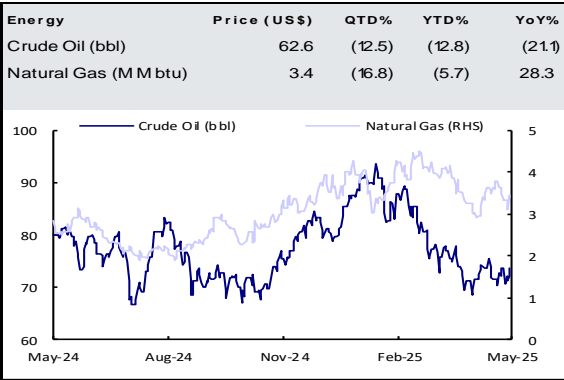
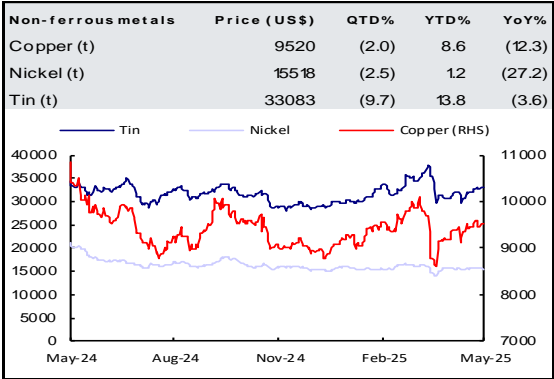
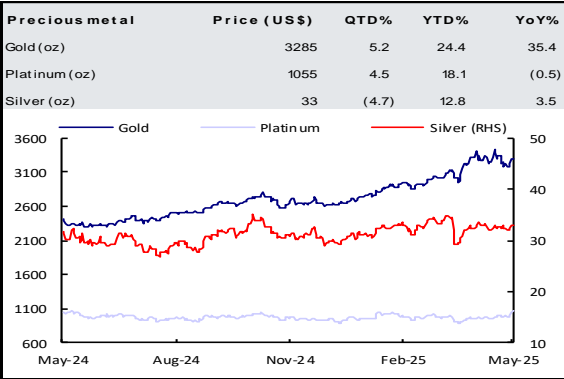
Source: Company Data, Sunwah Kingsway Research

Fig 4: Margins



Source: Company Data, Sunwah Kingsway Research

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Initial Jobless Claims	WoW		22-May-25
Existing Home Sales	MoM		22-May-25
New home Sales	MoM		23-May-25
Durable Goods Orders	MoM		27-May-25
Consumer Confidence	MoM		27-May-25
GDP	QoQ		29-May-25
Wholesale Inventories	MoM		30-May-25
Personal Income & Spending	MoM		30-May-25
ISM Manufacturing PMI	MoM		2-Jun-25
Factory Orders	MoM		3-Jun-25
Trade Balance	MoM		5-Jun-25
Employment Report	MoM		6-Jun-25
CPI	MoM		11-Jun-25
PPI	MoM		12-Jun-25
Business Inventories	MoM		17-Jun-25
Retail Sales	MoM		17-Jun-25
Industrial Production	MoM		17-Jun-25
Housing Starts / Building Permits	MoM		18-Jun-25
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
PMI Manufacturing	MoM		31-May-25
Foreign Exchange Reserves	QoQ		7-Jun-25
Money Supply - M2	MoM		9-Jun-25
Trade Balance	MoM		9-Jun-25
PPI	MoM		9-Jun-25
CPI	MoM		9-Jun-25
Retail Sales	MoM		16-Jun-25
Industrial Production	MoM		16-Jun-25
GDP	YoY		15-Jul-25

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
CPI	MoM		22-May-25
Trade Balance	MoM		26-May-25
Money Supply - M2	MoM		30-May-25
Retail Sales	MoM		2-Jun-25
PMI	MoM		4-Jun-25
Foreign Currency Reserve	MoM		6-Jun-25
Producer Prices Index	QoQ		12-Jun-25
Industrial Production	QoQ		12-Jun-25
Unemployment Rate	MoM		17-Jun-25
GDP	QoQ		31-Jul-25
Composite Interest Rate	MoM		

Kingsway Research Team

Analyst
Howard Wong
Ensley Liu

Email
Howard.wong@sunwahkingsway.com
Ensley.liu@sunwahkingsway.com

Phone No.
(852) 2283 7307
(852) 2283 7618

[illegible]

Source: HKEx

Disclaimer

This document is not an offer to sell or the solicitation of an offer to buy or subscribe for any securities. The securities referred to in this document may not be eligible for sale in certain jurisdiction. Neither this document nor any portion hereof may be taken distributed or transmitted directly or indirectly into such jurisdiction nor to any residents thereof. Any failure to comply with this restriction may constitute a violation of the applicable laws and regulations and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. This document has been produced for private circulation and may not be copied, photocopied, duplicated, or redistributed without the prior written consent of Kingsway Financial Services Group Limited (“KFS”) and its affiliated companies (collectively, “Kingsway Group”).

This report is distributed in Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”) by KFS which is registered as a licensed corporation under the Securities and Futures Ordinance (Cap.571 of The Laws of Hong Kong) with the Securities and Futures Commission of Hong Kong (“SFC”) and its SFC CE number is ADF346.

The information contained in this report has been taken from sources believed to be reliable but no representation or warranty expressed or implied is made as to their accuracy or correctness. This report is published for the assistance of recipients but is not to be relied upon as authoritative or taken in substitution for the exercise of judgment by any recipient. It is not to be construed as an offer, invitation or solicitation to buy or sell any securities of the company or companies covered herein. Any recommendation contained in this report does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. All opinions and estimates reflect our judgment on the date of this report and are subject to change without notice.

KFS, including its parent, subsidiaries and/or affiliates, may act as lead or co-manager in an offering of the securities of any issuer discussed herein, may from time to time perform financial services or other advisory services for, or solicit financial services or other business from, any issuer.

Within the past year, KFS, including its parent, subsidiaries and/or affiliates, may have acted as market maker or traded on a principal basis in the financial instruments of any issuer discussed herein and may act as underwriter, placement agent, advisor or lender to such issuer.

KFS, including its parent, subsidiaries, affiliates, shareholders, officers, directors, and employees may have long or short positions in, and buy or sell, the securities, commodities or derivatives (including options) or any other financial instruments thereof, of any issuers.

An employee of KFS, including its parent, subsidiaries and/or affiliates, may act as director, or be represented on the boards of directors, of any such entities or issuers.

KFS and/or its affiliates beneficially own shares of Trip.com Group Ltd (9961.HK).

Copyright 2025 Kingsway Group. All rights reserved.

Head Office

Hong Kong
Kingsway Financial Services Group Limited
7/F, Tower One, Lippo Centre,
89 Queensway, Hong Kong
Tel: 852-2283-7000
Fax: 852-2877-2665

Guangdong
廣東新華滙富商業保理有限公司
2701, Dongshan Plaza,
69 Xianlie Middle Road, Yuexiu District
Guangzhou, 510095

Affiliated & Overseas Offices

Vietnam
Sunwah Kingsway Vietnam Services Limited
Representative Office
Sunwah Tower, Mezzanine Floor
115 Nguyen Hue
District 1
Ho Chi Minh City
Vietnam