

# Edvantage Group (382 HK)

John Siah

+852 2135 0248

john.siah@oriental-patron.com.hk

## Company Update

**BUY**

UNCHANGED

Close price: HK\$8.51

Target Price: HK\$11.20(+31.6%)

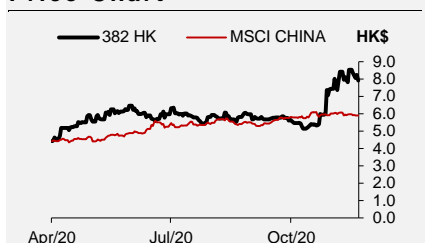
Prior TP: HK\$11.21

### Key Data

HKEx code	382 HK
12 Months High (HK\$)	10.68
12 Month Low (HK\$)	4.42
3M Avg Dail Vol. (mn)	4.01
Issue Share (mn)	1,071.66
Market Cap (HK\$mn)	9,119.84
Fiscal Year	8/2020
Major shareholder (s)	Director Liu & Family (70.07%)

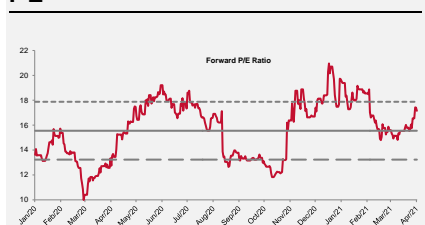
Source: Company data, Bloomberg, OP Research  
Closing price are as of 21/4/2021

### Price Chart



	1mth	3mth	6mth
Absolute %	+9.7	-13.1	+55.9
Rel. MSCI CHINA %	+14.2	-2.9	+49.9

### PE



### Company Profile

Edvantage Group is the largest private higher education group in the Greater Bay Area in terms of total student enrolment of business majors. It currently operates four private higher education institutions in the PRC.

## Fascinating growth story set to take off

- 1H20 reported 32.5% yoy growth in both rev/adjusted net profit to RMB554 mn/RMB200 mn, with Interim DPS of HK\$ 5.5 cents
- Robust outlook on student growth while M&A just kicked off
- Maintain BUY with TP of HK\$11.2 on 23.2x/16.4x FY21E/22E PE.

**1H21 results met expectation** mainly thanks to contributions from the newly acquired Sichuan Schools (contributed net profit of RMB11.4mn since Jan 21), the organic growth of Huashang Schools, plus GPM improvement (+1.2p.p. to 50.0%). **We are confident that Edvantage's earnings growth could accelerate to >80% YoY in 2H21 and it could meet FY21E revenue target of RMB1.25 bn** mainly attributable to full contribution from Sichuan Schools (~RMB150mn/RMB34mn revenue/net profit) in 2H21.

**Robust outlook on student growth.** We see: (1) campuses expansion of Huashang Schools and (2) the inclusion and expansion of Sichuan Schools will bring student enrolments to grow at a CAGR of 34.3% between FY20-23, which will be the major growth driver for Edvantage. We also see Edvantage and its peers will benefit from the concessionary policies on vocational education, including relaxation of top-up degree enrolment quota. It is understood Huashang College is allowed to enrol up to 3,834 students for top-up degree in SY21/22, up 113% yoy.

**M&A story just started.** We are impressed by Edvantage's strong execution to complete its first M&A deal (51% equity stakes in Sichuan Vocational College and Sichuan Technician College) within 2 months. We see Edvantage may acquire more equity stake of Sichuan Schools from minority shareholders in future. Moreover, we reckon Edvantage has strong free cash flow (>RMB700mn from FY22E) to support more schools M&A in the next few years.

**Maintain BUY with TP of HK\$11.2** on 23.2x/16.4x FY21E/FY22E PE. We fine-tuned our earnings forecast, seeing a 32.4% EPS CAGR between FY20-23E thanks to organic growth and better profit margins on the successful conversion of Huashang College into private University in Jan 21. We believe Edvantage deserves valuation premium to small mid cap high education peers given the visible and sizable expansion pathway. We also see more M&A will come in the near future which will act as re-rating catalyst.

**Risks:** (1) execution risk in new program/new campus expansion, (2) slower than expected ramp-up of student enrolments (3) policy/regulation updates

### Exhibit 1: Forecast and Valuation

Year to Aug (RMB mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	704.2	800.1	1,248.9	1,701.1	1,994.7
Growth (%)	10.7	13.6	56.1	36.2	17.3
Adj. net profit	231.2	309.1	432.6	614.0	755.4
Growth (%)	37.8	33.7	40.0	41.9	23.0
Adj. diluted EPS (HK\$)	0.261	0.349	0.482	0.684	0.842
Adj. EPS growth (%)	26.8	33.7	38.1	41.9	23.0
Change to previous EPS (%)			(1.2)	(1.0)	(6.5)
Consensus EPS (HK\$)			0.502	0.692	0.863
ROE (%)	18.2	16.9	17.3	17.8	18.6
P/E (x)	32.6	24.4	17.6	12.4	10.1
P/B (x)	4.7	4.1	2.9	2.4	2.0
Yield (%)	0.1	1.2	1.6	2.3	2.8
DPS (HK\$)	0.010	0.098	0.135	0.192	0.236

Source: Bloomberg, OP Research

## Exhibit 2: 1H21 results review

(RMB mn)	1H19	2H19	1H20	2H20	1H21	YoY%	OP Comments
Revenue	352	352	418	382	554	33%	Due to 17% yoy growth of Huashang Schools and 2 months contribution (RMB 48mn) from newly acquired Sichuan Schools
COGS	(186)	(176)	(214)	(190)	(277)	29%	
<b>Gross profit</b>	<b>166</b>	<b>177</b>	<b>204</b>	<b>192</b>	<b>277</b>	<b>36%</b>	
Other income & gains	26	26	15	11	(7)	-146%	
Selling exp	(3)	(4)	(4)	(3)	(6)	47%	
Admin exp	(33)	(49)	(59)	(51)	(77)	29%	
Other opex	(21)	(18)	0	0	0	n.a.	
<b>Operating profit (EBIT)</b>	<b>135</b>	<b>132</b>	<b>156</b>	<b>149</b>	<b>187</b>	<b>20%</b>	
Provisions or other items	0	0	0	0	0	n.a.	
Interest income	0	4	11	9	9	-17%	
Finance costs	(14)	(13)	(12)	(4)	(11)	-11%	
Profit after financing costs	121	123	155	153	186	20%	
Associated cos	0	0	0	0	0	n.a.	
Jointly controlled cos	0	0	0	0	0	n.a.	
Pre-tax profit	121	123	155	153	186	20%	
Tax	(29)	1	(7)	(9)	(10)	21%	
Minority interests	(6)	0	0	0	(11)	n.a.	Due to 49% minority shareholding of Sichuan Schools
<b>Net profit</b>	<b>86</b>	<b>124</b>	<b>147</b>	<b>144</b>	<b>165</b>	<b>12%</b>	
Listing expenses	(21)	(18)	0	0		n.a.	
Net exchange gain/loss	1	16	(2)	(6)	(28)	1095%	
Share-based payments	0	0	(1)	(8)	(7)	412%	
<b>Adjusted net profit</b>	<b>106</b>	<b>125</b>	<b>151</b>	<b>158</b>	<b>200</b>	<b>32.5%</b>	

## Key ratios

GPM	47.0%	50.2%	48.8%	50.3%	50.0%	+1.2p.p.
Selling exp	0.8%	1.2%	1.0%	0.8%	1.1%	+0.1p.p.
Admin exp	9.4%	13.8%	14.2%	13.3%	13.8%	-0.4p.p.
EIT	24.4%	-1.0%	4.8%	5.9%	5.3%	+0.5p.p.
Adjusted net margin	30.0%	35.6%	36.1%	41.4%	36.1%	-

Source: OP Research

## Exhibit 3: Earnings Revision

(RMB mn)	FY21E			FY22E			OP Comments
	New	Old	% Chg	New	Old	% Chg	
Revenue	1,249	1,218	2.5	1,701	1,599	6.4	To reflect the increase in revenue from vocational education and student admission for Sichuan School
Gross profit	629	620	1.5	900	865	4.0	
Gross margin	50.4%	50.9%	(0.5)	52.9%	54.1%	(1.2)	
Opex	(161)	(152)	6.0	(211)	(192)	9.9	
EBIT	507	528	(4.0)	737	753	(2.2)	
<b>Adj. net profits</b>	<b>433</b>	<b>432</b>	<b>0.1</b>	<b>614</b>	<b>612</b>	<b>0.3</b>	To reflect the share placement in Jan 21
Diluted EPS (HK\$)	0.482	0.488	(1.2)	0.684	0.691	(1.0)	

Source: OP Research

**Exhibit 4: Key assumptions on students and tuition fee**

	Unit	FY19	FY20	FY21E	FY22E	FY23E
<b>Student enrollments</b>	<b>Student</b>	<b>33,043</b>	<b>35,408</b>	<b>62,564</b>	<b>74,630</b>	<b>85,790</b>
Huashang College		22,665	24,127	24,988	29,500	33,000
Huashang Vocational College		9,541	10,656	13,336	16,500	18,500
Sichuan School - Diploma				14,300	15,500	17,000
Sichuan School - Technician				6,140	8,390	11,740
Overseas Schools and other vocational education services		837	625	3,800	4,740	5,550
<b>Average tuition fee</b>	<b>RMB/yr</b>					
Huashang College		21,831	24,315	26,603	28,575	29,458
Huashang Vocational College		15,057	15,597	16,355	17,000	17,600
Sichuan School - Diploma				14,340	15,300	16,200
Sichuan School - Technician				9,901	9,900	10,000
Overseas Schools and other vocational education services		10,467	15,169	15,169	15,169	15,169

Source: Company, OP Research

Edvantage expects its campuses in Greater Bay Area **could accommodate more than 80,000 students** after the completion of Sihui and Xinhui new campuses

**Exhibit 5: Campuses expansion of Huashang College and Huashang Vocational College**

	<b>Huashang College – Sihui Campus</b>	<b>Huashang Vocational College – Xinhui Campus</b>
Location	Sihui District, Zhaoqing City	Xinhui District, Jiangmen City
Area	1 <sup>st</sup> phase: 248Mu 2 <sup>nd</sup> phase: 234Mu	683 Mu
Capacity	16,000 students	20,000 students
Commencement	from Sep 20	from Sep 21

Source: Company

# Financial Summary

Year to Aug	FY19	FY20	FY21E	FY22E	FY23E
<b>Income Statement (RMB mn)</b>					
Huashang College	534	611	728	918	1,061
Huashang Vocational College	160	178	251	322	375
Sichuan Schools	0	0	201	373	456
Overseas Schools and other vocational education services	10	12	70	87	103
<b>Turnover</b>	<b>704</b>	<b>800</b>	<b>1,249</b>	<b>1,701</b>	<b>1,995</b>
YoY%	11	14	56	36	17
COGS	(362)	(404)	(620)	(801)	(905)
<b>Gross profit</b>	<b>342</b>	<b>397</b>	<b>629</b>	<b>900</b>	<b>1,090</b>
Gross margin	48.6%	49.5%	50.4%	52.9%	54.6%
Other income	52	26	39	48	54
Selling & distribution	(7)	(8)	(11)	(15)	(18)
Admin	(82)	(110)	(150)	(196)	(229)
R&D	0	0	0	0	0
Other opex	(39)	0	0	0	0
<b>Total opex</b>	<b>(128)</b>	<b>(118)</b>	<b>(161)</b>	<b>(211)</b>	<b>(247)</b>
<b>Operating profit (EBIT)</b>	<b>266</b>	<b>305</b>	<b>507</b>	<b>737</b>	<b>897</b>
Operating margin	37.8%	38.1%	40.6%	43.3%	45.0%
Provisions	0	0	0	0	0
Interest Income	5	20	19	24	33
Finance costs	(28)	(16)	(26)	(33)	(36)
Profit after financing costs	243	308	499	727	894
Associated companies & JVs	0	0	0	0	0
Pre-tax profit	243	308	499	727	894
Tax	(28)	(16)	(27)	(40)	(49)
Minority interests	(6)	0	(39)	(73)	(89)
<b>Net profit</b>	<b>209</b>	<b>292</b>	<b>433</b>	<b>614</b>	<b>755</b>
YoY%	28	39	48	42	23
<b>Adjusted net profit</b>	<b>231</b>	<b>309</b>	<b>433</b>	<b>614</b>	<b>755</b>
YoY%	38	34	40	42	23
Adjusted net margin	32.8%	38.6%	34.6%	36.1%	37.9%
<b>EBITDA</b>	<b>338</b>	<b>377</b>	<b>628</b>	<b>874</b>	<b>1,041</b>
EBITDA margin	48.0%	47.1%	50.3%	51.4%	52.2%
<b>EPS (RMB)</b>	<b>0.227</b>	<b>0.303</b>	<b>0.404</b>	<b>0.573</b>	<b>0.705</b>
YoY%	27	34	38	42	23
DPS (HK\$)	0.010	0.098	0.135	0.192	0.236
Year to Aug.	FY19	FY20	FY21E	FY22E	FY23E
<b>Cash Flow (RMB mn)</b>					
EBITDA	338	377	628	874	1,041
Chg in working cap	130	(83)	573	256	193
Others	(35)	12	0	0	0
<b>Cash flows from operation</b>	<b>434</b>	<b>306</b>	<b>1,201</b>	<b>1,131</b>	<b>1,233</b>
Interest received	0	0	0	0	0
Tax	(11)	(1)	(48)	(16)	(27)
<b>Net cash from operations</b>	<b>423</b>	<b>305</b>	<b>1,153</b>	<b>1,114</b>	<b>1,206</b>
Capex	(255)	(770)	(700)	(400)	(300)
Investments	4	(9)	(750)	0	0
Interests received	5	20	20	19	24
Sales of assets	0	1	0	0	0
Others	679	219	0	0	0
<b>Investing cash</b>	<b>433</b>	<b>(541)</b>	<b>(1,430)</b>	<b>(381)</b>	<b>(276)</b>
<b>FCF</b>	<b>856</b>	<b>(236)</b>	<b>(278)</b>	<b>733</b>	<b>930</b>
Issue of shares	672	0	460	0	0
Buy-back	0	(17)	0	0	0
Minority interests	0	0	0	0	0
Interest paid	(37)	(25)	(26)	(33)	(36)
Dividends paid	(9)	(63)	(50)	(121)	(172)
Net change in bank loans	(227)	191	0	0	0
Others	(67)	(8)	0	0	0
<b>Financing cash</b>	<b>332</b>	<b>78</b>	<b>384</b>	<b>(155)</b>	<b>(209)</b>
<b>Net change in cash</b>	<b>1,188</b>	<b>(158)</b>	<b>106</b>	<b>578</b>	<b>721</b>
Exchange rate or other Adj	16	(8)	0	0	0
Opening cash	149	1,352	1,186	1,292	1,870
<b>Closing cash</b>	<b>1,352</b>	<b>1,186</b>	<b>1,292</b>	<b>1,870</b>	<b>2,590</b>
<b>CFPS (HK\$)</b>	<b>0.478</b>	<b>0.344</b>	<b>1.285</b>	<b>1.242</b>	<b>1.344</b>

Source: Company, OP Research

Year to Aug	FY19	FY20	FY21E	FY22E	FY23E
<b>Ratios</b>					
Gross margin (%)	48.6	49.5	50.4	52.9	54.6
Operating margin (%)	37.8	38.1	40.6	43.3	45.0
Net margin (%)	29.7	36.4	34.6	36.1	37.9
Selling & dist'n exp/Sales (%)	1.0	0.9	0.9	0.9	0.9
Admin exp/Sales (%)	11.6	13.8	12.0	11.5	11.5
Payout ratio (%)	3.8	28.1	28.1	28.1	28.1
Effective tax (%)	11.6	5.4	5.5	5.5	5.5
Total debt/equity (%)	77.3	74.7	66.6	62.8	57.1
Net debt/equity (%)	Net cash	10.1	25.8	12.7	Net cash
Current ratio (x)	1.7	1.2	0.8	1.0	1.2
Quick ratio (x)	1.7	1.2	0.8	1.0	1.2
Inventory T/O (days)	0	1	2	2	2
AR T/O (days)	16	26	26	26	26
AP T/O (days)	7	4	4	4	4
Cash conversion cycle (days)	10	23	24	24	24
Asset turnover (x)	0.3	0.2	0.3	0.3	0.3
Financial leverage (x)	2.4	1.9	1.8	1.8	1.7
EBIT margin (%)	37.8	38.1	40.6	43.3	45.0
Interest burden (x)	0.9	1.0	1.0	1.0	1.0
Tax burden (x)	0.9	0.9	0.9	0.8	0.8
<b>Return on equity (%)</b>	<b>18.2</b>	<b>16.9</b>	<b>17.3</b>	<b>17.8</b>	<b>18.6</b>
Year to Aug	FY19	FY20	FY21E	FY22E	FY23E
<b>Balance Sheet (RMB mn)</b>					
Fixed assets	1,180	1,660	2,973	3,236	3,392
Investment properties	45	46	77	77	77
Intangible assets & Goodwills	0	9	182	182	182
Right of use assets	199	459	825	825	825
Deposits paid	2	14	14	14	14
Other non-current assets	5	5	66	66	66
<b>Non-current assets</b>	<b>1,432</b>	<b>2,193</b>	<b>4,138</b>	<b>4,400</b>	<b>4,556</b>
Inventories	0	1	3	3	4
AR	32	58	90	123	144
Prepayments & deposits	5	0	12	12	12
Other current assets	305	91	91	91	91
Cash	1,352	1,186	1,292	1,870	2,590
<b>Current assets</b>	<b>1,695</b>	<b>1,336</b>	<b>1,488</b>	<b>2,099</b>	<b>2,841</b>
AP	7	5	7	9	10
Tax	40	48	16	27	40
Accruals & other payables	106	105	164	223	261
Bank loans & leases	166	290	290	290	290
Contracted liabilities	682	623	1,361	1,596	1,769
Other current liabilities	18	21	21	21	21
<b>Current liabilities</b>	<b>1,019</b>	<b>1,092</b>	<b>1,859</b>	<b>2,167</b>	<b>2,392</b>
Bank loans & leases	390	457	457	457	457
CB & othe debts	0	0	0	0	0
Deferred tax & others	113	145	145	145	145
<b>Non-current liabilities</b>	<b>502</b>	<b>601</b>	<b>601</b>	<b>601</b>	<b>601</b>
<b>Total net assets</b>	<b>1,606</b>	<b>1,835</b>	<b>3,165</b>	<b>3,731</b>	<b>4,405</b>
<b>Shareholder's equity</b>	<b>1,606</b>	<b>1,835</b>	<b>2,677</b>	<b>3,171</b>	<b>3,755</b>
Share capital	70	70	73	73	73
Reserves	1,536	1,765	2,604	3,097	3,681
MI	0	0	487	560	650
<b>BVPS (HK\$)</b>	<b>1.81</b>	<b>2.07</b>	<b>2.98</b>	<b>3.53</b>	<b>4.19</b>

## Exhibit 6: Peer Group Comparison

Company	Ticker	Price	3-mth			PER	PER	PER	EPS		PEG	Div yld		P/B	P/B	EV/		EV/ gearing	Gross margin	Net margin	ROE		Sh px	Sh px
			Mkt cap	avg t/o					FY1	FY2		Hist	Div yld			Ebitda	Ebitda				Hist	ROE		
			(US\$m)	(US\$m)	Hist (x)				YoY%	YoY%		(x)	(%)			Hist	Cur Yr				(%)	FY1 (%)	1-mth	3-mth
Edvantage Group	382 HK	8.51	1,175	4.3	24.4	17.6	12.4	38.1	41.9	32.4	0.52	1.2	1.6	4.11	2.85	23.5	15.8	10.1	49.5	36.4	16.9	17.3	9.7	(13.1)
HSI		28,621.92			14.8	12.9	11.4	14.5	14.0	13.7	0.94	2.4	2.8	1.20	1.25						8.1	9.6	(1.3)	(4.4)
HSCEI		10,888.52			15.3	10.8	9.6	42.2	12.5	21.9	0.49	2.4	2.9	1.25	1.29						8.2	12.0	(3.5)	(8.4)
CSI300		5,098.75			18.8	14.2	13.2	32.3	7.4	16.6	0.9	1.7	2.1	2.3	1.8						12.2	12.8	1.8	(8.4)
Adjusted sector avg*					26.0	14.7	12.1	47.4	23.6	31.7	0.5	1.9	2.4	2.2	2.2	11.4	9.1	13.2	53.8	34.5	10.9	15.5	5.0	(2.2)
China Education	839 HK	17.44	5,105	20.3	46.6	24.3	19.4	91.8	25.5	40.0	0.6	1.6	1.8	3.4	3.2	31.8	18.8	10.7	59.8	23.6	8.3	13.7	16.0	2.1
Hope Education G	1765 HK	3.04	3,122	23.0	40.3	22.5	18.2	79.1	23.9	41.3	0.5	0.3	1.4	3.0	2.9	N/A	15.7	6.4	49.6	29.1	8.9	13.6	7.4	7.0
China Kepei Educ	1890 HK	5.80	1,506	1.7	17.2	12.7	10.5	35.7	20.6	25.1	0.5	1.7	2.9	3.1	2.6	13.9	10.0	0.0	69.9	65.1	18.9	21.2	11.3	(3.2)
China New Higher	2001 HK	5.08	1,038	2.7	16.3	11.4	8.7	43.8	31.3	31.4	0.4	1.6	2.5	2.6	2.3	11.8	8.7	40.7	49.8	35.5	17.5	19.8	12.6	(10.9)
Minsheng Educati	1569 HK	1.36	739	0.8	35.8	8.2	6.9	337.1	19.4	85.5	0.1	2.1	3.6	1.2	1.0	12.1	5.0	0.0	51.2	11.9	3.4	13.4	0.0	(19.0)
China Xinhua Edu	2779 HK	2.28	472	0.1	9.4	7.9	6.5	19.7	20.7	20.6	0.4	2.4	3.8	1.1	0.9	6.7	5.6	0.0	65.0	67.9	12.0	12.3	0.9	(2.6)
Jh Educational T	1935 HK	3.65	753	0.8	18.4	16.1	14.5	14.4	10.5	N/A	N/A	2.1	0.6	2.7	2.2	11.3	9.7	0.0	59.6	47.4	15.5	14.4	(0.8)	(8.3)
China Chunlai Ed	1969 HK	1.45	224	0.2	10.1	N/A	N/A	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	10.4	N/A	(0.7)	6.6
China Gingko Edu	1851 HK	1.44	93	0.0	40.2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.2	N/A	15.9	N/A	48.2	43.0	9.6	3.4	N/A	(2.0)	(8.3)

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

Source: Bloomberg, OP Research

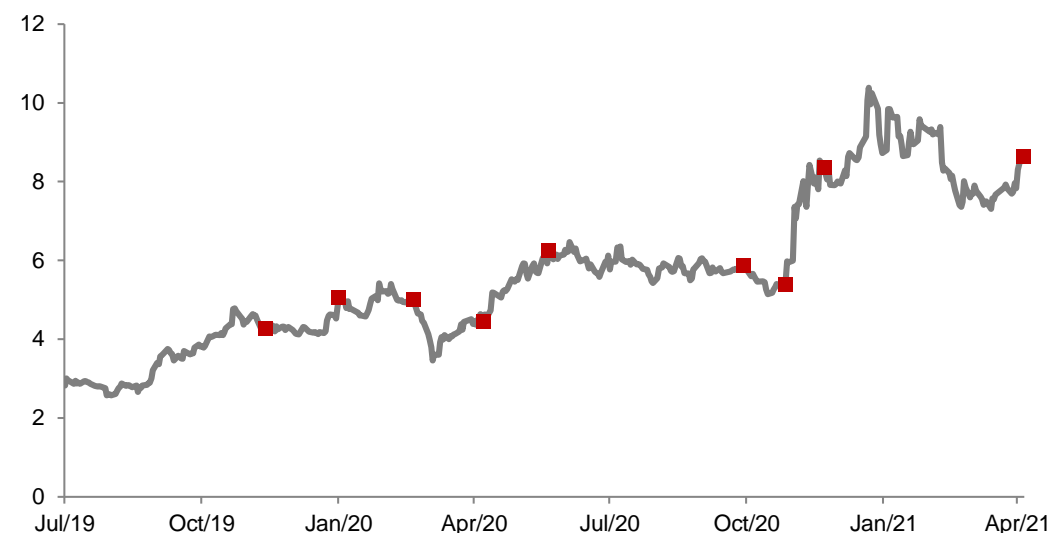
## Our recent reports

Date	Company / Sector	Ticker	Title	Rating	Analyst
22/04/2021	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
05/11/2020	TCL Electronics	1070	Falcom Network as a cream on top	BUY	Kevin Tam
02/11/2020	Razer	1337	Winner from "stay-at-home" life	NR	John Siah

## Historical recommendations and target price: Edvantage (382 HK)

(as of 21/4/2021)

(HK\$)



Date	Rating	TP	Close	Date	Rating	TP	Close
1 28 Nov 2019	BUY	HKD 5.70	HKD 4.28	6 14 Oct 2020	BUY	HKD 8.57	HKD 5.86
2 16 Jan 2020	BUY	HKD 6.45	HKD 5.06	7 11 Nov 2020	BUY	HKD 8.60	HKD 5.39
3 06 Mar 2020	BUY	HKD 6.45	HKD 5.00	8 07 Dec 2020	BUY	HKD 11.21	HKD 8.35
4 22 Apr 2020	BUY	HKD 6.45	HKD 4.46	9 21 Apr 2021	BUY	HKD 11.20	HKD 8.63
5 05 Jun 2020	BUY	HKD 8.38	HKD 6.25				



## TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

By accepting this report, you represent and warrant that you are entitled to receive such report in accordance with the restrictions set forth below and agree to be bound by the limitations contained herein. Any failure to comply with these limitations may constitute a violation of law or termination of such services provided to you.

### Disclaimer

Research distributed in Hong Kong is intended only for institutional investors whose ordinary business activities involve investing in shares, bonds and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not an institutional investor must not rely on this communication.

The information and material presented herein are not directed at, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any jurisdiction where such distribution, publication, availability or use would be contrary to applicable law or regulation or which would subject Oriental Patron Securities Limited ("OPSL") and/or its associated companies and/or its affiliates (collectively "Oriental Patron") to any registration or licensing requirement within such jurisdiction.

The information and material presented herein are provided for information purposes only and are not to be used or considered as an offer or a solicitation to sell or an offer or solicitation to buy or subscribe for securities, investment products or other financial instruments, nor to constitute any advice or recommendation with respect to such securities, investment products or other financial instruments.

This research report is prepared for general circulation. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. This report is not to be relied upon in substitution for the exercise of independent judgment. Oriental Patron may have issued other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Those reports reflect the different assumptions, views and analytical methods of the analysts who prepared them. You should independently evaluate particular investments and you should consult an independent financial adviser before making any investments or entering into any transaction in relation to any securities mentioned in this report.

Information and opinions presented in this report have been obtained or derived from sources believed by Oriental Patron to be reliable, but Oriental Patron makes no representation as to their accuracy or completeness and Oriental Patron accepts no liability for loss arising from the use of the material presented in this report where permitted by law and/or regulation. Further, opinions expressed in this report are subject to change without notice. Oriental Patron does not accept any liability whatsoever whether direct or indirect that may arise from the use of information contained in this report.

The research analyst(s) primarily responsible for the preparation of this report confirm(s) that (a) all of the views expressed in this report accurately reflects his or their personal views about any and all of the subject securities or issuers; and (b) that no part of his or their compensation was, is or will be, directly or indirectly, related to the specific recommendations or views he or they expressed in this report.

Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance.

Oriental Patron, its directors, officers and employees may have investments in securities or derivatives of any companies mentioned in this report, and may make investment decisions that are inconsistent with the views expressed in this report.

### General Disclosure

Oriental Patron, its directors, officers and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. Oriental Patron may, to the extent permitted by law, act upon or use the information presented herein, or the research or analysis on which they are based, before the material is published. One or more directors, officers and/or employees of Oriental Patron may be a director of the issuers of the securities mentioned in this report. Oriental Patron may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment or investment banking service to the issuers of the securities mentioned in this report.

### Regulatory Disclosures as required by the Hong Kong Securities and Futures Commission

Oriental Patron (inclusive of OPSL) which are carrying on a business in Hong Kong in investment banking, proprietary trading or market making or agency broking are not a market maker in the securities of the subject companies mentioned in this report. Unless otherwise specified, Oriental Patron does not have any investment banking relationship with the companies mentioned in this report within the last 12 months. As at the date of this report, Oriental Patron do not have any interests in the subject company(ies) aggregating to an amount equal to or more than 1% of the subject company(ies) market capitalization.

### Analyst Certification:

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

### Rating and Related Definitions

<b>Buy (B)</b>	We expect this stock outperform the relevant benchmark greater than 15% over the next 12 months.
<b>Hold (H)</b>	We expect this stock to perform in line with the relevant benchmark over the next 12 months.
<b>Sell (S)</b>	We expect this stock to underperform the relevant benchmark greater than 15% over the next 12 month.
<b>Relevant Benchmark</b>	Represents the stock closing price as at the date quoted in this report.

### Copyright © 2017 Oriental Patron Financial Group. All Rights Reserved

This report is being supplied to you strictly on the basis that it will remain confidential. Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Oriental Patron. Oriental Patron accepts no liability whatsoever for the actions of third parties in this respect.

## CONTACT

27/F, Two Exchange Square,

8 Connaught Place, Central, Hong Kong

[www.oriental-patron.com.hk](http://www.oriental-patron.com.hk)

[john.siah@oriental-patron.com.hk](mailto:john.siah@oriental-patron.com.hk)

Tel: (852) 2135 0248

Fax: (852) 2135 0295