

Equity Research
Property Management / China

CG Services (6098 HK)

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Company Update

BUY

UNCHANGED

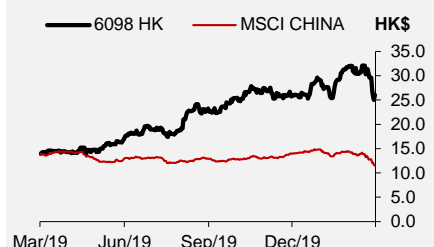
Close price: HK\$29.10
Target Price: HK\$37.20 (+28%)
Prior TP: HK\$25.90

Key Data

HKEx code	6098
12 Months High (HK\$)	32.50
12 Month Low (HK\$)	12.58
3M Avg Dail Vol. (mn)	7.92
Issue Share (mn)	2,714.89
Market Cap (HK\$mn)	79,003.41
Fiscal Year	12/2019
Major shareholder (s)	Chairlady Yang Huiyan (53.53%)

Source: Company data, Bloomberg, OP Research
Closing price are as of 20/03/2020

Price Chart



	1mth	3mth	6mth
Absolute %	-8.8	12.1	28.8
Rel. MSCI CHINA %	11.5	30.0	39.5

PE Chart



Company Profile

Country Garden Services Holdings Company Limited provides real estate development services. The Company develops residential apartments, multi-functional complex buildings, government and public facilities, industrial parks, highway service stations, and schools. Country Garden Services Holdings serves clients in China.

FY19 saw solid set of results

- **CG Services delivered solid FY19 results with net profits up 81% yoy to RMB1,671mn, and revenue-bearing GFA increased by 52% to 276mn, up to our expectations.**
- **We tune up our FY20/21E earnings estimates by 11.5%/19.3% to RMB2,192mn/RMB2,983mn.**
- **Reiterate BUY with TP HK\$37.20 revised up from HK\$25.90 based on rolled forward 30x FY21E PE, or 1.3x PEG**

FY19 saw solid set of results. CG Services delivered solid set of FY19 results with revenue up 106.3%/73.9% yoy to RMB9,645mn /RMB8,130mn including/excluding "Three Supplies and Property Management" segment, in line with our expectations as well as the company's profit alert. **GFA** under mgmt/contracted GFA each increased 84.6mn/179.7mn sqm to 276.1mn/684.7mn sqm respectively. **GPM** dropped 1.8ppts yoy to 35.9% on apple-to-apple basis, which can be attributed to the change in overall revenue mix. **Opex** ratio improved to 13.2% from 16.8% thanks to economies of scale and the absence of one-off listing fee in FY18. As a result, FY19 reported earnings saw yoy growth of 81% to RMB1,671mn. The board recommended a final dividend of RMB15.14cents per share, implying payout ratio of 25.4%, in line with the company's dividend policy.

The company guides at least 40% yoy growth in FY20E topline, with at least 90mn sqm addition in revenue-bearing GFA. Three Supplies and Property Management segment is expected to contribute RMB3.2-3.4mn revenue, of which RMB2bn is from property mgmt services and the remaining RMB1.2-1.4bn is from heat supply services.

We tune up our FY20/21E net profit estimates by 11.5%/19.3% to RMB2,192mn/RMB2,983mn respectively. We revise up our FY20/21E revenue by 32.8%/41.4% to RMB14.3bn/RMB19.9bn respectively to include the contribution from new Three Supplies and Property Mgmt business segment. We therefore revise down our FY20/21E GPM by 6.2ppts/6.7ppts to 30.7%/29.5% due to the drag from low-margin new segment. We also revise up our effective tax rate to 18.0% from 22.5% to reflect effects from VAT tax cut and tax planning. As a result, our FY20/21E adjusted diluted EPS is tuned up by 11.5%/19.3% to HK\$0.991/HK\$1.240 respectively.

Reiterate BUY. We reiterate BUY on CG Services with new TP HK\$37.20 based on rolled forward 30x FY21E PE, implying 1.3x PEG.

Risks: (1) execution risks for M&A projects and expanded third-party projects; (2) faster than expected increase in labor costs, (3) worse than expected margin in BMS segment

Exhibit 1: Forecast and Valuation

Year to Dec (RMB mn)	FY18	FY19	FY20E	FY21E	FY22E
Revenue	4,675.3	9,644.9	14,276.0	19,906.8	25,290.7
Growth (%)	49.8	106.3	48.0	39.4	27.0
Net Profit	877.7	1,622.0	2,191.8	2,982.7	3,759.7
Growth (%)	119.2	84.8	35.1	36.1	26.1
Diluted EPS (HK\$)	0.397	0.674	0.911	1.240	1.563
EPS growth (%)	106.4	69.9	35.1	36.1	26.1
Change to previous EPS (%)			11.5	19.3	21.9
Consensus EPS (HK\$)			0.885	1.203	1.618
ROE (%)	50.1	43.8	35.0	35.7	33.9
P/E (x)	73.3	43.2	31.9	23.5	18.6
P/B (x)	28.5	13.0	9.8	7.3	5.5
Yield (%)	0.5	0.6	0.8	1.1	1.3
DPS (HK\$)	0.138	0.171	0.228	0.310	0.391

Source: Bloomberg, OP Research

Exhibit 2: Earnings Revision

(RMB mn)	FY20E			FY21E			FY22E		
	New	Old	% Chg	New	Old	% Chg	New	Old	% Chg
Revenue	14,276	10,751	32.8	19,907	14,082	41.4	25,291	17,662	43.2
Gross profit	4,381	3,969	10.4	5,872	5,091	15.3	7,305	6,339	15.2
Gross margin	30.7%	36.9%	(6.2)	29.5%	36.2%	(6.7)	28.9%	35.9%	(7.0)
Opex	(1,784)	(1,551)	15.1	(2,313)	(2,026)	14.2	(2,791)	(2,569)	8.7
EBIT	2,613	2,458	6.3	3,576	3,104	15.2	4,530	3,809	18.9
Adj. Net Profit	2,192	1,966	11.5	2,983	2,500	19.3	3,760	3,083	21.9
Diluted EPS (HK\$)	0.911	0.817	11.5	1.240	1.039	19.3	1.563	1.282	21.9

Source: OP Research

Results review by segment

(1) Basic property mgmt services (BMS), 60% revenue contribution

BMS revenue was up 68.8% yoy to RMB5,817mn driven by 94.6mn or 52.1% increase in GFA under mgmt (276mn vs 181.5mn sqm in FY18). The company guided 90mn sqm new addition in GFA under mgmt in FY20E.

Segment GPM dropped 1.7ppts yoy to 30.2% from 31.9% in FY18 due to the addition of third-party projects. We expect GPM for BMS to remain in the range of 29%-31% in FY20E.

(2) Community-based VAS, 9% revenue contribution

The segment registered 107.4% yoy growth in revenue to RMB865.2mn, thanks to significant growth in home living services such as community housekeeping services (up 207.8% yoy to RMB274.6mn).

We expect the successful pilot programs to keep scaling up its operation in existing communities and to expand into new communities in FY20E.

(3) Non community-based VAS, 15% revenue contribution

The segment saw 79.8% yoy growth in sales to RMB1,422.1mn, of which consultancy services/pre-delivery cleaning and other services/car park selling registered 86.9%/53.7%/192.1% yoy growth to RMB639.9mn/RMB587.3mn /RMB66.7mn respectively.

(4) Three Supplies and Property Management, 16% revenue contribution

This new segment starts revenue contribution from 2H19. By the end of FY19, revenue bearing GFA has reached 84.9mn sqm, generating RMB525.2mn sales.

The company has revealed its three-year plan for Three Supplies and Property Management segment, and expects to see more smooth development in FY20E, the second year in this plan, with improving quality control and manpower optimization.

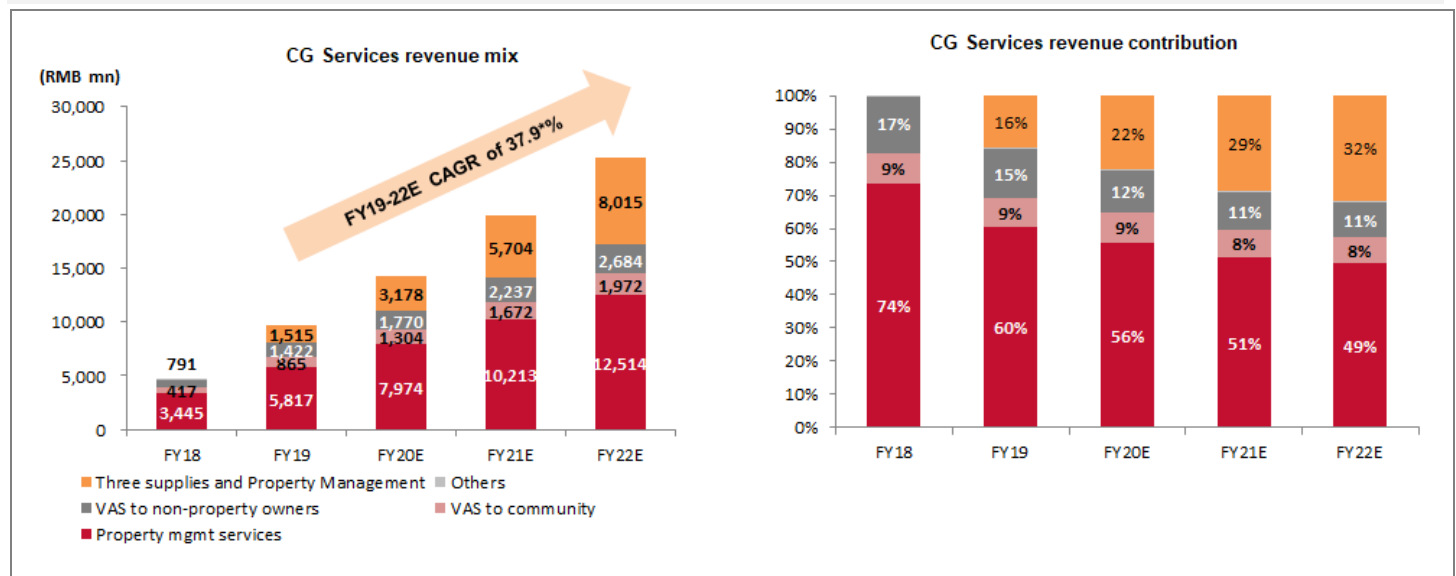
GPM for this segment stands low at 8.6%. We do not expect to see significant lift in recent 1-2 years.

Exhibit 3: CG Services FY19 results summary

(RMB mn)	1H18	2H18	1H19	2H19A	2H19E	Act./Est.	OP Comment	FY18	FY19
Revenue	2,016	2,660	3,516	6,129	4,111	49.1%	Beat by RMB2bn, of which RMB1.5bn is from the new contribution of Three Supplies and Prop. Mgmt segment	4,675	9,645
COGS	(1,230)	(1,684)	(2,138)	(4,455)	(2,594)	71.8%		(2,914)	(6,593)
Gross profit	786	976	1,378	1,674	1,518	10.3%		1,762	3,052
Other income & gains	24	26	90	139	18	679.0%		50	229
Selling exp	(9)	(18)	(20)	(47)	(23)	99.9%		(27)	(67)
Admin exp	(294)	(466)	(465)	(742)	(618)	20.0%		(760)	(1,208)
Other opex	0	0	0	0	0	n.a.		0	0
Operating profit (EBIT)	508	518	983	1,024	894	14.6%		1,026	2,007
Provisions or other items	(5)	(8)	(23)	(8)	0	n.a.		(13)	(31)
Interest income	13	41	37	57	30	88.4%		54	94
Finance costs	0	0	(0)	(2)	0	-475.4%		0	(2)
Profit after financing costs	516	550	996	1,072	925	15.9%		1,066	2,068
Associated cos	(3)	0	0	0	0	n.a.		(3)	0
Jointly controlled cos	3	3	1	6	4	77.6%		6	8
Pre-tax profit	516	554	998	1,078	928	16.2%		1,069	2,076
Tax	(36)	(99)	(172)	(186)	(194)	-3.8%		(135)	(358)
Minority interests	(9)	(2)	(9)	(38)	(7)	465.3%		(11)	(48)
Net profit	471	452	817	854	728	17.3%		923	1,671
Adj. net profit	468	410	755	867	728	19.1%		878	1,622
Other gains	17	61	69	(6)			Include RMB56.3mn forex gain	78	63
Listing expenses	(10)	(2)	0	0				(12)	0
Share-based compensation	(4)	(17)	(7)	(7)				(21)	(14)
YoY%									
Revenue	42%	56%	74%	130%	55%			49.8%	106.3%
Gross profit	61%	78%	75%	72%	56%			70.1%	73.3%
Net profit	133%	126%	73%	89%	61%			129.8%	81.0%
Adj. net profit	132%	106%	61%	111%	55%			119.2%	84.8%
Key ratios									
						(in ppts)			
GPM	39.0%	36.7%	39.2%	27.3%	36.9%	(9.60)	If exclude Three Supplies and Property Management, GPM will be 33.5% for 2H19, in line with our estimation	37.7%	31.6%
Selling exp	0.4%	0.7%	0.6%	0.8%	0.6%	0.19		0.6%	0.7%
Admin exp	14.6%	17.5%	13.2%	12.1%	15.0%	(2.93)		16.3%	12.5%
EIT	7.0%	17.9%	17.2%	17.3%	20.8%	(3.57)		12.7%	17.3%
Adj. net margin	23.2%	15.4%	21.5%	14.1%	17.7%	(3.56)		18.8%	16.8%
Revenue breakdown									
Property mgmt services	1,564	1,882	2,586	3,231	2,961	9.1%		3,445	5,817
VAS to community	171	246	307	558	360	54.8%		417	865
VAS to non-property owners	276	515	596	826	758	9.0%		791	1,422
Other services	5	16	27	(1)	31	-103.9%		21	25
Three Supplies and Prop. Mgmt				1,515	0	n.a.		0	1,515

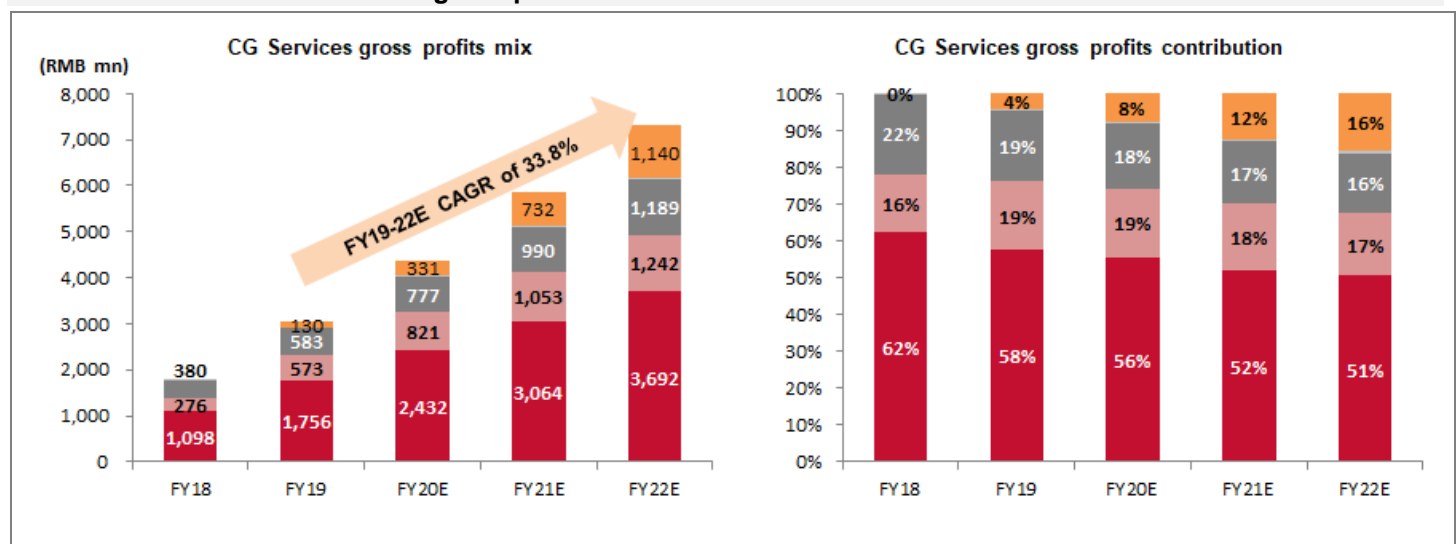
Source: Company, OP Research

Exhibit 4: CG Services FY18-22E revenue breakdown



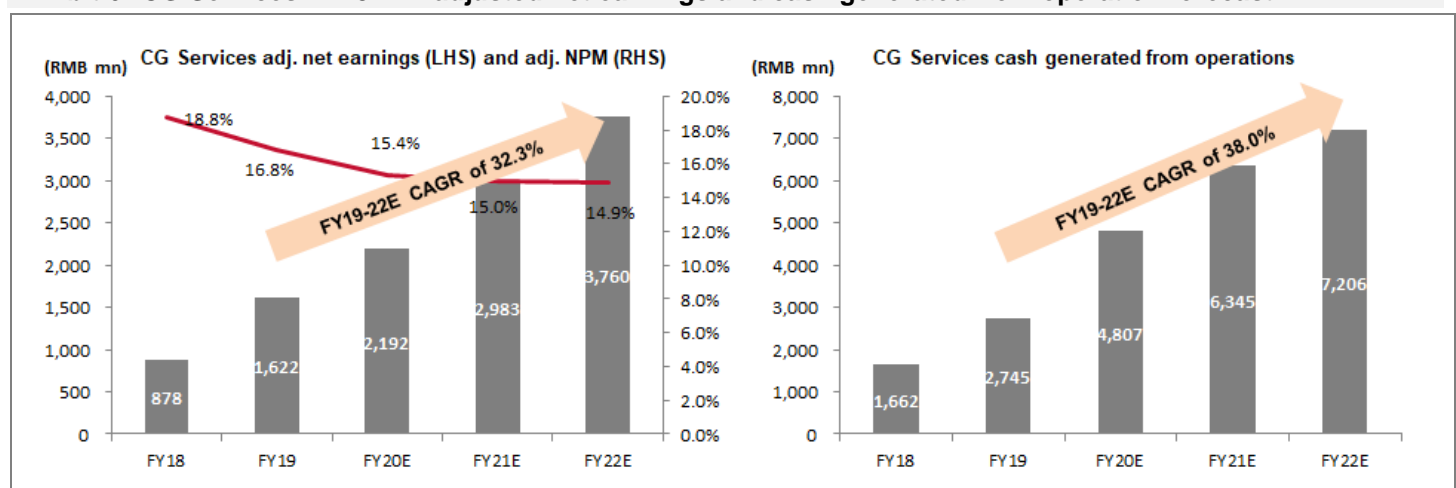
Source: Company, OP Research

Exhibit 5: CG Services FY18-22E gross profit breakdown



Source: Company, OP Research

Exhibit 6: CG Services FY18-22E adjusted net earnings and cash generated from operation forecast



Source: Company, OP Research

Financial Summary

Year to Dec	FY18	FY19	FY20E	FY21E	FY22E	Year to Dec	FY18	FY19	FY20E	FY21E	FY22E
Income Stat. (RMB mn)						Ratios					
Property mgmt services	3,445	5,817	7,974	10,213	12,514	Gross margin (%)	37.7	31.6	30.7	29.5	28.9
VAS to community	417	865	1,304	1,672	1,972	Operating margin (%)	21.9	20.8	18.3	18.0	17.9
VAS to non-property owners	791	1,422	1,770	2,237	2,684	Net margin (%)	19.7	17.3	15.4	15.0	14.9
Other services	21	25	51	81	106	Selling & dist'n exp/Sales (%)	0.6	0.7	0.7	0.7	0.7
Three supplies and prop. mgmt	0	1,515	3,178	5,704	8,015	Admin exp/Sales (%)	16.3	12.5	11.8	10.9	10.3
Turnover	4,675	9,645	14,276	19,907	25,291	Payout ratio (%)	34.9	25.4	25.0	25.0	25.0
YoY%	50	106	48	39	27	Effective tax (%)	12.7	17.3	18.0	18.0	18.0
COGS	(2,914)	(6,593)	(9,895)	(14,035)	(17,986)	Total debt/equity (%)	0.0	0.2	0.2	0.1	0.1
Gross profit	1,762	3,052	4,381	5,872	7,305	Net cash	Net cash	Net cash	Net cash	Net cash	Net cash
Gross margin	37.7%	31.6%	30.7%	29.5%	28.9%	Current ratio (x)	1.5	1.6	1.6	1.6	1.6
Other income	50	229	17	17	17	Quick ratio (x)	1.5	1.6	1.5	1.6	1.6
Selling & distribution	(27)	(67)	(99)	(138)	(175)	Inventory T/O (days)	1	1	1	1	1
Admin	(760)	(1,208)	(1,686)	(2,175)	(2,616)	AR T/O (days)	62	76	76	76	76
R&D	0	0	0	0	0	AP T/O (days)	258	260	260	260	260
Other opex	0	0	0	0	0	Cash conversion cycle (days)	(195)	(183)	(183)	(183)	(183)
Total opex	(786)	(1,274)	(1,784)	(2,313)	(2,791)	Asset turnover (x)	1.0	1.1	1.0	1.0	0.9
Operating profit (EBIT)	1,026	2,007	2,613	3,576	4,530	Financial leverage (x)	2.4	2.3	2.4	2.5	2.5
Operating margin	21.9%	20.8%	18.3%	18.0%	17.9%	EBIT margin (%)	21.9	20.8	18.3	18.0	17.9
Provisions	(13)	(31)	0	0	0	Interest burden (x)	1.0	1.0	1.1	1.1	1.1
Interest Income	54	94	136	207	289	Tax burden (x)	0.9	0.8	0.8	0.8	0.8
Finance costs	0	(2)	0	0	0	Return on equity (%)	50.1	43.8	35.0	35.7	33.9
Profit after financing costs	1,066	2,068	2,749	3,783	4,820	ROIC (%)	(67.5)	(118.6)	(87.2)	(58.3)	(48.4)
Associated companies & JVs	3	8	5	5	5	Year to Dec	FY18	FY19	FY20E	FY21E	FY22E
Pre-tax profit	1,069	2,076	2,754	3,788	4,825	Balance Sheet (RMB mn)					
Tax	(135)	(358)	(495)	(681)	(868)	Fixed assets	113	341	489	689	932
Minority interests	(11)	(48)	(68)	(124)	(198)	Intangible assets & goodwill	686	1,604	1,608	1,613	1,616
Net profit	923	1,671	2,192	2,983	3,760	Associated companies & JVs	27	80	85	90	95
Adj. Net Profit	878	1,622	2,192	2,983	3,760	Long-term investments	19	21	21	21	21
YoY%	119	85	35	36	26	Other non-current assets	6	0	0	0	0
Net margin	18.8%	16.8%	15.4%	15.0%	14.9%	Non-current assets	851	2,045	2,202	2,413	2,664
EBITDA	1,043	1,999	2,650	3,634	4,619	Inventories	8	14	21	30	38
EBITDA margin	22.3%	20.7%	18.6%	18.3%	18.3%	AR	788	2,004	2,966	4,136	5,254
EPS (RMB)	0.351	0.597	0.806	1.097	1.383	Prepayments & deposits	0	0	0	0	0
YoY%	106	70	35	36	26	Other current assets	5	1,293	1,293	1,293	1,293
DPS (HK\$)	0.138	0.171	0.228	0.310	0.391	Cash	3,869	6,914	11,142	16,389	22,125
Year to Dec	FY18	FY19	FY20E	FY21E	FY22E	Current assets	4,671	10,224	15,421	21,847	28,710
Cash Flow (RMB mn)						AP	2,060	4,690	7,039	9,984	12,795
EBITDA	1,043	1,999	2,650	3,634	4,619	Tax	67	108	495	681	868
Chg in working cap	0	746	2,157	2,711	2,587	Accruals & other payables	1,000	1,618	2,395	3,340	4,243
Others	618	0	0	0	0	Bank loans & leases	0	11	11	11	11
Operating cash	1,662	2,745	4,807	6,345	7,206	CB & othe debts	0	0	0	0	0
Interest received	0	2	0	0	0	Other current liabilities	0	0	0	0	0
Tax	(113)	(67)	(108)	(495)	(681)	Current liabilities	3,127	6,427	9,940	14,016	17,916
Net cash from operations	1,549	2,680	4,699	5,851	6,526	Bank loans & leases	0	0	0	0	0
Capex	(62)	(128)	(189)	(264)	(335)	CB & othe debts	0	0	0	0	0
Investments	(426)	0	0	0	0	Deferred tax & others	65	162	162	162	162
Dividends received	0	0	0	0	0	MI	69	306	374	498	696
Sales of assets	338	0	0	0	0	Non-current liabilities	134	469	537	661	858
Interests paid	54	94	136	207	289	Total net assets	2,261	5,373	7,147	9,584	12,600
Others	(18)	0	0	0	0	Shareholder's equity	2,261	5,373	7,147	9,584	12,600
Investing cash	(114)	(34)	(54)	(57)	(46)	Share capital	2	1,757	1,757	1,757	1,757
FCF	1,435	2,647	4,646	5,794	6,479	Reserves	2,259	3,616	5,390	7,827	10,843
Issue of shares	2	0	0	0	0	BVPS (HK\$)	1.02	2.24	2.98	3.99	5.25
Buy-back	0	0	0	0	0	Total debts	0	11	11	11	11
Minority interests	(106)	0	0	0	0	Net cash/(debts)	3,874	6,915	11,143	16,390	22,126
Dividends paid	(96)	(226)	(418)	(546)	(744)						
Net change in bank loans	0	11	0	0	0						
Others	0	97	0	0	0						
Financing cash	(200)	(118)	(418)	(546)	(744)						
Net change in cash	1,235	2,529	4,228	5,247	5,736						
Exchange rate or other Adj	0	517	0	0	0						
Opening cash	2,634	3,869	6,914	11,142	16,389						
Closing cash	3,869	6,914	11,142	16,389	22,125						

Source: Company, OP Research

Exhibit 7: Peer Group Comparison

				PER			EPS						P/B	P/B	EV/	EV/	Net	Gross	Net				ROE	Sh px	Sh px
			Mkt cap	3-mth avg	Hist	PER	PER	PER	EPS FY1	FY2	3-Yr EPS		Div yld	Div yld	Hist	FY1	Ebitda	Ebitda							
Company	Ticker	Price	(US\$m)	t/o (US\$m)	(x)	FY1 (x)	FY2 (x)		YoY%	YoY%	Cagr (%)	PEG (x)	Hist (%)	FY1 (%)	(x)	(x)	Hist	Cur Yr	Hist (%)	Hist (%)	Hist (%)	ROE	FY1	1-mth	3-mth
Countrv Garden S	6098 HK	29.10	10,185	29.0	43.2	31.9	23.5	35.1	36.1	32.3	0.99	0.6	0.8	12.99	9.77	36.0	25.6	Net cash	31.6	17.3	43.8	35.0	(8.5)	12.1	
HSI		22,805.07			9.3	9.1	8.3	2.0	10.5	4.5	2.04	4.4	4.6	0.98	0.92						10.5	10.0	(17.4)	(18.2)	
HSCEI		9,118.67			7.4	7.3	6.6	1.2	10.8	2.5	2.87	4.1	4.5	0.95	0.89						12.9	12.2	(16.4)	(17.3)	
CSI300		3,653.22			13.0	10.7	9.5	21.3	12.8			2.3	2.9	1.7	1.4						12.7	13.5	(11.9)	(9.1)	
China Property Mgmt Peers																									
Adjusted sector avg*					32.1	26.7	19.7	24.9	34.5	30.8	0.95	0.8	1.1	5.77	4.73	20.8	13.5	0.5	27.0	9.1	24.6	20.5	(14.6)	11.0	
Greentown Servic	2869 HK	8.62	3,101	7.8	46.1	41.1	31.0	12.4	32.5	24.4	1.7	0.9	N/A	9.0	N/A	34.9	N/A	0.0	17.8	7.2	22.1	N/A	(14.8)	7.5	
China Overseas P	2669 HK	6.19	2,623	7.5	50.6	39.7	31.1	27.6	27.6	25.9	1.5	0.7	N/A	15.6	N/A	34.1	N/A	0.0	20.4	9.7	36.8	N/A	(1.7)	23.6	
Colour Life Serv	1778 HK	3.25	596	1.6	7.8	7.5	6.6	4.5	13.9	12.2	0.6	5.5	5.2	1.2	1.1	4.9	5.3	30.9	35.5	13.4	17.6	15.4	(27.8)	(23.0)	
A-Living Servi-H	3319 HK	34.00	5,844	28.8	33.6	24.3	18.8	38.4	29.5	32.1	0.8	1.0	N/A	6.7	N/A	23.3	N/A	0.0	36.7	24.0	21.2	N/A	(7.9)	32.8	
S-Enjoy Service	1755 HK	13.66	1,441	5.2	36.6	25.1	17.3	45.6	44.8	41.6	0.6	0.8	2.0	11.0	8.7	22.5	16.5	0.0	29.5	13.1	31.9	32.4	(18.7)	20.7	
Kaisa Prosperity	2168 HK	22.80	412	1.9	41.5	19.2	14.5	116.0	32.4	51.5	0.4	0.8	1.3	5.0	5.1	21.4	11.4	0.0	30.9	6.0	26.6	25.6	(23.6)	21.4	
Ever Sunshine Li	1995 HK	6.97	1,381	7.4	71.7	45.6	29.4	57.1	55.4	52.4	0.9	0.3	0.6	8.5	9.0	65.7	31.2	0.0	28.7	9.3	23.5	20.5	(16.5)	45.2	
Shenzhen World-A	002285 CH	2.95	851	10.9	14.8	14.8	9.4	0.0	56.5	20.2	0.7	0.7	0.5	1.1	1.1	7.1	19.1	4.3	21.7	5.5	2.0	13.4	(5.8)	(14.5)	
Nacity Propert-A	603506 CH	18.15	345	5.9	25.9	22.8	19.3	13.6	18.2	16.8	1.4	1.3	N/A	3.5	3.4	18.4	15.1	0.0	22.1	8.7	17.2	15.6	(14.6)	(14.8)	
Commercial Property Mgmt Peers																									
Adjusted sector avg*					12.2	12.0	11.0	42.5	8.4	10.2	0.95	0.6	#DIV/0!	3.45	1.56	(10.7)	64.7	78.6	29.9	0.3	(4.5)	12.3	(38.3)	(32.6)	
Jones Lang Lasal	JLL US	99.80	5,146	61.2	9.1	7.2	7.0	26.6	3.2	13.0	0.6	0.9	0.4	1.0	1.0	7.0	58.1	44.8	N/A	3.0	12.1	6.4	(39.8)	(42.1)	
Cbre Group Inc-A	CBRE US	39.44	13,204	94.5	10.3	9.8	9.0	4.9	9.2	7.3	1.3	N/A	N/A	2.1	2.1	8.6	37.3	47.8	21.8	5.4	23.0	18.2	(38.1)	(35.0)	
Firstservice-Wi	FSV CN	105.17	3,176	10.3	N/A	22.1	19.9	N/A	11.0	N/A	N/A	0.8	N/A	7.2	N/A	(66.0)	103.0	131.1	32.1	(10.5)	(76.0)	N/A	(27.9)	(15.6)	
Colliers Interna	CIGI CN	63.18	1,771	11.5	17.1	8.7	7.9	95.9	10.1	N/A	N/A	0.2	N/A	3.5	N/A	7.6	60.6	90.8	35.7	3.4	22.9	N/A	(47.2)	(37.6)	

* Outliners and "N/A" entries are in red and excl. from the calculation of averages

Source: Bloomberg, OP Research

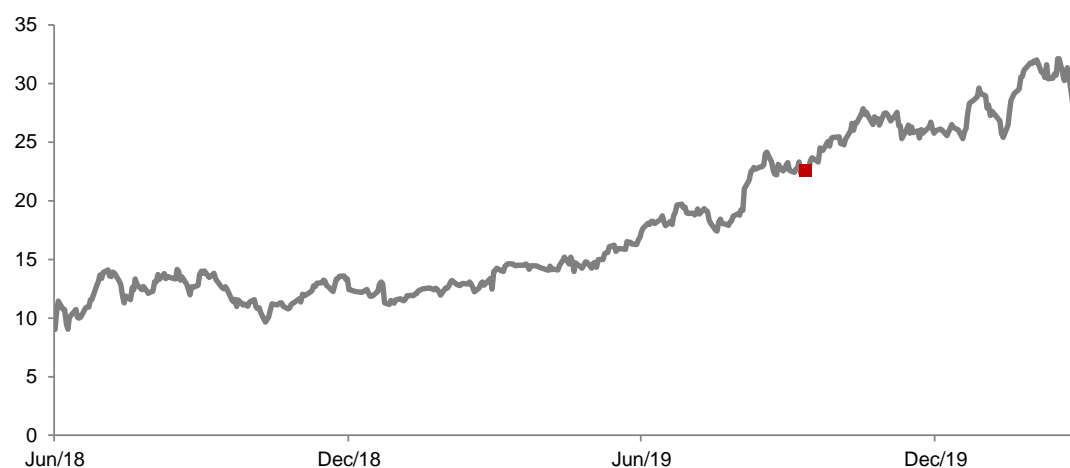
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Date	Company / Sector	Stock Code	Title	Rating	Analyst
20/03/2020	Kingdee Int'l	268	Ambitious cloud target to weigh on FY20E earnings	HOLD	Dallas Cai
20/03/2020	Xtep Intl	1368	FY19 results in line with expectations	BUY	Dallas Cai/Megan Jin
19/03/2020	A-Living	3319	Unfolding a new 3-year plan	BUY	Dallas Cai
19/03/2020	Ausnutria Dairy	1717	Robust growth momentum to keep up in FY20E	BUY	Dallas Cai/Megan Jin
19/03/2020	361 Degrees Intl	1361	FY19 results up to expectations	BUY	Megan Jin
18/03/2020	Sunny Optical	2382	FY19 results clean beat on GPM	BUY	Dallas Cai
10/03/2020	Q Tech	1478	FY19 results beat on better CCM product mix	BUY	Dallas Cai
09/03/2020	Edvantage Group	382	1H20/21E positive profit alert - BUY	BUY	Dallas Cai/Megan Jin
24/02/2020	361 Degrees Intl	1361	COVID-19 impact to be inevitable on 1H20E	BUY	Megan Jin
20/02/2020	Ausnutria Dairy	1717	FY19E cow IMF growth beat expectations	BUY	Dallas Cai/Megan Jin
18/02/2020	Anta Sports	2020	Concrete yet manageable impacts from COVID-19	BUY	Dallas Cai/Megan Jin
13/02/2020	CH Display OPT	334	Better than feared coronavirus impacts, for now	HOLD	Dallas Cai
10/02/2020	TCL Electronics	1070	FY19E earnings beat expectations	BUY	Dallas Cai
05/02/2020	Xtep Intl	1368	4Q19 in line with expectations	BUY	Dallas Cai/Megan Jin
17/01/2020	Edvantage Group	382	FY20/21E saw a good start	BUY	Yuji Fung/Dallas Cai
17/01/2020	361 Degrees Intl	1361	4Q19 retail sales on track	BUY	Megan Jin
15/01/2020	Anta Sports	2020	Issuance of CB to optimize financial structure	BUY	Dallas Cai/Megan Jin
10/01/2020	Sunny Optical	2382	2019 shipment targets met - as expected	BUY	Yuji Fung/Dallas Cai
08/01/2020	Q Tech	1478	2019 full year shipments meet OP targets	BUY	Yuji Fung/Dallas Cai
31/12/2019	GT Service	2869	Introducing Longfor as 3rd largest shareholder	BUY	Dallas Cai/Yuji Fung
20/12/2019	Q Tech	1478	Top-up placement for CCM capacity expansion	BUY	Yuji Fung/Dallas Cai
17/12/2019	Aidigong	286	Transforming into a leading postpartum care player in China	NR	Yuji Fung
13/12/2019	Anta Sports	2020	Revealing higher visibility of post-M&A roadmap	BUY	Dallas Cai/Megan Jin
10/12/2019	Sunny Optical	2382	November saw strong HCM shipment growth	BUY	Yuji Fung/Dallas Cai
10/12/2019	Q Tech	1478	November shipments maintain full steam	BUY	Yuji Fung/Dallas Cai
03/12/2019	Xtep Intl	1368	Update on winter sales and new brand	BUY	Dallas Cai/Megan Jin
28/11/2019	Edvantage Group	382	Advantageous Educator in Greater Bay Area	BUY	Yuji Fung/Dallas Cai

Historical recommendations and target price: CG Services (6098 HK)

(as of 20/03/2020)

(HK\$)



DATE	RATING	TP	CLOSE
1 02 Oct 2019	BUY	HKD25.90	22.60

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Hold (H)	We expect this stock to perform in line with the relevant benchmark over the next 12 months.
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Relevant Benchmark	Represents the stock closing price as at the date quoted in this report.

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