

Morning Snapshot

Hong Kong & China Market Daily

23 January 2026

What's Hot Today:

► Atour (ATAT US, US\$37.77, US\$5.2bn): A Scenario-Based Lifestyle Hotel Brand

As China's No.1 upper-midscale hotel chain, Atour has gained strong consumer traction through a guest-centric experience that aligns with modern travel preferences, increasingly taking share from upscale international brands across both business and leisure demand. The Company operates an asset-light platform with two core engines: network scaling via managed and franchised hotels, and scenario-based retail monetization.

Currently, a typical management contract charges the property owner a one-off pre-opening franchise fee of RMB5k to 8k per room by brand tier. Upon operation, a recurring monthly franchise and management fee of 6%–8% of gross hotel revenue by brand tier, and operating fees such as a fixed monthly hotel manager fee, procurement of hotel supplies, and system and accounting support. Contract terms run up to 20 years, supporting the visibility of recurring fee streams. From a revenue mix perspective, franchise revenue and supply chain account for 52% and 48% of revenue, respectively, and segment performance is highly correlated with franchised hotel count and property-level operating efficiency.

Atour operates a multi-brand portfolio spanning midscale to luxury, including Atour, Atour S, Atour X, Atour Light, and A.T. House. Its hotel network expanded from 570 hotels in 2020 to 1,948 hotels as of 3Q25, where 24 of them are self-operated. The footprint extends across 209 cities, primarily in Tier 1 to Tier 2 markets in China. Its loyalty program, A-Card has about 108mn individual members (59% repurchase rate) and 14,000+ corporate clients (20% of room-night sales). This is supported by an efficient distribution model that achieves 62.4% direct bookings. Furthermore, Atour leverages its strategic synergies with major shareholder Trip.com (13.5% shareholding) to capture 26% of revenue at a low 2% commission rate, underscoring strong channel control and a cost structure far superior to the 10-15% industry norm. This efficient ecosystem serves a predominantly young and affluent customer base, with 69% under the age of 40.

| China & HK Indices | CLOSE | 1D | YTD |
|--------------------|--------|-------|-------|
| HSI | 26,629 | 0.2% | 3.9% |
| HSCEI | 9,114 | -0.1% | 2.3% |
| HSCCI | 4,223 | 0.5% | 5.2% |
| CS300 | 4,723 | 0.0% | 2.0% |
| Shanghai A | 4,323 | 0.1% | 3.4% |
| Shanghai B | 262 | 0.3% | 3.4% |
| Shenzhen A | 2,839 | 0.7% | 7.2% |
| Shenzhen B | 1,246 | -0.4% | -1.5% |

| Key Int'l Indices | CLOSE | 1D | YTD |
|-------------------|--------|------|-------|
| Dow Jones | 49,384 | 0.6% | 2.7% |
| S&P 500 | 6,913 | 0.5% | 1.0% |
| Nasdaq | 23,436 | 0.9% | 0.8% |
| NIKKEI Index | 53,701 | 0.0% | 6.7% |
| FTSE Index | 10,150 | 0.1% | 2.2% |
| CAC Index | 8,148 | 1.0% | -0.0% |
| DAX Index | 24,856 | 1.2% | 1.5% |

| Commodities | CLOSE | 1D | YTD |
|----------------------|--------|-------|-------|
| GOLD (US\$/oz.) | 4,936 | 2.2% | 14.6% |
| STEEL (US\$/oz.) | 2,869 | 3.3% | 12.8% |
| SILVER (US\$/oz.) | 96 | 3.4% | 35.0% |
| CRUDE OIL (US\$/bbl) | 59 | -2.1% | 3.9% |
| COPPER (US\$/oz.) | 12,755 | 0.0% | 2.7% |
| ALUMINUM (US\$/oz.) | 3,132 | 0.8% | 4.6% |
| PLATINUM (US\$/oz.) | 2,637 | 6.0% | 29.5% |
| ZINC (US\$/oz.) | 3,211 | 1.2% | 3.0% |
| WHEAT (US\$/bu) | 515 | 1.0% | 1.7% |
| CORN (US\$/bu) | 424 | 0.1% | -3.7% |
| SUGAR (US\$/lb) | 74 | 2.1% | |
| SOYBEAN (US\$/bu) | 1,064 | 1.0% | 1.6% |
| PVC (US\$/t.) | 4,786 | 0.9% | 2.5% |
| CRB | 308 | 0.7% | 3.0% |
| BDI | | | -3.9% |

| Exchange Rates | | | | | |
|----------------|-------|-------|-------|---------|--------|
| | USD | HKD | EUR | JPY | CHF |
| USD | | 7,797 | 0.851 | 158,410 | 0.789 |
| HKD | 0.128 | | 0.109 | 20,318 | 10.120 |
| EUR | 1.176 | 9.165 | | 186,200 | 1.078 |
| JPY | 0.006 | 4.921 | 0.537 | | 0.498 |
| CHF | 1.268 | 9.882 | 1.078 | 200,761 | |
| RMB | 0.144 | 1.119 | 0.122 | 22,719 | 0.113 |

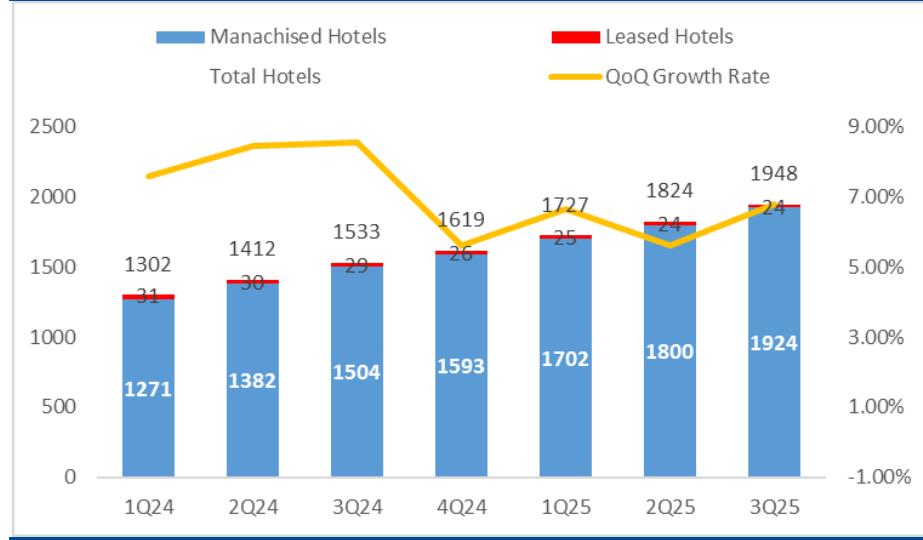
| Market Sentiment | | CURRENT | 5D |
|-------------------------|--|---------|-------|
| CDS Monitor - USD SR 5Y | | | |
| Greece | | N/A | N/A |
| Ireland | | 83 | -2.4% |
| Italy | | 139 | -0.6% |
| Portugal | | 207 | -0.0% |
| Spain | | 108 | 0.3% |
| VIX | | 15 | -6.6% |

Source: Bloomberg

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Fig 1: Breakdown of Hotel

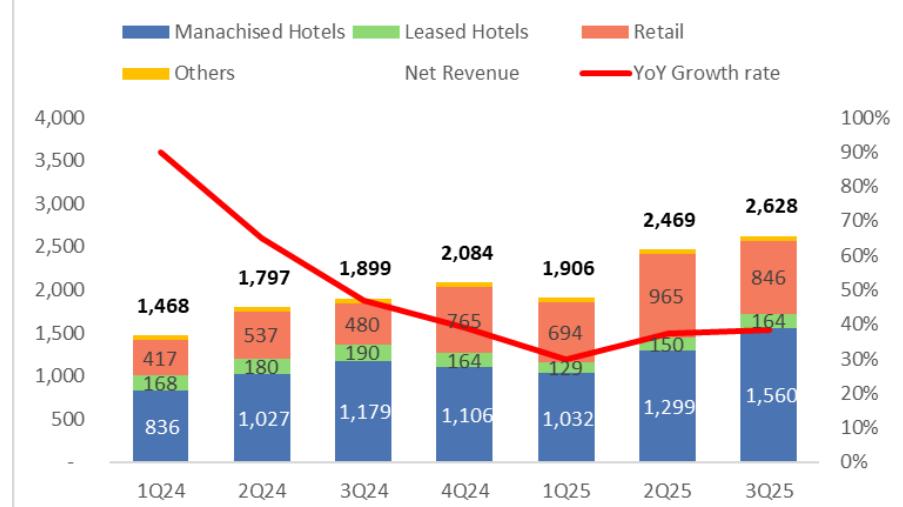


Source: Company Data, Sunwah Kingsway Research

Retail is the Company's fastest growing and most scalable engine: revenue rose from RMB300mn in 2021 to RMB2.5bn in 9m25, raising mix from 14% to 36%, with GPM consistently above 50%. Built around the proprietary brand Atour Planet, the segment is anchored by the "ATOUR PLANET 3rd Generation Deep Sleep Pillow Pro" with 8mn cumulative sales, featuring zoned support and address poor sleep. They are overwhelmingly online with 90%+ via e-commerce, and the brand ranks in China's top five home-textile players. Retail and hotels reinforce each other through in-stay trial and conversion, while marketing on Douyin and Xiaohongshu via KOL-led seeding further strengthens product salience and brand recall.

The company delivered resilient 3Q25 results with revenue rising by 38% YoY to RMB2.6bn, whereas net profit up 29% YoY to RMB690mn at a NPM of 18%. The Hotel segment surged 26% YoY to RMB 1.7bn (65% of total revenue), marking its strongest performance in four quarters. Retail business grew rapidly at 76% YoY to RMB850mn despite a slight QoQ pullback. Operationally, RevPAR sustained its recovery to RMB371, driven by narrowing declines in both occupancy and average daily rate. SG&A growth reflects strategic brand and channel investments aligned with retail expansion. The balance sheet remains robust with a net cash balance of RMB5.67bn (64% of assets). ROE is sustained at 35% for two consecutive years.

Fig 2: Revenue (RMB'mn) and YoY

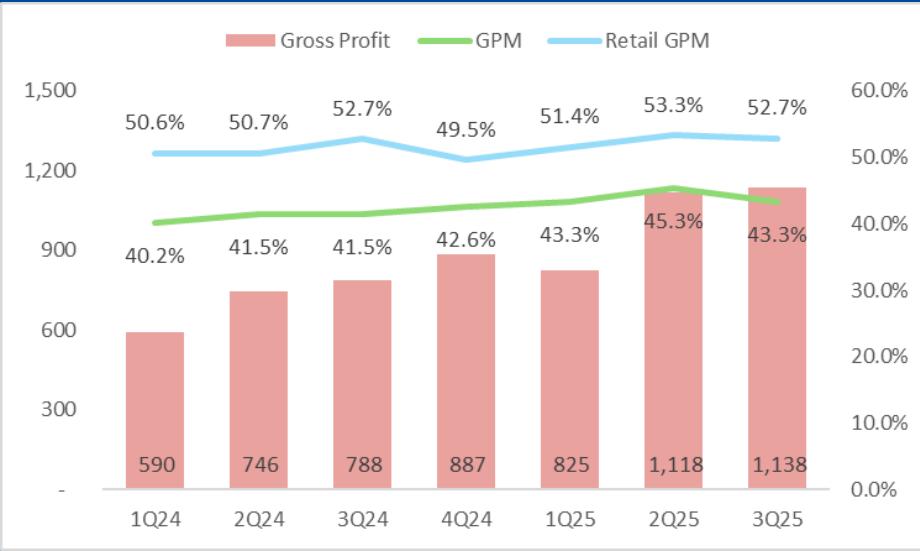


Source: Company Data, Sunwah Kingsway Research

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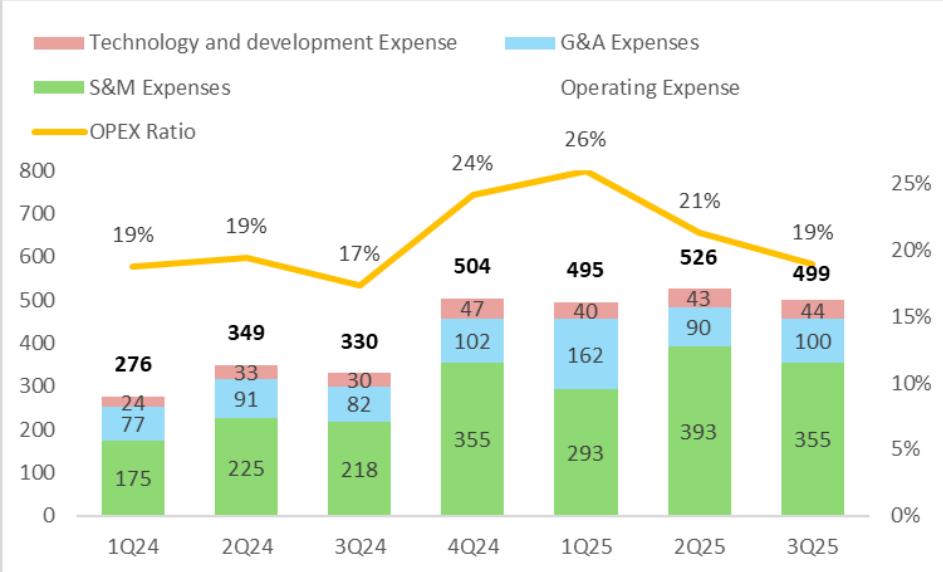
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Fig 3: Breakdown of Gross profit (RMB'mn)



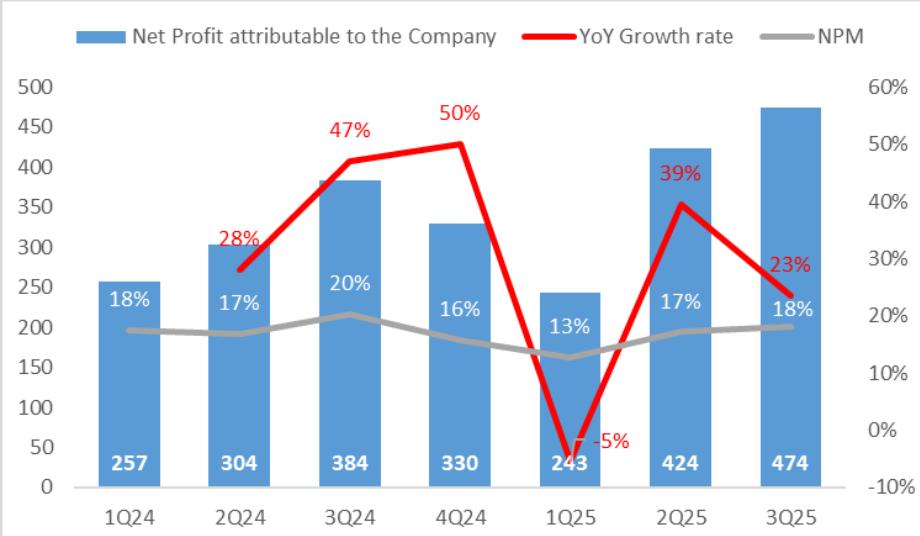
Source: Company Data, Sunwah Kingsway Research

Fig 4: Breakdown of OPEX (RMB'mn)



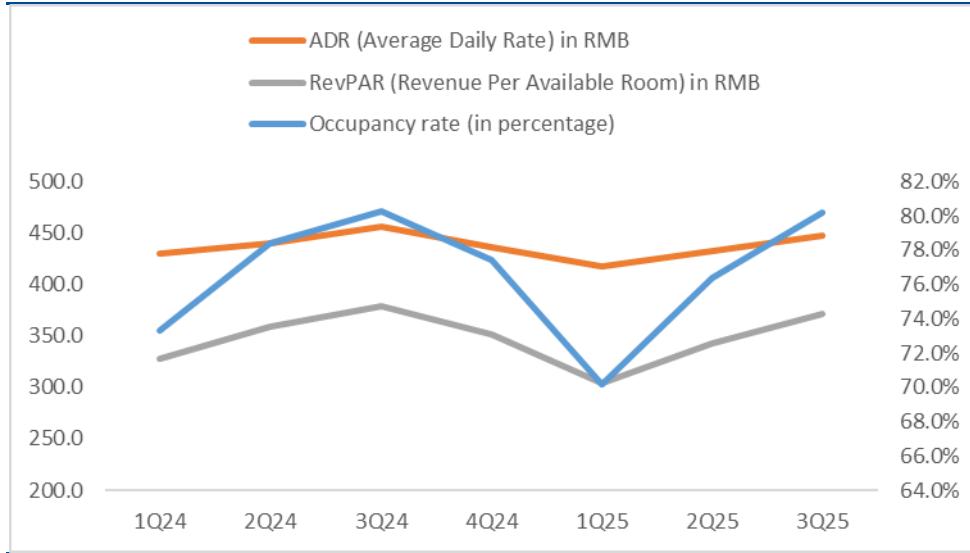
Source: Company Data, Sunwah Kingsway Research

Fig 5: Breakdown of Profitability (RMB'mn)



Source: Company Data, Sunwah Kingsway Research

Fig 6: Breakdown of Operating Performance Metrics

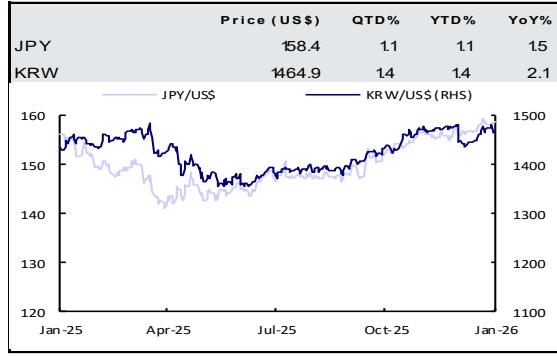
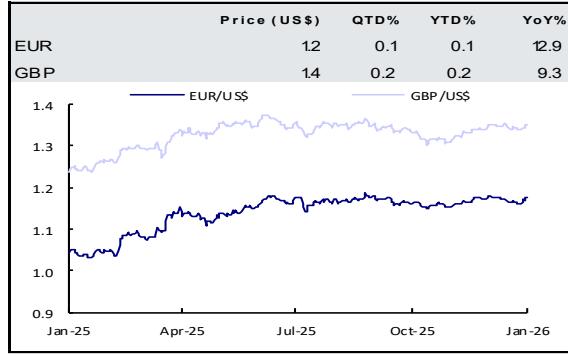
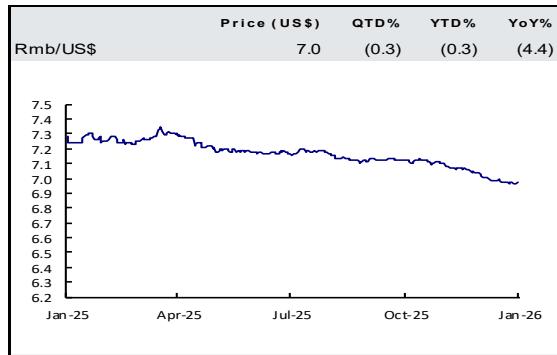
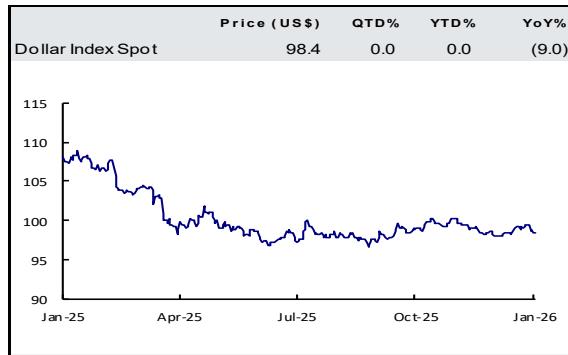
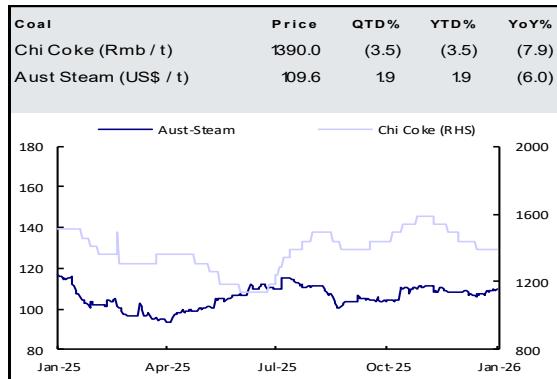
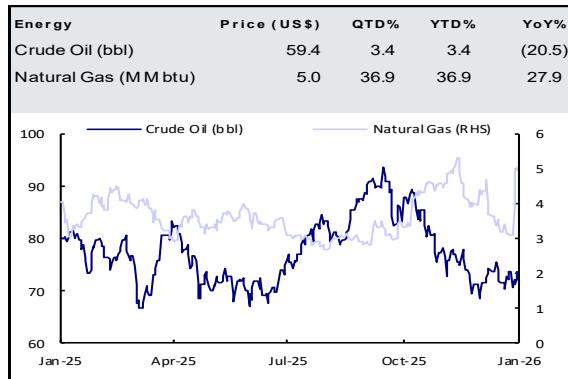
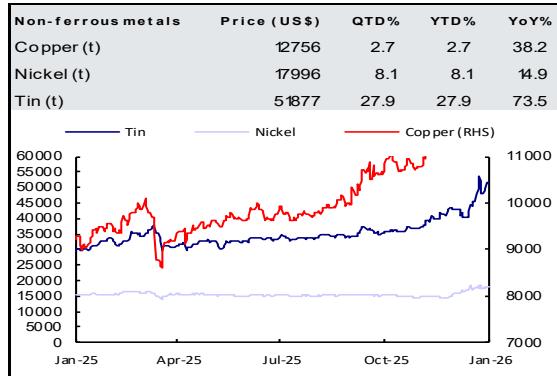
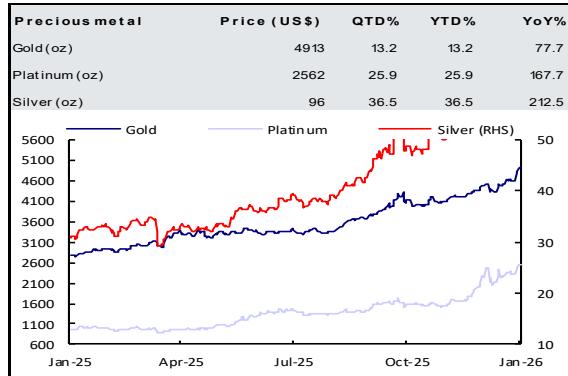


Source: Company Data, Sunwah Kingsway Research

Our view: Atour is a leading upper-midscale hotel operator with solid market position driven by its guest-centric service and the Atour Planet retail brand. It utilizes customer-friendly benefits to retain hotel guests and leverages its properties as a natural trial gateway for retail products, creating a closed-loop lifestyle ecosystem. The declining pillow mix from 90% to 60% signals a successful shift from a single 'hero' SKU to a diversified product matrix.

Looking ahead, retail business is expected to penetrate deeper into room scenarios via supply chain strengths. Meanwhile, a robust pipeline of 754 hotels, alongside retail expansion, underpins future growth. In terms of capital allocation, Atour has established a track record with a 62% payout ratio for a yield of 2%. The company plans to further increase dividends and share repurchases to drive long-term shareholder value. The company is trading at 22x 2025E P/E and 13x 2025 EV/EBITDA. (Research Department)

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

| Indicators | Freq | Obs Date | Expected Release Date |
|-----------------------------------|------|----------|-----------------------|
| Personal Income & Spending | MoM | | 22-Jan-26 |
| Durable Goods Orders | MoM | | 26-Jan-26 |
| Trade Balance | MoM | | 29-Jan-26 |
| PPI | MoM | | 30-Jan-26 |
| Retail Sales | MoM | | 1-Feb-26 |
| ISM Manufacturing PMI | MoM | | 2-Feb-26 |
| Housing Starts / Building Permits | MoM | | 2-Feb-26 |
| Employment Report | MoM | | 6-Feb-26 |
| Factory Orders | MoM | | 29-Jan-26 |
| Initial Jobless Claims | WoW | | 22-Jan-26 |
| Wholesale Inventories | MoM | | 29-Jan-26 |
| CPI | MoM | | 11-Feb-26 |
| Existing Home Sales | MoM | | 12-Feb-26 |
| Industrial Production | MoM | | 18-Feb-26 |
| GDP | QoQ | | 22-Jan-26 |
| Consumer Confidence | MoM | | 27-Jan-26 |
| New home Sales | MoM | | 19-Feb-26 |
| Business Inventories | MoM | | 1-Feb-26 |
| Auto Sales | MoM | | |

China Economic Calendar

| Indicators | Freq | Obs Date | Expected Release Date |
|---------------------------|------|----------|-----------------------|
| PMI Manufacturing | MoM | | 31-Jan-26 |
| Foreign Exchange Reserves | QoQ | | 7-Feb-26 |
| Money Supply - M2 | MoM | | 9-Feb-26 |
| PPI | MoM | | 11-Feb-26 |
| CPI | MoM | | 11-Feb-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 | | 27-Jan-26 |
| Money Supply - M2 | MoM | | 30-Jan-26 |
| GDP | QoQ | | 30-Jan-26 |
| Retail Sales | MoM | | 3-Feb-26 |
| PMI | MoM | | 4-Feb-26 |
| Foreign Currency Reserve | MoM | | 6-Feb-26 |
| Unemployment Rate | MoM | | 20-Feb-26 |
| CPI | MoM | | 25-Feb-26 |
| Producer Prices Index | QoQ | | 13-Mar-26 |
| Industrial Production | QoQ | | 13-Mar-26 |
| Composite Interest Rate | MoM | | |

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Source: HKEx

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