

TARGET

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BOJUN EDUCATION COMPANY LTD: HARD TIMES HAVE BEFUDDLED MANAGEMENT OF THIS EDUCATION ENTITY, BASED IN THE SICHUAN PROVINCE

Management of Bojun Education Company Ltd (博駿教育有限公司) (Code: 1758, Main Board, The Stock Exchange of Hongkong Ltd) ran afoul of promulgations, introduced on or about May 14, 2021, whereby The State Council of The People's Republic of China (PRC) announced new Regulations with regard to the Implementation of the private Education Promotion Law of the PRC (中華人民共和國民辦教育促進法實施條例).

The '**New Regulations**', as they have come to be known, prohibits foreign participation in private schools that provide compulsory education and non-for-preschools by means of mergers and acquisitions, contractual agreements and related party transactions.

The New Regulations came into effect on September 1, 2021.

On or about Wednesday, November 30, 2022, Mr Wang Jing Lei (王驚雷) (also known as Mr Wang Jing Lei [王驚雷]), the Chairman of the Board of Directors and the Chief Executive Officer of Bojun Education Company Ltd, caused to be published and disseminated in the Hongkong Special Administrative Region (HKSAR) of the PRC the following announcement, headlined: '**FULFILMENT OF RESUMPTION GUIDANCE AND RESUMPTION OF TRADING.**'

At Page Two of this announcement, under the subheading, '**RESUMPTION GUIDANCE**', one was informed of the following:

'On 4 March 2022, the Company received a letter from the Stock Exchange (of Hongkong Ltd) setting out the following Resumption Guidance for the resumption of trading in the shares of the Company:

'A. publish all outstanding financial results required under the Listing Rules and address any audit modifications ("Resumption Guidance A");

'B. demonstrate the Company's compliance with Rule 13.24 of the Listing Rules ("Resumption Guidance B"); and

*‘C. announce all material information for the Company’s shareholders and investors to appraise the Company’s position (“**Resumption Guidance C**”).*

‘FULFILMENT OF THE RESUMPTION GUIDANCE

‘The Board (of Directors of the Company) is pleased to announce that all the Resumption Guidance have been fulfilled as at the date of this announcement, details of which are set out below.’

At Pages Five and Six of this announcement, under the heading, **‘REASONS FOR DELAY IN PUBLICATIONS OF ANNUAL RESULTS’**, one was apprised of the following:

*‘Following the implementation of the New Regulations, the Affected Entities (i.e. non-profit preschool education and the compulsory education business of the Group including primary and middle schools used to be controlled by the Group) are required to be deconsolidated from the Group on 1 September 2021 for FY2021, which had a significant impact on the business operations as well as financial results of the Group, particularly in respect of business and entities needs to be deconsolidated and those remaining in the Group, asset impairments in relation to properties used by the primary and middle schools, as well as general impact of the New Regulations in respect of going concerns of the Group. In light of the New Regulations becoming effective and the associated audit issues, the Group had taken substantial time to devise plan with its advisers and implement restructuring of the business operation in order to comply with the New Regulations, including separation of businesses, transformation of non-profit kindergartens and high school to for-profit kindergartens and high school licenses, transforming middle schools into vocational schools and provision of supplemental services such as overseas education consultancy, canteen services and ECA (Extra-Curriculum Activities), which may have an impact on the audit and results of the Group for the FY2021. As such, audit work for the FY2021 had been halted until about May 2022 when the Group’s restructuring was concluded. The Group then reactivated its audit work with its former auditor, PKF Hong Kong Limited (大信梁學濂[香港]會計師事務所有限公司) (“**PKF**”) since May 2022. However, the audit progress seems to be slow and no concrete timetable in respect of the completion of the audit was agreed by PKF and the Group.*

‘As disclosed in the announcement of the Company dated 29 July 2022, PKF resigned as the auditor of the Company with effect from 22 July 2022. PKF stated in their letter of resignation that, as part of their normal procedures which include an annual consideration of whether they would continue to act for their audit clients, having taken into account factors including the professional risk associated with the audit, the level of audit fees and their available internal resources in light of their current work flows, they decided to tender their resignation as the auditor of the Group.

‘With the recommendation of the audit committee of the Board (of Directors), the Board appointed Zhonghui ANDA (Zhonghui Anda CPA Ltd [中匯安達會計師事務所有限公司]) as the new auditors of the Company with effect from 29 July 2022. At the time Zhonghui ANDA was appointed, audit related issues such as the Group’s restructuring, associated business separation and assets valuation all have been completed. As such, audit timetable was soon agreed with Zhonghui ANDA and results of the Group were published in November 2022.

‘RESUMPTION OF TRADING

‘Trading in the shares of the Company on the Stock Exchange has been suspended from 9:00 a.m. on 30 November 2021. As all the Resumption Guidance have been satisfied, the Company has made an application to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 1 December 2022.’

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