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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)

CHANGE IN USE OF PROCEEDS FROM LISTING

References are made to (i) the prospectus of Bojun Education Company Limited (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) dated 19 July 2018 (the “**Prospectus**”) in relation to the listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Listing**”) and (ii) the announcements of the Company dated 11 April 2023, 20 July 2023, 31 August 2023 and 19 October 2023 (the “**Announcements**”) and the circular of the Company dated 28 June 2023 (the “**Circular**”) in relation to the acquisition of 51% equity interest in Sichuan Zhengzhuo Education Investment Company Limited* (四川正卓教育投資有限公司) and Sichuan Gaojiao Investment Company Limited* (四川高教投資有限公司) (the “**Acquisition**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus and the Circular.

Net proceeds (the “**Net Proceeds**”) from the Listing (including the partial exercise of over-allotment option) amounted to approximately HK\$494.0 million (equivalent to approximately RMB428.9 million), after deducting the underwriting fees, commissions and expenses payable by the Company in connection with the Listing. Since the Listing Date and up to the date of this announcement, the Company has utilised approximately RMB416.0 million of the Net Proceeds, leaving a balance in the sum of approximately RMB12.9 million remaining unutilised (the “**Unutilised Net Proceeds**”), representing approximately 3% of the Net Proceeds.

On 24 November 2023, the Board resolved to reallocate the use of the Unutilised Net Proceeds in the sum of approximately RMB12.9 million, which was originally intended for establishment of the US School, to the settlement of partial consideration in cash in relation to the Acquisition on or before 31 December 2024. For further details about the Acquisition,

please refer to the Announcements and the Circular. An analysis of the utilisation of the Net Proceeds as at the date of this announcement and the proposed reallocation of the Unutilised Net Proceeds is set out below:

| | Planned use of Net Proceeds as disclosed in the Prospectus (RMB million) | Net Proceeds utilised as at the date of this announcement (RMB million) | Net Proceeds unutilised as at the date of this announcement (RMB million) | Proposed application of the Unutilised Net Proceeds (RMB million) | Expected timetable for proposed use of the Unutilised Net Proceeds |
|---|--|---|---|---|--|
| Establishing Nanjiang Bojun School | 120.1 | 120.1 | — | — | |
| Establishing Wangcang Bojun School | 120.1 | 120.1 | — | — | |
| Establishing the high school section of Tianfu School | 94.4 | 94.4 | — | — | |
| Establishing Pengzhou Bojun School | 38.6 | 38.6 | — | — | |
| Establishing Lezhi Bojun School | 21.4 | 21.4 | — | — | |
| Establishing US School | 12.9 | — | 12.9 | — | |
| Financing the acquisition of vocational education schools | — | — | — | 12.9 | On or before 31 December 2024 |
| As working capital and for general corporate purpose | 21.4 | 21.4 | — | — | |

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

Having considered the business and development needs of the Group in light of the regulatory developments in the education industry in the PRC in recent years, the Group expanded its business to the vocational education industry in the PRC and will continue to expand the network and geographic coverage of its vocational schools in the industry. On 10 April 2023, the Group entered into the Amended Agreements for the Acquisition. The Acquisition was completed on 31 August 2023 and the vocational education schools (being the members of the Target Groups) have become Consolidated Affiliated Entities simultaneously. According to the Amended Agreements, part of the consideration of the Acquisition shall be settled by cash before 31 December 2024. Therefore, the Board is of the view that the reallocation of the Unutilised Net Proceeds to settle partial consideration of the Acquisition is in line with the Group's financial needs and is beneficial to the development of the Group. Moreover, due to the impact of COVID-19 and adjustment to the Group's development strategy, the commencement plan of the US School was suspended and more time is required by the Group to develop its business plan for the US School. In light of the above, the Board considers that the reallocation of the Unutilised Net Proceeds would allow the Company to deploy its idle financial resources in a more effective manner to meet its financial and business needs, and is therefore in the interests of the Group and the Shareholders as a whole.

The Board considers that the proposed change in the use of proceeds from the Listing will not have any material adverse effect on the existing business and operation of the Group. The Board will continuously assess the plan for the use of the Unutilised Net Proceeds and may revise or amend such plan as and when necessary and appropriate.

By Order of the Board
Bojun Education Company Limited
Wang Jinglei
Chairman of the Board and chief executive officer

Hong Kong, 24 November 2023

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 purpose only*