

What's Hot Today:

► Edvantage Group (382.HK-HK\$2.50) Solid organic growth

1H24 results in line. Edvantage reported solid 1H24 results, with revenue up by 19.3% to RMB1.2bn YoY. Gross profit up 17.5% YoY to RMB578mn whereas GPM was down slightly by 0.7ppts to 50%. Admin costs rose 47.2% YoY, higher than expected, mainly due to the increase in administrative payroll and related expenses for capacity expansion and enhancing education quality. Its strong revenue growth partly relief margin pressure. NPM dropped by 1.6ppts to 29.2%. The Mgt revealed that the margin weakness would only be temporary as certain new revenue streams would be restated in the full-year results. An interim dividend of 9.6 HK cents was declared with a stable payout ratio of 30%.

Robust endogenous growth. Edvantage recorded a 12.3% increase in student enrolment to 96,100 and 7% per-student revenue growth in 1H24. Breaking down the revenue, higher formal vocational education contributed a topline growth of 21.7% YoY to RMB985mn, while revenue from secondary formal vocational education rose by 7.7% YoY to RMB132mn. In terms of non-formal vocational education, its revenue grew by 4.9% YoY.

Edvantage closely followed market demand and enriched the major setting. During 1H24, the Group introduced popular subjects including AI, new energy vehicles, medical insurance, applications for cloud computing, etc... As per the Mgt, the company plans to apply for postgraduate training qualifications in the mainland China and Australia this year. We believe the high-end and diversified educational services could provide a steady growth in tuition fees.

Our view: Its earnings growth is expected to be sustained by a diversified program plans and enhanced education quality which in turn would support continuous growth in student enrolment and tuition. Edvantage is trading at an undemanding 4.1x FY24E P/E with a yield of 7.2% considering its earnings growth and improving sentiment towards the sector. (Ensley LIU)

China & HK Indices	CLOSE	1D	YTD
HSI	17,746	0.5%	4.1%
HSCFI	6,282	0.2%	8.9%
HSCCI	3,689	0.5%	10.1%
CSI300	3,623	1.1%	5.6%
Shanghai A	3,263	0.8%	10.9%
Shanghai B	256	1.8%	10.9%
Shenzhen A	1,849	2.3%	-3.8%
Shenzhen B	1,107	2.4%	2.4%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	38,386	0.4%	1.8%
S&P 500	5,116	0.3%	7.3%
Nasdaq	15,983	0.3%	6.5%
NIKKEI Index	37,934	1.2%	14.7%
FTSE Index	8,147	0.1%	5.4%
CAC Index	8,065	-0.3%	6.9%
DA.X Index	18,118	-0.2%	8.2%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	2,335	-0.1%	13.1%
STEEL (US\$/oz.)	2,096	1.3%	-5.7%
SILVER (US\$/oz.)	27	-0.2%	13.9%
CRUDE OIL (US\$/bbl)	82	-1.5%	15.1%
COFFER (US\$/oz.)	10,135	2.7%	18.4%
ALUMINIUM (US\$/oz.)	2,590	1.0%	8.6%
PLATINUM (US\$/oz)	951	3.8%	-4.1%
ZINC (US\$/oz.)	2,943	3.4%	10.7%
WHEAT (US\$/bu)	590	-2.2%	-6.5%
CORN (US\$/bu)	449	-0.2%	-9.3%
SUGAR (US\$/lb)	N/A	N/A	-2.7%
SOYBEAN (US\$/bu)	1,182	0.4%	-10.3%
PVC (US\$/t)	N/A	N/A	N/A
CRB	295	-0.8%	11.9%
BDI		-3.4%	-19.6%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.835	0.935	154.830	0.912	7.245
HKD	0.128		0.119	19.762	11.639	0.925
EUR	1.070	8.384		165.710	1.025	7.755
JPY	0.006	5.060	0.604		0.589	0.047
CHF	1.097	8.592	1.025	169.789		7.945
RMB	0.138	1.081	0.129	21.359	0.126	

Market Sentiment	CURRENT	5D
CDS Monitor - USD 5R 5Y		
Greece	N/A	N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	15	-14.7%

Source: Bloomberg

Latest Research Reports		
Date	Company	Analyst
29/02/2024	Xinyi Solar (968.HK)	Research Department
29/02/2024	Xinyi Energy (3868.HK)	Research Department
26/02/2024	Conant Optical (2276.HK)	Research Department
05/01/2024	Aeon Credit (900 HK)	Ensley Liu
13/10/2023	Aeon Credit (900 HK)	Howard Wong
17/04/2023	Xtep International (1368 HK)	Eason Cui
14/04/2023	Perfect Medical (1830 HK)	Research Department
03/04/2023	Meidong Auto (1268 HK)	Eason Cui
31/03/2023	Prosperous Industrial (1731 HK)	Research Department
28/03/2023	Yongda (3669 HK)	Eason Cui
17/03/2023	361 Degrees (1361 HK)	Eason Cui
13/03/2023	DONGFANG ELECTRIC (1072 HK)	Eason Cui
01/03/2023	Xinyi Energy (3868 HK)	Eason Cui
28/02/2023	Xinyi Glass (868 HK)	Ken Li
13/02/2023	Auto monthly update	Eason Cui
10/02/2023	Yuexiu Property (123 HK)	Ken Li
18/01/2023	Yongda (3669 HK)	Eason Cui
17/01/2023	Xtep (1368 HK)	Eason Cui
04/01/2023	Auto monthly update	Eason Cui
02/12/2022	Perfect Medical (1830 HK)	Research Department
01/12/2022	XPeng (9868 HK)	Eason Cui

Fig1: Edvantage Group financial summary (RMB million)

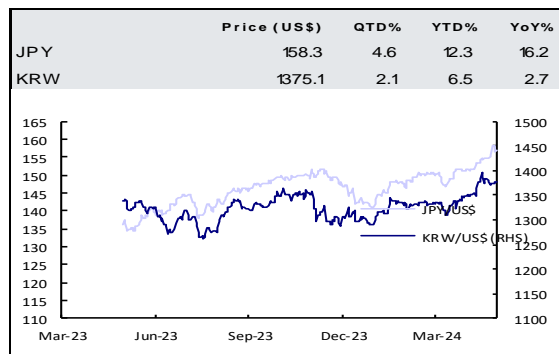
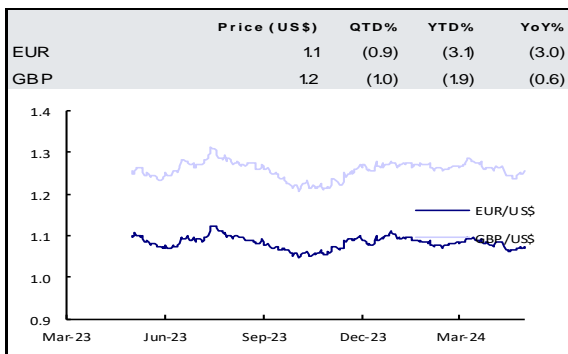
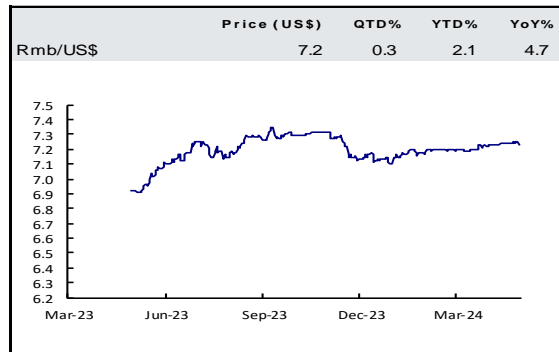
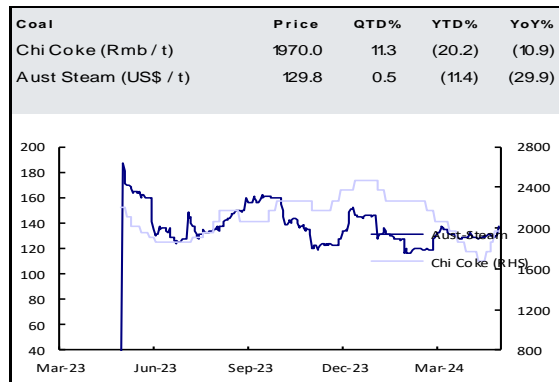
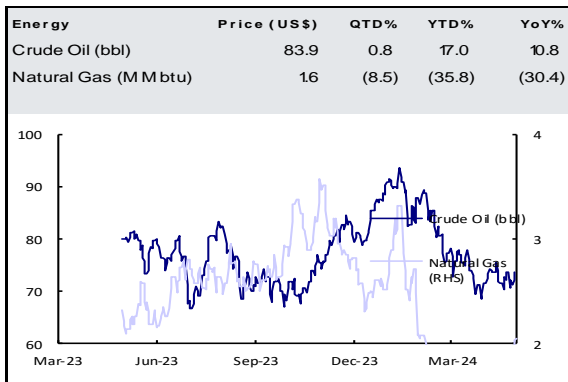
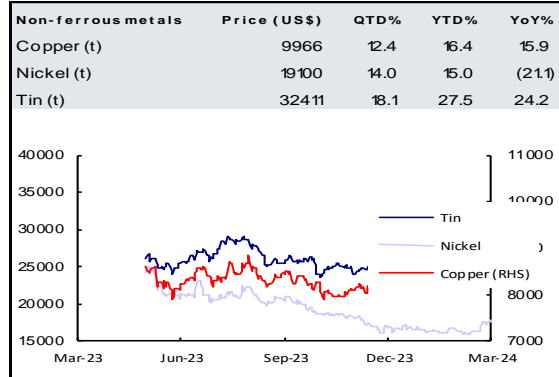
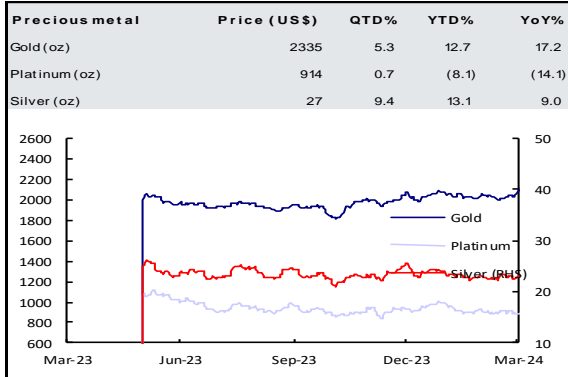
	1H22	2H22	1H23	2H23	1H24
Revenue	823	863	973	1,000	1,160
YoY	48.41%	23.81%	18.26%	15.85%	19.27%
Gross profit	413	437	492	527	578
YoY	48.97%	23.43%	19.10%	20.62%	17.52%
GPM	50.20%	50.56%	50.56%	52.64%	49.82%
Net profit	251	316	299	320	338
YoY	52.46%	27.05%	18.92%	1.06%	13.23%
NPM	30.54%	36.63%	30.71%	31.96%	29.15%

Source: Company data, Sunwah Kingsway Research

Kingsway coverage list

Name	Ticker	Market Cap (HK\$m)	Price (HK\$)	1D (%)	Rec.	TP (HK\$)	Upside (%)	PER (X)*			Dividend FY2	Absolute performance			Latest update date
								Hist	FY1	FY2		5D%	1M%	3M%	
HANG SENG INDEX	HSI		16,828.93	1.9				8.8	8.3	7.7	4.6%	3.6	2.0	5.8	
HANG SENG CHINA ENT IND	HSCEI		5,954.62	2.1				8.1	7.7	7.0	4.3%	3.7	3.4	11.2	
CSI 300 INDEX	SHSZ300		3,506.22	(0.7)				13.4	13.4	11.5	3.0%	(0.1)	(1.1)	7.0	
FUYAO GLASS	3606 HK	122,648	41.25	(0.5)	LONG	41.50	0.6	17.7	15.4	13.2	4.1%	(0.1)	7.6	16.5	1-Sep-20
BEUR	3718 HK	1,743	0.49	0.0	LONG	1.80	267.3	6.2	5.2	4.3	7.6%	1.0	(1.0)	(18.3)	30-Mar-21
BINJIANG SERVICES	3316 HK	4,494	16.26	(1.3)	LONG	23.50	44.5	8.4	6.8	5.5	10.2%	0.4	(2.9)	6.6	N/A
BYDE	285 HK	54,190	24.05	1.3	NEUTRAL	17.60	(26.8)	12.4	9.5	7.5	2.9%	(2.8)	(21.7)	(20.1)	N/A
CHINA LILANG	1234 HK	5,532	4.62	(2.3)	LONG	5.32	15.2	9.6	8.4	7.5	8.9%	(2.1)	(4.0)	15.2	N/A
CHINASOFT INTL	354 HK	12,764	4.47	1.4	LONG	12.80	186.4	16.0	11.7	9.2	2.1%	(0.2)	(9.9)	(12.9)	27-Oct-20
CHINA TIAN LUN GAS	1600 HK	4,821	4.91	0.4	LONG	8.70	77.2	9.2	7.9	7.1	4.3%	5.8	2.5	49.7	26-Feb-20
DUIBA GROUP	1753 HK	312	0.29	0.0	LONG	5.55	1813.8	9.3	N/A**	N/A**	N/A**	(1.7)	(3.3)	11.5	N/A
EDVANTAGE GROUP	382 HK	2,672	2.34	(1.3)	LONG	4.50	92.3	3.9	3.3	3.0	9.1%	0.4	(4.1)	(0.4)	3-May-22
EVERGREEN PG	1962 HK	308	0.47	(1.1)	LONG	1.75	272.3	6.0	N/A**	N/A**	N/A**	(1.1)	(7.8)	4.4	26-Jan-21
HUAHONG SEMI	1347 HK	31,444	14.28	(1.7)	NEUTRAL	26.30	84.2	8.8	23.1	10.9	0.0%	0.0	(9.5)	(14.8)	29-Jul-21
KINGDEE INTL	268 HK	27,133	7.55	0.9	NEUTRAL	17.62	133.4	N/A**	N/A**	86.2	0.0%	(4.4)	(19.7)	(20.2)	20-Aug-20
MEIDONG AUTO	1268 HK	3,514	2.61	2.8	LONG	19.76	657.1	23.1	7.9	5.3	8.5%	2.8	(13.9)	(24.6)	3-Apr-23
MINGYUAN CLOUD	909 HK	4,059	2.09	3.0	NEUTRAL	28.00	1239.7	N/A**	N/A**	N/A**	1.7%	(4.6)	(17.1)	(7.9)	N/A
PLOVER BAY TECH	1523 HK	2,928	2.66	2.3	LONG	1.70	(36.1)	13.3	11.3	10.0	1.1%	0.0	12.7	33.8	6-Aug-20
POU SHENG INTL	3813 HK	3,302	0.62	1.6	LONG	2.80	351.6	6.1	4.7	3.7	7.4%	1.6	(10.1)	0.0	16-Nov-20
Q TECH	1478 HK	3,708	3.13	0.3	NEUTRAL	4.97	58.8	41.6	12.5	8.5	0.7%	0.3	(3.1)	(4.3)	10-Aug-22
SUNNY OPTICAL	2382 HK	39,139	35.75	(2.5)	LONG	160.80	349.8	32.8	19.7	14.4	1.4%	(3.6)	(18.2)	(40.2)	17-Aug-22
TRYLY INTL	732 HK	2,497	0.79	0.0	LONG	2.80	254.4	9.5	N/A**	N/A**	N/A**	2.6	8.2	16.2	8-Apr-21
XINYI ENERGY	3868 HK	8,587	1.04	0.0	LONG	1.62	55.8	8.2	7.2	6.3	7.8%	0.0	(7.1)	(12.6)	29-Feb-24
XINYI GLASS	868 HK	33,289	7.88	0.3	LONG	18.60	136.0	6.1	5.9	5.9	8.6%	(1.9)	(5.9)	7.9	28-Feb-23
XINYI SOLAR	968 HK	45,975	5.16	(1.9)	LONG	7.20	39.5	11.0	8.8	6.9	6.8%	(7.9)	(18.2)	22.6	29-Feb-24
XTEP INTL	1368 HK	12,045	4.56	3.2	LONG	11.91	161.2	10.3	9.4	8.1	5.5%	4.8	(6.4)	11.5	17-Apr-23
YONGDA AUTO	3669 HK	3,701	1.92	(1.5)	LONG	6.73	250.5	6.0	4.6	3.8	11.6%	(0.5)	(22.6)	(16.9)	28-Mar-23
YUEXU PROPERTY	123 HK	15,578	3.87	(1.0)	LONG	13.00	235.9	4.0	3.9	3.6	10.7%	8.1	(13.4)	(17.7)	10-Feb-23
WEIMOB	2013 HK	3,381	1.21	7.1	LONG	14.40	1090.1	N/A**	N/A**	17.0	0.0%	(3.2)	(41.0)	(38.9)	25-Nov-21

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
New home Sales	MoM		23-Apr-24
Durable Goods Orders	MoM		24-Apr-24
Initial Jobless Claims	WoW		25-Apr-24
Wholesale Inventories	MoM		25-Apr-24
GDP	QoQ		25-Apr-24
Personal Income & Spending	MoM		26-Apr-24
Consumer Confidence	MoM		30-Apr-24
ISM Manufacturing PMI	MoM		1-May-24
Trade Balance	MoM		2-May-24
Factory Orders	MoM		2-May-24
Employment Report	MoM		3-May-24
PPI	MoM		14-May-24
Business Inventories	MoM		15-May-24
Retail Sales	MoM		15-May-24
CPI	MoM		15-May-24
Housing Starts / Building Permits	MoM		16-May-24
Industrial Production	MoM		16-May-24
Existing Home Sales	MoM		22-May-24
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
PMI Manufacturing	MoM		30-Apr-24
Foreign Exchange Reserves	QoQ		7-May-24
Money Supply - M2	MoM		9-May-24
Trade Balance	MoM		9-May-24
PPI	MoM		11-May-24
CPI	MoM		11-May-24
Retail Sales	MoM		17-May-24
Industrial Production	MoM		17-May-24
GDP	YoY		15-Jul-24

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Trade Balance	MoM		25-Apr-24
Money Supply - M2	MoM		30-Apr-24
GDP	QoQ		2-May-24
Retail Sales	MoM		3-May-24
PMI	MoM		6-May-24
Foreign Currency Reserve	MoM		7-May-24
Unemployment Rate	MoM		20-May-24
CPI	MoM		23-May-24
Producer Prices Index	QoQ		14-Jun-24
Industrial Production	QoQ		14-Jun-24
Composite Interest Rate	MoM		

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