

Sectors:

Utilities, Commodity & Metals ( Margaret Li ),  
TMT, Semiconductors, Consumer & Healthcare ( Eric Li )

### **Utilities, Commodity & Metals (Margaret Li)**

This month I released reports of Jiangxi Copper Company Limited(358).

In the first three quarters of 2023 (January to September), the company's total operating revenue was 399.56 billion yuan (RMB, the same as below), a year-on-year increase of 8.53%; the total operating cost was 393.48 billion yuan, a year-on-year increase of 8.83%; operating profit was 6.49 billion Yuan, a year-on-year increase of 4.16%; of which the net profit attributable to shareholders of the parent company was 4.94 billion yuan, a year-on-year increase of 4.54%. Basic earnings per share was 1.43 yuan, a year-on-year increase of 4.54%. The company's total operating income in the third quarter was 132.03 billion yuan, a year-on-year increase of 16.93%; the net profit attributable to shareholders of listed companies after deducting non-recurring gains and losses was 1.44 billion yuan, a year-on-year increase of 30.03%. The performance mainly due to the relatively active domestic policies and demand from real estate and new energy sectors are strong, which keeps copper inventories at a low level and provides certain support for copper prices.

The company is committed to accelerating project construction with higher efficiency. Thecopper cathode project with an annual capacity of 180,000 tonnes of JCC Guoxing was successfully put into operation; the fine copper wire expansion project with an annual capacity of 10,000 tonnes of JCC Copper Products commenced coordinated commissioning in late June; the landmark sub-projects of phase III of the extension project of Wushan Copper Mine, such as 1,000-metre main shaft and auxiliary shaft were completed three months ahead of schedule; the 5,000 tonnes/day open pit project of Yinshan Mining completed all preparation works for comprehensive commencement of construction. In addition, the company has also achieved certain results in technological innovation. The "diamond-copper" product, a high-end chip cooling material developed by the Company, delivered outstanding performance in the trial mass application and had a great appeal to target customers, and the Company will seek cooperation to advance commercialisation in the future. The 6N high-purity copper, the raw material to break high-tech stranglehold in the fields of high-end electronic manufacturing and aviation, completed the midpoint testing research. The heat-proof and anti-corrosion 4N rhenium powder for use in alloys was tried out by high new technology enterprises and was highly recognised in the market. The high-performance oxygen-free copper rods for use in new energy vehicles achieved low-cost and large-scale production and sales. In addition, the company paid attention to energy conservation and emission reduction, the company recorded a period-on-period decrease of 1.39% in total energy consumption and an overall decline of about 18,000,000 kWh in purchased electricity in the first half of the year. And the company introduced new energy electric heavy-duty dump trucks in mines to apply new energy scenarios for the first time.

### TMT, Semiconductors, Consumer, Healthcare (Eric Li)

This month I released reports of JNBY Design Limited (3306.HK).

Founded in 1994 and listed on the Hong Kong Stock Exchange in 2016 (stock code: 03306), JNBY is designer group in China and is headquartered in Hangzhou, China. JNBY design and sell fashion apparel, footwear, accessories and home products under a portfolio of brands in three stages, including mature brand representing JNBY, younger brands representing CROQUIS, jnby by JNBY and LESS, and emerging brands representing POMME DE TERRE, JNBYHOME. As of December 31, 2023, the total number of standalone retail stores around the world is 2,036 (including "JNBY Group +" multi-brand collection stores), sales network has covered all provinces, autonomous regions and municipalities in Mainland China and across nine other countries and regions around the world.

The total revenue for the six months ended December 31, 2023 (1HFY2024) amounted to RMB2,976 million, an increase of 26.1% YoY. The increase in revenue was mainly due to the increase in same store sales of offline shops, the growth in the sales of online channels and the increase in the scale of offline stores. Net profit was RMB574 million, representing an increase of 54.5% YoY; Net profit margin increased by 3.5 percentage points to 19.3%. The basic EPS were RMB1.14, an increase of 54.1% YoY, with an interim dividend of HK\$0.46 per share (equivalent to RMB0.42 per share) and a special interim dividend of HK\$0.39 per share (equivalent to RMB0.36 per share), totaling HK\$0.85 per share.

1HFY2024, the gross profit increased by 27.6% YoY to RMB1,948 million; The overall gross profit margin increased by 0.8 percentage points to 65.5% , which was mainly attributable to the enhancement of the comprehensive brand equity. The selling and marketing expenses accounted for 31.1% (1HFY2023: 34.6%). The decrease in the expense ratio as compared to the first half of fiscal year 2023 was mainly attributable to the increase in the overall revenue and the improvement of operating efficiency.

As of December 31, 2023, the company had over 7.4 million membership accounts (without duplication) (as of June 30, 2023: over 6.9 million). The retail sales contributed by the members of the company accounted for over 80% of the total retail sales. The number of active members accounts of the company (without duplication) was over 550,000 (2022: over 420,000), and the number of active members accounts was significantly higher than that in 2022. The number of membership accounts with annual purchases totaling over RMB5,000 was over 300,000 (FY2022: over 220,000), and the retail sales contributed by those membership accounts reached RMB4.33 billion (FY2022: RMB2.93 billion), accounting for over 60% of the total retail sales from offline channels.

Fig 1. Performance of Recommended Stocks

Time	Ticker	Company	Analyst	Rating	Price on Recommendation Date	Target Price	Expected Return	Last Month Closing Price	Last Month Return	Closing Price 2M ago	1M Price Chg
20240311	0358.HK	Jiangxi Copper	ML	Accumulate	12.58	14.89	18.4%	13.34	6.04%	11.66	14.41%
20240319	3306.HK	JNBY Design Limited	EL	Neutral	14.72	15.27	3.7%	14.70	-0.14%	14.98	-1.87%

A stock is calculated by RMB yuan.

Source: Phillip Securities Research

**PHILLIP RESEARCH STOCK SELECTION SYSTEMS**

Total Return	Recommendation	Rating	Remarks
>+20%	Buy	1	>20% upside from the current price
+5% to +20%	Accumulate	2	+5% to +20% upside from the current price
-5% to +5%	Neutral	3	Trade within $\pm$ 5% from the current price
-5% to -20%	Reduce	4	-5% to -20% downside from the current price
<-20%	Sell	5	>20% downside from the current price

We do not base our recommendations entirely on the above quantitative return bands. We consider qualitative factors like (but not limited to) a stock's risk reward profile, market sentiment, recent rate of share price appreciation, presence or absence of stock price catalysts, and speculative undertones surrounding the stock, before making our final recommendation

**GENERAL DISCLAIMER**

This publication is prepared by Phillip Securities (Hong Kong) Ltd ("Phillip Securities"). By receiving or reading this publication, you agree to be bound by the terms and limitations set out below.

This publication shall not be reproduced in whole or in part, distributed or published by you for any purpose. Phillip Securities shall not be liable for any direct or consequential loss arising from any use of material contained in this publication.

The information contained in this publication has been obtained from public sources which Phillip Securities has no reason to believe are unreliable and any analysis, forecasts, projections, expectations and opinions (collectively the "Research") contained in this publication are based on such information and are expressions of belief only. Phillip Securities has not verified this information and no representation or warranty, express or implied, is made that such information or Research is accurate, complete or verified or should be relied upon as such. Any such information or Research contained in this publication is subject to change, and Phillip Securities shall not have any responsibility to maintain the information or Research made available or to supply any corrections, updates or releases in connection therewith. In no event will Phillip Securities be liable for any special, indirect, incidental or consequential damages which may be incurred from the use of the information or Research made available, even if it has been advised of the possibility of such damages.

Any opinions, forecasts, assumptions, estimates, valuations and prices contained in this material are as of the date indicated and are subject to change at any time without prior notice.

This material is intended for general circulation only and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. The products mentioned in this material may not be suitable for all investors and a person receiving or reading this material should seek advice from a financial adviser regarding the suitability of such products, taking into account the specific investment objectives, financial situation or particular needs of that person, before making a commitment to invest in any of such products.

This publication should not be relied upon as authoritative without further being subject to the recipient's own independent verification and exercise of judgment. The fact that this publication has been made available constitutes neither a recommendation to enter into a particular transaction nor a representation that any product described in this material is suitable or appropriate for the recipient. Recipients should be aware that many of the products which may be described in this publication involve significant risks and may not be suitable for all investors, and that any decision to enter into transactions involving such products should not be made unless all such risks are understood and an independent determination has been made that such transactions would be appropriate. Any discussion of the risks contained herein with respect to any product should not be considered to be a disclosure of all risks or a complete discussion of such risks.

Nothing in this report shall be construed to be an offer or solicitation for the purchase or sale of a security. Any decision to purchase securities mentioned in this research should take into account existing public information, including any registered prospectus in respect of such security.

**Disclosure of Interest**

Analyst Disclosure: Neither the analyst(s) preparing this report nor his associate has any financial interest in or serves as an officer of the listed corporation covered in this report.

Firm's Disclosure: Phillip Securities does not have any investment banking relationship with the listed corporation covered in this report nor any financial interest of 1% or more of the market capitalization in the listed corporation. In addition, no executive staff of Phillip Securities serves as an officer of the listed corporation.

**Availability**

The information, tools and material presented herein are not directed, intended for distribution to or use by, any person or entity in any jurisdiction or country where such distribution, publication, availability or use would be contrary to the applicable law or regulation or which would subject Phillip Securities to any registration or licensing or other requirement, or penalty for contravention of such requirements within such jurisdiction.

Information contained herein is based on sources that Phillip Securities (Hong Kong) Limited ("PSHK") believed to be accurate. PSHK does not bear responsibility for any loss occasioned by reliance placed upon the contents hereof. PSHK (or its affiliates or employees) may have positions in relevant investment products. For details of different product's risks, please visit the Risk Disclosures Statement on <http://www.phillip.com.hk>.

© 2024 Phillip Securities (Hong Kong) Limited

**Contact Information (Regional Member Companies)**

---

**SINGAPORE**

**Phillip Securities Pte Ltd**  
Raffles City Tower  
250, North Bridge Road #06-00  
Singapore 179101  
Tel : (65) 6533 6001  
Fax : (65) 6535 6631  
Website: [www.poems.com.sg](http://www.poems.com.sg)

**HONG KONG**

**Phillip Securities (HK) Ltd**  
Exchange Participant of the Stock Exchange of Hong Kong  
11/F United Centre 95 Queensway  
Hong Kong  
Tel (852) 22776600  
Fax (852) 28685307  
Websites: [www.phillip.com.hk](http://www.phillip.com.hk)

**INDONESIA**

**PT Phillip Securities Indonesia**  
ANZ Tower Level 23B,  
Jl Jend Sudirman Kav 33A  
Jakarta 10220 – Indonesia  
Tel (62-21) 57900800  
Fax (62-21) 57900809  
Website: [www.phillip.co.id](http://www.phillip.co.id)

**THAILAND**

**Phillip Securities (Thailand) Public Co. Ltd**  
15th Floor, Vorawat Building,  
849 Silom Road, Silom, Bangrak,  
Bangkok 10500 Thailand  
Tel (66-2) 6351700 / 22680999  
Fax (66-2) 22680921  
Website [www.phillip.co.th](http://www.phillip.co.th)

**UNITED KINGDOM**

**King & Shaxson Capital Limited**  
6th Floor, Candlewick House,  
120 Cannon Street,  
London, EC4N 6AS  
Tel (44-20) 7426 5950  
Fax (44-20) 7626 1757  
Website: [www.kingandshaxson.com](http://www.kingandshaxson.com)

**MALAYSIA**

**Phillip Capital Management Sdn Bhd**  
B-3-6 Block B Level 3 Megan Avenue II,  
Number 12, Jalan Yap Kwan Seng, 50450  
Kuala Lumpur  
Tel (603) 21628841  
Fax (603) 21665099  
Website: [www.poems.com.my](http://www.poems.com.my)

**JAPAN**

**PhillipCapital Japan K.K.**  
Nagata-cho Bldg.,  
8F, 2-4-3 Nagata-cho,  
Chiyoda-ku, Tokyo 100-0014  
Tel (81-3) 35953631  
Fax (81-3) 35953630  
Website: [www.phillip.co.jp](http://www.phillip.co.jp)

**CHINA**

**Phillip Financial Advisory (Shanghai) Co. Ltd**  
No 436 Heng Feng Road,  
Green Tech Tower Unit 604,  
Postal code 200070  
Tel (86-21) 51699400  
Fax (86-21) 60911155  
Website: [www.phillip.com.cn](http://www.phillip.com.cn)

**FRANCE**

**King & Shaxson Capital Limited**  
3rd Floor, 35 Rue de la Bienfaisance 75008  
Paris France  
Tel (33-1) 45633100  
Fax (33-1) 45636017  
Website: [www.kingandshaxson.com](http://www.kingandshaxson.com)

**UNITED STATES**

**Phillip Futures Inc**  
141 W Jackson Blvd Ste 3050  
The Chicago Board of Trade Building  
Chicago, IL 60604 USA  
Tel +1.312.356.9000  
Fax +1.312.356.9005

**AUSTRALIA**

**PhillipCapital Australia**

Level 10, 330 Collins Street

Melbourne VIC 3000

Tel (+61) 3 8633 9803

Fax (+61) 3 8633 9899

Website: [www.phillipcapital.com.au](http://www.phillipcapital.com.au)