

TARGET

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JH EDUCATIONAL TECHNOLOGY INCORPORATED:

WHICH COMPANY CAN BOAST OF HAVING

NET PROFIT MARGINS OF 50-PLUS PERCENT ?

JH Educational Technology Incorporated () (Code: 1935, Main Board, The Stock Exchange of Hongkong Ltd) is yet another private company, being a for-profit provider of (supposedly) higher education in the People's Republic of China (PRC), to have raised millions of dollars by pitching a global offering of its shares on one of the equity markets of the Hongkong Special Administrative Region (HKSAR) of the PRC.

Over the past year or so, it is the fourth such corporate entity, operating entirely in the PRC, proper, being separate and distinct from the HKSAR of the PRC, to have sought and obtained a listing on the premier equity market of The Stock Exchange of Hongkong Ltd.

In the case of this Company, it makes the claim of being:

'We are a leading provider of private formal higher education in Zhejiang province in China in terms of student enrollment as of December 31, 2017. According to the Frost & Sullivan Report, we were the largest private provider of junior college education and the fourth largest private provider of formal higher education in Zhejiang province with a total student enrollment of 10,874 as of December 31, 2017. In addition to offering higher education, we provide secondary education to high school students in Zhejiang province.'

The Initial Public Offering (IPO) Of JH Educational Technology Incorporated

JH Educational Technology Incorporated published and disseminated its Public Offering Prospectus on June 4, 2019.

The Company Offered a total of 400 million, \$US0.01 Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK1.50 to a high of \$HK1.92.

Investors of the HKSAR were Offered the opportunity to subscribe to 40 million Offered Shares (the Public Offer tranche) and International Investors – Institutional Investors, Professional Investors, and select, Well-Heeled Investors, along with the corporate entities under their control – were induced to subscribe to 360 million, Offered Shares via Share Placements (the International Placing tranche).

On Monday, June 17, 2019, Management of JH Educational Technology Incorporated announced that the Offer Price Per Share had been struck at \$HK1.50 – the lowest level of the Indicative Offer Price, acceptable to Management – and that the Company anticipated netting about \$HK571.30 million from the Global Offering.

The Public Offer tranche, one was told in the June 17 public announcement in respect of the Offer Price and the Allotment Results, had been dramatically under-subscribed, with only 46.12 percent of the 40 million Shares, having been taken up by HKSAR Investors; the International Placing tranche had been just 1.06 times over-subscribed.

At Page Eight of this announcement, it was stated as to how Management of the Company anticipated allocating the net proceeds of the Global Offering:

Approximate Amount of the Net Proceeds

Intended Application

\$HK285.70 million, about 50 percent

For acquisition of other schools to expand the Group's school network.

\$HK228.50 million, about 40 percent

For expansion of the Group's business, including establishing a new campus of College of Information and Business in Kaifeng, Henan Province (of the PRC, proper), and a new campus of Changzheng

College in Hangzhou, Zhejiang Province.

\$HK57.10 million, about 10 percent

For funding the Group's working capital and general corporate purpose.

The History And Business Of JH Educational Technology Incorporated

JH Educational Technology Incorporated has a history of about 22 years, according to the Global Offering Prospectus.

The Company's Founders were ... [CLICK TO ORDER FULL ARTICLE](#)

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