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## **Bojun Education Company Limited**

**博駿教育有限公司**

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

**(Stock Code: 1758)**

### **FURTHER GUARANTEE TO A MAJOR AND CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF 51% EQUITY INTEREST IN PENGZHOU SCHOOL**

Reference is made to the announcements of Bojun Education Company Limited (the “**Company**”) dated 27 August 2021, 6 September 2021, 26 October 2021 and 20 May 2022 (the “**Announcements**”), and the circular of the Company dated 30 September 2021 (the “**Circular**”) in respect of, amongst others, the major transaction in relation to disposal of 51% equity interest in Pengzhou School. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements and Circular.

The Board hereby announces that on 20 May 2022, Chengdu Liqiao Education Technology Company Limited\* (成都立橋教育科技有限公司) (“**Liqiao**”), which is the shareholder of Hongde Guanghua, executed a guarantee letter (the “**Guarantee Letter**”) in favour of Chengdu Mingxian pursuant to which Liqiao agreed to guarantee the financial obligations of Hongde Guanghua and Pengzhou School for a period of up to three years from the latest date of Hongde Guanghua and Pengzhou School obliged to fulfil their respective financial obligations towards Chengdu Mingxian in relation to the Termination Agreement and the Supplemental Agreement.

#### **FURTHER INFORMATION ABOUT THE SUPPLEMENTAL AGREEMENT**

The Group was given to understand that Hongde Guanghua and Pengzhou School failed to refund the Total Investment Fund in accordance with the Termination Agreement due to an unexpected delay in obtaining bank and other financings. The parties therefore commenced discussions on a viable payment schedule and finally reached an agreement in May 2022.

The Board considered alternative options such as enforcing the guarantee under the Termination Agreement and other possible legal actions against the applicable parties. However, having considered, among others, that (i) Pengzhou School possesses sufficient

assets and is capable to refund the Total Investment Fund in full, and the Group shall enforce the guarantee under the Termination Agreement in the event that both of Pengzhou School and Hongde Guanghua are not capable to refund the Total Investment Fund in full, (ii) there are tightened controls in the PRC for enterprises to obtain bank financings and the delay in payment on part of Hongde Guanghua and Pengzhou School was unexpected and inadvertent, (iii) Hongde Guanghua and Pengzhou School were actively exploring alternative financings for the refund of the Total Investment Fund, (iv) the Group would incur additional costs and expenses when it makes a legal claim against Hongde Guanghua and Pengzhou School and any possible litigation against Pengzhou School may affect the operation of the school and may have a negative impact on the students, and (v) the Group's business relationship with Hongde Guanghua and Pengzhou School after the change of school sponsor, the management of the Group is of the view that it is fair and reasonable for the Group to enter into the Supplemental Agreement.

Further, the Directors are of the view that the terms of the Supplemental Agreement are fair and reasonable and in the interest of the Company after having considered, among others, that (i) the delay in payment on part of Hongde Guanghua and Pengzhou School was unexpected and inadvertent; (ii) to the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Group was given to understand that Pengzhou School and Hongde Guanghua and its ultimate shareholders would obtain sufficient financing for the refund of the Total Investment Fund in full in accordance with the Supplemental Agreement; (iii) the Guarantee Letter was entered in favour of Chengdu Mingxian to guarantee the obligations of Hongde Guanghua and Pengzhou School under the Termination Agreement and the Supplemental Agreement; and (iv) in the event that Pengzhou School obtains financings from financial institutions in the PRC, its school sponsors shall guarantee such borrowings in favour of the financial institutions and, in view of the relationship with Pengzhou School, the Group intends not to secure any financings of Pengzhou School and, thus, the Group considers that it is reasonable to cease serving as school sponsor of Pengzhou School before the receipt of the Total Investment Fund in full.

## **INFORMATION OF THE LIQIAO**

Liqiao is a limited liability company established in the PRC. It is principally engaged in the business of investment holding. As at the date of this announcement, Liqiao is ultimately owned by Ms. Zhou Xiang\* (周翔) as to 97% and Mr. Liu Jun\* (劉軍) as to 3%, each of them is a PRC citizen of PRC nationality. Hongde Guanghua is owned as to 95% by Liqiao and 5% by Mr. Dou Lingjia. Save for the 49% interest owned by Hongde Guanghua in Pengzhou School under the cooperation arrangement, each of Liqiao and its ultimate beneficial owners are Independent Third Parties.

## **CONTINUED SUSPENSION OF TRADING**

Trading in the shares of the Company on the Stock Exchange was suspended from 9:00 a.m. on 30 November 2021, pending the publication of the annual results of the Company for the year ended 31 August 2021, and will remain suspended until the Company fulfils the resumption guidance as detailed in the announcement of the Company dated 9 March 2022.

By Order of the Board  
**Bojun Education Company Limited**  
**Wang Jinglei**  
*Chairman of the Board and Chief Executive Officer*

Hong Kong, 10 June 2022

*As at the date of this announcement, the executive Director is Mr. Wang Jinglei; the non-executive Director is Mr. Wu Jiwei; and the independent non-executive Directors are Mr. Cheng Tai Kwan Sunny, Mr. Mao Daowei, Ms. Luo Yunping and Mr. Yang Yuan.*

*\* for identification purposes only*