

**MINSHENG EDUCATION GROUP COMPANY LTD:
THIS 19-YEAR OLD COMPANY HAS A CHAIRMAN WHO IS ≥
FULLY CONVERSANT ON HOW TO PLAY THE GAME**

Probably, three Executive Directors of Minsheng Education Group Company Ltd () (Code: 1569, Main Board, The Stock Exchange of Hongkong Ltd) are rightfully deserving of an increase of their annual remuneration, all things considered, but it appears to this medium that an increase in the region of 215 percent, Year-On-Year, may be considered a little over the top.

At Appendix VI-21 of the Global Offering Prospectus of Minsheng Education Group, dated March 10, 2017, the following information is given to prospective shareholders:

‘Pursuant to their respective service agreements with the Company, the remuneration for each of the Directors as at the Latest Practicable Date (March 1, 2017) and after the Listing (where applicable) are as follows:

<u>Directors</u>	<u>Remuneration per year as at the Latest Practical Date</u>	<u>Remuneration per year immediately after the listing</u>
<i>Mr. Li Xuechun</i>	<i>RMB960,000</i>	<i>RMB3,019,350</i>
<i>Ms Zhang Weiping</i>	<i>\$US300,000</i>	<i>\$US800,000</i>
<i>Mr Zuo Yichen</i>	<i>\$US200,000</i>	<i>\$US300,000’</i>

At Page 79 of the Global Offering Prospectus, the following, foreign-exchange translations are given:

RMB (renminbi) 1.00	=	\$HK1.13
\$US1.00	=	\$HK7.76

Ms Zhang Wei Ping (), aged 52 years, is not related to Mr Li Xue Chun (), aged 63 years, but Mr Zuo Yi Chen (), aged 36 years, is the son-in-law of Mr Li Xue Chun.

Mr Zuo Yi Chen is to receive a 50-percent increase in his take-home pay, henceforth, while Ms Zhang Wei Ping will obtain a 167-percent increase in her annual remuneration.

As for Mr Li Xue Chun, the Executive Chairman and Founder of Minsheng Education Group, he is to receive an increase in his remuneration, equivalent to about 215 percent.

The Initial Public Offering (IPO) Of Minsheng Education Group Company Ltd

Minsheng Education Group Company Ltd is the latest company to seek a listing on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People’s Republic of China (PRC).

Its Global Share Offering is one billion, \$US0.00001 Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK1.24 to a high of \$HK1.52.

The Public Offer Tranche is 100,000,000 Shares and the International Placing Tranche is 900,000,000.

At Page 301 of the Global Offering Prospectus, it is stated that, at the midpoint of the Indicative Offer Price Per Share, being \$HK1.38, Management estimates that it will net about \$HK1,305.70 million.

This, not inconsequential amount of money, is destined to be utilised as follows:

- Approximately, 55.00 percent, that is about \$HK718.10 million, *‘is expected to be used to acquire additional existing schools in the PRC and overseas. As of the date of this prospectus, we have not identified any acquisition target’*;
- Approximately, 21.20 percent, that is about \$HK276.40 million, *‘is expected to be used to establish new schools or expand the existing schools we own or operate’*;
- Approximately, 14.80 percent, that is about \$HK193.60 million, *‘is expected to be used to repay a term loan from a third-party financial institution, which will be used to repay the loans we borrowed from our ultimate holding company and certain of our related parties’ ...; and,*
- Approximately, 9.00 percent, that is about \$HK117.50 million, *‘is expected to be used to fund our working capital and general corporate purposes.’*

The History and Business Of Minsheng Education Group Company Ltd

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