

# China Edu Group (839 HK)

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## Company Update

### BUY

#### UNCHANGED

**Close price:** HK\$18.46

**Target Price:** HK\$21.80 (+18.1%)

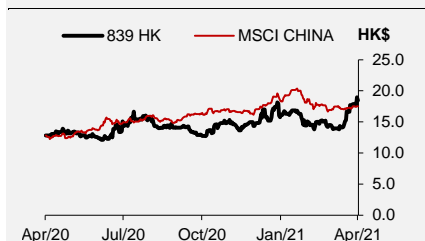
**Prior TP:** HK\$20.00

#### Key Data

HKEx code	839 HK
12 Months High (HK\$)	19.50
12 Month Low (HK\$)	12.10
3M Avg Dail Vol. (mn)	7.09
Issue Share (mn)	2,150.22
Market Cap (HK\$mn)	41,958.32
Fiscal Year	08/2020
Major shareholder (s)	Mr. Yu Guo and Mr Xie Ketao(66.00%)

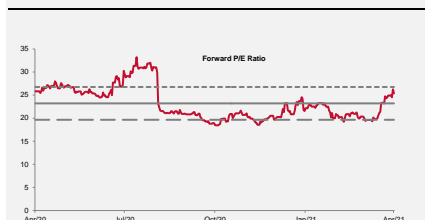
Source: Company data, Bloomberg, OP Research  
Closing price are as of 29/4/2021

#### Price Chart



	1mth	3mth	6mth
Absolute %	28.0	15.2	44.7
Rel. MSCI CHINA %	24.3	22.2	36.1

#### PE



#### Company Profile

China Education Group is a private higher education provider in China. The Company operates universities and vocational colleges and enrolls students across all provinces in mainland China. The Company provides bachelor's degree programs, junior college diploma programs and vocational education programs.

## Ready for more M&A

- 1H21 rev/adjusted net profit +38.6%/50.2% to RMB1.82 bn/RMB738 mn. DPS +47% YoY to HK\$ 19.7 cents.
- Songtian and Chongqing School has been converted into private universities while Shandong School is pending for conversion
- Planned to acquire 2 schools in 2H21
- Strong organic growth with 26.7% EPS CAGR between FY20 to FY23E
- Maintain Buy, TP lift to HK\$21.80 on 29.9x FY21E PER

**1H21 results beat consensus.** Catalysts include: (1) Baseline GPM rose 3.5pp to 61.1%, (2) 46.1% yoy growth in adjusted EBITDA mainly thanks to solid opex control especially in admin expenses.

**New round of expansion set to take off.** CEG said it currently has 7 potential M&A (most are universities with enrolment between 10k-20k) and it will acquire 2 of them in 2H21. We believe CEG has enough financial resources to support sizable expansions in future given: (1) it has RMB5.1bn cash as at Feb 2021 and (2) >RMB 2bn operating cash flow.

**Operational expertise to unlock value of schools.** CEG has solid track record in profitability enhancement, resulting in 2.2x-18x increase in net profit for schools it acquired after the IPO. In spite of improvement of education value added and pricing power, we believe CEG could realize synergies among its schools and achieve additional tuition upside by introducing UK dual-degrees and high-end colleges (premium programmes with higher tuition) across its schools.

**Strong organic growth.** CEG reports +15% yoy growth in rev for its existing schools (excluding schools acquired in FY20). We believe China's push to expand vocational education and higher education will boost CEG's student enrolment. It revealed that top-up degrees admission quota for schools in the Great Bay Area, Chongqing University and Shandong University for SY22 had grown 113%/17%/67% respectively.

**Maintain BUY with TP lift to HK\$21.80** on 29.9x/22.9x FY21E/FY22E PER. We fine-tuned our forecast and see a 26.7% EPS CAGR between FY20 to FY23E without new M&A, attributable to organic student growth and better profit margins on the successful conversion of independent colleges into private universities. We reckon CEG could sustain robust growth driven by sizable M&As and such expectations will remain as major share price catalyst.

**Risks:** (1) Delay commencement of new campuses, (2) M&A targets missed

#### Exhibit 1: Forecast and Valuation

Year to Aug. (RMB mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	1,955	2,678	3,762	4,638	5,207
Growth (%)	50.9	37.0	40.5	23.3	12.3
Adj. net profit	765	984	1,486	1,941	2,112
Growth (%)	20.3	28.7	51.0	30.6	8.8
Adj. diluted EPS (HK\$)	0.395	0.509	0.729	0.952	1.036
Adj. EPS growth (%)	5.6	28.8	43.1	30.6	8.8
Change to previous EPS (%)			-7.6	-3.1	+0.6
Consensus EPS (HK\$)			0.726	0.913	1.054
ROE (%)	8.8	8.0	12.0	16.2	16.4
P/E (x)	46.7	36.2	25.3	19.4	17.8
P/B (x)	5.0	3.9	3.3	3.0	2.8
Yield (%)	0.7	1.5	2.4	3.1	3.4
DPS (HK\$)	0.125	0.273	0.437	0.571	0.622

Source: Bloomberg, OP Research

## Exhibit 2: Earnings Revision

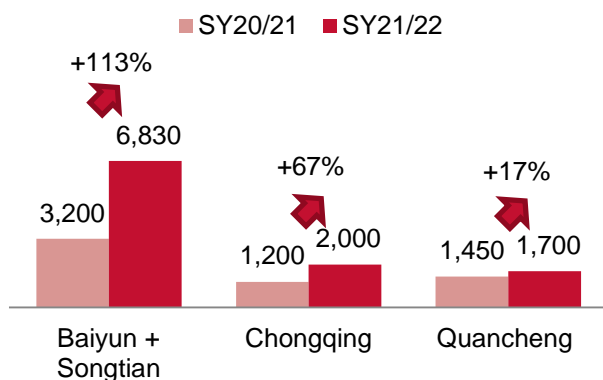
(RMB mn)	FY21E			FY22E			OP Comments
	New	Old	% Chg	New	Old	% Chg	
Revenue	3,762	3,975	(5.4)	4,638	4,574	1.4	Due to the weaker student enrollment for CEG's vocation schools in 1H21
Gross profit	2,249	2,393	(6.0)	2,837	2,848	(0.4)	
Gross margin	59.8%	60.2%	(0.4)	61.2%	62.3%	(1.1)	Due to lower GPM of Haikou School Due to (1) lower admin expenses ratio and also (2) lower expenses relating to conversion of independent colleges to be booked in FY21E
Opex	-921	-1,068	(13.8)	-786	-762	3.2	
EBIT	1,446	1,447	(0.1)	2,187	2,220	(1.5)	
Net Profit	1,226	1,221	0.4	1,941	1,932	0.5	Due to increase of share outstanding after shares placement in Jan 2021
Adj. net Profit <sup>1</sup>	1,486	1,543	(3.7)	1,941	1,932	0.5	
Diluted adj. EPS <sup>1</sup> (HK\$)	0.729	0.789	(7.6)	0.952	0.983	(3.1)	

Source: OP Research

<sup>1</sup> We include one-off and other current period expenses related to conversion of independent colleges into private universities

## Exhibit 3: CEG's organic growth drivers

### Admission quota for top-up degrees grows further in SY21/22



### CEG identified 7 potential near-term M&A

Degree level	Location <sup>3</sup>	Enrolment
University <sup>2</sup>	Tier A	>20,000
University <sup>2</sup>	Tier A	>20,000
University <sup>2</sup>	Tier A	>20,000
University <sup>2</sup>	Tier A	>10,000
University <sup>2</sup>	Tier B	>15,000
University <sup>2</sup>	Tier B	>10,000
Junior College	Tier A	>15,000

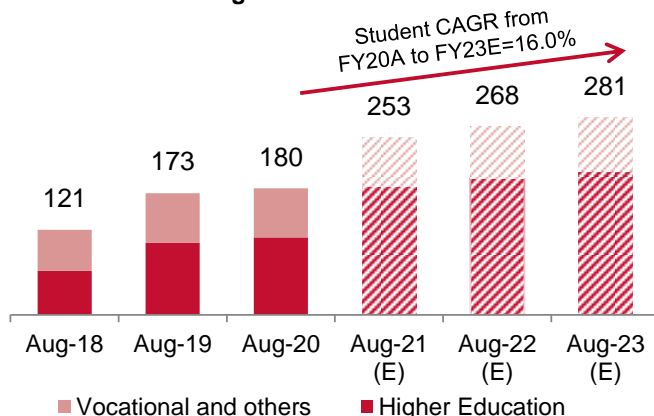
<sup>2</sup> including Independent College

<sup>3</sup> CEG classify locations into three tiers based on growth projections. Tier A has the strongest enrolment growth potentials and the least provider competition

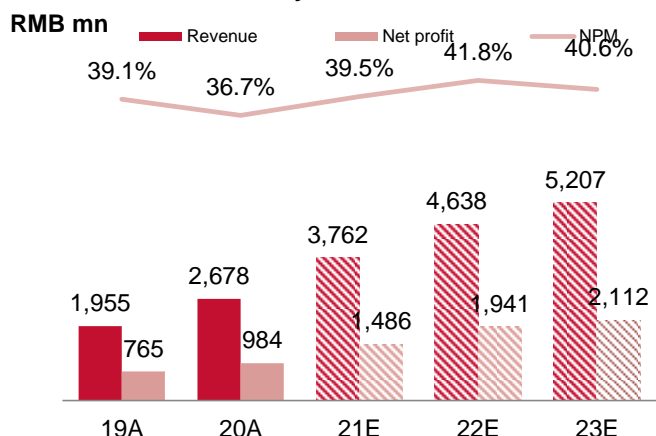
Source: Company

## Exhibit 4: CEG's growth forecast

### CEG's total enrolled student('000) as at 31 Aug from FY18 to FY23E



### Key financial forecast



Source: Company, OP Research

**Exhibit 5: 1H21 results review**

(RMB mn)	1H19	2H19	1H20	2H20	1H21	YoY%	OP Comments
<b>Revenue</b>	<b>927</b>	<b>1,028</b>	<b>1,315</b>	<b>1,363</b>	<b>1,823</b>	<b>+38.6%</b>	Mainly thanks to contribution from newly acquired Hainan School
COGS	(391)	(442)	(558)	(519)	(746)	+33.7%	
<b>Gross profit</b>	<b>536</b>	<b>585</b>	<b>757</b>	<b>844</b>	<b>1,077</b>	<b>+42.3%</b>	
Other income & gains	29	(7)	74	5	130	+74.3%	
Selling exp	(25)	(28)	(61)	(74)	(86)	+40.6%	
Admin exp	(175)	(178)	(179)	(193)	(208)	+16.3%	Due to the net reversal of share-based payments of RMB30.5mn
<b>Operating profit (EBIT)</b>	<b>366</b>	<b>371</b>	<b>592</b>	<b>581</b>	<b>913</b>	<b>+54.3%</b>	
FV change of CB or other items	0	0	(3)	(367)	34	n/a	
Interest income	11	22	12	7	29	+146.1%	
Finance costs	(33)	(53)	(51)	(41)	(93)	+82.3%	Due to increase in borrowing
Pre-tax profit	344	324	550	180	883	+60.5%	
Tax	(0)	19	(9)	(11)	(30)	+247.6%	
Minority interests	(44)	(50)	(43)	(34)	(21)	-52.1%	
<b>Net profit</b>	<b>300</b>	<b>293</b>	<b>498</b>	<b>136</b>	<b>831</b>	<b>+67.1%</b>	
<b>One-off items</b>	<b>73</b>	<b>99</b>	<b>(7)</b>	<b>358</b>	<b>(94)</b>	n/a	
<b>Adj. net profit</b>	<b>373</b>	<b>391</b>	<b>491</b>	<b>493</b>	<b>738</b>	<b>+50.2%</b>	
<b>Key ratios</b>							
GPM	57.8%	56.9%	57.6%	61.9%	59.1%	+1.5p.p.	
Selling exp	2.7%	2.7%	4.6%	5.4%	4.7%	+0.1p.p.	
Admin exp	18.8%	17.4%	13.6%	14.2%	11.4%	-2.1p.p.	If we excludes the net reversal of share-based payments, admin exp ratio should be 13.0%
Effective tax rate	0.0%	-5.9%	1.6%	5.8%	3.4%	+1.8p.p.	
Net profit margin	32.3%	28.5%	37.8%	9.9%	45.6%	+7.8p.p.	
Adjusted net margin	40.2%	38.1%	37.3%	36.2%	40.5%	+3.2p.p.	

Source: OP Research

## Financial Summary

Year to Aug	FY19	FY20	FY21E	FY22E	FY23E
<b>Income Statement (RMB mn)</b>					
Higher-education	1,278	1,744	2,878	3,617	4,108
Vocational education	677	736	658	777	827
Overseas education	0	197	226	244	272
<b>Turnover</b>	<b>1,955</b>	<b>2,678</b>	<b>3,762</b>	<b>4,638</b>	<b>5,207</b>
YoY%	50.9	37.0	40.5	23.3	12.3
COGS	-833	-1,077	-1,513	-1,801	-1,963
<b>Gross profit</b>	<b>1,122</b>	<b>1,601</b>	<b>2,249</b>	<b>2,837</b>	<b>3,244</b>
Gross margin	57.4%	59.8%	59.8%	61.2%	62.3%
Other gain/losses	21	79	118	136	147
Selling expenses	-53	-135	-172	-183	-183
Admin expenses	-353	-372	-489	-603	-677
Other expenses	0	0	-260	0	0
<b>Total opex</b>	<b>-406</b>	<b>-507</b>	<b>-921</b>	<b>-786</b>	<b>-860</b>
<b>Operating profit (EBIT)</b>	<b>737</b>	<b>1,173</b>	<b>1,446</b>	<b>2,187</b>	<b>2,531</b>
Operating margin	37.7%	43.8%	38.4%	47.2%	48.6%
Interest Income	34	18	18	18	18
Change in FV of CB	-17	-369	0	0	0
Finance costs	-86	-93	-162	-180	-180
<b>Pre-tax profit</b>	<b>668</b>	<b>730</b>	<b>1,302</b>	<b>2,026</b>	<b>2,370</b>
Tax	19	-19	-55	-71	-83
Minority interests	-95	-77	-22	-14	-175
<b>Net profit</b>	<b>593</b>	<b>633</b>	<b>1,226</b>	<b>1,941</b>	<b>2,112</b>
Net margin	30.3%	23.6%	32.6%	41.8%	40.6%
<b>Adj. net profit</b>	<b>765</b>	<b>984</b>	<b>1,486</b>	<b>1,941</b>	<b>2,112</b>
Adj. net margin	39.1%	36.7%	39.5%	41.8%	40.6%
YoY%	20%	28.7%	51.0%	30.6%	8.8%
<b>EBITDA</b>	<b>975</b>	<b>1,477</b>	<b>1,739</b>	<b>2,547</b>	<b>2,881</b>
EBITDA margin	49.9%	55.1%	46.2%	54.9%	55.3%
<b>EPS (HK\$)</b>	<b>0.395</b>	<b>0.509</b>	<b>0.729</b>	<b>0.952</b>	<b>1.036</b>
YoY%	6%	28.8%	43.1%	30.6%	8.8%
DPS (HK\$)	0.125	0.273	0.437	0.571	0.622

Year to Aug	FY19	FY20	FY21E	FY22E	FY23E
<b>Cash Flow (RMB mn)</b>					
EBITDA	975	1,126	1,739	2,547	2,881
Chg in working cap	44	-549	1,874	850	45
Others	123	354	0	0	0
<b>Operating cash</b>	<b>1,142</b>	<b>931</b>	<b>3,613</b>	<b>3,397</b>	<b>2,926</b>
Tax	-1	-20	-19	-55	-71
<b>Net cash from operations</b>	<b>1,141</b>	<b>911</b>	<b>3,594</b>	<b>3,342</b>	<b>2,855</b>
Capex	-593	-844	-820	-400	-400
Acquisitions	-1,065	-1,116	-3,112	0	0
Other investment	-305	-59	0	0	0
Net loans to related parties	23	31	26	32	36
Div from assoc	-1,065	0	0	0	0
Interests received	34	18	18	18	18
Others	-360	-622	0	0	0
<b>Investing cash</b>	<b>-2,268</b>	<b>-2,591</b>	<b>-3,888</b>	<b>-350</b>	<b>-346</b>
<b>FCF</b>	<b>-1,160</b>	<b>-1,698</b>	<b>-312</b>	<b>2,974</b>	<b>2,491</b>
Issue of shares	0	1,799	1,677	0	0
Proceeds from convertible	2,007	0	0	0	0
Minority interests	0	0	0	0	0
Dividends paid	-190	-411	-586	-735	-1,164
Interest paid	-32	-139	-90	-162	-180
Net change in bank loans	1,074	594	815	0	0
Others	-49	-212	0	0	0
<b>Financing cash</b>	<b>2,810</b>	<b>1,630</b>	<b>1,816</b>	<b>-897</b>	<b>-1,344</b>
<b>Net change in cash</b>	<b>1,684</b>	<b>-49</b>	<b>1,523</b>	<b>2,095</b>	<b>1,165</b>
Exchange rate or other Adj	74	-56	0	0	0
Opening cash	1,738	3,497	3,391	4,914	7,009
<b>Closing cash</b>	<b>3,497</b>	<b>3,391</b>	<b>4,914</b>	<b>7,009</b>	<b>8,174</b>
<b>CFPS (HK\$)</b>	<b>0.871</b>	<b>(0.026)</b>	<b>0.747</b>	<b>1.028</b>	<b>0.572</b>

Year to Aug	FY19	FY20	FY21E	FY22E	FY23E
<b>Ratios</b>					
Gross margin (%) - blended	57.4	59.8	59.8	61.2	62.3
Operating margin (%)	37.7	43.8	38.4	47.2	48.6
Net margin (%)	30.3	23.6	32.6	41.8	40.6
Net adj. margin (%)	39.1	36.7	39.5	41.8	40.6
Selling exp/sales (%)	2.7	5.0	4.6	3.9	3.5
Admin exp/sales (%)	18.1	13.9	13.0	13.0	13.0
Payout ratio (%)	39.0	58.0	60.0	60.0	60.0
Effective tax (%)	(2.8)	3.0	3.5	3.5	3.5
Total debt/equity (%)	60.9	57.3	51.1	47.8	44.1
Net debt/equity (%)	11.0	18.7	8.2	Net cash	Net cash
Current ratio (x)	1.3	1.5	1.4	1.4	1.5
Quick ratio (x)	1.3	1.5	1.4	1.4	1.5
Inventory T/O (days)	0	0	0	0	0
AR T/O (days)	107	81	80	70	70
AP T/O (days)	10	10	10	10	10
Cash conversion cycle (days)	96	71	70	60	60
Asset turnover (x)	0.2	0.2	0.2	0.2	0.2
Financial leverage (x)	1.8	2.1	2.0	2.0	2.0
EBIT margin (%)	37.7	43.8	38.4	47.2	48.6
Interest burden (x)	0.9	0.6	0.9	0.9	0.9
Tax burden (x)	0.9	0.9	0.9	1.0	0.9
<b>Return on equity (%)</b>	<b>8.8</b>	<b>8.0</b>	<b>12.0</b>	<b>16.2</b>	<b>16.4</b>

Year to Aug	FY19	FY20	FY21E	FY22E	FY23E
<b>Balance Sheet (RMB mn)</b>					
Net PPE	5,851	6,847	9,198	9,238	9,288
Goodwill	1,566	1,792	1,962	1,962	1,962
Intangible assets	1,708	2,299	2,919	2,919	2,919
Deferred tax	27	18	18	18	18
Other non-current assets	1,281	1,978	1,978	1,978	1,978
<b>Non-current assets</b>	<b>10,433</b>	<b>12,934</b>	<b>16,075</b>	<b>16,115</b>	<b>16,166</b>
Inventories	1	1	1	1	1
Receivables, deposits and prepayments	571	594	825	890	999
Contract assets	53	79	113	139	156
Other current assets	786	924	924	924	924
Cash	3,497	3,443	4,966	7,061	8,226
<b>Current assets</b>	<b>4,906</b>	<b>5,041</b>	<b>6,828</b>	<b>9,014</b>	<b>10,305</b>
Trade payables	23	33	41	49	54
Accruals & other payables	1,506	1,447	1,447	1,447	1,447
Tax	21	19	19	55	71
Bank loans & leases	285	292	292	292	292
Contract liabilities	1,617	1,239	2,783	4,166	4,462
Other current liabilities	277	349	349	349	349
<b>Current liabilities</b>	<b>3,729</b>	<b>3,379</b>	<b>4,931</b>	<b>6,357</b>	<b>6,674</b>
Bank loans	1,838	2,387	3,191	3,191	3,191
Convertible bonds	2,144	2,428	2,428	2,428	2,428
Other non-current liabilities	620	874	788	788	788
<b>Non-current liabilities</b>	<b>4,602</b>	<b>5,689</b>	<b>6,407</b>	<b>6,407</b>	<b>6,407</b>
<b>Total net assets</b>	<b>7,008</b>	<b>8,907</b>	<b>11,566</b>	<b>12,366</b>	<b>13,390</b>
<b>Total Equity</b>	<b>7,008</b>	<b>8,907</b>	<b>11,566</b>	<b>12,366</b>	<b>13,390</b>
<b>Shareholder's equity</b>	<b>6,595</b>	<b>8,573</b>	<b>10,731</b>	<b>11,517</b>	<b>12,367</b>
Share capital	0	0	0	0	0
Reserves	6,595	8,573	10,731	11,517	12,367
NCI	414	334	835	849	1,024
<b>BVPS (HK\$)</b>	<b>3.69</b>	<b>4.77</b>	<b>5.65</b>	<b>6.06</b>	<b>6.51</b>
Total borrowings	4,267	5,107	5,911	5,911	5,911
Net cash/(debts)	-770	-1,664	-945	1,150	2,315

Year to Aug	FY19	FY20	FY21E	FY22E	FY23E
<b>Key assumptions</b>					
Number of student('000)	170.2	180.2	252.5	267.8	281
% change	40	6	40	6	5
Of which: Full-time ('000)	150.2	158.1	196.5	211.8	225
% change	37	5	24	8	6
Avg revenue/student(RMB '000)	11.5	14.9	14.9	17.3	18.5
% change	+8	+29	-1	+16	+7

Source: Company, OP Research

## Exhibit 6: Peer Group Comparison

Company	Ticker	Price	3-mth		PER	PER	PER	EPS FY1	EPS FY2	3-Yr		P/B Hist	P/B FY1	EV/		Net	Gross	Net		ROE	ROE	Sh px	Sh px
			Mkt cap	avg t/o																			
			(US\$m)	(US\$m)	Hist (x)	FY1 (x)	FY2 (x)	YoY%	YoY%	Cagr(%)	PEG (x)	(x)	(x)	Ebitda	Ebitda	gearing	margin	margin	margin	Hist (%)	FY1 (%)	1-mth %	3-mth %
China Education	839 HK	18.46	5,405	14.6	36.2	25.3	19.4	43.1	30.6	26.7	0.95	3.87	3.27	28.0	23.4	18.7	59.8	36.7	36.7	8.0	12.0	28.0	15.2
HSI		29,303.26			14.6	13.1	11.5	11.3	13.5	12.2	1.08	1.23	1.27							8.5	9.7	3.4	3.6
HSCEI		11,049.88			15.0	10.9	9.6	38.3	12.8	20.5	0.53	1.28	1.31							8.5	12.1	1.0	(1.4)
CSI300		5,164.17			18.2	14.4	13.4	26.8	7.2			2.26	2.04							12.4	14.2	2.3	(3.5)
<b>Domestic peers</b>																							
Adjusted sector avg*					21.6	13.8	11.1	39.5	24.2	31.0	0.5	2.3	2.2	11.1	10.0	6.7	53.9	39.2	39.2	14.1	16.4	6.6	0.9
Edvantage Group	382 HK	8.55	1,180	3.7	24.9	17.0	12.3	45.8	39.0	36.4	0.5	3.3	3.0	21.6	15.2	0.0	49.5	36.4	36.4	15.2	19.5	17.0	(1.7)
China Kepei Educ	1890 HK	5.85	1,519	1.6	17.3	12.7	10.5	35.7	21.1	25.3	0.5	3.1	2.6	14.0	10.1	0.0	69.9	65.1	65.1	18.9	21.2	15.2	7.1
Hope Education G	1765 HK	2.72	2,794	23.0	35.9	20.1	16.2	79.1	23.9	41.3	0.5	2.7	2.6	N/A	14.0	6.4	49.6	29.1	29.1	8.9	13.6	2.3	2.6
Minsheng Educati	1569 HK	1.39	755	0.7	36.4	8.0	6.8	352.8	18.8	85.5	0.1	1.2	1.0	12.4	5.0	0.0	51.2	11.9	11.9	3.4	13.8	(4.1)	(0.7)
China Xinhua Edu	2779 HK	2.27	470	0.1	9.4	7.9	6.3	18.7	25.0	20.6	0.4	1.1	0.9	6.6	5.6	0.0	65.0	67.9	67.9	12.0	12.3	(4.2)	0.4
China New Higher	2001 HK	6.14	1,254	3.3	19.7	13.8	10.5	43.1	31.2	31.3	0.4	3.2	2.8	13.7	10.2	40.7	49.8	35.5	35.5	17.5	20.3	43.5	19.0
Jh Educational T	1935 HK	3.85	794	0.7	19.3	16.9	15.3	14.4	10.5	N/A	N/A	2.9	2.3	12.0	10.2	0.0	59.6	47.4	47.4	15.5	14.4	20.3	1.9
China Chunlai Ed	1969 HK	1.44	223	0.2	10.0	N/A	N/A	N/A	N/A	N/A	N/A	1.0	N/A	8.0	N/A	110.2	52.6	20.1	20.1	10.4	N/A	0.0	(3.4)

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

Source: Bloomberg, OP Research

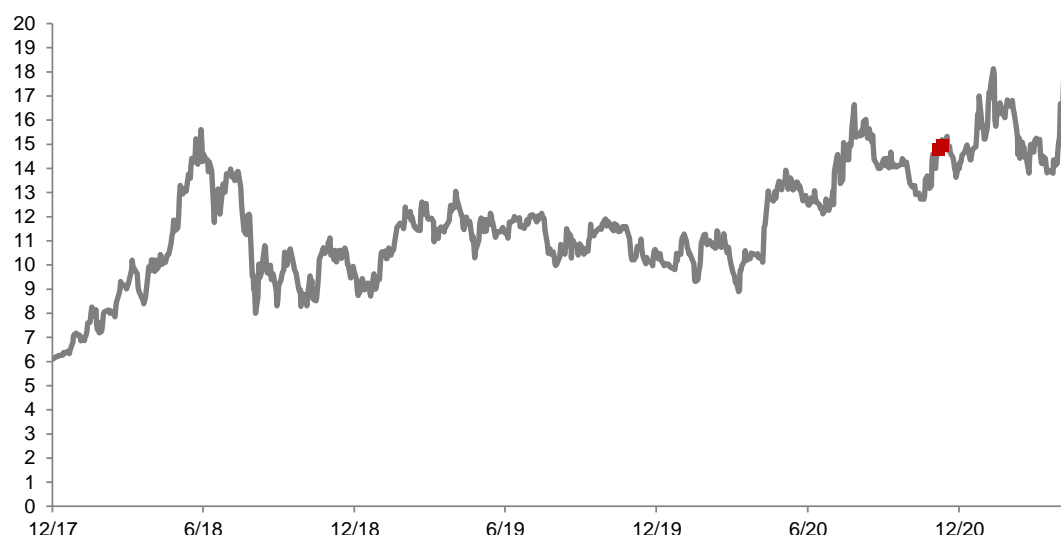
## Our recent reports

Date	Company / Sector	Ticker	Title	Rating	Analyst
22/04/2021	New Higher Edu	2001	More visible growth path	BUY	John Siah
22/04/2021	Edvantage Group	382	Fascinating growth story set to take off	BUY	John Siah
21/04/2021	Innovent Bio	1801	More convincing pipeline development	BUY	Kevin Tam
15/04/2021	AAC Tech	2018	Optical segment beginning to shine	BUY	John Siah
31/03/2021	HKTV	1137	FY20 bottom line fell short on fulfillment cost	BUY	Kevin Tam
29/03/2021	361 Degrees	1361	Encouraging recovery in 2H20, visible growth for FY21E	BUY	Kevin Tam
25/03/2021	Greentown Mgmt	9979	Pure cash cow with surprise on dividend	BUY	John Siah
23/03/2021	Yeahka	9923	Payment driven growth thesis remains compelling	BUY	Kevin Tam
17/03/2021	Yidu Tech	2158	Digging the healthcare big data goldmine	BUY	Kevin Tam
22/02/2021	Razer	1337	A year of harvest	NR	John Siah
04/02/2021	HKTV	1137	Flat Jan GMV, but still upbeat on growth prospect	BUY	Kevin Tam
19/01/2021	Yeahka	9923	More conviction on marketing services driven growth	BUY	Kevin Tam
18/01/2021	Xtep Intl	1368	Channel inventory improvement on track	BUY	Megan Jin
15/01/2021	New Higher Edu	2001	More visible and stellar growth	BUY	John Siah
15/01/2021	Anta Sports	2020	More positive Anta brand FY21E outlook	HOLD	Megan Jin
06/01/2021	HKTV	1137	E commerce solution business moving forward	BUY	Kevin Tam/Megan Jin
30/12/2020	New Oriental Edu	9901	Tutoring elephant continues to fly	BUY	Kevin Tam
23/12/2020	Anta Sports	2020	Precor disposal in plan of Amer brands restructuring	HOLD	Megan Jin
21/12/2020	Scholar Edu	1769	Extraordinary growth expected to continue	NR	John Siah
14/12/2020	CG Services	6098	Placement for strategic deployment	BUY	Megan Jin
09/12/2020	Edvantage Group	382	Expansion begins	BUY	Megan Jin
08/12/2020	HKTV	1137	Satisfactory November GMV	BUY	Kevin Tam/Megan Jin
26/11/2020	China Edu Group	839	Robust growth outlook on surging new students	BUY	John Siah
20/11/2020	China Edu Group	839	A fast rising education giant grabbing ample opportunities in China education market	BUY	John Siah
19/11/2020	Ausnutria Dairy	1717	More to expect from FY21E	BUY	Megan Jin
11/11/2020	Edvantage Group	382	Robust organic growth with more boosters ahead	BUY	Megan Jin
10/11/2020	HKTV	1137	All fronts speeding up	BUY	Kevin Tam/Megan Jin

## Historical recommendations and target price: China Edu Group (839 HK)

(as of 29/4/2021)

(HK\$)



	Date	Rating	TP	Close
1	20 Nov 2020	BUY	HK\$19.10	HK\$14.90
2	25 Nov 2020	BUY	HK\$20.00	HK\$15.08
3	29 Apr 2021	BUY	HK\$21.80	HK\$18.46



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<b>Relevant Benchmark</b>	Represents the stock closing price as at the date quoted in this report.

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