

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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)**

## **DISCLOSEABLE TRANSACTION — ACQUISITION OF THE TARGET COMPANY**

The Board is pleased to announce that on 12 February 2019, the Purchaser (being a wholly-owned subsidiary of the Company) entered into the Acquisition Agreement with the Seller pursuant to which the Purchaser acquired the Sale Shares for a total consideration of approximately US\$27.87 million (equivalent to approximately HK\$218.78 million). As a result of the Acquisition, which was completed on the same day, the Target Group became consolidated subsidiaries of the Company. The principal asset of the Target Group is Stamford International University, which offers international and Thai undergraduate and graduate degree programs in Bangkok and Hua Hin, Thailand.

As the highest of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

### **THE ACQUISITION**

The Board is pleased to announce that on 12 February 2019, the Purchaser (being a wholly-owned subsidiary of the Company) entered into the Acquisition Agreement with the Seller pursuant to which the Purchaser acquired the Sale Shares for a total consideration of approximately US\$27.87 million (equivalent to approximately HK\$218.78 million).

### **THE ACQUISITION AGREEMENT**

The principal terms of the Acquisition Agreement are summarised below:

#### **Date**

12 February 2019

## **Parties**

Purchaser: China YuHua Education Investment Limited

Purchaser's Guarantor: the Company

Seller: LEI Singapore Holdings Pte. Ltd.

Seller's Guarantor: Laureate 1 B.V.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Seller, the Seller's Guarantor and their ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

## **Assets Acquired**

Pursuant to the Share Purchase Agreement, the Seller has sold, and the Purchaser has acquired, the Sale Shares, which are comprised of the Target Sale Shares and the Subsidiary Sale Shares. The Target Sale Shares represent all of the issued and outstanding ordinary shares of the Target Company, which in turn owns approximately 92.875% of the issued and outstanding share capital of the Subsidiary. The Subsidiary Sale Shares represent approximately 7.125% of the issued and outstanding share capital of the Subsidiary. As a result of the Acquisition, the Company will consolidate the Target Group, the principal asset of which is Stamford International University.

## **Consideration**

The consideration in the aggregate amount of approximately US\$27.87 million (equivalent to approximately HK\$218.78 million) was arrived at after arm's length negotiations between the Company and the Seller with reference to, and taking into account of, the track record, geographical locations, rankings, number of students, course offerings and tuition fee levels of the Target Group. The outstanding debts of the Target Group, including shareholder loans and other intra-group payables assigned by the Seller to the Purchaser pursuant to the Acquisition Agreement, were also taken into account when determining the consideration.

Taking into consideration the above factors, the Directors are of the view that the consideration paid for the Acquisition is fair and reasonable.

## **Guarantees**

The Company, as guarantor for the Purchaser, and Laureate 1 B.V., as guarantor for the Seller, have each guaranteed the due performance by the Purchaser and Seller, respectively, of their obligations under the Acquisition Agreement.

## **Indemnities**

The Seller has agreed to provide indemnities to the Purchaser up to agreed levels and for an agreed period of time for certain tax liabilities and for breaches of warranties in relation to tax matters, for breaches of certain fundamental warranties (including in relation to due authorisation of the Acquisition Agreement, ownership of the Sale Shares, and due incorporation of the members of the Target Group), and for breaches of any other Seller warranties.

## **Completion**

Completion of the Acquisition took place on the same day as the Acquisition Agreement.

## **INFORMATION ABOUT THE PARTIES**

### **The Purchaser**

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of the Company. The Company is a private school operator in central China that provides education from kindergarten to university.

### **The Seller and the Seller's Guarantor**

According to the information provided by the Seller: (i) the Seller and the Seller's Guarantor are companies incorporated in Singapore and the Netherlands, respectively, each with limited liability and each a subsidiary of Laureate Education; and (ii) Laureate Education, Inc. is the largest global network of degree-granting higher education institutions and offers undergraduate, graduate and specialized degree programs in a wide range of academic disciplines, with more than one million students enrolled across nearly 70 institutions in 25 countries at campuses and online. To the best of each of the Directors' knowledge, information and belief having made all reasonable enquiries, the Seller and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

### **The Target Group**

The Target Company is a private company limited by shares incorporated in Thailand. The Target Company Shares represent all of the issued and outstanding ordinary shares of the Target Company.

In addition, two Thai citizens hold preference shares with an aggregate par value of Thai Baht 2 million (equivalent to approximately HK\$502,600) in the share capital of the Target Company. The preference shares provide them with a right to receive a preferential dividend equivalent to 10% of the par value of their shares.

The Target Company's principal asset is its approximately 92.875% interest in the issued and outstanding share capital of the Subsidiary. The Subsidiary is also a private company limited by shares incorporated in Thailand. The Subsidiary Sale Shares represent approximately 7.125% of the issued and outstanding share capital of the Subsidiary. One of the two Thai citizens holds the remaining single ordinary share of the Subsidiary.

The Subsidiary is the license holder of Stamford International University, which was founded in 1995 and serves over 4000 students from 100 countries. Stamford International University offers international and Thai undergraduate and graduate degree programs with two campuses in Bangkok, Thailand, and another campus in Hua Hin, Thailand. Stamford International University offers international and Thai undergraduate and graduate degree programs, including: business and management, communication, hospitality management and information technology. Its programs, curricula and degrees are fully accredited by the Ministry of Education and the Ministry of University Affairs of Thailand. Stamford is included on the Ministry of University Affairs' list of accredited private universities of Thailand.

Based on the information provided by the Seller, the following is a summary of the consolidated financial information of the Target Group for the financial year ended 31 December 2017 and the seven months ended 31 July 2018. The financial information of the Target Group was prepared in accordance with US GAAP.

	<b>For the year ended 31 December 2017 (unaudited) US\$'million</b>	<b>For the seven months ended 31 July 2018 (unaudited) US\$'million</b>
Net profit before taxation and extraordinary items	(3.83)	(3.30)
Net profit after taxation and extraordinary items	(3.83)	(3.30)

As of 31 July 2018, the asset value of the Target Group amounted to approximately US\$32.58 million (approximately HK\$255.75 million).

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Target Group owns and operates a private university in Thailand with three campuses and over 4,000 students. The Company believes that the Acquisition will enhance the geographic reach of its school network, diversify its education offerings, achieve synergy between the Group's business and the Target Group's business, and enable it to leverage the leading position of the Target Group in the private tertiary education market in Thailand, thereby offering a greater potential for profit and long-term business sustainability for the Group.

Based on the above, the Directors consider that the terms of the Acquisition Agreement are on normal commercial terms and the Acquisition is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

<b>“Acquisition”</b>	the acquisition of the Sale Shares by the Purchaser pursuant to the terms and conditions of the Acquisition Agreement
<b>“Acquisition Agreement”</b>	the share purchase agreement dated 12 February 2019 entered into by the Company, the Purchaser, the Seller and the Seller’s Guarantor in respect of the Acquisition
<b>“Board”</b>	the board of directors of the Company
<b>“China” or “PRC”</b>	the People’s Republic of China and, except where the context requires otherwise, exclude Hong Kong, Macau and Taiwan
<b>“Company”</b>	China YuHua Education Corporation Limited (中国宇华教育集团有限公司), an exempted company with limited liability incorporated in the Cayman Islands on 25 April 2016
<b>“Completion”</b>	completion of the Acquisition
<b>“connected person(s)”</b>	has the meaning ascribed to it under the Listing Rules
<b>“Directors”</b>	the director(s) of the Company from time to time
<b>“Group”</b>	the Company, its subsidiaries and the consolidated affiliated entities from time to time
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Laureate Education”</b>	Laureate Education Inc., a Delaware public benefit corporation, the shares of which are listed on the Nasdaq Global Select Market under the symbol “LAUR”.

<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“PRC”</b>	the People’s Republic of China and for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
<b>“Purchaser”</b>	China YuHua Education Investment Limited
<b>“Purchaser’s Guarantor”</b>	the Company
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“Sale Shares”</b>	the Target Sale Shares and the Subsidiary Sale Shares
<b>“Seller”</b>	LEI Singapore Holdings Pte. Ltd., a private company limited by shares incorporated in Singapore and a subsidiary of Laureate Education
<b>“Seller’s Guarantor”</b>	Laureate 1 B.V., a limited liability company incorporated in the Netherlands and a subsidiary of Laureate Education
<b>“Shareholders”</b>	holder(s) of the Company’s ordinary share(s)
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Subsidiary”</b>	Fareast Stamford International Co., Ltd., a private company limited by shares incorporated in Thailand
<b>“Subsidiary Sale Shares”</b>	285,001 ordinary shares in the issued and outstanding share capital of the Subsidiary
<b>“Target Company”</b>	Thai Education Holdings Co., Ltd., a private company limited by shares incorporated under the laws of Thailand
<b>“Target Group”</b>	the Target Company, the Subsidiary and Stamford International University
<b>“Target Sale Shares”</b>	15,907 ordinary shares in the issued and outstanding share capital of the Target Company
<b>“Thailand”</b>	the Kingdom of Thailand
<b>“Thai Baht” or “THB”</b>	Thai Baht, the lawful currency of Thailand

“US\$” US dollars, the lawful currency of the United States of America

“%” per cent.

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

Hong Kong, 12 February 2019

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

*In this announcement, conversion of THB into HK\$ is based on the exchange rate of THB1,000 to HK\$249.85 and conversion of US\$ into HK\$ is based on an exchange rate of HK\$7.85 to US\$1.00. The exchange rates have been used, where applicable, for the purposes of illustration only and do not constitute a representation that any amounts in THB, US\$ or HK\$ were or may have been exchanged at this or any other rates or at all.*