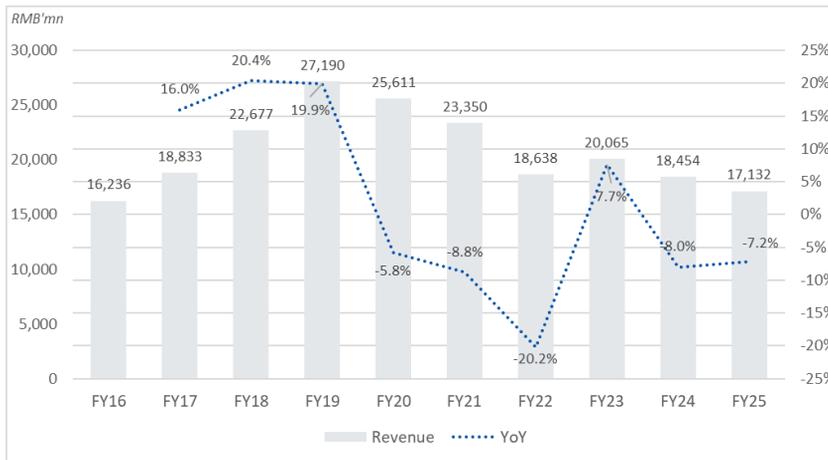


What's Hot Today:

► Pou Sheng (3813 HK, HK\$0.45, HK\$2.40bn) – Inventory clearance weighed on FY25 top-line

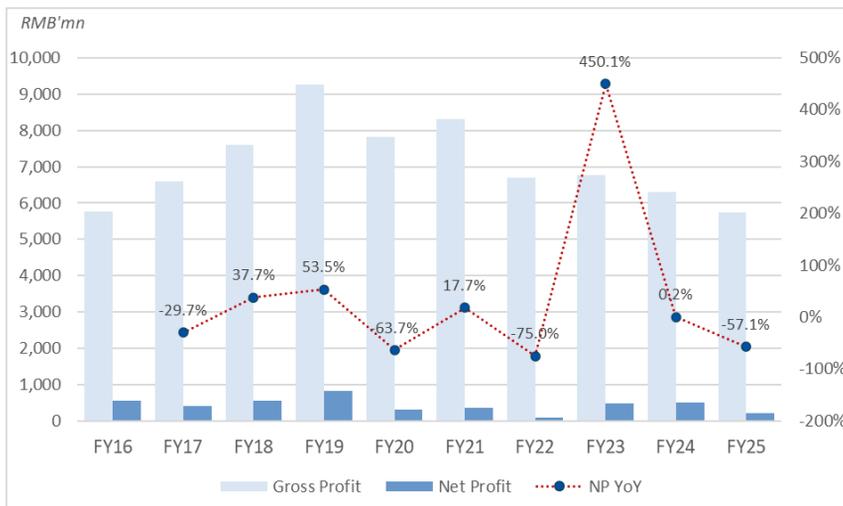
Pou Sheng International (PSI), a leading sportswear retailer distributing global brands including Nike and Adidas, reported FY25 revenue of RMB17.1bn and net profit of RMB211mn, representing a decline of 7.2% and 57.1% YoY respectively. Weak consumer sentiment and industry-wide high inventory level drove aggressive promotional activities, eroding top-line performance. Offline sales declined YoY though partially offset by a moderate YoY growth in online sales. Same-store-sales declined by mid-teen percentage due to weak offline traffic. The sharper drop in profitability reflects the impact of operational deleveraging. While GPM and NPM decreased slightly by 70bps and 150bps respectively, gross profit and net profit fell at a much faster rate.

Fig 1: Revenue and YoY Change



Source: Company Data, Sunwah Kingsway Research

Fig 2: Profit and Margin



Source: Company Data, Sunwah Kingsway Research

China & HK Indices	CLOSE	1D	YTD
HSI	25,898	-0.2%	1.0%
HSCEI	8,704	-0.1%	-2.3%
HSCCI	4,351	0.8%	8.4%
CSI300	4,704	0.6%	1.6%
Shanghai A	4,334	0.2%	5.6%
Shanghai B	268	0.5%	5.6%
Shenzhen A	2,871	0.5%	8.4%
Shenzhen B	1,238	0.8%	-2.1%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	47,417	-0.6%	-1.3%
S&P500	6,775	-0.1%	-1.0%
Nasdaq	22,716	0.1%	-2.3%
NIKKEI Index	54,314	-1.3%	7.9%
FTSE Index	10,353	-0.6%	4.3%
CAC Index	8,041	-0.2%	-1.3%
DA-X Index	23,640	-1.4%	-3.5%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	5,176	-0.3%	19.3%
STEEL (US\$/oz.)	2,803	1.1%	10.2%
SILVER (US\$/oz.)	85	-2.9%	19.4%
CRUDE OIL (US\$/bbl)	87	4.6%	62.4%
COPPER (US\$/oz.)	13,042	0.7%	5.0%
ALUMINIUM (US\$/oz.)	3,457	2.1%	15.4%
PLATINUM (US\$/oz.)	2,171	-1.4%	5.2%
ZINC (US\$/oz.)	3,309	-0.6%	6.1%
WHEAT (US\$/bu)	588	-1.6%	16.1%
CORN (US\$/bu)	460	1.8%	3.2%
SUGAR (US\$/lb)	120	-10.6%	-
SOYBEAN (US\$/bu)	1,214	1.0%	15.1%
PVC (US\$/t)	5,383	2.1%	25.0%
CRB	354	-0.5%	3.0%
BDI	-	-7.1%	2.2%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD	-	7.826	0.865	158.950	0.781	6.874
HKD	0.128	-	0.111	20.313	9.975	0.878
EUR	1.157	9.052	-	183.860	1.108	7.953
JPY	0.006	4.923	0.544	-	0.491	0.043
CHF	1.281	10.026	1.108	203.640	-	8.814
RMB	0.145	1.139	0.126	23.119	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	24	14.6%

Source: Bloomberg

Online sales momentum remains solid – Online sales increased by over 30% YoY, partially offsetting the deterioration in offline channels, with livestreaming sales surging 70% YoY. Online contribution reached historical high, accounting for over 30% of total revenue. The company continues to strengthen its online presence, leveraging partnerships with KOLs on Douyin livestreaming and operating a multi-brand portfolio on WeChat stores.

Store network optimization upon completion – The number of directly operated stores declined by a net 138 to 3,310 in FY25, following a net reduction of just 75 stores in FY24. This marks a significant moderation compared to the peak closure period post pandemic. The narrowing decline suggests PSI’s store optimization may have come to a new equilibrium, with a more efficient arrangement of directly operated stores.

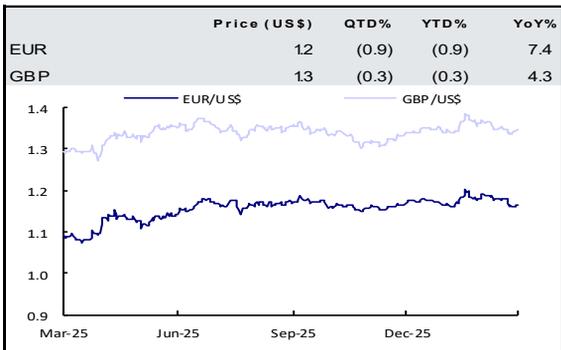
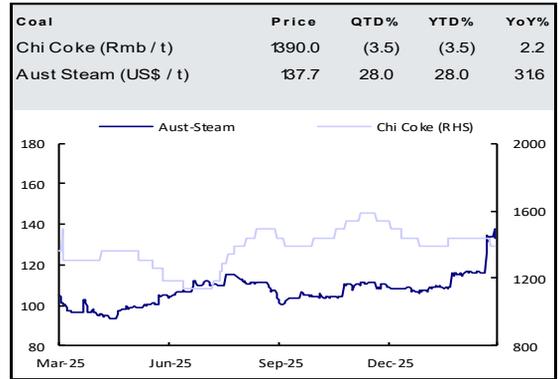
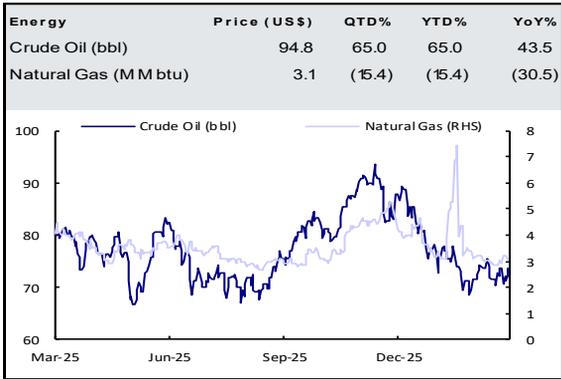
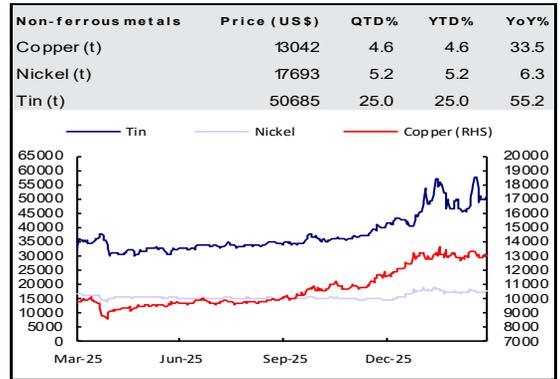
Fig3: Number of Directly Operated Stores

	FY19	FY20	FY21	FY22	FY23	FY24	FY25
At the beginning of the year	5,648	5,883	5,240	4,631	4,093	3,523	3,448
Net increase / (decrease)	235	(643)	(609)	(538)	(570)	(75)	(138)
At the end of the year	5,883	5,240	4,631	4,093	3,523	3,448	3,310

Source: Company Data, Sunwah Kingsway Research

Our view – Although PSI continues to face inventory pressure and subdued consumer sentiment, online sales have remained resilient. The company maintains a healthy inventory position, ample cash reserves, and a stable shareholder return policy. With online sales contributing over 30% in FY25, we expect this level to be sustained going forward, supported by the company’s continued investment in online channels. As consumer sentiment gradually recovers and the brand portfolio expands, we expect the company to return to normalized growth. As at the end of FY25, it had total cash resources of RMB1.82bn and debt free, representing about 76% of current market cap. A final dividend of 0.2 HK cents and special dividend of 0.2 HK cents have been declared. Payout ratio stood at about 58% in FY25 similar to the 57% last year. The counter is currently trading at 4.9x FY26E P/E with a yield of 4.8%. (Research Department)

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
CPI	MoM		11-Mar-26
Initial Jobless Claims	WoW		12-Mar-26
Housing Starts / Building Permits	MoM		12-Mar-26
GDP	QoQ		13-Mar-26
Industrial Production	MoM		16-Mar-26
Factory Orders	MoM		18-Mar-26
PPI	MoM		18-Mar-26
Wholesale Inventories	MoM		19-Mar-26
New home Sales	MoM		19-Mar-26
Consumer Confidence	MoM		31-Mar-26
Business Inventories	MoM		1-Apr-26
Existing Home Sales	MoM		13-Apr-26
ISM Manufacturing PMI	MoM		1-Apr-26
Personal Income & Spending	MoM		13-Mar-26
Durable Goods Orders	MoM		13-Mar-26
Trade Balance	MoM		12-Mar-26
Employment Report	MoM		3-Apr-26
Retail Sales	MoM		1-Apr-26
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Money Supply - M2	MoM		12-Mar-26
Retail Sales	MoM		16-Mar-26
Industrial Production	MoM		16-Mar-26
PMI Manufacturing	MoM		31-Mar-26
Foreign Exchange Reserves	QoQ		7-Apr-26
PPI	MoM		10-Apr-26
CPI	MoM		10-Apr-26
Trade Balance	MoM		14-Apr-26
GDP	YoY		16-Apr-26

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Producer Prices Index	QoQ		13-Mar-26
Industrial Production	QoQ		13-Mar-26
Unemployment Rate	MoM		18-Mar-26
CPI	MoM		20-Mar-26
Trade Balance	MoM		26-Mar-26
Money Supply - M2	MoM		31-Mar-26
Retail Sales	MoM		1-Apr-26
PMI	MoM		8-Apr-26
Foreign Currency Reserve	MoM		9-Apr-26
GDP	QoQ		5-May-26
Composite Interest Rate	MoM		

Kingsway Research Team

Analyst
Howard Wong
Alan Li

Email
howard.wong@sunwahkingsway.com
alan.li@sunwahkingsway.com

Phone No.
(852) 2283 7307
(852) 2283 7306

Disclaimer

This document is not an offer to sell or the solicitation of an offer to buy or subscribe for any securities. The securities referred to in this document may not be eligible for sale in certain jurisdiction. Neither this document nor any portion hereof may be taken distributed or transmitted directly or indirectly into such jurisdiction nor to any residents thereof. Any failure to comply with this restriction may constitute a violation of the applicable laws and regulations and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. This document has been produced for private circulation and may not be copied, photocopied, duplicated, or redistributed without the prior written consent of Kingsway Financial Services Group Limited (“KFS”) and its affiliated companies (collectively, “Kingsway Group”).

This report is distributed in Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”) by KFS which is registered as a licensed corporation under the Securities and Futures Ordinance (Cap.571 of The Laws of Hong Kong) with the Securities and Futures Commission of Hong Kong (“SFC”) and its SFC CE number is ADF346.

The information contained in this report has been taken from sources believed to be reliable but no representation or warranty expressed or implied is made as to their accuracy or correctness. This report is published for the assistance of recipients but is not to be relied upon as authoritative or taken in substitution for the exercise of judgment by any recipient. It is not to be construed as an offer, invitation or solicitation to buy or sell any securities of the company or companies covered herein. Any recommendation contained in this report does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. All opinions and estimates reflect our judgment on the date of this report and are subject to change without notice.

KFS, including its parent, subsidiaries and/or affiliates, may act as lead or co-manager in an offering of the securities of any issuer discussed herein, may from time to time perform financial services or other advisory services for, or solicit financial services or other business from, any issuer.

Within the past year, KFS, including its parent, subsidiaries and/or affiliates, may have acted as market maker or traded on a principal basis in the financial instruments of any issuer discussed herein and may act as underwriter, placement agent, advisor or lender to such issuer.

KFS, including its parent, subsidiaries, affiliates, shareholders, officers, directors, and employees may have long or short positions in, and buy or sell, the securities, commodities or derivatives (including options) or any other financial instruments thereof, of any issuers.

An employee of KFS, including its parent, subsidiaries and/or affiliates, may act as director, or be represented on the boards of directors, of any such entities or issuers.

Copyright 2026 Kingsway Group. All rights reserved.

Head Office

Hong Kong
Kingsway Financial Services Group Limited
7/F, Tower One, Lippo Centre,
89 Queensway, Hong Kong
Tel: 852-2283-7000
Fax: 852-2877-2665

Guangdong
廣東新華滙富商業代理有限公司
601-5, Building 3
130 Jiaoxi Road, Nansha District,
Guangzhou, 511455, PRC

Affiliated & Overseas Offices

Vietnam
Sunwah Kingsway Vietnam Services Limited
Representative Office
Sunwah Tower, Mezzanine Floor
115 Nguyen Hue
District 1
Ho Chi Minh City
Vietnam