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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)**

**AMENDMENT OF TERMS OF 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 and 26 October 2021 (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, as Hongde Guanghua failed to fulfil the terms of refund in accordance to the Termination Agreement, on 20 May 2022, Chengdu Mingxian, Hongde Guanghua, Pengzhou School and the Guarantors entered into a supplemental agreement (the “**Supplemental Agreement**”) to the Termination Agreement, pursuant to which the parties have mutually agreed to amend (1) the terms of refund, (2) the change of school sponsor provision and (3) the guarantee provision of the Termination Agreement.

The principal terms of the Supplemental Agreements are as follows:

**(1) AMENDMENT OF TERMS OF REFUND**

**Original payment terms**

Pursuant to the Termination Agreement, Hongde Guanghua and Pengzhou School shall refund the Total Investment Fund (being RMB41,164,941.29) 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 September 2021;
- (b) as to RMB20,000,000, being approximately 48.59% of the Total Investment Fund, on or before 30 December 2021; and
- (c) as to RMB1,160,000, being approximately 2.81% of the Total Investment Fund, on or before 30 December 2021 (the “**3rd Batch of Refund**”).

Chengdu Mingxian has agreed to waive the payment of RMB4,941.29, being approximately 0.01% of the Total Investment Fund if the 3rd Batch of Refund is settled on or before 30 December 2021.

**Amended payment terms**

As at the date of this announcement, RMB1,000,000, being approximately 2.42% of the Total Investment Fund (being RMB41,164,941.29), has been refunded to Chengdu Mingxian by Hongde Guanghua, and a balance of RMB40,164,941.29 of the Total Investment Fund remains outstanding. According to the Supplemental Agreement, Hongde Guanghua shall refund the outstanding balance 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.

**(2) AMENDMENT OF CHANGE OF SCHOOL SPONSOR PROVISION**

**Original change of school sponsor provision**

The change of school sponsor is subject to:

- (a) the payment of the 1st Batch of Refund; and
- (b) the Directors’ and Shareholders’ approval of the Company approving transactions contemplated under the Termination Agreement having been obtained.

Upon satisfaction of the above conditions, Chengdu Mingxian shall cooperate with Hongde Guanghua in filing application(s) for Chengdu Mingxian's withdrawal as a school sponsor of Pengzhou School with the relevant authorities, whilst exercising limited supervisory power over operation of Pengzhou School. Completion of the Termination Agreement shall only take place after the school sponsor of Pengzhou School is changed. None of the conditions can be waived.

#### **Amended change of school sponsor provision**

Chengdu Mingxian shall cooperate with Hongde Guanghua to facilitate change of school sponsor of Pengzhou School (subject to approval of the relevant authorities) upon execution of the Supplemental Agreement. Hongde Guanghua and Pengzhou School shall cooperate with Chengdu Mingxian to facilitate change of legal representative of Pengzhou School, with the new legal representative to be appointed by Hongde Guanghua. Council members appointed by Chengdu Mingxian shall also be replaced by representatives to be appointed by Hongde Guanghua.

As at the date of this announcement, the school sponsor of Pengzhou School has not been changed and Chengdu Mingxian is one of the school sponsors of Pengzhou School.

### **(3) AMENDMENT OF GUARANTEE PROVISION**

#### **Original guarantee provision**

The Guarantors has agreed to provide joint and several liability guarantee to Chengdu Mingxian to guarantee the financial obligation of Hongde Guanghua and Pengzhou School for a period of up to two year from the latest date of Hongde Guanghua and Pengzhou School obliged to fulfil their respective financial obligations towards Chengdu Mingxian.

#### **Amended guarantee provision**

The Guarantors has agreed to provide joint and several liability guarantee to Chengdu Mingxian to guarantee the financial obligation of Hongde Guanghua and Pengzhou School for a period of up to three year 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.

Save for the amendments disclosed above, all other terms of the Termination Agreement remain valid and effective.

## **REASONS FOR THE SUPPLEMENTAL AGREEMENT**

The Board considers that the amendments in relation to refund and guarantee arrangement will better protect the Group from potential default of the Hongde Guanghua while the amendment in relation to change of school sponsor is necessary as the original term was linked to the refund arrangement. The Board is therefore of the view that the terms of the 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.

## **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, 20 May 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.*