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**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)**

**FULL EXERCISE OF THE OVER-ALLOTMENT OPTION,  
STABILISATION ACTIONS AND  
END OF STABILISATION PERIOD**

**FULL EXERCISE OF THE OVER-ALLOTMENT OPTION**

The Company announces that the Over-allotment Option described in the Prospectus has been fully exercised by the Stabilisation Manager on behalf of the International Underwriters and in consultation with the Joint Global Coordinators, on 23 March 2017 in respect of an aggregate of 112,500,000 Shares (the “**Over-allotment Shares**”), representing 15% of the total number of the Offer Shares initially available under the Global Offering to cover over-allocations in the International Offering. The Over-allotment Shares are sold by the Over-allotment Option Grantor at HK\$2.05 per Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share under the Global Offering.

**STABILISATION ACTIONS AND END OF STABILISATION PERIOD**

The Company further announces that the stabilisation period in connection with the Global Offering ended on 23 March 2017, being the 30th day after the last day of closing of the application lists under the Hong Kong Public Offering.

Stabilisation actions were undertaken by the Stabilisation Manager during the stabilisation period, further information in relation to which is set out below.

This announcement is made pursuant to section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Cap. 571W of the Laws of Hong Kong).

## FULL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus has been fully exercised by the Stabilisation Manager on behalf of the International Underwriters and in consultation with the Joint Global Coordinators, on 23 March 2017 in respect of an aggregate of 112,500,000 Shares, representing 15% of the total number of the Offer Shares initially available under the Global Offering to cover over-allocations in the International Offering. The Over-allotment Shares are sold by the Over-allotment Option Grantor at HK\$2.05 per Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share under the Global Offering.

Approval for the listing and permission to deal in the Over-allotment Shares has already been granted by the Listing Committee of the Stock Exchange.

The shareholding structure of the Company immediately before and immediately after the completion of the sale of the Over-allotment Shares is as follows:

Shareholders	Immediately before the completion of the sale of the Over-allotment Shares		Immediately after the completion of the sale of the Over-allotment Shares	
	Number of Shares	Percentage of the Company's issued share capital	Number of Shares	Percentage of the Company's issued share capital
GuangYu Investment <sup>(1)</sup>	2,250,000,000	75.00%	2,137,500,000	71.25%
Public shareholders	750,000,000	25.00%	862,500,000	28.75%
	<u>3,000,000,000</u>	<u>100%</u>	<u>3,000,000,000</u>	<u>100%</u>

Notes:

(1) The Over-allotment Option Grantor, which is controlled by Mr. Li

The Company estimates that the Over-allotment Option Grantor will receive additional net proceeds of approximately HK\$225 million after the sale of the Over-allotment Shares, after deducting the fees, commissions and expenses payable by the Over-allotment Option Grantor in relation to the Global Offering. The Company will not receive any of the net proceeds from the sale of the Over-allotment Shares by the Over-allotment Option Grantor.

## STABILISATION ACTIONS AND END OF STABILISATION PERIOD

The Company further announces that the stabilisation period in connection with the Global Offering ended on 23 March 2017, being the 30th day after the last day of closing of the application lists under the Hong Kong Public Offering.

The stabilisation actions undertaken by the Stabilisation Manager, its affiliates, or any person acting for it, on behalf of the Underwriters during the stabilisation period were:

- (1) over-allocations of an aggregate of 112,500,000 Shares, representing 15% of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option);
- (2) successive market purchases of an aggregate of 24,000 Shares at a price of HK\$2.05 per Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) during the stabilisation period, representing 0.0032% of the Offer Shares initially offered under the Global Offering (before any exercise of the Over-allotment Option);
- (3) the borrowing of an aggregate of 112,500,000 Shares from the Over-allotment Option Grantor pursuant to the Stock Borrowing Agreement to cover over-allocations in the International Offering; and
- (4) the full exercise of the Over-allotment Option by the Stabilisation Manager on behalf of the International Underwriters and in consultation with the Joint Global Coordinators in respect of an aggregate of 112,500,000 Shares, representing 15% of the total number of the Offer Shares initially available under the Global Offering to cover over-allocations in the International Offering (before any exercise of the Over-allotment Option).

The Directors confirm that the Company continues to satisfy the minimum percentage of Shares in public hands as required under Rule 8.08 of the Listing Rules. No new Shares or securities convertible into equity securities of the Company may be issued within six months from the Listing Date save for the situations set out in Rule 10.08 of the Listing Rules.

By order of the Board of Directors  
**CHINA YUHUA EDUCATION CORPORATION LIMITED**  
**Mr. LI Guangyu**  
*Chairman*

Hong Kong, 23 March 2017

*As of 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. Xia Zuoquan and Mr. Zhang Zhixue as independent non-executive Directors.*