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SHANGHAI GENCH EDUCATION GROUP LIMITED

上海建橋教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1525)

CONTINUING CONNECTED TRANSACTIONS

MINOR UPDATES TO THE NEW CONTRACTUAL ARRANGEMENTS

References are made to the Company's announcements dated 20 January 2021, 24 March 2021 and 24 June 2022 (the "Announcements"). Unless otherwise stated, terms used in this announcement shall have the same meaning as those in the Announcements.

As disclosed in the Announcements, at the time of the Listing, the Stock Exchange has granted the IPO Waiver in connection with the continuing connected transactions of the Group in the form of contractual arrangements, subject to certain conditions as set out therein. On 29 January 2021, the Company has entered into the New Contractual Arrangements such that financial results of Jian Qiao University Company would be consolidated and accounted for as a subsidiary of the Group. On 24 June 2022, a new director of Jian Qiao University Company was appointed and has entered into a director's power of attorney. Before that, the Company has sought confirmation from the Stock Exchange, and the Stock Exchange has confirmed, that the transactions contemplated under the New Contractual Arrangements (after signing of the said director's power of attorney) would continue to fall within the scope of the IPO Waiver.

A director of Jian Qiao University Company, Ms. Jing Xiaohuai (荆筱槐), resigned due to personal reasons on 6 January 2023, and Ms. Xia Yu (夏雨), deputy secretary of the party committee (黨委副書記) of the University, has been appointed as a director of Jian Qiao University Company accordingly. As a result of the aforesaid change in directors of Jian Qiao University Company, Ms. Jing Xiaohuai is no longer required to comply with the relevant agreements under the New Contractual Arrangements and Ms. Xia Yu entered into a director's power of attorney (the "POA") on 6 January 2023. The scope of power of attorney under the POA are the same as the directors' power of attorney currently in place under the New Contractual Arrangements. In addition, under the POA, Ms. Xia Yu agreed to be bound by the rights and obligations of the directors' rights entrustment agreement currently in place under the New Contractual Arrangements. Save for the aforesaid, there was no change to the New Contractual Arrangements.

The Directors (including the independent non-executive Directors) are of the view that the above updates to the New Contractual Arrangements are only to reflect the change in directors of Jian Qiao University Company. The arrangement under the New Contractual Arrangements (after the aforesaid updates) is effectively a reproduction of the existing framework under the New Contractual Arrangement (before the above updates).

The Company has sought from the Stock Exchange, and the Stock Exchange has confirmed, that the transactions contemplated under the New Contractual Arrangements (after the above updates) would continue to fall within the scope of the IPO Waiver and are exempt from (i) the announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions under the New Contractual Arrangements; (ii) the requirement of setting a maximum aggregate annual value (i.e. an annual cap) for the fees payable to our Group under the New Contractual Arrangements; and (iii) the requirement of limiting the term of the New Contractual Arrangements to three years or less, for so long as the Shares are listed on the Stock Exchange, subject to compliance with the same conditions of the IPO Waiver.

By order of the Board
Shanghai Gench Education Group Limited
Zhou Xingzeng
Chairman

Hong Kong, 6 January 2023

As at the date of this announcement, our executive Directors are Mr. Zhou Xingzeng, Mr. Zheng Xiangzhan and Mr. Shi Yinjie, our non-executive Directors are Mr. Zhao Donghui and Mr. Du Jusheng and our independent non-executive Directors are Mr. Chen Baizhu, Mr. Hu Rongen and Ms. Liu Tao.