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KUNZHI LIMITED

(坤智有限公司)

(incorporated with limited liability in the British Virgin Islands)

U.S.\$490,000,000 6.25 per cent. Guaranteed Bonds due 2020 (Stock Code: 4464)

U.S.\$310,000,000 floating rate Guaranteed Bonds due 2021 (Stock Code: 5100)
(together, the "Bonds")

unconditionally and irrevocably guaranteed by

Founder Information (Hong Kong) Limited (the "Guarantor")

(incorporated with limited liability in Hong Kong)

*with the benefit of a Keepwell Deed and a Deed of Equity Interest Purchase Undertaking
provided by*

Peking University Founder Group Company Limited ("Founder Group")

(incorporated with limited liability in the People's Republic of China)



INSIDE INFORMATION

This announcement is made by Kunzhi Limited (the "**Issuer**") pursuant to Rules 37.47, 37.47A and 37.47B of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Issuer dated 20 February 2020 relating to the application of Bank of Beijing Co., Ltd. to Beijing First Intermediate People's Court (the "**Court**") for the initiation of reorganisation procedure against Founder Group (the "**Petition**") and the Court's acceptance of the Petition together with the appointment of the administrator of Founder Group, respectively. Reference is also made to the announcement of the Issuer dated 25 February 2020 relating to the declaration of Founder Group's creditors' rights and failure of payment of the principal and interests of the super short-term commercial paper (19方正SCP002) due on 21 February 2020 by Founder Group (the "**Onshore Payment Default**").

The Issuer is of the view that the occurrence of Onshore Payment Default constitutes a cross-default under the terms and conditions of the Bonds (the "**Conditions**"). In addition, the reorganisation of Founder Group (the "**Reorganisation**"), including the acceptance of the Petition by the Court, the appointment of administrator and the debt arrangement with creditors could also constitute an event of default under the Conditions.

Under the procedure of Reorganisation, the Issuer and the Guarantor will not be able to make repayment to individual creditor under the Bonds.

The Issuer will keep holders of the Bonds updated by way of further announcement(s) as and when appropriate. Bondholders are advised to exercise caution when dealing in the securities of the Issuer.

By Order of the Board
Kunzhi Limited
TANG Fang
Sole director

Beijing, 27 February 2020

As at the date of this announcement, the sole director of the Issuer is TANG Fang.

As at the date of this announcement, the directors of Founder Information (Hong Kong) Limited are TANG Fang, SU Hua and FANG Lai Tan.

As at the date of this announcement, the directors of Founder Group are SHENG Yu Hai, XIAO Jian Guo, XIE Ke Hai, XIAO Qun, CHEUNG Shuen Lung and ZHOU Fu Min.