

# 361 Degrees (1361 HK)

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## Company Update

**BUY**
**UNCHANGED**

Close price: HK\$1.55

Target Price: HK\$2.37 (+53%)

Prior TP: HK\$2.37

### Key Data

HKEx code	1361 HK
12 Months High (HK\$)	2.35
12 Month Low (HK\$)	1.18
3M Avg Dail Vol. (mn)	1.19
Issue Share (mn)	2,067.60
Market Cap (HK\$mn)	3,204.78
Fiscal Year	12/2018
Major shareholder (s)	Director Ding Wuhao 16.70%

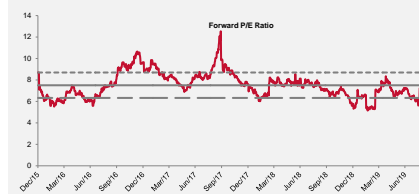
Source: Company data, Bloomberg, OP Research  
Closing price are as of 20/08/2019

### Price Chart



	1mth	3mth	6mth
Absolute %	12.3	14.8	2.0
Rel. MSCI CHINA %	16.0	13.1	9.6

### PE



### Company Profile

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

## 1H19 results in line

- 361 Degrees released 1H19 results with revenue/net earnings up 7.3%/9.7% yoy to RMB3,237mn/RMB367mn, in line with OP expectations.
- The company proposed RMB8.2 cents dividend payout, 46% of EPS 1H19.
- We fine tune our FY19/20E earnings estimate by 5.3%/4.8% to RMB429mn/RMB508mn respectively.
- Maintain BUY with TP HK\$2.37 unchanged based on 8x FY20E PE (previously 10x FY19E PE).

**1H19 results in line with expectations.** 361 Degrees released its 1H19 results with revenue up 7.3% to RMB3,237mn with core brand up by 7.5% to RMB2,808mn and 361 Kids up by 6.6% to RMB388mn. GPM decreased to 40.9%, from 41.6% in 1H18, dragged by apparel and accessories. Operating profit was up by 1.7% impacted from unexpected decrease in government grants. Net earnings contributable to shareholders recorded 9.7% growth to RMB367mn.

The company proposed an interim dividend of RMB7.2 cents plus a special dividend of RMB1.0 cent in celebration of its 10<sup>th</sup> listing anniversary. Payout ratio thus rose to 46%, compared with 43% in FY18. Dividend yield stands high at 6.4% despite the stock price rally of 24% by market close on interim day.

**We fine tune our FY19/20E revenue estimate by 2.8%/2.7% to RMB5,606mn/RMB5,925mn** to reflect higher-than-expected AWP (average wholesale price) witnessed in all major categories. Given improved cost control expected to maintain for the 2H19E, namely ~1 ppt yoy decrease in SG&A ratio to 24.1% in 1H19, we lift our earnings forecasts for FY19/20E by 5.3%/4.8% to RMB429mn/RMB508mn accordingly.

**Maintain BUY.** We maintain our BUY rating with TP HK\$2.37 unchanged based on 8x FY20E PE, representing 60% discount to its peers.

**Risks:** (1) Unsatisfactory market recognition for its higher-priced new products; (2) channel inventory build-up; (3) severe-than expected volume decline.

### Exhibit 1: Forecast and Valuation

Year to Dec (RMB mn)	FY17	FY18	FY19E	FY20E	FY21E
Revenue	5,158.2	5,187.4	5,605.9	5,924.7	6,187.9
Growth (%)	2.7	0.6	8.1	5.7	4.4
Net Profit	456.7	303.7	429.3	508.1	562.9
Growth (%)	13.4	(33.5)	41.4	18.3	10.8
Diluted EPS (HK\$)	0.265	0.176	0.250	0.296	0.328
EPS growth (%)	8.9	(33.5)	41.7	18.3	10.8
Change to previous EPS (%)			5.3	4.8	
Consensus EPS (HK\$)			0.276	0.306	
ROE (%)	8.3	5.3	7.2	8.0	8.5
P/E (x)	5.8	8.8	6.2	5.2	4.7
P/B (x)	0.5	0.5	0.4	0.4	0.4
Yield (%)	6.8	4.9	6.4	7.6	8.5
DPS (HK\$)	0.106	0.076	0.100	0.118	0.131

Source: Bloomberg, OP Research

## Exhibit 2: Earnings Revision

(RMB mn)	FY19E			FY20E			OP Comments
	New	Old	% Chg	New	Old	% Chg	
<b>Revenue</b>	<b>5,606</b>	<b>5,455</b>	<b>2.8</b>	<b>5,925</b>	<b>5,769</b>	<b>2.7</b>	to factor in AWP increase in all major categories
Gross profit	2,277	2,215	2.8	2,407	2,344	2.7	
Gross margin	40.6%	40.6%	0.0	40.6%	40.6%	0.0	
Opex	(1,497)	(1,469)	1.9	(1,494)	(1,467)	1.8	cost control expected to maintain for 2H19E
EBIT	886	851	4.1	1,018	981	3.8	
Net Profit	429	408	5.3	508	485	4.8	
Diluted EPS (HK\$)	0.250	0.237	5.3	0.296	0.282	4.8	

Source: OP Research

**Exhibit 3: 1H19 results review**

(RMB mn)	1H17	2H17	1H18	2H18	1H19	FY17	FY18	FY19E
<b>Revenue</b>	<b>2,798</b>	<b>2,360</b>	<b>3,017</b>	<b>2,171</b>	<b>3,237</b>	<b>5,158</b>	<b>5,187</b>	<b>5,606</b>
COGS	(1,614)	(1,388)	(1,761)	(1,320)	(1,914)	(3,002)	(3,082)	(3,328)
<b>Gross profit</b>	<b>1,184</b>	<b>972</b>	<b>1,256</b>	<b>850</b>	<b>1,323</b>	<b>2,156</b>	<b>2,106</b>	<b>2,277</b>
Other income & gains	36	105	116	(14)	44	140	103	105
Selling exp	(392)	(327)	(485)	(279)	(508)	(719)	(764)	(779)
Admin exp	(244)	(258)	(278)	(267)	(272)	(503)	(545)	(516)
Other opex	4	(178)	(24)	(191)	(2)	(173)	(215)	(202)
<b>Operating profit (EBIT)</b>	<b>588</b>	<b>314</b>	<b>585</b>	<b>100</b>	<b>585</b>	<b>902</b>	<b>685</b>	<b>886</b>
Provisions or other items	0	0	0	0	6	0	0	0
Interest income	41	45	46	52	56	86	98	103
Finance costs	(108.3)	(105.5)	(100.9)	(110.7)	(108.2)	(213.8)	(211.6)	(226.1)
Profit after financing costs	521	253	530	41	540	774	571	763
Associated cos	(0)	0	(0)	0	0	0	0	0
Jointly controlled cos	0	0	0	0	0	0	0	0
Pre-tax profit	521	253	530	41	540	774	571	763
Tax	(202)	(105)	(187)	(79)	(183)	(307)	(265)	(305)
Minority interests	(0.94)	(9.63)	(8.07)	6	10.93	(10.57)	(1.71)	(28.27)
<b>Net profit</b>	<b>318</b>	<b>139</b>	<b>335</b>	<b>(31)</b>	<b>367</b>	<b>457</b>	<b>304</b>	<b>429</b>
<b>HoH%</b>								
Revenue	13%	-16%	28%	-28%	49%	n.a.	n.a.	n.a.
Gross profit	13%	-18%	29%	-32%	56%	n.a.	n.a.	n.a.
Net profit	146%	-56%	142%	-109%	n.a.	n.a.	n.a.	n.a.
<b>YoY%</b>								
Revenue	9.5%	-4.3%	7.8%	-8.0%	7.3%	2.7%	0.6%	8.1%
Gross profit	11.8%	-7.5%	6.0%	-12.6%	5.3%	2.2%	-2.3%	8.1%
Net profit	16.5%	7.0%	5.3%	-122.5%	9.7%	13.4%	-33.5%	41.4%
<b>Key ratios</b>								
GPM	42.3%	41.2%	41.6%	39.2%	40.9%	41.8%	40.6%	40.6%
Selling exp	14.0%	13.9%	16.1%	12.8%	15.7%	13.9%	14.7%	13.9%
Admin exp	8.7%	10.9%	9.2%	12.3%	8.4%	9.7%	10.5%	9.2%
EIT	38.7%	41.5%	35.2%	191.4%	33.9%	39.6%	46.5%	40.0%
Net margin	11.4%	5.9%	11.1%	-1.4%	11.3%	8.9%	5.9%	7.7%

Source: Company, OP Research

## Financial Summary

Year to Dec	FY17	FY18	FY19E	FY20E	FY21E
<b>Income Statement (RMB mn)</b>					
Footwear	2,306	2,212	2,290	2,381	2,453
Apparel	1,988	1,999	2,251	2,352	2,423
Accessories	78	76	76	76	76
361 Kids	711	816	897	1,013	1,124
Others	75	84	93	102	112
<b>Turnover</b>	<b>5,158</b>	<b>5,187</b>	<b>5,606</b>	<b>5,925</b>	<b>6,188</b>
YoY%	3	1	8	6	4
COGS	(3,002)	(3,082)	(3,328)	(3,517)	(3,673)
<b>Gross profit</b>	<b>2,156</b>	<b>2,106</b>	<b>2,277</b>	<b>2,407</b>	<b>2,515</b>
Gross margin	41.8%	40.6%	40.6%	40.6%	40.6%
Other income	140	103	105	105	105
Selling & distribution	(719)	(764)	(779)	(770)	(795)
Admin	(503)	(545)	(516)	(523)	(505)
R&D	(173)	(215)	(202)	(201)	(210)
Other opex	0	0	0	0	0
<b>Total opex</b>	<b>(1,395)</b>	<b>(1,524)</b>	<b>(1,497)</b>	<b>(1,494)</b>	<b>(1,510)</b>
<b>Operating profit (EBIT)</b>	<b>902</b>	<b>685</b>	<b>886</b>	<b>1,018</b>	<b>1,110</b>
Operating margin	17.5%	13.2%	15.8%	17.2%	17.9%
Provisions	0	0	0	0	0
Interest Income	86	98	103	108	114
Finance costs	(214)	(212)	(226)	(226)	(226)
Profit after financing costs	774	571	763	900	997
Associated companies & JVs	0	0	0	0	0
Pre-tax profit	774	571	763	900	997
Tax	(307)	(265)	(305)	(360)	(399)
Minority interests	(11)	(2)	(28)	(32)	(36)
<b>Net profit</b>	<b>457</b>	<b>304</b>	<b>429</b>	<b>508</b>	<b>563</b>
YoY%	13	(34)	41	18	11
Net margin	8.9%	5.9%	7.7%	8.6%	9.1%
<b>EBITDA</b>	<b>1,023</b>	<b>809</b>	<b>981</b>	<b>1,116</b>	<b>1,205</b>
EBITDA margin	19.8%	15.6%	17.5%	18.8%	19.5%
<b>EPS (RMB)</b>	<b>0.221</b>	<b>0.147</b>	<b>0.208</b>	<b>0.246</b>	<b>0.273</b>
YoY%	9	(34)	42	18	11
DPS (HK\$)	0.106	0.076	0.100	0.118	0.131
<b>Year to Dec</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19E</b>	<b>FY20E</b>	<b>FY21E</b>
<b>Cash Flow (RMB mn)</b>					
EBITDA	1,023	809	981	1,116	1,205
Chg in working cap	89	(303)	(51)	(83)	(69)
Others	(69)	43	0	0	0
<b>Operating cash</b>	<b>1,042</b>	<b>549</b>	<b>930</b>	<b>1,032</b>	<b>1,137</b>
Interest received	0	0	0	0	0
Tax	(210)	(254)	(476)	(305)	(360)
<b>Net cash from operations</b>	<b>832</b>	<b>295</b>	<b>454</b>	<b>727</b>	<b>777</b>
Capex	(44)	(33)	(35)	(37)	(39)
Investments	(1,218)	(886)	0	0	0
Dividends received	0	0	0	0	0
Sales of assets	0	0	0	0	0
Interests paid	85	98	103	108	114
Others	0	0	0	0	0
<b>Investing cash</b>	<b>(1,177)</b>	<b>(821)</b>	<b>68</b>	<b>71</b>	<b>75</b>
<b>FCF</b>	<b>(346)</b>	<b>(526)</b>	<b>522</b>	<b>798</b>	<b>851</b>
Issue of shares	0	0	0	0	0
Buy-back	0	0	0	0	0
Minority interests	0	0	150	0	0
Dividends paid	(147)	(194)	(160)	(215)	(225)
Net change in bank loans	(62)	99	0	0	0
Others	(202)	151	(226)	(226)	(226)
<b>Financing cash</b>	<b>(411)</b>	<b>55</b>	<b>(236)</b>	<b>(441)</b>	<b>(451)</b>
<b>Net change in cash</b>	<b>(757)</b>	<b>(471)</b>	<b>286</b>	<b>357</b>	<b>400</b>
Exchange rate or other Adj	(9)	6	0	0	0
Opening cash	2,882	2,116	1,651	1,937	2,294
<b>Closing cash</b>	<b>2,116</b>	<b>1,651</b>	<b>1,937</b>	<b>2,294</b>	<b>2,694</b>
<b>CFPS (HK\$)</b>	<b>0.483</b>	<b>0.171</b>	<b>0.264</b>	<b>0.423</b>	<b>0.452</b>

Year to Dec	FY17	FY18	FY19E	FY20E	FY21E
Ratios					
Gross margin (%)	41.8	40.6	40.6	40.6	40.6
Operating margin (%)	17.5	13.2	15.8	17.2	17.9
Net margin (%)	8.9	5.9	7.7	8.6	9.1
Selling & dist'n exp/Sales (%)	13.9	14.7	13.9	13.0	12.8
Admin exp/Sales (%)	9.7	10.5	9.2	8.8	8.2
R&D/Rev (%)	3.4	4.1	3.6	3.4	3.4
A&P/Rev (%)	9.8	10.7	10.2	9.5	9.5
Staff cost/Rev (%)	9.0	8.8	8.2	8.1	8.2
Payout ratio (%)	40.0	43.1	40.0	40.0	40.0
Effective tax (%)	39.6	46.5	40.0	40.0	40.0
Total debt/equity (%)	45.2	49.0	45.7	43.6	41.5
Net debt/equity (%)	Net cash	Net cash	Net cash	Net cash	Net cash
Current ratio (x)	3.6	3.2	3.7	3.6	3.6
Quick ratio (x)	3.3	2.9	3.4	3.4	3.4
Inventory T/O (days)	99	124	80	80	80
AR T/O (days)	152	169	160	160	160
AP T/O (days)	275	275	275	275	275
Cash conversion cycle (days)	(24)	18	(35)	(35)	(35)
Asset turnover (x)	0.5	0.4	0.5	0.5	0.5
Financial leverage (x)	2.0	2.0	2.0	1.9	1.9
EBIT margin (%)	17.5	13.2	15.8	17.2	17.9
Interest burden (x)	0.9	0.8	0.9	0.9	0.9
Tax burden (x)	0.6	0.5	0.6	0.6	0.6
Return on equity (%)	8.3	5.3	7.2	8.0	8.5
ROIC (%)	20.6	14.0	21.1	23.8	26.3
Year to Dec	FY17	FY18	FY19E	FY20E	FY21E
Bal. Sheet (RMB mn)					
Fixed assets	1,123	1,035	976	916	860
Intangible assets & goodwill	114	111	111	110	110
Associated companies & JVs	7	29	29	29	29
Long-term investments	96	94	94	94	94
Other non-current assets	53	46	46	46	46
Non-current assets	1,393	1,315	1,255	1,195	1,138
Inventories	814	1,051	730	771	805
AR	2,150	2,399	2,457	2,597	2,712
Prepayments & deposits	728	721	779	823	860
Other current assets	3,941	4,827	4,827	4,827	4,827
Cash	2,116	1,651	1,937	2,294	2,694
Current assets	9,748	10,650	10,731	11,313	11,899
AP	2,264	2,766	2,510	2,652	2,770
Tax	468	476	305	360	399
Accruals & other payables	0	0	0	0	0
Bank loans & leases	13	112	112	112	112
CB & othe debts	0	0	0	0	0
Other current liabilities	0	0	0	0	0
Current liabilities	2,744	3,354	2,927	3,124	3,281
Bank loans & leases	2,565	2,714	2,714	2,714	2,714
CB & othe debts	0	0	0	0	0
Deferred tax & others	0	2	2	2	2
MI	125	127	155	187	223
Non-current liabilities	2,691	2,843	2,871	2,903	2,939
Total net assets	5,706	5,768	6,187	6,480	6,818
Shareholder's equity	5,706	5,768	6,187	6,480	6,818
Share capital	182	182	182	182	182
Reserves	5,524	5,585	6,005	6,298	6,636
BVPS (HK\$)	3.31	3.35	3.60	3.77	3.97
Total debts	2,578	2,827	2,827	2,827	2,827
Net cash/(debts)	3,479	3,652	3,938	4,295	4,695

Source: Company, OP Research

Exhibit 4: Peers Group Comparison

Company	Ticker	Price	Mkt cap (US\$m)	3-mth	PER	PER	PER	EPS	EPS	3-Yr EPS	PEG (x)	Div yld	Div yld	P/B	P/B	EV/	EV/	Net	Gross	Net	ROE	Sh px	Sh px	
				avg t/o	Hist	FY1	FY2	FY1	FY2					Hist	FY1	FY2	(x)	(x)	(x)	YoY%	YoY%	(x)	(x)	Ebitda
			(US\$m)	(US\$m)	(x)	(x)	(x)	YoY%	YoY%	Cagr (%)		Hist (%)	FY1 (%)	(x)	(x)	Hist	Cur Yr	Hist (%)	(%)	Hist (%)	(%)	FY1 (%)	%	%
361 Degrees	1361 HK	1.55	409	0.2	8.8	6.2	5.2	41.7	18.3	12.1	0.5	4.9	6.4	0.5	0.4	(0.6)	(0.8)	Net cash	40.6	5.9	5.3	7.2	11.5	10.7
HSI		26,231.54			10.4	10.5	9.8	(0.7)	7.2	4.8	2.20	3.7	3.9	1.18	1.14						11.3	10.9	(8.8)	(5.6)
HSCEI		10,132.77			8.2	8.1	7.6	0.6	7.3	5.6	1.46	3.9	4.1	0.99	1.00						12.1	12.3	(7.1)	(4.7)
CSI300		3,787.73			13.9	12.1	10.6	14.9	14.3	0.0	0.0	2.3	2.5	1.8	1.6						12.7	13.5	(0.5)	4.7
Adjusted sector avg*					22.7	21.0	17.9	44.1	21.9	24.9	1.0	1.4	1.8	2.6	3.8	19.0	12.6	6.6	45.5	10.3	14.0	12.1	4.4	17.3
Xtep Intl	1368 HK	5.75	1,832	5.2	17.1	15.5	13.3	10.6	16.8	15.2	1.0	3.5	3.8	2.2	2.2	10.3	9.1	0.0	44.3	10.3	12.4	13.5	18.3	30.7
Anta Sports Prod	2020 HK	61.15	21,059	51.3	36.0	28.0	22.9	28.5	22.5	23.0	1.2	1.3	1.3	9.4	8.4	23.3	18.7	0.0	52.6	17.0	27.8	29.6	8.7	23.0
Li Ning Co Ltd	2331 HK	21.90	6,441	34.2	66.5	36.4	30.4	82.6	20.0	41.2	0.9	0.5	0.9	7.0	7.6	35.0	22.7	0.0	48.1	6.8	20.9	20.7	13.1	73.5
Pou Sheng Intl	3813 HK	2.49	1,700	0.8	21.6	16.2	12.6	32.8	29.0	28.4	0.6	1.0	1.3	1.7	1.8	10.3	7.4	39.8	33.5	2.4	8.2	9.4	23.9	39.9
China Dongxiang	3818 HK	0.82	615	0.5	13.6	6.7	9.3	102.2	(28.2)	N/A	N/A	10.2	13.5	0.4	0.4	14.2	2.8	0.0	57.3	18.5	3.3	6.4	(18.3)	(17.5)
Annil Co Ltd-A	002875 CH	17.62	329	7.9	25.0	23.1	19.0	8.1	21.5	16.9	1.4	0.9	N/A	2.6	2.4	21.1	14.9	0.0	55.0	6.9	11.1	10.7	(5.1)	(4.2)
Guirenniao Co-A	603555 CH	4.37	389	3.3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.7	N/A	(17.3)	N/A	146.8	28.0	(24.6)	(37.6)	N/A	(9.5)	(24.0)
Adjusted sector avg*					41.2	37.2	29.9	24.1	17.9	19.7	1.7	1.0	0.7	9.7	8.6	23.1	19.3	0.0	49.0	7.2	25.0	27.4	(7.7)	1.3
Nike Inc -Cl B	NKE US	80.85	126,683	533.2	31.7	27.7	23.8	14.3	16.4	15.7	1.76	1.1	1.1	14.02	12.50	22.9	20.1	0.0	44.7	10.3	42.7	46.8	(6.6)	(2.4)
Under Armour-A	UAA US	18.63	7,940	118.3	N/A	54.9	38.8	N/A	41.6	(286.2)	N/A	N/A	0.0	4.10	3.82	56.1	20.8	8.5	45.1	(0.9)	4.3	7.1	(30.9)	(21.5)
Lululemon Ath	LULU US	178.65	23,274	350.5	49.2	38.5	32.4	27.9	19.0	21.3	1.81	N/A	0.0	17.03	14.49	28.2	24.0	0.0	55.2	14.7	33.7	40.0	(4.9)	2.6
Adidas Ag	ADS GR	260.70	57,970	152.4	30.9	26.6	23.5	16.3	12.9	14.8	1.79	1.3	1.5	7.79	7.13	17.9	14.7	0.0	51.9	7.8	30.5	28.7	(6.7)	3.9
Puma Se	PUM GR	66.40	11,111	19.2	53.0	38.4	31.1	38.0	23.4	27.0	1.42	0.5	0.7	5.57	5.29	23.5	16.7	0.0	48.4	4.0	13.8	14.4	10.4	23.9

Source: Bloomberg, OP Research

## Our recent reports

Date	Company / Sector	Ticker	Title	Rating	Analyst
20/08/2019	Regal Intl Airport	357	Franchise revenue retreated on competition	BUY	Yuji Fung/Dallas Cai
19/08/2019	Ausnutria Dairy	1717	Response to short-sell allegations	BUY	Dallas Cai/Megan Jin
16/08/2019	CH Display OPT	334	Downgrade on robust shipment growth at the cost of squeezed dollar margin	HOLD	Yuji Fung/Dallas Cai
16/08/2019	Kingdee Intl	268	1H19 results in line with previous profit warnings	SELL	Yuji Fung/Dallas Cai
16/08/2019	Sunny Optical	2382	Positive surprise on handset lens sets margin	BUY	Yuji Fung/Dallas Cai
15/08/2019	Ausnutria Dairy	1717	Inventory surge on one-off events	BUY	Dallas Cai/Megan Jin
15/08/2019	Li Ning	2331	Higher visibility for wholesale channel optimization	BUY	Dallas Cai/Megan Jin
13/08/2019	Q Tech	1478	Comeback with upbeat margin	BUY	Yuji Fung/Dallas Cai
13/08/2019	China Youzan	8083	Sign of net loss narrowing	BUY	Yuji Fung/Dallas Cai
31/07/2019	Ausnutria Dairy	1717	1H19E preview: investment thesis intact	BUY	Dallas Cai/Megan Jin
24/07/2019	Xtep Intl	1368	Upgrade on improved investor confidence	BUY	Dallas Cai/Megan Jin
23/07/2019	Anta Sports	2020	Upgrade on 1H19E profits surprise	BUY	Dallas Cai/Megan Jin
17/07/2019	361 Degrees Intl	1361	2Q19E online sales slowed on product mix shift	BUY	Megan Jin
15/07/2019	Xtep Intl	1368	2Q19E keeps up robust growth momentum	BUY	Dallas Cai/Megan Jin
12/07/2019	Anta Sports	2020	2Q19E operations on track	BUY	Dallas Cai/Megan Jin
10/07/2019	Anta Sports	2020	Clearing up Muddy Waters	BUY	Dallas Cai/Megan Jin
08/07/2019	Kingdee Intl	268	Downgrade on unexpected profit warning	SELL	Yuji Fung/Dallas Cai
01/07/2019	Q Tech	1478	Upgrade on better downstream demand outlook	BUY	Yuji Fung/Dallas Cai
25/06/2019	Li Ning	2331	Upgrade on surprise in revenue growth	BUY	Dallas Cai/Megan Jin
24/06/2019	361 Degrees Intl	1361	Rebranding starts from building basketball half-courts	BUY	Megan Jin
21/06/2019	Q Tech	1478	Kunshan reverse road show takeaways	SELL	Yuji Fung/Dallas Cai
19/06/2019	Sunny Optical	2382	Conference call takeaways	BUY	Yuji Fung/Dallas Cai
18/06/2019	TCL Electronics	1070	Overseas shipments keep steam	BUY	Yuji Fung/Dallas Cai
12/06/2019	Sunny Optical	2382	May shipments on track	BUY	Yuji Fung/Dallas Cai
11/06/2019	361 Degrees Intl	1361	President ups stakes in light of rebranding strategy	BUY	Megan Jin
11/06/2019	Ausnutria Dairy	1717	Penetrating into probiotics business	BUY	Dallas Cai/Megan Jin
11/06/2019	Q Tech	1478	May camera module shipments down MoM	SELL	Yuji Fung/Dallas Cai

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

(as of 20/08/2019)



Date	Rating	TP	Close	Date	Rating	TP	Close
1 13 Jul 2018	BUY	HK\$4.50	HK\$2.30	6 18 Mar 2019	BUY	HK\$2.37	HK\$1.52
2 23 Aug 2018	BUY	HK\$4.00	HK\$2.17	7 03 May 2019	BUY	HK\$2.37	HK\$1.78
3 22 Oct 2018	BUY	HK\$3.35	HK\$1.91	8 11 Jun 2019	BUY	HK\$2.37	HK\$1.45
4 13 Nov 2018	BUY	HK\$3.35	HK\$1.93	9 24 Jun 2019	BUY	HK\$2.37	HK\$1.50
5 15 Jan 2019	BUY	HK\$2.54	HK\$1.93	10 17 Jul 2019	BUY	HK\$2.37	HK\$1.42



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