

What's Hot Today:

► **361 Degrees (1361 HK, HK\$4.94, HK\$10.2bn) robust performance continues in 2Q25.**

361 Degree is the fourth largest domestic sportswear brand in China, with an estimated 3.7% market share. It targets mostly the lower-tier market, with 75.9% of its stores located in third-tier cities and below. The company demonstrated its 2Q25, with sales of its main brand 361° up 10% YoY. The 361° Kids segment also achieved a 10% YoY increase. Notably, the company's e-commerce channel maintained robust momentum during the quarter, recording a roughly 20% YoY rise in sales value, driven by the May–June 618 Shopping Festival, the peak season for Chinese online retail.

361° Super Premium Stores ramped up. To attract family customers, it launched 361° Super Premium Stores late last year and expanded to 49 stores as at the end of June 25. The new store format adopts a supermarket-style layout, with more than 800m2 of space providing full product range to satisfy one-stop shopping needs. It is strategically located in mid-tier shopping malls, with nearly half of its outlets in third-tier cities and below. The average discount at premium stores is around 30%-40%, which is higher than the 30% at regular stores. The Mgt expects to have 80-100 premium stores by the end of 2025.

Our view: 361° is positioned to capitalize on value-for-money consumption trend, seizing the mass market with cost-effective products priced RMB200–400. Meanwhile, it has strengthened its competitive edge by entering into the professional running footwear. One of the key revenue drivers is its " Furious" series (飛燃) which has extended its product offering to high performance professional marathon racers. In FY24, the company's revenue exceeded RMB10bn for the first time, up 20% YoY, outpacing its domestic peers (Anta+14%, Li Ning+4%, Xtep+7%).

361° is trading at 8x FY25 P/E with a 5.5% yield, at a discount to Anta at 15x, Li-Ning at 13x, and Xtep at 10x, mainly due to its low brand recognition. Given its solid foothold in lower-tier cities, growth potential in professional running footwear, the expansion of premium stores, and solid yield, we believe the discount could narrow. (Ensley LIU)

| China & HK Indices | CLOSE | 1D | YTD |
|--------------------|--------|-------|-------|
| HSI | 24,203 | 0.3% | 20.7% |
| HSCBI | 8,732 | 0.5% | 19.8% |
| HSCCI | 4,205 | 0.7% | 11.2% |
| CSI300 | 4,017 | 0.1% | 2.1% |
| Shanghai A | 3,689 | 0.3% | -1.7% |
| Shanghai B | 262 | 0.1% | -1.7% |
| Shenzhen A | 2,217 | 0.1% | 8.3% |
| Shenzhen B | 1,246 | -0.4% | 2.7% |

| Key Int'l Indices | CLOSE | 1D | YTD |
|-------------------|--------|-------|-------|
| Dow Jones | 44,459 | 0.2% | 4.5% |
| S&P 500 | 6,268 | 0.1% | 6.6% |
| Nasdaq | 20,640 | 0.3% | 6.9% |
| Nikkei Index | 39,444 | -0.0% | -1.1% |
| FTSE Index | 8,998 | 0.6% | 10.1% |
| CAC Index | 7,808 | -0.3% | 5.8% |
| DAX Index | 24,160 | -0.4% | 21.4% |

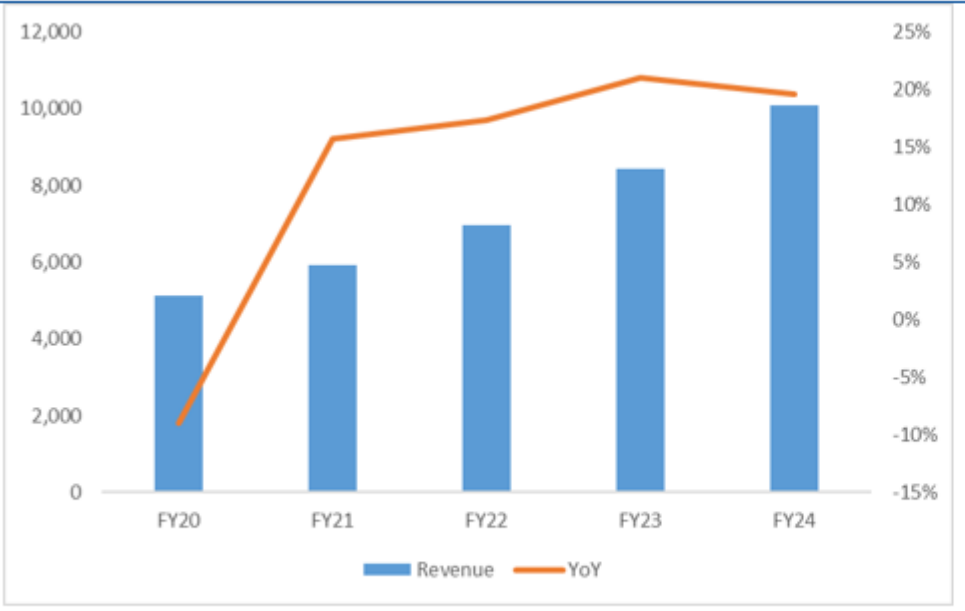
| Commodities | CLOSE | 1D | YTD |
|----------------------|-------|-------|-------|
| GOLD (US\$/oz.) | 3,343 | -0.4% | 27.6% |
| STEEL (US\$/oz.) | 2,121 | -1.0% | 18.8% |
| SILVER (US\$/oz.) | 38 | -0.7% | 32.4% |
| CRUDE OIL (US\$/bbl) | 66 | -2.1% | -6.9% |
| COPPER (US\$/oz.) | 9,619 | -0.8% | 9.7% |
| ALUMINIUM (US\$/oz.) | 2,592 | -0.6% | 1.6% |
| PLATINUM (US\$/oz) | 1,368 | -1.0% | 50.8% |
| ZINC (US\$/oz.) | 2,730 | -1.7% | -8.3% |
| WHEAT (US\$/bu) | 541 | 0.1% | -1.6% |
| CORN (US\$/bu) | 418 | 1.4% | -5.6% |
| SUGAR (US\$/lb) | N/A | N/A | |
| SOYBEAN (US\$/bu) | 1,007 | -0.0% | -1.7% |
| PVC (US\$/t.) | N/A | N/A | -6.8% |
| CRB | 303 | 1.0% | 3.0% |
| BDI | | | 66.8% |

| Exchange Rates | USD | HKD | EUR | JPY | CHF | RMB |
|----------------|-------|-------|-------|---------|--------|-------|
| USD | | 7.850 | 0.857 | 147.720 | 0.798 | 7.172 |
| HKD | 0.127 | | 0.109 | 18.818 | 10.166 | 0.913 |
| EUR | 1.166 | 9.157 | | 172.320 | 1.074 | 8.370 |
| JPY | 0.007 | 5.314 | 0.580 | | 0.540 | 0.049 |
| CHF | 1.253 | 9.836 | 1.074 | 185.131 | | 8.987 |
| RMB | 0.139 | 1.095 | 0.119 | 20.602 | 0.111 | |

| 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 | 17 | -3.3% |

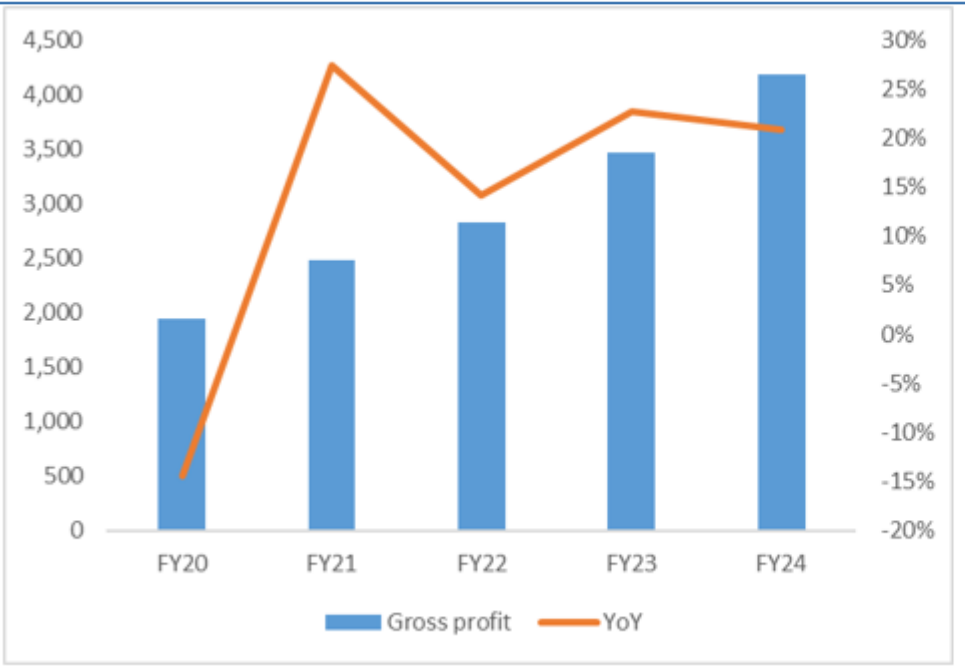
Source: Bloomberg

Fig 1: Revenue(RMB mn) and YoY



Source: Company Data, Sunwah Kingsway Research

Fig 2: Gross profit(RMB mn) and YoY



Source: Company Data, Sunwah Kingsway Research

Fig 3: Operating profit(RMB ~~mn~~) and YoY



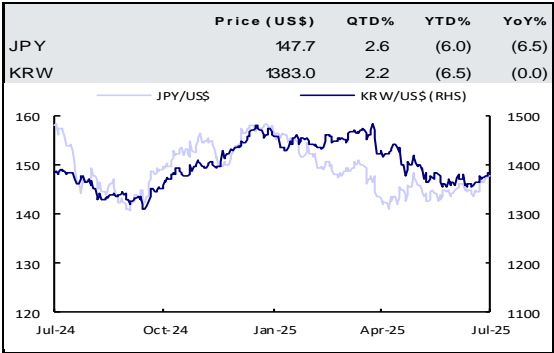
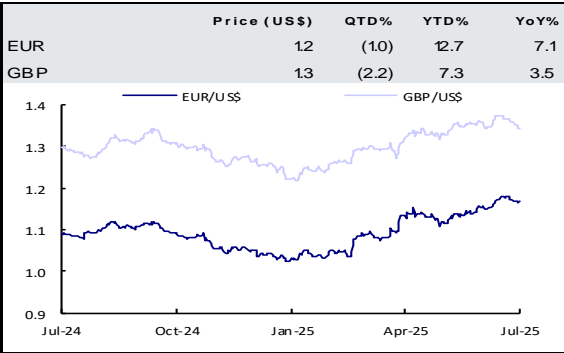
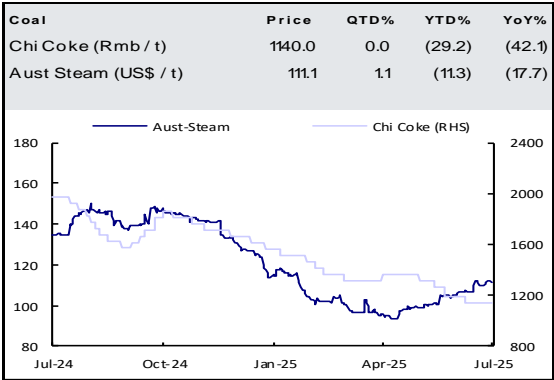
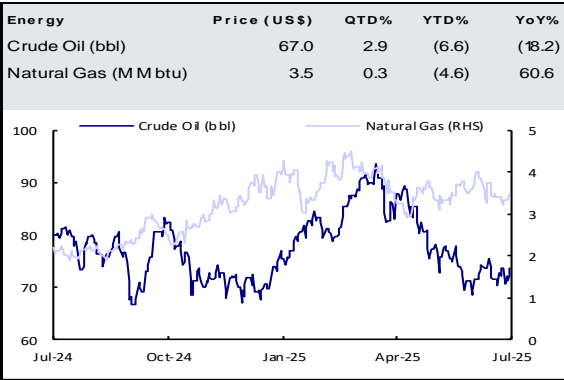
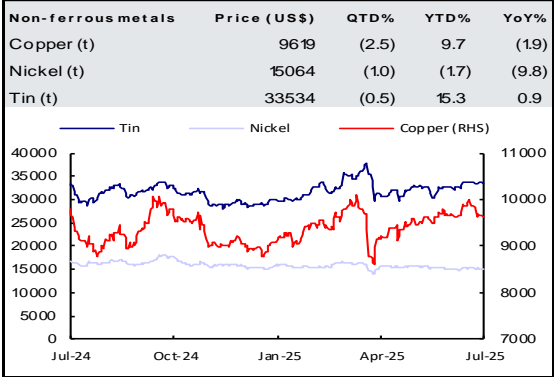
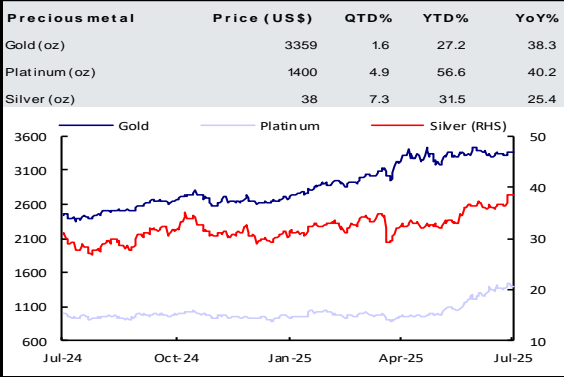
Source: Company Data, Sunwah Kingsway Research

Fig 4: Net profit(RMB ~~mn~~) and YoY



Source: Company Data, Sunwah Kingsway Research

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

| Indicators | Freq | Obs Date | Expected Release Date |
|-----------------------------------|------|----------|-----------------------|
| CPI | MoM | | 15-Jul-25 |
| PPI | MoM | | 16-Jul-25 |
| Industrial Production | MoM | | 16-Jul-25 |
| Initial Jobless Claims | WoW | | 17-Jul-25 |
| Business Inventories | MoM | | 17-Jul-25 |
| Retail Sales | MoM | | 17-Jul-25 |
| Housing Starts / Building Permits | MoM | | 18-Jul-25 |
| Existing Home Sales | MoM | | 23-Jul-25 |
| New home Sales | MoM | | 24-Jul-25 |
| Durable Goods Orders | MoM | | 25-Jul-25 |
| Wholesale Inventories | MoM | | 29-Jul-25 |
| Consumer Confidence | MoM | | 29-Jul-25 |
| GDP | QoQ | | 30-Jul-25 |
| Personal Income & Spending | MoM | | 31-Jul-25 |
| ISM Manufacturing PMI | MoM | | 1-Aug-25 |
| Employment Report | MoM | | 1-Aug-25 |
| Factory Orders | MoM | | 4-Aug-25 |
| Trade Balance | MoM | | 5-Aug-25 |
| Auto Sales | MoM | | |

China Economic Calendar

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

Hong Kong Economic Calendar

| Indicators | Freq | Obs Date | Expected Release Date |
|--------------------------|------|----------|-----------------------|
| Unemployment Rate | MoM | | 17-Jul-25 |
| CPI | MoM | | 21-Jul-25 |
| Trade Balance | MoM | | 28-Jul-25 |
| GDP | QoQ | | 31-Jul-25 |
| Money Supply - M2 | MoM | | 31-Jul-25 |
| Retail Sales | MoM | | 31-Jul-25 |
| PMI | MoM | | 5-Aug-25 |
| Foreign Currency Reserve | MoM | | 7-Aug-25 |
| Producer Prices Index | QoQ | | 15-Sep-25 |
| Industrial Production | QoQ | | 15-Sep-25 |
| Composite Interest Rate | MoM | | |

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