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**CHINA FIRST CAPITAL GROUP LIMITED**

**中國首控集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1269)**

**DISCLOSEABLE TRANSACTION  
DISPOSAL OF SHARES IN BOJUN EDUCATION**

The Company announces that on 31 March 2022 (after trading hours), the Seller, an indirectly non-wholly owned subsidiary of the Company, the Purchaser and the Bank entered into the SPA, pursuant to which the Seller has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, 150,000,000 Bojun Education Shares, representing approximately 18.25% of the total issued shares of Bojun Education as at the date of this announcement. The consideration for the Disposal is approximately HK\$62.8 million.

As certain applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Accordingly, the Disposal is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

**THE DISPOSAL**

The Company announces that on 31 March 2022 (after trading hours), the Seller, an indirect non-wholly owned subsidiary of the Company, the Purchaser and the Bank entered into the SPA, pursuant to which the Seller has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Target Shares, being 150,000,000 Bojun Education Shares, representing approximately 18.25% of the total issued shares of Bojun Education as at the date of this announcement.

## **THE SPA**

The principal terms of the SPA are summarised below:

**Date** : 31 March 2022 (after trading hours)

**Parties** : (1) The Seller;  
(2) The Purchaser; and  
(3) The Bank

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Purchaser, the Bank and their respective ultimate beneficial owners is an Independent Third Party.

### **Subject matter**

The Seller has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Target Shares, being 150,000,000 Bojun Education Shares, representing approximately 18.25% of the total issued shares of Bojun Education as at the date of this announcement. The Target Shares have been charged by the Seller in favour of the Bank in connection with debts owed by the Company to the Bank pursuant to the notes issued by the Company. As at the date of this announcement, the outstanding principal amount of the notes held by the Bank is HK\$334,500,000. For details, please refer to the announcements of the Company dated 19 December 2017, 18 December 2020, 17 June 2021 and 17 December 2021.

### **Consideration**

The consideration of the Disposal is HK\$62,775,000, being HK\$0.4185 per Target Share, which shall be settled by the Purchaser by wire transfer to the designated account specified by the Bank as follow:

- (1) HK\$4,185,000 (or the equivalent of RMB) shall be paid within 10 business days following the signing of the SPA;
- (2) no less than 50% of the total consideration (being HK\$31,387,500) in aggregate shall be paid within six months following the signing of the SPA; and
- (3) the remaining balance of the consideration shall be paid within eight months following the signing of the SPA.

The consideration was arrived at after arm's length negotiation and on normal commercial terms between the Seller and the Purchaser with reference to: (i) the closing price of Bojun Education Shares on the Stock Exchange on the last trading day before the Bojun Education Shares suspended trading on 30 November 2021; (ii) the financial performance of Bojun Education in recent years; (iii) the unaudited net asset value of Bojun Education as at 28 February 2021; (iv) the current market condition and prospect of the securities market in Hong Kong; and (v) the factors set out in the section headed "Information of the Group and the Reasons for the Disposal" in this announcement.

Completion of the sale and purchase of the Target Shares may take place at multiple intervals. Upon receipt of the consideration by the Bank, the Bank shall release the share charge over the corresponding number of the Target Shares with reference to the consideration received by the Bank.

### **INFORMATION OF THE PURCHASER**

The Purchaser is a company incorporated in the British Virgin Islands with limited liability. The Purchase is principally engaged in investment holding. The Purchaser is ultimately owned by Mr. Chen Junchao and Mr. Zhang Hui, who are Independent Third Parties.

### **INFORMATION OF THE BANK**

The Bank is a joint stock limited company incorporated in the PRC, the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 1216). The Bank is principally engaged in the provision of corporate and personal deposits, loans and advances, settlement, financial market business, financial leasing and other financial services in the PRC. The Bank is a holder of the notes issued by the Company and the outstanding principal amount of the notes is HK\$334,500,000 as at the date of this announcement. The Target Shares are charged in favour of the Bank by the Seller.

### **INFORMATION OF BOJUN EDUCATION**

Bojun Education is a company incorporated in the Cayman Islands as an exempted company with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1758). Bojun Education is an investment company. Bojun Education and its subsidiaries are principally engaged in the provision of private education services.

According to the published financial statements of Bojun Education, its audited financial results for the years ended 31 August 2019 and 2020, respectively are as follows:

	<b>For the year ended 31 August</b>	
	<b>2020</b>	<b>2019</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(approximately)</i>	<i>(approximately)</i>
Net profit before taxation	28,925	45,374
Net profit after taxation	15,242	28,941

According to the published financial statements of Bojun Education, the unaudited net asset value of Bojun Education as at 28 February 2021 amounted to approximately RMB860.4 million.

## **INFORMATION OF THE GROUP AND REASONS FOR THE DISPOSAL**

The Company is an investment holding company. The Group maintains a diversified development strategy to provide customers with a wide range of products and services, and is mainly engaged in financial services business, education management and consultation business and automotive parts business currently. Our financial services business can provide services such as listing sponsorship, underwriting and placing, dealing in securities, financing consultancy, merger and acquisition agency, financial advisory, asset management and private equity fund management; our education management and consultation business mainly provides international high school curriculum and overseas study consultation services; and our automotive parts business is mainly engaged in research and development, manufacturing and sales of automobile absorbers.

The Seller is a limited partnership established in the PRC and is an indirect non-wholly owned subsidiary of the Company. It is principally engaged in equity investment.

The interest in Bojun Education were held by the Group as an investment. The Disposal is to realise the investment of the Group and to improve the Group's gearing ratio. The Group will use the proceeds from the Disposal to repay the outstanding liabilities owned by the Company to the Bank. As a result of the Disposal, the Group is expected to recognise an unaudited loss of approximately HK\$6.98 million. Such an estimated loss was calculated with reference to (i) the aggregate consideration of the Disposal and (ii) the market value of the Target Shares calculated based on the closing price of Bojun Education Shares as at 29 November 2021, without taking into account the expenses to be incurred in connection with the transactions, including the legal and professional fees. The actual amount of gain or loss as a result of the Disposal to be recorded by the Group will be subject to review and final audit by auditors of the Company.

Given that the Disposal was made on prevailing market prices, the Directors consider that the Disposal is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

After completion of the Disposal, the Seller will cease to hold any Bojun Education Shares and the Group will hold 1,600,000 Bojun Education Shares.

## **LISTING RULES IMPLICATIONS**

As certain applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Accordingly, the Disposal is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, unless otherwise defined, terms used shall have the following meanings:

“Bank”	Zhongyuan Bank Co., Ltd.* (中原銀行股份有限公司)
“Board”	the board of Directors
“Bojun Education”	Bojun Education Company Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability, the shares of which are listed on the Main Board of the Stock Exchange with stock code of 1758
“Bojun Education Shares”	ordinary shares of HK\$0.01 each in the issued share capital of Bojun Education
“Company”	China First Capital Group Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange with stock code of 1269
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Target Shares by the Company through an indirectly subsidiary
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a third party which is independent of and not connected with the Company and its connected persons and not a connected person of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchaser”	Honesty Virtue International Limited, a company incorporated in the British Virgin Islands with limited liabilities
“RMB”	Renminbi, the lawful currency of the PRC

“Seller”	Wuxi First Capital Equity Investment Fund Centers (Limited Partnership)* (無錫首控股權投資基金管理中心 (有限合夥)), a limited partnership established in the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“SPA”	the share purchase agreement in relation to the Disposal entered into by the Seller, the Purchaser and the Bank on 31 March 2022
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Shares”	an aggregate of 150,000,000 Bojun Education Shares
“%”	per cent

By order of the Board  
**China First Capital Group Limited**  
**Wilson Sea**  
*Chairman and Executive Director*

Hong Kong, 31 March 2022

*As at the date of this announcement, the executive Directors are Dr. Wilson Sea, Mr. Zhao Zhijun and Dr. Zhu Huanqiang; and the independent non-executive Directors are Mr. Chu Kin Wang, Peleus, Dr. Du Xiaotang and Mr. Loo Cheng Guan.*

\* *For identification purpose only*