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0.90% CONVERTIBLE BONDS DUE 2024
(ISIN: XS2089158609, Common Code: 208915860)
(the “Bonds” and the holders of such Bonds, the “Bondholders”)

ISSUED BY



CHINA YUHUA EDUCATION CORPORATION LIMITED
中国宇华教育集团有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6169)

**ANNOUNCEMENT IN RELATION TO THE AMENDED TERMS AND
CONDITIONS OF THE CONVERTIBLE BONDS DUE 2024**

Reference is made to the Bonds and the announcements of the Company dated 29 November 2024, 27 December 2024, 17 January 2025 and 10 February 2025 (the “**Bondholder Meeting Results Announcement**”, collectively, the “**Announcements**”).

Capitalised terms used but not otherwise defined herein shall have the meanings ascribed to them in the Announcements (as applicable).

APPLICATION FOR LISTING

The Company has applied to the Stock Exchange for the listing of, and permission, to deal in the Shares which may fall to be issued by the Company upon conversion of the Bonds (the “**Conversion Shares**”).

GENERAL MANDATE TO ISSUE THE CONVERSION SHARES

Pursuant to the amended terms and conditions of the Bonds, following the Company’s redemption of HK\$430,000,000 in aggregate principal amount of the Bonds expected to occur on 17 February 2025, the principal amount of the Bonds outstanding will be HK\$483,868,386 (the “**Remaining Principal Amount of the Bonds**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company was granted a general mandate (the “**General Mandate**”) at the annual general meeting held on 29 January 2024, pursuant to which a maximum of 721,357,576 Shares may fall to be issued.

Immediately upon the Extraordinary Resolution being approved at the Meeting, as set out in the Bondholder Meeting Results Announcement, the Proposed Waivers became effective immediately and the Proposed Amendment Documents were executed on 10 February 2025 thereby giving effect to the Proposed Amendments. Accordingly, upon receipt of the conversion notice(s) from the Bondholders in respect of the exercise of the conversion rights attached to the Remaining Principal Amount of the Bonds at the conversion price of HK\$0.733 per Share (the “**Conversion Price**”), 660,000,000 Conversion Shares, representing approximately 18.30% of the total number of issued Shares immediately before the conversion (the “**Conversion**”) and approximately 15.47% of the total number of issued Shares enlarged by the issue of the Conversion Shares immediately after the Conversion, will be allotted and issued to the Bondholders on the 10th business day after the resumption of trading of the Company’s Shares.

The prevailing Conversion Price was arrived at after arm’s length negotiations between the Company and the Bondholders after considering the prevailing market price of the Shares and current market condition. The Conversion Price represents (i) a premium of approximately 98.1% over the closing price of HK\$0.370 per Share as quoted on the Stock Exchange on 29 November 2024 (the “**Last Trading Day**”); and (ii) a premium of approximately 87.0% over the average closing price of HK\$0.392 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day.

As such, the issue of the Conversion Shares falls within the limit of the General Mandate and is not subject to the specific approval of the Shareholders. The Conversion Shares have an aggregate nominal value of HK\$6,600.0 and market value of approximately HK\$244,200,000.0, based on the closing price of HK\$0.370 on the Last Trading Day.

As at the date of this announcement, (i) no portion of the General Mandate has been utilised; (ii) the Company has not allotted and issued any Shares pursuant to the General Mandate, and (iii) the General Mandate is sufficient for the allotment and issue of the Conversion Shares.

CAPITAL RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Apart from the Bonds mentioned in this announcement, the Company has not raised any funds by issuing equity securities in the past twelve months immediately preceding the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The Bonds are held by no less than six (6) independent investors (who are independent individual, corporate and/or institutional investors). The Bonds was not offered to the retail public in Hong Kong. To the best of the Directors' knowledge, information and belief as at the date of this announcement, each of the Bondholders (and their respective ultimate beneficial owners) is a third party independent of the Company and is not connected with the Company or its connected persons (as defined in the Listing Rules).

The following table illustrates: (1) the existing shareholding structure as at the date of this announcement before the Conversion; and (2) the shareholding structure immediately after the Conversion; on the assumptions that (a) there will be no other change to the share capital of the Company from the date of this announcement until the completion of the Conversion, save for the issue of the Conversion Shares as a result of the Conversion; and (b) the Bondholders do not and will not hold any Shares other than the Conversion Shares as a result of the Conversion.

Shareholder	As at the date of this announcement before the Conversion		Immediately after the Conversion	
	No. of Shares	% of issued share capital of the Company	No. of Shares	% of enlarged share capital of the Company
GuangYu Investment	1,917,500,000	53.16%	1,917,500,000	44.94%
Bondholders	0	0%	660,000,000	15.47%
Other Shareholders	1,689,287,883	46.84%	1,689,287,883	39.59%
	<u>3,606,787,883</u>	<u>100.00%</u>	<u>4,266,787,883</u>	<u>100.00%</u>

PROPOSED USE OF PROCEEDS

The amendment of the terms and conditions of the Bonds does not involve any raising of additional funds. Please refer to the announcement of the Company dated 4 December 2019 in relation to the proposed use of proceeds of the Bonds.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company (Stock Code: 6169) on the Stock Exchange has been suspended since 9:00 a.m. on 2 December 2024 due to the delay in publication of the annual results of the Group for the year ended 31 August 2024 and will remain suspended until the publication of the 2024 Annual Results. Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

By order of the Board
China YuHua Education Corporation Limited
Li Guangyu
Chairman and Executive Director

Hong Kong, 10 February 2025

As at the date of this announcement, the Board comprises Mr. Li Guangyu, Ms. Li Hua and Ms. Qiu Hongjun as executive Directors; and Mr. Chen Lei, Mr. Zhang Zhixue and Ms. Fan Nannan as independent non-executive Directors.