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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 AMENDMENTS TO THE TERMS OF A MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF 51% OF EQUITY INTEREST OF THE 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, 20 May 2022 and 10 June 2022 (the “**Announcements**”) and the circular of the Company dated 30 September 2021 (the “**Circular**”) in relation to, among others, the major transaction in relation to the disposal of 51% equity interest in Pengzhou School. Unless the context otherwise required, capitalised terms used herein shall have the same meanings as those defined in the Announcements and Circular.

The Board hereby announces that, as Hongde Guanghua failed to fulfil the terms of refund in accordance with the Termination Agreement and the Supplemental Agreement, on 31 January 2024, Chengdu Mingxian, Hongde Guanghua, Pengzhou School and the Guarantors entered into the second supplemental agreement (the “**Second Supplemental Agreement**”) to the Termination Agreement (as amended by the Supplemental Agreement), pursuant to which the parties agreed to amend the terms of refund.

OLD PAYMENT TERMS

Pursuant to the Termination Agreement (as amended by the Supplemental Agreement), Hongde Guanghua and Pengzhou School shall refund RMB40,164,941.29 of the Total Investment Fund to Chengdu Mingxian in the following manner:

- (a) as to RMB20,000,000, being approximately 48.59% of the Total Investment Fund, on or before 30 June 2022; and
- (b) as to RMB20,164,941.29, being approximately 48.99% of the Total Investment Fund, on or before 30 December 2022.

NEW PAYMENT TERMS

As at the date of this announcement, RMB8,000,000, being approximately 19.43% of the Total Investment Fund (being RMB41,164,941.29), has been refunded to Chengdu Mingxian by Hongde Guanghua, and a balance of RMB33,164,941.29 of the Total Investment Fund (the “**Remaining Investment Fund**”) remained outstanding. Pursuant to the Second Supplemental Agreement dated 31 January 2024, the Remaining Investment Fund shall be settled in the following manner:

- (a) as to RMB6,632,988.00, being approximately 20.0% of the Remaining Investment Fund, on or before 30 September 2024;
- (b) as to RMB6,632,988.00, being approximately 20.0% of the Remaining Investment Fund, on or before 30 September 2025;
- (c) as to RMB6,632,988.00, being approximately 20.0% of the Remaining Investment Fund, on or before 30 September 2026;
- (d) as to RMB6,632,988.00, being approximately 20.0% of the Remaining Investment Fund, on or before 30 September 2027; and
- (e) as to RMB6,632,989.29, being approximately 20.0% of the Remaining Investment Fund, on or before 30 September 2028.

Save for the amendments disclosed above, all other terms and conditions of the Termination Agreement and the Supplemental Agreement remain in full force and effect.

REASONS FOR THE SECOND SUPPLEMENTAL AGREEMENT

The Board considers that the amendments in relation to refund arrangement will better protect the Group from recovery of the funds from Hongde Guanghua. The Board considered alternative options such as enforcing the guarantees under the Termination Agreement and the Guarantee Letter and other possible legal actions against the applicable parties. However, having considered, among others, that (i) although Pengzhou School possesses sufficient assets to refund the Remaining Investment Fund, Pengzhou School requires funds for operation of the school and to meet its daily financial needs; (ii) any possible litigation against Pengzhou School and/or Hongde Guanghua might have negative impact on the students of Pengzhou School and might affect the business operation and financial performance of Pengzhou School and it may then affect the ability of Pengzhou School to settle the Remaining Investment Fund; (iii) the Group could enforce the guarantees under the Termination Agreement (as amended by the Supplemental Agreement) and the Guarantee Letter in the event that both of Pengzhou School and Hongde Guanghua are not capable of settling the Remaining Investment Fund in full; (iv) Hongde Guanghua and Pengzhou School were actively exploring financings for the refund of the Remaining Investment Fund; and (v) the Group would incur additional costs and expenses when it makes a legal claim against Hongde Guanghua and Pengzhou School, the management of the Group is of the view that it is fair and reasonable for the Group to enter into the Second Supplemental Agreement. The Board is of the view that the terms of the Second Supplemental Agreement are fair and reasonable, and made on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole.

The Group is exploring the costs and benefits of various options (including taking legal action) available to it for the protection of its legitimate interests in relation to the Disposal. The Company will make further announcements to update Shareholders as and when appropriate. The Directors consider that the default by Hongde Guanghua and/or delay in completion of the Disposal will not have any material adverse impact on the operations or financial position of the Group but the Group will take all actions it deems necessary and appropriate to protect the interests of the Company and its Shareholders.

By Order of the Board
Bojun Education Company Limited
Wang Jinglei
Chairman of the Board

Hong Kong, 31 January 2024

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.