

361 Degrees (1361 HK)

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Company update

BUY

Maintain

Close price: HK\$4.44

Target Price: HK\$6.00(+35.1%)

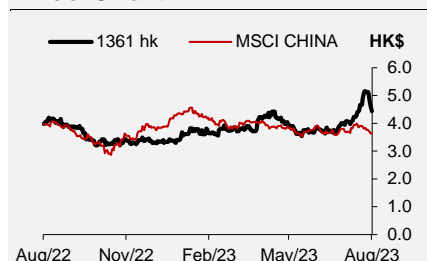
Prior TP: HK\$5.80

Key Data

| | |
|-----------------------|------------------------|
| HKEx code | 1361 HK |
| 12 Months High (HK\$) | 5.30 |
| 12 Month Low (HK\$) | 3.04 |
| 3M Avg Dail Vol. (mn) | 2.50 |
| Issue Share (mn) | 2,067.68 |
| Market Cap (HK\$mn) | 9,180.51 |
| Fiscal Year | 12/2022 |
| Major shareholder (s) | Ding's Family (48.99%) |

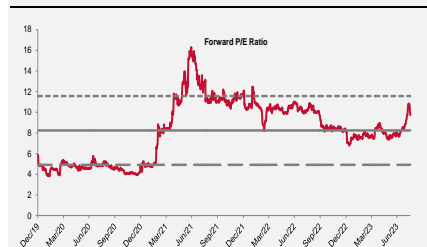
Source: Company data, Bloomberg, OP Research
Closing price as of 17 Aug 2023

Price Chart



| | 1mth | 3mth | 6mth |
|-------------------|-------|-------|-------|
| Absolute % | +12.7 | +13.8 | +22.0 |
| Rel. MSCI CHINA % | +14.8 | +17.4 | +34.1 |

PE



Company Profile

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

1H23 net profit rose 27.7%, resumes dividend payout

- 1H23 net profit rose 27.7% yoy to RMB703.6mn. Meanwhile, revenue rose 18.0% yoy to RMB 4.31bn.
- 361 Degrees restarted dividends since the outbreak of the Covid pandemic. Interim DPS was HK\$0.065, representing dividend payout ratio of 17.6%.
- Maintain BUY and lift TP to HK\$6.00, representing a PER of 12.0x in FY23E.

1H23 net profit rose 27.7% yoy. The robust growth in net profit was mainly driven by (1) the strong sales growth, (2) a jump in government grant (+4.4x yoy to RMB107mn), (3) a reversal of expected credit losses allowance on trade receivable of RMB40mn as compared to a provision of credit losses allowance of RMB15.3mn in 1H22, and (4) a stringent control of staff costs (+0.4% yoy to RMB306mn). We are impressed by the strong growth in footwear. The segment reported a 28.4% increase in sales. In particular, sales of running shoes and basketball shoes grew by 40%/20% yoy. This is partly driven by its collaboration with professional athletes and basketball stars, and the enhancement of professional sporting functionality in its products.

Kids' wear and e-commerce shine. For Kids' wear, the segment's revenue rose 33.4% on the back of double digit growth in both the sales volume and the average wholesale selling price. In addition to the integration of professional functionality and health technology in kids' wear, it adds trendy elements through co-branded IP collaboration. Meanwhile, 361° Kids continues to expand the offline sales network (+160 in 1H23 to 2,448). For e-commerce, it reported a 38.0% yoy growth in sales of web exclusive products. Of which the company reported a 43% yoy increase in cumulative sales during the "618" Shopping Festival.

Restart paying dividends. 361 Degrees declared an interim DPS of HK\$0.065 in 1H23, the first time since the outbreak of the Covid pandemic. 361 Degrees explained the adoption of a conservative dividend policy due to uncertain retail market sentiment and to reserve cash for potential M&A. It promises a gradual increase in the dividend payout ratio in the future.

Promising outlook. 361 Degrees said retail sales in Jul and Aug posed double-digit growth, which is similar to that in Q1 and Q2. We think 361 Degrees can deliver the revenue growth guidance of 15-20% this year on the back of continuous effort in product upgrades and brand building. The company explores business opportunities in more segments, such as women's fitness.

Maintain BUY and lift TP to HK\$6.00. This is based on the 12.0x FY23E PER. We slightly tune up our EPS estimate on 361 Degrees by 2.8%/0.3% for FY23E/24E. We think the market has overreacted to a stingy dividend payout in 1H23. The strong retail performance in recent quarters is believed to narrow the price discount toward leading domestic sportswear peers.

Risks: (1) Weakening retail market, (2) brand damage.

Exhibit 1: Forecast and Valuation

| Year to Dec (RMB mn) | FY20 | FY21 | FY22 | FY23E | FY24E |
|----------------------------|-------|-------|-------|-------|-------|
| Revenue | 5,127 | 5,933 | 6,961 | 8,248 | 9,572 |
| Growth (%) | -9.0 | +15.7 | +17.3 | +18.5 | +16.0 |
| Net profit | 415 | 602 | 747 | 954 | 1,107 |
| Growth (%) | -3.9 | +44.8 | +24.2 | +27.7 | +16.0 |
| Diluted EPS (HK\$) | 0.241 | 0.355 | 0.416 | 0.498 | 0.573 |
| EPS growth (%) | -3.9 | +47.2 | +17.0 | +19.9 | +14.9 |
| Change to previous EPS (%) | | | | +2.8 | +0.3 |
| Consensus EPS (HK\$) | | | | 0.472 | 0.560 |
| ROE (%) | 5.8 | 7.5 | 8.3 | 9.7 | 10.2 |
| P/E (x) | 18.4 | 12.5 | 10.7 | 8.9 | 7.8 |
| P/B (x) | 1.2 | 1.1 | 1.0 | 1.0 | 0.9 |
| Yield (%) | 0.0 | 0.0 | 0.0 | 2.2 | 3.2 |
| DPS (HK\$) | 0.000 | 0.000 | 0.000 | 0.100 | 0.143 |

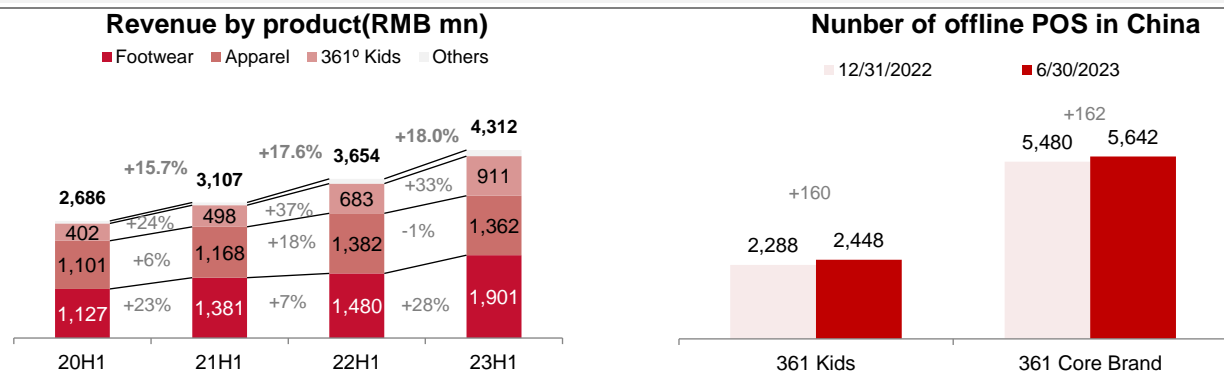
Source: Bloomberg, OP Research

Exhibit 2: 1H23 results review

| | 1H23 | 1H22 | Change | Remark |
|---------------------------------------|-------|-------|----------|--|
| Profitability Data (in RMB mn) | | | (%) | |
| Revenue | 4,312 | 3,654 | +18.0% | The growth was mainly driven by footwear (+28.4% yoy) and kids' wear(+33.4% yoy). |
| Gross profit | 1,796 | 1,516 | +18.5% | |
| Operating profit | 993 | 772 | +28.6% | This is mainly driven by a jump in government grant (+4.4x yoy to RMB107mn) and a reversal of expected credit losses allowance on trade receivable of RMB40mn as compared to a provision of credit losses allowance of RMB15.3mn in 1H22 |
| Profit attributable to shareholders | 704 | 551 | +27.7% | |
| EPS(Basic) | 0.340 | 0.267 | +27.3% | |
| Profitability Ratios (%) | | | | |
| GPM | 41.7% | 41.5% | +0.2 p.p | The improvement was mainly thanks to: (1) the higher sales mix of footwear which has a higher GPM (43.5%), and (2) the GPM of kids' wear improved 1.7p.p. to 42.4%. This offset a decline in GPM (-1.4p.p. to 40.1%) for apparel. |
| Operating profit margin | 23.0% | 21.1% | +1.9 p.p | |
| NPM | 16.3% | 15.1% | +1.2 p.p | |
| Effective income tax rate | 22.1% | 21.3% | +0.8 p.p | |
| ROE | 8.4% | 7.4% | +1.0 p.p | |
| Operating ratio (% to revenue) | | | | |
| Advertising and promotional expenses | 8.8% | 9.2% | -0.4 p.p | |
| Staff costs | 7.1% | 8.3% | -1.2p.p | |
| R&D | 3.2% | 3.1% | +0.1 p.p | |

Sources: The Company, OP Research

Exhibit 3: 361 Degrees operating performance



Sources: The Company, OP Research

Exhibit 4: Retail sales performance for 361° Core Brand, 361° Kids, and 361° E-commerce products from 2021

| | 1Q21 | 2Q21 | 3Q21 | 4Q21 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | 1Q23 | 2Q23 |
|-----------------|-----------------|----------|-------------|--------------|--------------|-------------|-------------|------|-------------|-------------|
| 361° Core Brand | + High-teens | + 15-20% | + Low-teens | + High-teens | + High-teens | + Low-teens | + Mid-teens | Flat | + Low-teens | + Low-teens |
| 361° Kids | +Low-twenties | + 30-35% | +15-20% | +25-30% | +20-25% | +20-25% | +20-25% | +LSD | +20-25% | +20-25% |
| 361° E-commerce | (Not disclosed) | | | +35-40% | +50% | +40% | +45% | +25% | +35% | +30% |

Sources: Company, OP Research

Exhibit 5: Retail sales performance of 361° and its peers

| Brand | Indicator | 1Q22 | 2Q22 | 3Q22 | 4Q22 | 1Q23 | 2Q23 |
|-----------------|---|----------------|-------------|-------------|-------------|-------------|-------------|
| 361° Core Brand | Retail sales | + High-teens | + Low-teens | + Mid-teens | Flat | + Low-teens | + Low-teens |
| Anta | Retail sales | + High-teens | -MSD | +MSD | - HSD | +MSD | +HSD |
| Liling | Retail sell-through (Overall POS) | +High-twenties | - HSD | + Mid-teens | - Low-teens | +MSD | + Mid-teens |
| Xtep | Retail sell-through | +30-35% | +Mid-teens | +20-25% | -HSD | +20% | +High-teens |
| Nike | Net sales- Greater China (Local currency) | -8% | -20% | -13% | +6% | +1% | +25% |
| | | (Ended Feb) | (Ended May) | (Ended Aug) | (Ended Nov) | (Ended Feb) | (Ended May) |
| Adidas | Net sales- Greater China (Local currency) | -34.6% | -35.1% | -26.6% | -49.7% | -9.4% | +16.4% |

Sources: Companies, OP Research

Exhibit 6: Earnings Revision

| (RMB mn) | FY23E | | | FY24E | | | OP Comments |
|--------------------|-------|-------|---------|-------|-------|----------|-------------|
| | New | Old | % Chg | New | Old | % Chg | |
| Revenue | 8,248 | 8,022 | +2.8 | 9,572 | 8,992 | +6.5 | |
| Gross margin | 41.0% | 41.0% | 0.0p.p. | 41.5% | 41.5% | 0.0 p.p. | |
| Net Profit | 954 | 904 | +5.5 | 1,107 | 1,072 | +3.3 | |
| Diluted EPS (HK\$) | 0.498 | 0.485 | +2.8 | 0.573 | 0.571 | +0.3 | |

Source: OP Research

Exhibit 7: Peer Group Comparison

| Company | Ticker | Price | Mkt cap (US\$m) | 3-mth avg t/o (US\$m) | PER | | | 3-Yr EPS Cagr (%) | PEG (x) | Div yld | | P/B | | ROE | | Sh px | |
|----------------------|---------|-----------|--------------------|-----------------------------|----------|---------|---------|----------------------------|------------|----------|---------|----------|---------|----------|---------|---------|---------|
| | | | | | Hist (x) | FY1 (x) | FY2 (x) | | | Hist (%) | FY1 (%) | Hist (x) | FY1 (x) | Hist (%) | FY1 (%) | 1-mth % | 3-mth % |
| 361 Degrees | 1361 HK | 4.44 | 1,173 | 1.4 | 10.7 | 8.9 | 7.8 | 16.7 | 0.5 | 0.0 | 2.2 | 1.0 | 1.0 | 8.3 | 9.7 | +12.7 | +13.8 |
| HSI | | 18,326.63 | | | 9.2 | 9.2 | 8.4 | 6.0 | 1.5 | 3.8 | 3.88 | 1.0 | 1.0 | 10.8 | 11.0 | -5.6 | -6.3 |
| HSCEI | | 6,292.33 | | | 8.2 | 8.5 | 7.6 | 6.3 | 1.3 | 3.6 | 3.65 | 0.9 | 1.0 | 11.2 | 11.4 | -4.1 | -5.2 |
| CSI300 | | 3,831.10 | | | 13.6 | 12.2 | 10.5 | 0.0 | 0.0 | 2.6 | 2.6 | 1.6 | 1.5 | 11.9 | 12.5 | -0.9 | -3.3 |
| Adjusted sector avg* | | | | | 21.5 | 15.0 | 12.3 | 20.0 | 0.8 | 3.0 | 3.1 | 2.8 | 2.7 | 12.1 | 14.4 | +0.2 | -9.9 |
| Xtep Intl | 1368 HK | 8.10 | 2,730 | 6.8 | 20.7 | 17.4 | 14.0 | 21.5 | 0.8 | 2.5 | 2.9 | 2.4 | 2.4 | 11.4 | 12.8 | +2.9 | -6.9 |
| Anta Sports Prod | 2020 HK | 81.20 | 29,383 | 67.8 | 26.9 | 22.2 | 18.5 | 19.7 | 1.1 | 1.7 | 2.0 | 6.0 | 5.3 | 24.0 | 23.7 | -3.9 | -6.6 |
| Li Ning Co Ltd | 2331 HK | 40.75 | 13,723 | 102.5 | 24.5 | 22.3 | 18.5 | 16.2 | 1.4 | 1.2 | 1.7 | 3.6 | 3.9 | 16.8 | 17.2 | -3.7 | -16.1 |
| Pou Sheng Intl | 3813 HK | 0.67 | 456 | 0.6 | 36.4 | 6.7 | 4.5 | 116.3 | 0.1 | N/A | 3.7 | 0.4 | 0.4 | 1.1 | 6.0 | +8.1 | -11.8 |
| China Dongxiang | 3818 HK | 0.29 | 218 | 0.1 | 13.8 | 5.4 | 4.5 | N/A | N/A | 4.5 | 14.8 | 0.2 | 0.2 | 1.2 | 2.8 | -4.9 | -7.9 |
| Topsports Intl | 6110 HK | 6.85 | 5,427 | 6.9 | 21.6 | 16.1 | 13.5 | 22.6 | 0.7 | 5.2 | 5.5 | 4.0 | 3.8 | 18.0 | 23.9 | +2.8 | 4.8 |

Sources: Bloomberg, OP Research

Financial Summary

| Year to Dec | FY20 | FY21 | FY22 | FY23E | FY24E |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Income Statement (RMB mn) | | | | | |
| Footwear | 2,081 | 2,532 | 2,854 | 3,567 | 4,102 |
| Apparel | 2,002 | 2,147 | 2,447 | 2,570 | 2,878 |
| Accessories | 53 | 69 | 96 | 115 | 126 |
| 361 Kids | 932 | 1,107 | 1,442 | 1,875 | 2,344 |
| Others | 59 | 79 | 122 | 122 | 122 |
| Turnover | 5,127 | 5,933 | 6,961 | 8,248 | 9,572 |
| YoY% | -9.0 | +15.7 | +17.3 | +18.5 | +16.0 |
| COGS | -3,185 | -3,461 | -4,140 | -4,865 | -5,599 |
| Gross profit | 1,942 | 2,472 | 2,821 | 3,384 | 3,973 |
| Gross margin | 37.9% | 41.7% | 40.5% | 41.0% | 41.5% |
| Other income | 226 | 227 | 145 | 232 | 172 |
| Selling & distribution | -964 | -1,140 | -1,433 | -1,634 | -1,844 |
| Admin | -237 | -312 | -276 | -313 | -345 |
| R&D | -205 | -247 | -266 | -313 | -364 |
| Other opex | 0 | 0 | 0 | 0 | 0 |
| Total opex | -1,405 | -1,698 | -1,975 | -2,260 | -2,553 |
| Operating profit (EBIT) | 763 | 1,001 | 991 | 1,356 | 1,592 |
| Operating margin | 14.9% | 16.9% | 14.2% | 16.4% | 16.6% |
| Provisions | 0 | 0 | 0 | 0 | 0 |
| Interest Income | 106 | 81 | 83 | 94 | 104 |
| Finance costs | -167 | -37 | -9 | -9 | -9 |
| Profit after financing costs | 702 | 1,045 | 1,065 | 1,441 | 1,687 |
| Associated companies & JVs | 0 | 0 | 0 | 0 | 0 |
| Pre-tax profit | 702 | 1,045 | 1,065 | 1,441 | 1,687 |
| Tax | -206 | -303 | -248 | -360 | -422 |
| Minority interests | -80 | -141 | -70 | -127 | -158 |
| Net profit | 415 | 602 | 747 | 954 | 1,107 |
| YoY% | -3.9 | +44.8 | +24.2 | +27.7 | +16.0 |
| Net margin | 8.1% | 10.1% | 10.7% | 11.6% | 11.6% |
| EBITDA | 857 | 1,074 | 1,072 | 1,430 | 1,656 |
| EBITDA margin | 16.7% | 18.1% | 15.4% | 17.3% | 17.3% |
| EPS (HK\$) | 0.241 | 0.355 | 0.416 | 0.498 | 0.573 |
| YoY% | -3.9 | +47.2 | +17.0 | +19.9 | +14.9 |
| DPS (HK\$) | 0.000 | 0.000 | 0.000 | 0.100 | 0.143 |
| Year to Dec | FY20 | FY21 | FY22 | FY23E | FY24E |
| Cash Flow (RMB mn) | | | | | |
| EBITDA | 857 | 1,074 | 1,060 | 1,430 | 1,656 |
| Chg in working cap | -511 | -471 | -620 | -295 | -554 |
| Others | -51 | 68 | 226 | 0 | 0 |
| Operating cash | 295 | 671 | 666 | 1,134 | 1,102 |
| Interest received | 0 | 0 | 0 | 0 | 0 |
| Tax | -274 | -299 | -285 | -386 | -360 |
| Net cash from operations | 21 | 372 | 380 | 748 | 742 |
| Capex | -7 | -9 | -31 | -19 | -22 |
| Investments | 0 | 0 | 0 | 0 | 0 |
| Decrease(increase) in deposits | 168 | 1,000 | 0 | 0 | 0 |
| Sales of assets | 0 | 0 | 0 | 0 | 0 |
| Interests received | 100 | 68 | 85 | 94 | 104 |
| Others | -6 | 10 | 31 | 0 | 0 |
| Investing cash | 255 | 1,069 | 85 | 75 | 82 |
| FCF | 276 | 1,441 | 465 | 823 | 824 |
| Issue of shares | 0 | 0 | 0 | 0 | 0 |
| Buy-back | 0 | 0 | 0 | 0 | 0 |
| Minority interests | 350 | 200 | -34 | 0 | 0 |
| Dividends paid | -28 | 0 | 0 | -191 | -231 |
| Interest paid | -156 | -36 | -9 | -9 | -9 |
| Net change in bank loans | 100 | -1,721 | 84 | 0 | 0 |
| Others | -508 | 5 | 19 | 0 | 0 |
| Financing cash | -243 | -1,552 | 59 | -201 | -241 |
| Net change in cash | 33 | -111 | 525 | 622 | 583 |
| Exchange rate or other Adj | -4 | -1 | -3 | 0 | 0 |
| Opening cash | 3,422 | 3,451 | 3,339 | 3,860 | 4,483 |
| Closing cash | 3,451 | 3,339 | 3,860 | 4,483 | 5,066 |
| CFPS (HK\$) | 0.01 | 0.22 | 0.21 | 0.39 | 0.38 |

Source: Company, OP Research

| Year to Dec | FY20 | FY21 | FY22 | FY23E | FY24E |
|--------------------------------|------------|------------|------------|------------|-------------|
| Ratios | | | | | |
| Gross margin (%) | 37.9 | 41.7 | 40.5 | 41.0 | 41.5 |
| Operating margin (%) | 14.9 | 16.9 | 14.2 | 16.4 | 16.6 |
| Net margin (%) | 8.1 | 10.1 | 10.7 | 11.6 | 11.6 |
| Selling & dist'n exp/Sales (%) | 18.8 | 19.2 | 20.6 | 19.8 | 19.3 |
| Admin exp/Sales (%) | 4.6 | 5.2 | 4.0 | 3.8 | 3.6 |
| R&D/Rev (%) | 3.5 | 4.2 | 3.8 | 3.8 | 3.8 |
| A&P/Rev (%) | 9.6 | 10.2 | 11.4 | 11.0 | 11.0 |
| Staff cost/Rev (%) | 9.6 | 8.5 | 7.5 | 6.7 | 6.0 |
| Payout ratio (%) | 0.0 | 0.0 | 0.0 | 20.0 | 25.0 |
| Effective tax (%) | 29.4 | 29.0 | 23.3 | 25.0 | 25.0 |
| Total debt/equity (%) | 25.6 | 2.4 | 3.1 | 2.8 | 2.6 |
| Net debt/equity (%) | Net cash | Net cash | Net cash | Net cash | Net cash |
| Current ratio (x) | 2.6 | 3.8 | 3.9 | 4.0 | 3.9 |
| Quick ratio (x) | 2.4 | 3.4 | 3.5 | 3.6 | 3.5 |
| Inventory T/O (days) | 111 | 87 | 91 | 91 | 91 |
| AR T/O (days) | 159 | 149 | 147 | 147 | 147 |
| AP T/O (days) | 233 | 203 | 195 | 195 | 195 |
| Cash conversion cycle (days) | 37 | 34 | 44.1 | 44.1 | 44.1 |
| Asset turnover (x) | 0.4 | 0.5 | 0.6 | 0.6 | 0.7 |
| Financial leverage (x) | 1.7 | 1.4 | 1.3 | 1.3 | 1.3 |
| EBIT margin (%) | 14.9 | 16.9 | 14.2 | 16.4 | 16.6 |
| Interest burden (x) | 0.9 | 1.0 | 1.1 | 1.1 | 1.1 |
| Tax burden (x) | 0.6 | 0.6 | 0.7 | 0.7 | 0.7 |
| Return on equity (%) | 5.8 | 7.5 | 8.3 | 9.7 | 10.2 |

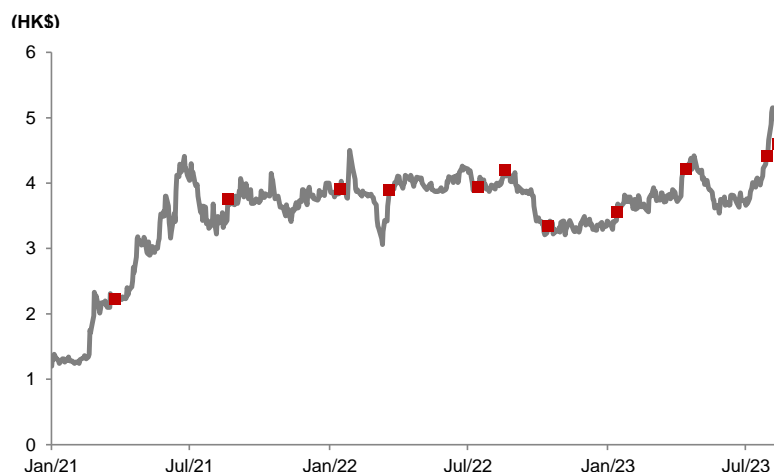
| Year to Dec | FY20 | FY21 | FY22 | FY23E | FY24E |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| Balance Sheet (RMB mn) | | | | | |
| Fixed assets | 883 | 823 | 773 | 719 | 678 |
| Right-of-use assets | 110 | 105 | 102 | 102 | 102 |
| Other financial asset | 18 | 27 | 33 | 33 | 33 |
| Deposits and prepayments | 89 | 102 | 93 | 93 | 93 |
| Other non-current assets | 82 | 98 | 151 | 151 | 151 |
| Non-current assets | 1,181 | 1,155 | 1,152 | 1,098 | 1,057 |
| Inventories | 763 | 891 | 1,182 | 1,218 | 1,402 |
| AR | 2,257 | 2,600 | 3,024 | 3,332 | 3,867 |
| Prepayments & deposits | 906 | 1,201 | 1,193 | 1,413 | 1,640 |
| Other current assets | 0 | 0 | 0 | 0 | 0 |
| Deposits/restricted cash | 3,063 | 2,052 | 2,024 | 2,024 | 2,024 |
| Cash | 3,451 | 3,339 | 3,860 | 4,483 | 5,066 |
| Current assets | 10,440 | 10,083 | 11,284 | 12,470 | 13,999 |
| AP | 1,756 | 2,092 | 2,327 | 2,596 | 2,988 |
| Tax | 346 | 368 | 386 | 360 | 422 |
| Accruals & other payables | 0 | 0 | 0 | 0 | 0 |
| Bank loans & leases | 1,939 | 208 | 193 | 193 | 193 |
| CB & other debts | 0 | 0 | 0 | 0 | 0 |
| Other current liabilities | 0 | 0 | 0 | 0 | 0 |
| Current liabilities | 4,041 | 2,668 | 2,906 | 3,149 | 3,602 |
| Bank loans & leases | 0 | 0 | 100 | 100 | 100 |
| CB & other debts | 0 | 0 | 0 | 0 | 0 |
| Deferred tax & others | 14 | 14 | 13 | 13 | 13 |
| Non-current liabilities | 14 | 14 | 113 | 113 | 113 |
| Total net assets | 7,566 | 8,556 | 9,418 | 10,307 | 11,341 |
| Shareholder's equity | 6,609 | 7,117 | 7,944 | 8,706 | 9,582 |
| Share capital | 182 | 182 | 182 | 182 | 182 |
| Reserves | 6,427 | 6,934 | 7,761 | 8,524 | 9,400 |
| MI | 957 | 1,439 | 1,474 | 1,601 | 1,759 |
| BVPS (HK\$) | 3.84 | 4.20 | 4.42 | 4.55 | 4.96 |

Our recent reports

| Date | Company / Sector | Stock Code | Title | Rating | Analyst |
|------------|---------------------|------------|---|--------|-----------|
| 04/08/2023 | 361 Degrees | 1361 | 1H23 net profit grow by more than 25% | BUY | John Siah |
| 04/08/2023 | Xinyi Energy | 3868 | 1H23 net profit in-line, dividend payout ratio cut to 49% | HOLD | John Siah |
| 04/08/2023 | Greentown Mgmt | 9979 | Impressive results in 1H23 backed by strong contracts growth | BUY | John Siah |
| 31/07/2023 | Edvantage Group | 382 | 9M22/23 operating results in-line with expectation | BUY | John Siah |
| 03/07/2023 | China Water Affairs | 855 | FY22/23 earnings slightly declined, pipeline direct drinking water shines | BUY | John Siah |
| 22/05/2023 | Newborn Town | 9911 | Fine-tuning content ecology to further monetize new social networking products | BUY | John Siah |
| 05/05/2023 | China Edu Group | 839 | FY1H23 results up to expectations | BUY | John Siah |
| 04/05/2023 | Edvantage Group | 382 | FY1H23 results showed the strong organic growth | BUY | John Siah |
| 27/04/2023 | New Higher Edu | 2001 | FY1H23 results in-line | BUY | John Siah |
| 19/04/2023 | 361 Degrees | 1361 | 2023Q1 sales bounced as expected | BUY | John Siah |
| 24/03/2023 | Micro Connect | - | Releasing the investment value of SMEs in China through technological innovation(中/ENG) | NR | John Siah |
| 02/03/2023 | Xinyi Energy | 3868 | FY22 results miss, expecting a rebound for FY23E | BUY | John Siah |
| 24/02/2023 | Edvantage Group | 382 | FY23Q1 operations on track | BUY | John Siah |
| 13/02/2023 | Newborn Town | 9911 | More social apps expecting to begin bearing fruit | BUY | John Siah |
| 02/02/2023 | China Water Affairs | 855 | Tapping into opportunities in the direct drinking water market | BUY | John Siah |
| 18/01/2023 | 361 Degrees | 1361 | The worst has likely passed | BUY | John Siah |
| 05/12/2022 | China Edu Group | 839 | Higher vocational education leads the growth | BUY | John Siah |
| 05/12/2022 | New Higher Edu | 2001 | FY22 results slightly beat, emphasis on quality education | BUY | John Siah |
| 29/11/2022 | Edvantage Group | 382 | FY22 earnings beat, moderate growth ahead | BUY | John Siah |
| 20/10/2022 | 361 Degrees | 1361 | Lockdown may impact sales in Q4 | BUY | John Siah |
| 20/10/2022 | Greentown Mgmt | 9979 | Impressive new contracts growth in Q3 under severe headwinds | BUY | John Siah |

Historical recommendations and target price: 361 Degrees (1361 HK)

(as of 17 Aug 2023)



| Date | Rating | TP | Close | Date | Rating | TP | Close |
|----------------|--------|------|-------|----------------|--------|------|-------|
| 1 17 Jul 2019 | BUY | 2.54 | 1.32 | 11 21 Jan 2022 | BUY | 4.80 | 3.91 |
| 2 20 Aug 2019 | BUY | 2.54 | 1.44 | 12 25 Mar 2022 | BUY | 5.25 | 3.89 |
| 3 17 Oct 2019 | BUY | 2.37 | 1.81 | 13 20 Jul 2022 | BUY | 5.25 | 3.94 |
| 4 16 Jan 2020 | BUY | 2.37 | 1.37 | 14 26 Aug 2022 | BUY | 5.25 | 4.14 |
| 5 21 Feb 2020 | BUY | 2.37 | 1.41 | 15 20 Oct 2022 | BUY | 4.60 | 3.34 |
| 6 18 Mar 2020 | BUY | 2.10 | 1.18 | 16 18 Jan 2023 | BUY | 4.60 | 3.43 |
| 7 21 Apr 2020 | BUY | 1.80 | 1.15 | 17 19 Apr 2023 | BUY | 5.00 | 4.22 |
| 8 21 Jul 2020 | BUY | 1.57 | 1.22 | 18 4 Aug 2023 | BUY | 5.80 | 4.46 |
| 9 29 Mar 2021 | BUY | 2.85 | 2.18 | 19 18 Aug 2023 | BUY | 6.00 | 4.44 |
| 10 25 Aug 2021 | BUY | 4.35 | 3.75 | | | | |

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| | |
|---------------------------|--|
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| Hold (H) | We expect this stock to perform in line with the relevant benchmark over the next 12 months. |
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