

# 361 Degrees (1361 HK)

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## Company Update

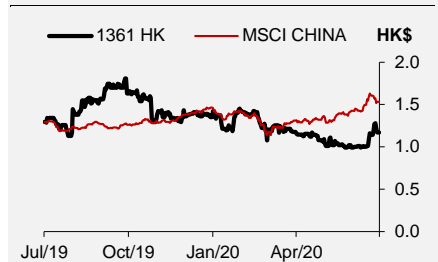
**BUY**
**UNCHANGED**
**Close price: HK\$1.20**
**Target Price: HK\$1.57 (+31%)**
**Prior TP: HK\$1.80**

### Key Data

HKEx code	1361 HK
12 Months High (HK\$)	1.85
12 Month Low (HK\$)	0.98
3M Avg Dail Vol. (mn)	1.59
Issue Share (mn)	2,067.60
Market Cap (HK\$mn)	2,481.12
Fiscal Year	12/2019
Major shareholder (s)	President Ding Wuhao 17.03%

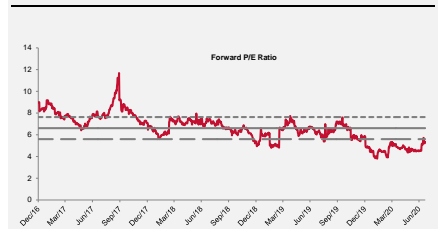
Source: Company data, Bloomberg, OP Research  
 Closing price are as of 20/07/2020

### Price Chart



	1mth	3mth	6mth
Absolute %	21.2	4.8	-13.8
Rel. MSCI CHINA %	13.7	-14.1	-20.8

### PE



### Company Profile

361 Degrees International designs, develops, manufactures, markets and distributes sportswear products, including athletic footwear, apparel and accessories.

## Slow recovery in 2Q20 retail sales

- **361 Degrees released 2Q20 retail sales with both core brand and 361 Kids down by low teens yoy, a slow recovery from -25%-30% in 1Q20, due to weaker brand competency amid peer discount campaign.**
- **Jinjiang government invested RMB549mn to e-commerce business through partnership with the Group.**
- **Maintain BUY on undemanding valuation with TP HK\$1.57 cut from HK\$1.80 based on same 6.5x/6.0x FY20E/21E. We wait for more visible outlook after 1H20E results.**

**2Q20 retail sales saw slow recovery.** 361 Degrees registered offline retail sales decline of low teens in 2Q20 for both core brand and 361 Kids, vs 25%-30% decrease in 1Q20. Including positive growth on online platforms, we reckon overall retail sales growth is still much slower than Anta brand (low single digit decline in 2Q20). We believe this is due to 1) weaker brand competency among intensified discount campaigns across the industry; 2) store closures impacted by the pandemic. **Discount level improved** to peer level at 29% off from 35% off in 1Q20 thanks to largely recovered traffic. **Channel inventory** is maintained at 5x.

**Jinjiang government invested RMB549mn to e-commerce business through partnership.** On Jul. 16<sup>th</sup>, the Company announced partnership with Jinfa Equity (owned by Jinjiang municipal government) to invest RMB550mn/RMB549mn respectively in cash into the company's e-commerce business operating entity Duoyidu Quanzhou, holding 69.25%/17.89% afterwards. The proceeds are intended for R&D step-up and operation strengthening. This shows solid support from local governments and strengthened financial position of the company.

**Maintain BUY on undemanding valuation and wait for more visible outlook after 1H20E results.** We cut TP to HK\$1.57 from HK\$1.80, based on same 6.5x/6.0x FY20E/21E PE, as we cut our rev forecast for FY20E/21E by 4.3%/4.4% that results in 12.1%/12.3% earnings cut respectively. We now estimate LSD rev growth for FY20E. We expect recovery from FY21E with HSD/LTS growth in rev/earnings, given less intensified competition from top players and recovered economy. We wait for more visible outlook after 1H20E results. Its valuation is undemanding with forward dividend yield at 7.7%.

**Risks:** (1) more-than-expected distributor rebates; (2) more-than-expected store closures; (3) dividend payout reduction.

### Exhibit 1: Forecast and Valuation

Year to Dec (RMB mn)	FY18	FY19	FY20E	FY21E	FY22E
Revenue	5,187.4	5,631.9	5,806.9	6,234.1	6,624.4
Growth (%)	0.6	8.6	3.1	7.4	6.3
Net Profit	303.7	432.4	398.8	450.8	493.5
Growth (%)	(33.5)	42.4	(7.8)	13.0	9.5
Diluted EPS (HK\$)	0.176	0.251	0.231	0.262	0.286
EPS growth (%)	(33.5)	42.4	(7.8)	13.0	9.5
Change to previous EPS (%)			(12.1)	(12.3)	
Consensus EPS (HK\$)			0.242	0.288	
ROE (%)	5.3	7.2	5.9	6.2	6.6
P/E (x)	6.8	4.8	5.2	4.6	4.2
P/B (x)	0.4	0.3	0.3	0.3	0.3
Yield (%)	6.3	9.0	7.7	8.7	9.5
DPS (HK\$)	0.076	0.108	0.093	0.105	0.115

Source: Bloomberg, OP Research

**Exhibit 2: Earnings Revision**

(RMB mn)	FY20E			FY21E			OP Comments
	New	Old	% Chg	New	Old	% Chg	
<b>Revenue</b>	<b>5,807</b>	<b>6,068</b>	<b>(4.3)</b>	<b>6,234</b>	<b>6,522</b>	<b>(4.4)</b>	Lower growth forecast for slower than expected recovery
Gross profit	2,322	2,446	(5.1)	2,513	2,628	(4.4)	
Gross margin	40.0%	40.3%	(0.8)	40.3%	40.3%	0.0	Adjust FY20E GPM down for more distributor rebates
Opex	(1,664)	(1,701)	(2.2)	(1,757)	(1,798)	(2.3)	
EBIT	763	849	(10.1)	861	935	(7.9)	
Net Profit	399	454	(12.1)	451	514	(12.3)	We've factored in increased MI interests from FY21E
Diluted EPS (HK\$)	0.231	0.263	(12.1)	0.262	0.298	(12.3)	

Source: OP Research

**Exhibit 3: 1H20E results preview**

(RMB mn)	1H19	2H19	1H20E	2H20E	1H20E yoy%
<b>Revenue</b>	<b>3,237</b>	<b>2,395</b>	<b>3,310</b>	<b>2,497</b>	<b>2.3%</b>
COGS	(1,914)	(1,448)	(2,003)	(1,482)	4.6%
<b>Gross profit</b>	<b>1,323</b>	<b>947</b>	<b>1,307</b>	<b>1,015</b>	<b>-1.2%</b>
Other income & gains	44	58	52	52	17.8%
Selling exp	(508)	(519)	(530)	(557)	4.3%
Admin exp	(272)	(83)	(298)	(76)	9.5%
R&D	(2)	(212)	(10)	(193)	437.4%
<b>Operating profit (EBIT)</b>	<b>585</b>	<b>190</b>	<b>522</b>	<b>241</b>	<b>-10.8%</b>
Provisions or other items	6	53	0	0	n.a.
Interest income	56	48	57	57	0.7%
Finance costs	(108.2)	(109.3)	(101)	(102)	-6.8%
Profit after financing costs	540	183	478	196	-11.4%
Associated cos	0	0	0	0	n.a.
Jointly controlled cos	0	0	0	0	n.a.
Pre-tax profit	540	183	478	196	-11.4%
Tax	(183)	(70)	(163)	(73)	-11.2%
Minority interests	10.93	(48)	(16)	(24)	-243.6%
<b>Net profit</b>	<b>367</b>	<b>65</b>	<b>300</b>	<b>99</b>	<b>-18.4%</b>
<b>YoY%</b>					
Revenue	7.3%	10.3%	2.3%	4.3%	n.a.
Gross profit	5.3%	11.4%	4.6%	2.4%	n.a.
Net profit	9.7%	n.a.	-18.4%	52.1%	n.a.
<b>Key ratios</b>					
					in ppts
GPM	40.9%	39.5%	39.5%	40.6%	(1.36)
Selling exp	15.7%	21.7%	16.0%	22.3%	0.31
Admin exp	8.4%	3.5%	9.0%	3.1%	0.59
EIT	33.9%	38.0%	34.0%	37.4%	0.06
Net margin	11.3%	2.7%	9.1%	4.0%	(2.29)

Source: Company, OP Research

## Financial Summary

Year to Dec	FY18	FY19	FY20E	FY21E	FY22E
<b>Income Statement (RMB mn)</b>					
Footwear	2,212	2,387	2,459	2,631	2,802
Apparel	1,999	2,059	2,121	2,227	2,316
Accessories	76	100	103	106	109
361 Kids	816	999	1,029	1,165	1,282
Others	84	87	95	105	115
<b>Turnover</b>	<b>5,187</b>	<b>5,632</b>	<b>5,807</b>	<b>6,234</b>	<b>6,624</b>
YoY%	1	9	3	7	6
COGS	(3,082)	(3,362)	(3,485)	(3,721)	(3,955)
<b>Gross profit</b>	<b>2,106</b>	<b>2,270</b>	<b>2,322</b>	<b>2,513</b>	<b>2,670</b>
Gross margin	40.6%	40.3%	40.0%	40.3%	40.3%
Other income	103	102	105	105	105
Selling & distribution	(979)	(1,027)	(1,086)	(1,154)	(1,219)
Admin	(329)	(355)	(374)	(391)	(409)
R&D	(215)	(214)	(203)	(212)	(225)
Other opex	0	0	0	0	0
<b>Total opex</b>	<b>(1,522)</b>	<b>(1,597)</b>	<b>(1,664)</b>	<b>(1,757)</b>	<b>(1,853)</b>
<b>Operating profit (EBIT)</b>	<b>686</b>	<b>775</b>	<b>763</b>	<b>861</b>	<b>921</b>
Operating margin	13.2%	13.8%	13.1%	13.8%	13.9%
Provisions	(1)	60	0	0	0
Interest Income	98	105	114	124	129
Finance costs	(212)	(217)	(203)	(203)	(203)
Profit after financing costs	571	722	674	782	848
Associated companies & JVs	0	0	0	0	0
Pre-tax profit	571	722	674	782	848
Tax	(265)	(253)	(236)	(274)	(297)
Minority interests	(2)	(37)	(39)	(57)	(57)
<b>Net profit</b>	<b>304</b>	<b>432</b>	<b>399</b>	<b>451</b>	<b>493</b>
YoY%	(34)	42	(8)	13	9
Net margin	5.9%	7.7%	6.9%	7.2%	7.4%
<b>EBITDA</b>	<b>810</b>	<b>864</b>	<b>857</b>	<b>951</b>	<b>1,002</b>
EBITDA margin	15.6%	15.3%	14.8%	15.3%	15.1%
<b>EPS (RMB)</b>	<b>0.147</b>	<b>0.209</b>	<b>0.193</b>	<b>0.218</b>	<b>0.239</b>
YoY%	(34)	42	(8)	13	9
DPS (HK\$)	0.076	0.108	0.093	0.105	0.115
<b>Cash Flow (RMB mn)</b>					
EBITDA	810	864	857	951	1,002
Chg in working cap	(303)	304	191	(119)	(102)
Others	41	(203)	0	0	0
<b>Operating cash</b>	<b>549</b>	<b>965</b>	<b>1,048</b>	<b>831</b>	<b>900</b>
Interest received	0	0	0	0	0
Tax	(254)	(334)	(389)	(236)	(274)
<b>Net cash from operations</b>	<b>295</b>	<b>630</b>	<b>659</b>	<b>596</b>	<b>626</b>
Capex	(33)	(13)	(13)	(14)	(15)
Investments	(886)	1,597	(550)	0	0
Dividends received	0	0	0	0	0
Sales of assets	0	8	0	0	0
Interests paid	98	87	114	124	129
Others	0	0	0	0	0
<b>Investing cash</b>	<b>(821)</b>	<b>1,679</b>	<b>(450)</b>	<b>109</b>	<b>114</b>
<b>FCF</b>	<b>(526)</b>	<b>2,309</b>	<b>209</b>	<b>705</b>	<b>740</b>
Issue of shares	0	0	0	0	0
Buy-back	0	0	0	0	0
Minority interests	0	0	549	0	0
Dividends paid	(194)	(170)	(170)	(175)	(193)
Net change in bank loans	99	(316)	0	0	0
Others	151	(57)	348	(203)	(203)
<b>Financing cash</b>	<b>55</b>	<b>(543)</b>	<b>727</b>	<b>(378)</b>	<b>(396)</b>
<b>Net change in cash</b>	<b>(471)</b>	<b>1,766</b>	<b>936</b>	<b>327</b>	<b>344</b>
Exchange rate or other Adj	6	5	0	0	0
Opening cash	2,116	1,651	3,422	4,358	4,685
<b>Closing cash</b>	<b>1,651</b>	<b>3,422</b>	<b>4,358</b>	<b>4,685</b>	<b>5,029</b>
<b>CFPS (HK\$)</b>	<b>0.171</b>	<b>0.366</b>	<b>0.382</b>	<b>0.346</b>	<b>0.364</b>

Source: Company, OP Research

Year to Dec	FY18	FY19	FY20E	FY21E	FY22E
<b>Ratios</b>					
Gross margin (%)	40.6	40.3	40.0	40.3	40.3
Operating margin (%)	13.2	13.8	13.1	13.8	13.9
Net margin (%)	5.9	7.7	6.9	7.2	7.4
Selling & dist'n exp/Sales (%)	18.9	18.2	18.7	18.5	18.4
Admin exp/Sales (%)	6.3	6.3	6.4	6.3	6.2
R&D/Rev (%)	4.1	3.8	3.5	3.4	3.4
A&P/Rev (%)	10.7	9.0	9.5	9.5	9.5
Staff cost/Rev (%)	8.7	9.1	8.5	8.1	7.9
Payout ratio (%)	43.1	43.0	40.0	40.0	40.0
Effective tax (%)	46.5	35.0	35.0	35.0	35.0
Total debt/equity (%)	49.0	40.1	35.7	34.3	33.0
Net debt/equity (%)	Net cash	Net cash	Net cash	Net cash	Net cash
Current ratio (x)	3.2	3.8	3.9	3.9	3.8
Quick ratio (x)	2.9	3.4	3.5	3.5	3.4
Inventory T/O (days)	124	127	127	127	127
AR T/O (days)	169	143	143	143	143
AP T/O (days)	275	275	275	275	275
Cash conversion cycle (days)	18	(6)	(6)	(6)	(6)
Asset turnover (x)	0.4	0.5	0.5	0.5	0.5
Financial leverage (x)	2.0	2.0	1.8	1.8	1.8
EBIT margin (%)	13.2	13.8	13.1	13.8	13.9
Interest burden (x)	0.8	0.9	0.9	0.9	0.9
Tax burden (x)	0.5	0.6	0.6	0.6	0.6
<b>Return on equity (%)</b>	<b>5.3</b>	<b>7.2</b>	<b>5.9</b>	<b>6.2</b>	<b>6.6</b>
<b>ROIC (%)</b>	<b>14.0</b>	<b>18.7</b>	<b>18.4</b>	<b>21.3</b>	<b>22.8</b>
<b>Year to Dec</b>					
<b>Bal. Sheet (RMB mn)</b>					
Fixed assets	1,035	955	875	800	735
Intangible assets & goodwill	111	114	113	113	112
Associated companies & JVs	29	25	25	25	25
Long-term investments	94	92	92	92	92
Other non-current assets	46	41	41	41	41
<b>Non-current assets</b>	<b>1,315</b>	<b>1,227</b>	<b>1,147</b>	<b>1,071</b>	<b>1,006</b>
Inventories	1,051	1,168	1,211	1,293	1,374
AR	2,399	2,199	2,268	2,435	2,587
Prepayments & deposits	721	639	659	708	752
Other current assets	4,827	3,231	3,231	3,231	3,231
Cash	1,651	3,422	4,358	4,685	5,029
<b>Current assets</b>	<b>10,650</b>	<b>10,660</b>	<b>11,727</b>	<b>12,351</b>	<b>12,973</b>
AP	2,766	2,306	2,628	2,806	2,982
Tax	476	389	236	274	297
Accruals & other payables	0	0	0	0	0
Bank loans & leases	112	114	114	114	114
CB & othe debts	0	0	0	0	0
Other current liabilities	0	0	0	0	0
<b>Current liabilities</b>	<b>3,354</b>	<b>2,809</b>	<b>2,978</b>	<b>3,193</b>	<b>3,393</b>
Bank loans & leases	2,714	2,419	2,419	2,419	2,419
CB & othe debts	0	0	0	0	0
Deferred tax & others	2	1	1	1	1
MI	127	337	376	433	491
<b>Non-current liabilities</b>	<b>2,843</b>	<b>2,756</b>	<b>2,795</b>	<b>2,852</b>	<b>2,910</b>
<b>Total net assets</b>	<b>5,768</b>	<b>6,323</b>	<b>7,101</b>	<b>7,376</b>	<b>7,676</b>
<b>Shareholder's equity</b>	<b>5,768</b>	<b>6,323</b>	<b>7,101</b>	<b>7,376</b>	<b>7,676</b>
Share capital	182	182	182	182	182
Reserves	5,585	6,140	6,918	7,194	7,494
<b>BVPS (HK\$)</b>	<b>3.35</b>	<b>3.67</b>	<b>4.12</b>	<b>4.28</b>	<b>4.46</b>
Total debts	2,827	2,533	2,533	2,533	2,533
Net cash/(debts)	3,652	4,120	5,056	5,383	5,727

**Exhibit 3: Peers Group Comparison**

Company	Ticker	Price	Mkt cap (US\$m)	3-mth	PER	PER	PER	EPS	EPS	3-Yr EPS	Div yld	Div yld	Hist	P/B	P/B	EV/ Ebitda	EV/ Ebitda	Net gearing	Gross margin	Net margin	ROE	ROE	Sh px	Sh px
				avg t/o	Hist	FY1	FY2	FY1	FY2												Cagr (%)	PEG (x)	Hist (%)	FY1 (%)
<b>361 Degrees</b>	<b>1361 HK</b>	<b>1.20</b>	<b>320</b>	<b>0.2</b>	<b>4.8</b>	<b>5.2</b>	<b>4.6</b>	<b>(7.7)</b>	<b>13.2</b>	<b>11.1</b>	<b>0.5</b>	<b>9.0</b>	<b>7.7</b>	<b>0.3</b>	<b>0.3</b>	<b>(1.9)</b>	<b>(3.1)</b>	<b>Net cash</b>	<b>40.3</b>	<b>7.7</b>	<b>7.2</b>	<b>5.9</b>	<b>21.2</b>	<b>3.9</b>
HSI		25,057.99			10.9	11.6	9.8	(5.4)	17.9	7.6	1.51	3.7	3.5	1.01	0.98						9.2	8.5	1.7	3.0
HSCEI		10,295.32			8.6	8.9	7.9	(3.9)	12.6	6.4	1.39	3.9	3.8	1.08	1.01						12.6	11.3	3.2	4.8
CSI300		4,680.31			17.9	15.4	13.2	15.9	16.4	0.0	0.0	1.8	2.0	2.1	1.9						11.8	12.6	14.2	21.5
<b>Adjusted sector avg*</b>					<b>23.6</b>	<b>20.9</b>	<b>18.1</b>	<b>(13.8)</b>	<b>40.0</b>	<b>18.5</b>	<b>2.0</b>	<b>3.9</b>	<b>3.0</b>	<b>3.4</b>	<b>3.5</b>	<b>9.9</b>	<b>9.6</b>	<b>12.2</b>	<b>47.1</b>	<b>10.3</b>	<b>15.2</b>	<b>12.7</b>	<b>(3.6)</b>	<b>1.3</b>
Xtep Intl	1368 HK	2.31	751	2.3	6.8	10.4	7.3	(34.6)	41.8	3.4	3.0	8.7	5.7	0.8	0.8	3.3	5.2	0.0	43.4	8.9	11.9	7.1	(12.2)	(17.5)
Anta Sports Prod	2020 HK	70.50	24,582	81.2	32.0	31.4	21.9	2.0	43.5	22.2	1.4	1.0	1.0	8.6	7.9	16.7	17.9	0.0	55.0	15.8	29.8	24.5	(1.3)	7.9
Li Ning Co Ltd	2331 HK	24.40	7,789	47.8	35.5	34.9	25.9	1.9	34.7	19.7	1.8	0.7	0.8	7.1	7.2	20.9	21.0	0.0	49.1	10.8	23.2	19.9	(4.9)	0.2
Pou Sheng Intl	3813 HK	1.72	1,189	0.6	9.8	17.8	7.5	(45.2)	136.8	19.2	0.9	N/A	0.8	1.1	1.1	4.8	6.6	73.3	34.1	3.1	11.5	6.8	(7.0)	3.6
China Dongxiang	3818 HK	0.85	645	0.6	12.3	10.2	9.0	20.0	13.3	17.0	0.6	5.3	6.5	0.4	0.4	(3.0)	(2.7)	0.0	60.2	19.9	N/A	5.2	23.2	28.8
Annil Co Ltd-A	002875 CH	11.11	272	5.9	45.1	61.7	37.0	(26.9)	66.7	14.6	4.2	N/A	N/A	2.1	N/A	31.3	N/A	0.0	52.6	3.2	(0.6)	N/A	4.9	(14.9)
Guirenniao Co-A	603555 CH	1.79	161	1.7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3.9	N/A	(4.6)	N/A	495.7	35.5	(64.4)	(129.4)	N/A	(1.1)	(44.9)
<b>Adjusted sector avg*</b>					<b>47.1</b>	<b>77.0</b>	<b>35.6</b>	<b>(26.3)</b>	<b>125.9</b>	<b>14.8</b>	<b>14.4</b>	<b>N/A</b>	<b>0.5</b>	<b>11.3</b>	<b>10.3</b>	<b>20.0</b>	<b>31.7</b>	<b>24.4</b>	<b>49.4</b>	<b>7.6</b>	<b>24.2</b>	<b>14.7</b>	<b>2.9</b>	<b>10.7</b>
Nike Inc -Cl B	NKE US	96.28	149,719	670.3	59.1	40.7	29.8	45.0	36.9	32.1	1.27	1.0	1.1	18.7	19.32	28.1	30.4	52.5	43.4	6.8	29.7	50.1	0.5	9.5
Under Armour-A	UAA US	10.20	4,366	82.0	51.0	N/A	91.9	N/A	N/A	12.4	N/A	N/A	0.0	2.97	2.96	9.8	705.8	23.8	46.9	1.7	(28.9)	(15.1)	7.3	5.7
Lululemon Ath	LULU US	316.82	41,252	595.2	64.0	73.6	50.5	(13.1)	45.9	15.4	4.79	N/A	0.0	22.5	17.63	33.6	45.0	0.0	55.9	16.2	36.1	25.9	6.5	44.9
Adidas Ag	ADS GR	239.60	55,040	176.3	24.0	85.1	27.5	(71.9)	209.5	2.0	42.85	N/A	1.1	7.01	6.61	13.2	26.4	26.6	52.0	8.4	20.2	8.2	1.3	9.5
Puma Se	PUM GR	66.38	11,475	22.5	37.7	108.5	34.8	(65.2)	211.6	12.3	8.80	N/A	0.3	5.11	5.10	15.3	25.1	19.2	48.8	4.8	10.8	4.6	(1.0)	18.0

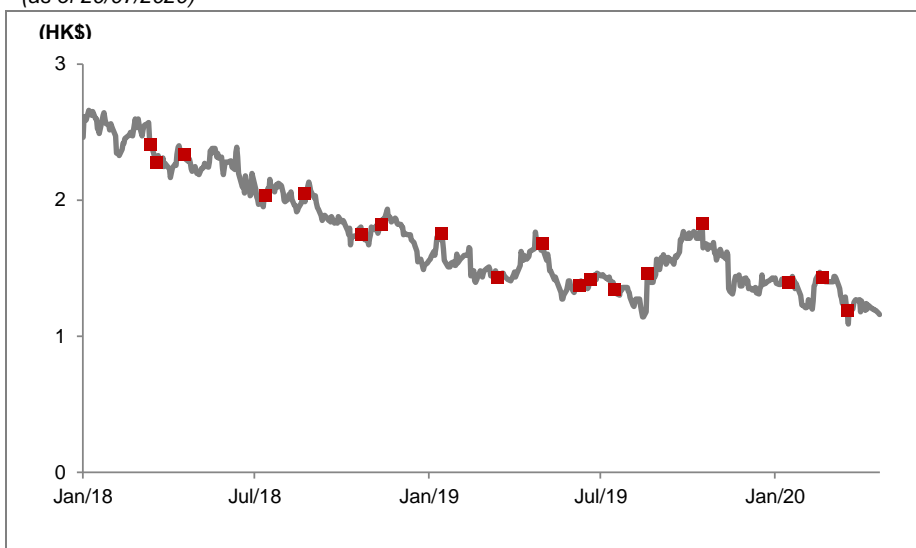
Source: Bloomberg, OP Research

## Our recent reports

Date	Company / Sector	Ticker	Title	Rating	Analyst
16/07/2020	Anta Sports	2020	More visible outlook of full revival	BUY	Megan Jin
10/07/2020	Digital China	861	Thrive on data servicing capabilities	NR	Kevin Tam
02/07/2020	S-Enjoy Service	1755	New share incentives with strong commitment	BUY	Megan Jin
02/07/2020	TCL Electronics	1070	Inject smartphone business at start of 5G replacement cycle	BUY	Dallas Cai
30/06/2020	Yeahka	9923	From payment to Fintech	BUY	Kevin Tam
19/06/2020	Powerlong CM	9909	Moving into the fast lane	NR	Dallas Cai
11/06/2020	Xtep Intl	1368	More promising prospect from FY21E	BUY	Megan Jin
08/06/2020	Edvantage Group	382	Campus capacity enlarged further	BUY	Megan Jin
04/06/2020	S-Enjoy Service	1755	Robust expansion continues	BUY	Megan Jin
04/06/2020	Greentown Services	2869	Placing for new growth initiatives - city services most likely	HOLD	Dallas Cai
28/05/2020	A-Living	3319	Positive read-across from April property sales	BUY	Dallas Cai
25/05/2020	HKBN	1310	Challenging to becoming BN leader	NR	Kevin Tam
18/05/2020	Skyworth	751	The sky getting clear	NR	Kevin Tam
14/05/2020	Ausnutria Dairy	1717	Premium products brought up GPM in 1Q20	BUY	Megan Jin/Dallas Cai
14/05/2020	China Youzan	8083	1Q loss narrowed as economies of scale kicking in	BUY	Dallas Cai
05/05/2020	HKTv	1137	HK based ecommerce on the rise	BUY	Kevin Tam/Megan Jin
23/04/2020	Edvantage Group	382	License fee saving may come earlier	BUY	Megan Jin/Dallas Cai
22/04/2020	361 Degrees Intl	1361	1Q20 retail sales in line	BUY	Megan Jin
21/04/2020	Xtep Intl	1368	1Q20 sales performance better than feared	BUY	Megan Jin/Dallas Cai
20/04/2020	Li-Ning	2331	1Q20 delivered satisfactory retail sales	BUY	Megan Jin/Dallas Cai
16/04/2020	Anta Sports	2020	Robust online FILA sales to drive 1Q20 sales beat	BUY	Dallas Cai/Megan Jin
15/04/2020	China Youzan	8083	FY19 GMV saw growth acceleration	BUY	Dallas Cai
02/04/2020	Greentown Services	2869	FY19 results largely in line	HOLD	Dallas Cai
31/03/2020	TCL Electronics	1070	FY19 results up to expectations	BUY	Dallas Cai
30/03/2020	Li-Ning	2331	A head start in FY20E with resilient operation	BUY	Dallas Cai/Megan Jin
27/03/2020	CH Display OPT	334	Lower order visibility ahead in FY20E	HOLD	Dallas Cai
27/03/2020	ChinaSoft Int'l	354	Cloud business ready to accelerate in FY20E	BUY	Dallas Cai

## Historical recommendations and target price: 361 Degrees Int'l (1361 HK)

(as of 20/07/2020)



Date	Rating	TP	Close	Date	Rating	TP	Close
1 03 May 2019	BUY	HK\$2.37	HK\$1.52	6 18 Oct 2019	BUY	HK\$2.37	HK\$1.83
2 11 Jun 2019	BUY	HK\$2.37	HK\$1.78	7 17 Jan 2020	BUY	HK\$2.37	HK\$1.39
3 24 Jun 2019	BUY	HK\$2.37	HK\$1.50	8 24 Feb 2020	BUY	HK\$2.37	HK\$1.43
4 17 Jul 2019	BUY	HK\$2.37	HK\$1.42	9 19 Mar 2020	BUY	HK\$2.10	HK\$1.19
5 21 Aug 2019	BUY	HK\$2.37	HK\$1.55	10 22 Apr 2020	BUY	HK\$1.80	HK\$1.16

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<b>Relevant Benchmark</b>	Represents the stock closing price as at the date quoted in this report.

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