

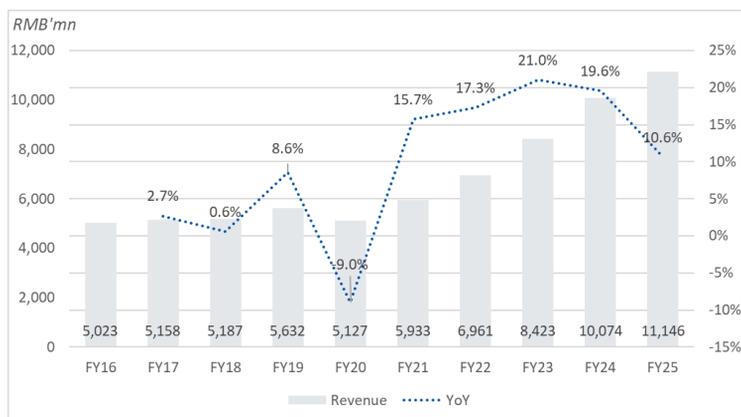
## What's Hot Today:

### ▶ 361 Degrees (1361 HK, HK\$5.89 HK\$12.2bn) – Double-digit growth for 5th consecutive year

361 Degrees delivered another year of solid performance, marking its fifth consecutive year of double-digit revenue growth. FY25 revenue rose 10.6% YoY to RMB11.1bn, while net profit increased by 14% YoY to RMB1.3bn, in line with market expectations. Profitability was supported by improved operational efficiency while advertising and promotion expenses as a percentage of revenue declined by 230bps to 10.5%. Meanwhile, operating cash flow surged 10.7x to RMB815bn, reflecting significant improvements in receivables and inventory management. The company announced a final dividend of 31.7 HK cents per share, translating to a full-year payout ratio of 45% and a yield of approximately 6%, highest in the sportswear segment.

**Strong potential from overseas markets** – International operations delivered outstanding performance, with overseas retail sales revenue surging 125% YoY. At the end of 2025, there were 1,253 overseas outlets, accounting for about 19% of the total 6,647 POS. Cross-border e-commerce sales revenue doubled YoY. The Mgt indicated that overseas business and cross-border e-commerce will be the key incremental growth drivers in FY26.

Fig 1: Revenue and YoY Change



Source: Company Data, Sunwah Kingsway Research

Fig 2: Key Financial

(RMB'mn)	2025	2024	Change
Revenue	11,146	10,074	10.6%
Gross profit	4,629	4,183	10.6%
Operating profit	1,767	1,576	12.1%
Net profit	1,309	1,149	14.0%
Profitability ratios (%)			
Gross margin	41.5	41.5	Flat
Operating margin	15.9	15.6	+30bps
Net margin	11.7	11.4	+30bps
Operating expense ratios (% of revenue)			
Advertising & promotion expenses	10.5	12.8	-230bps
Staff costs	8.4	8.5	-10bps
Research & development expenses	3.4	3.4	Flat

Source: Company Data, Sunwah Kingsway Research

China & HK Indices	CLOSE	1D	YTD
HSI	25,335	1.1%	-1.1%
HSCEI	8,582	1.0%	-3.7%
HSCCI	4,211	0.0%	4.9%
CSI300	4,537	1.4%	-2.0%
Shanghai A	4,123	1.3%	3.3%
Shanghai B	262	1.1%	3.3%
Shenzhen A	2,704	2.0%	2.1%
Shenzhen B	1,205	0.7%	-4.7%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	46,429	0.7%	-3.4%
S&P500	6,591	0.5%	-3.7%
Nasdaq	21,929	0.8%	-5.6%
NIKKEI Index	54,100	0.7%	7.5%
FTSE Index	10,106	1.4%	1.8%
CAC Index	7,846	1.3%	-3.7%
DA-X Index	22,957	1.4%	-6.3%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	4,506	0.7%	5.0%
STEEL (US\$/oz.)	2,735	3.2%	7.6%
SILVER (US\$/oz.)	71	-0.0%	0.3%
CRUDE OIL (US\$/bbl)	90	-2.2%	58.8%
COPPER (US\$/oz.)	12,321	1.3%	-0.8%
ALUMINIUM (US\$/oz.)	3,242	1.4%	8.2%
PLATINUM (US\$/oz.)	1,925	-0.3%	-5.7%
ZINC (US\$/oz.)	3,079	0.1%	-1.2%
WHEAT (US\$/bu)	597	1.3%	18.5%
CORN (US\$/bu)	467	1.0%	4.4%
SUGAR (US\$/lb)	131	-6.8%	
SOYBEAN (US\$/bu)	1,171	1.5%	10.8%
PVC (US\$/t)	5,735	-4.0%	45.8%
CRB	356	1.6%	3.0%
BDI		-2.4%	6.0%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.819	0.865	159.470	0.792	6.903
HKD	0.128		0.111	20.396	10.125	0.883
EUR	1.156	9.037		184.330	1.093	7.983
JPY	0.006	4.903	0.542		0.496	0.043
CHF	1.263	9.877	1.093	201.435		8.717
RMB	0.145	1.133	0.125	23.097	0.115	

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece		N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	25	1.0%

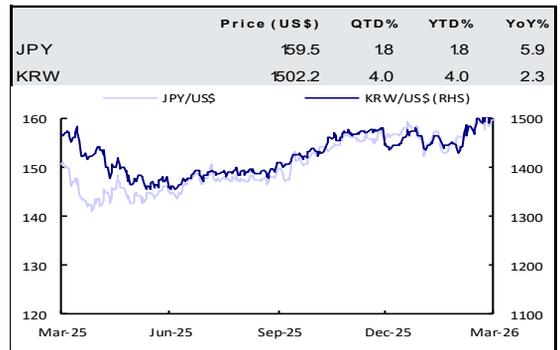
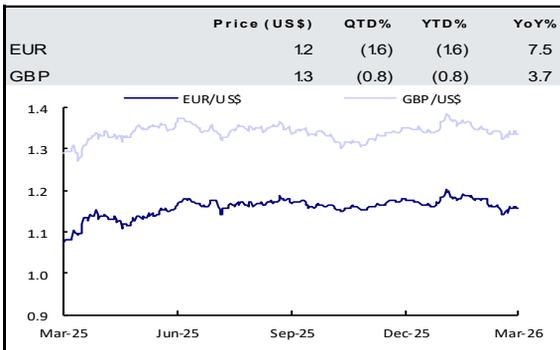
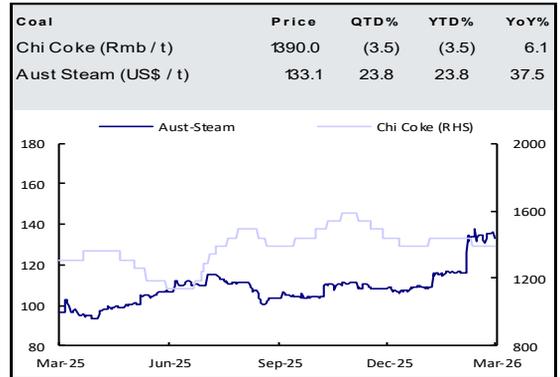
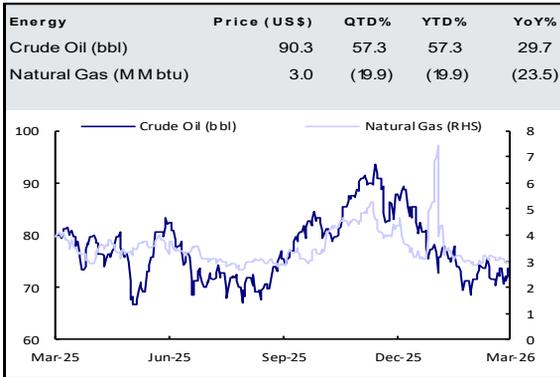
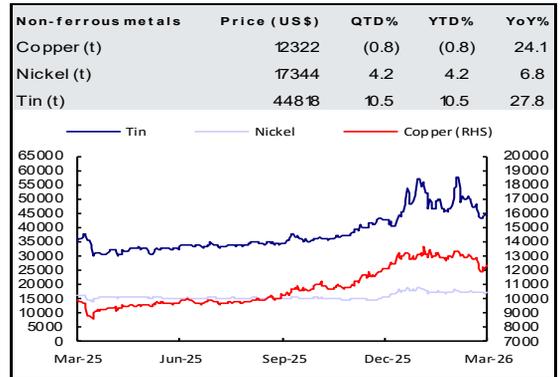
Source: Bloomberg

**Expanding e-commerce coverage to new platforms** – By channel, e-commerce revenue grew 25.9% YoY (vs. 12.2% YoY in the prior period), reaching RMB3.29bn and accounting for approximately 30% of total revenue, up 360bps YoY. Its direct-to-customer strategy has expanded to instant retail platforms such as *Meituan Flash Buy* and *Taobao Flash Sale*. The company plans to expand instant retail coverage to more cities.

**"Super Premium Store" shows promising growth** – Launched in 2025, the company's new "Super Premium Store" format had 127 POS by the end of 2025, with an additional 12 opened so far in 2026. The Mgt targets 100 new openings in FY26. Currently, more than 80% of existing Super Premium Stores are already profitable.

**Our view:** 361 Degrees' value-for-money product position has been successful and driving satisfactory sales growth. At the same time, the company is expanding into the premium market through its outdoor brand *ONE WAY*, which is anticipated to fully contributing in FY27. Purchase orders from the first three trade fairs of FY26 have already shown solid growth, driven primarily by higher order volumes amid a stable pricing strategy, ensuring another year of robust sales. External catalysts, including major sporting events such as the Asian Games for which the company is a sponsor, also present valuable opportunities for increasing international exposure. The counter is currently trading at 7.5x FY26E P/E. (Research Department)

**Market Watch – Major Commodities and Currencies**



Source: Bloomberg

**US Economic Calendar**

Indicators	Freq	Obs Date	Expected Release Date
Initial Jobless Claims	WoW		26-Mar-26
Consumer Confidence	MoM		31-Mar-26
ISM Manufacturing PMI	MoM		1-Apr-26
Retail Sales	MoM		1-Apr-26
Business Inventories	MoM		1-Apr-26
Trade Balance	MoM		2-Apr-26
Employment Report	MoM		3-Apr-26
Durable Goods Orders	MoM		7-Apr-26
Personal Income & Spending	MoM		9-Apr-26
Wholesale Inventories	MoM		9-Apr-26
GDP	QoQ		9-Apr-26
Factory Orders	MoM		10-Apr-26
CPI	MoM		10-Apr-26
Existing Home Sales	MoM		13-Apr-26
PPI	MoM		14-Apr-26
Industrial Production	MoM		16-Apr-26
Housing Starts / Building Permits	MoM		29-Apr-26
New home Sales	MoM		5-May-26
Auto Sales	MoM		

**China Economic Calendar**

Indicators	Freq	Obs Date	Expected Release Date
PMI Manufacturing	MoM		31-Mar-26
Foreign Exchange Reserves	QoQ		7-Apr-26
Money Supply - M2	MoM		9-Apr-26
PPI	MoM		10-Apr-26
CPI	MoM		10-Apr-26
Trade Balance	MoM		14-Apr-26
Retail Sales	MoM		16-Apr-26
Industrial Production	MoM		16-Apr-26
GDP	YoY		16-Apr-26

**Hong Kong Economic Calendar**

Indicators	Freq	Obs Date	Expected Release Date
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
Unemployment Rate	MoM		23-Apr-26
CPI	MoM		23-Apr-26
GDP	QoQ		5-May-26
Producer Prices Index	QoQ		12-Jun-26
Industrial Production	QoQ		12-Jun-26
Composite Interest Rate	MoM		

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