

Unless otherwise defined in this announcement, terms defined in the Prospectus dated December 31, 2019 (the “**Prospectus**”) issued by Shanghai Gench Education Group Limited (the “**Company**”) have the same meanings when used in this announcement.

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This announcement is for information purposes only and does not constitute an invitation or offer to sell, acquire, purchase or subscribe for securities or any Shares under the Global Offering. This announcement is not a Prospectus. Potential investors should read the Prospectus for detailed information about the Company and the Global Offering described below before deciding whether or not to invest in the Shares being offered.

This announcement is not for release, publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia). This announcement does not constitute or form a part of any offer to sell or solicitation to purchase or subscribe for securities in the United States or any other jurisdictions. The Shares of the Company have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any securities laws of any state or other jurisdiction of the United States and may only be offered and sold pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The Company has not made and does not intend to make any public offer of securities in the United States.

In connection with the Global Offering, Macquarie Capital Limited, as stabilizing manager (the “**Stabilizing Manager**”) or its affiliates or any person acting for them, on behalf of the Underwriters, may over-allocate or effect short sales or any other stabilizing transactions with a view to stabilizing or maintaining the market price of the Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilizing Manager or its affiliates or any person acting for them, to conduct any such stabilizing action, which, if commenced, will be done at the absolute discretion of the Stabilizing Manager and may be discontinued at any time. Any such stabilizing activity is required to be brought to an end on 8 February 2020, being the 30th day after the last date for lodging applications under the Hong Kong Public Offering. Such stabilization action, if commenced, may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws, rules and regulatory requirements, including the Securities and Futures (Price Stabilizing) Rules, as amended, made under the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong).

Potential investors should be aware that stabilizing actions cannot be taken to support the price of the Shares for longer than the stabilization period which will begin on the Listing Date and is expected to expire on the 30th day after the last date for lodging applications under the Hong Kong Public Offering. After this date, no further stabilizing action may be taken and demand for the Shares and the price of the Shares could fall.

Potential investors should read the Prospectus for detailed information about the Company and the Global Offering described below before deciding whether or not to invest in the Shares being offered. Any investment decision in relation to the Offer Shares should be taken solely in reliance on the information provided in the Prospectus.

The Hong Kong Offer Shares will be offered to the public in Hong Kong subject to the terms and conditions set out in the Prospectus and the related application forms. The Hong Kong Offer Shares will not be offered to any person who is outside Hong Kong and/or not resident in Hong Kong.

Potential investors of the Offer Shares should note that the Sole Representative (for itself and on behalf of the Hong Kong Underwriters) shall be entitled, by notice to the Company in writing, to terminate the Hong Kong Underwriting Agreement with immediate effect upon the occurrence of any of the events set out in the paragraph headed “Underwriting – Underwriting Arrangements and Expenses – Hong Kong Public Offering – Hong Kong Underwriting Agreement – Grounds for termination” in the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date (which is currently expected to be on Thursday, January 16, 2020).

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)

GLOBAL OFFERING

- Total number of Offer Shares under the Global Offering** : 100,000,000 Shares (subject to the Over-allotment Option)
- Number of Hong Kong Offer Shares** : 10,000,000 Shares (subject to adjustment)
- Number of International Placing Shares** : 90,000,000 Shares (subject to the Over-allotment Option and adjustment)
- Final Offer Price** : HK\$6.05 per Offer Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%
- Stock code** : 1525

Sole Sponsor



Joint Global Coordinators



Joint Bookrunners and Joint Lead Managers



ANNOUNCEMENT OF OFFER PRICE AND ALLOTMENT RESULTS

SUMMARY

OFFER PRICE

- The Offer Price has been determined at HK\$6.05 per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

NET PROCEEDS FROM THE GLOBAL OFFERING

- Based on the Offer Price of HK\$6.05 per Offer Share, the net proceeds from the Global Offering to be received by the Company, after deduction of the underwriting fees and commissions and expenses payable by the Company in connection with the Global Offering, are estimated to be approximately HK\$547.81 million (assuming that the Over-allotment Option is not exercised). The Company intends to apply such net proceeds in accordance with the purposes as set out in the section headed “Net Proceeds from the Global Offering” in this announcement.
- If the Over-allotment Option is exercised in full, the net proceeds from the Global Offering to be received by the Company are estimated to be HK\$638.56 million.

APPLICATIONS AND INDICATIONS OF INTEREST RECEIVED

Hong Kong Public Offering

- The Offer Shares initially offered under the Hong Kong Public Offering have been moderately over-subscribed. A total of 18,694 valid applications have been received pursuant to the Hong Kong Public Offering on **WHITE** and **YELLOW** Application Forms and through giving **electronic application instructions** to HKSCC via CCASS and under the **White Form eIPO** service (www.eipo.com.hk) for a total of 45,175,500 Hong Kong Offer Shares, representing approximately 4.52 times of the total number of 10,000,000 Hong Kong Offer Shares initially available for subscription under the Hong Kong Public Offering.
- As the over-subscription in the Hong Kong Public Offering is less than 15 times, the reallocation procedure as disclosed in the section headed “Structure of the Global Offering – The Hong Kong Public Offering” in the Prospectus was not applied. The final number of Offer Shares under the Hong Kong Public Offering is 10,000,000 Offer Shares, representing approximately 10.00% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option).

INTERNATIONAL PLACING

- The Offer Shares initially offered under the International Placing have been moderately over-subscribed by approximately 2.49 times. There were a total of 127 places under the International Placing. The final number of Offer Shares allocated to the places under the International Placing is 90,000,000 Offer Shares, representing approximately 90.00% of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option). Furthermore, a total number of 70 places have been allotted three board lots or less, representing approximately 55.12% of the total number of the 127 places under the International Placing. These places have been allotted approximately 0.09% of the Offer Shares under the International Placing.

Cornerstone Investors

- Based on the Offer Price of HK\$6.05 per Offer Share, and pursuant to the Cornerstone Investment Agreements with the Cornerstone Investors, each of ITG Education, Mlily Investment and Jihe Tuoli has subscribed for 25,880,000 Offer Shares, 5,240,000 Offer Shares and 4,628,000 Offer Shares respectively, totaling 35,748,000 Offer Shares, representing in aggregate (i) approximately 8.94% of the Company's issued share capital immediately upon completion of the Global Offering; and (ii) approximately 35.75% of the number of Offer Shares under the Global Offering, in each case assuming the Over-allotment Option is not exercised. Please refer to the section headed "Cornerstone Investors" in the Prospectus for further details relating to the Cornerstone Investors.
- To the best knowledge of the Company, each of the Cornerstone Investors and their ultimate beneficial owners is independent of the Company, connected persons of the Company and their respective associates, and is not an existing Shareholder or its close associate. The subscription of Offer Shares by the Cornerstone Investors is not financed directly or indirectly by the Company, any of the Directors, the chief executive, any of the existing Shareholders or their respective close associates. The Cornerstone Investors are making independent investment decisions and the Cornerstone Investors are not accustomed to take instructions from a core connected person (as defined in the Listing Rules) of the Company, any of the Directors, the chief executive, any of the existing Shareholders, or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares.
- The Cornerstone Investors will acquire the Offer Shares pursuant to, and as part of, the International Placing. The Offer Shares subscribed for by the Cornerstone Investors will rank *pari passu* in all respects with the other fully paid Offer Shares in issue and will be counted towards the public float of the Company under Rule 8.08 of the Listing Rules. The Cornerstone Investors will not have any representation on the Board or become a substantial Shareholder upon completion of the Global Offering, and will not subscribe for any Offer Shares under the Global Offering other than pursuant to the respective Cornerstone Investment Agreements.

- Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date (the “**Lock-up Period**”), (a) dispose of any of the relevant Offer Shares or any interest in any company or entity holding any of the relevant Offer Shares, other than in certain limited circumstances such as transfers to any wholly-owned subsidiary of such Cornerstone Investor provided that, amongst other requirements, such wholly-owned subsidiary undertakes to, and the Cornerstone Investor undertakes to procure that such subsidiary will, abide by such restrictions imposed on the Cornerstone Investor, or (b) enter into any transactions directly or indirectly with the same economic effect as any aforesaid transaction. With respect to their cornerstone investment, other than the Offer Shares agreed to allocate to them, none of the Cornerstone Investors have any preferential rights compared to other public investors in their respective Cornerstone Investment Agreements.

Placees with Consent under Paragraph 5(1) of the Placing Guidelines

- Under the International Offering, 5,100,000 Offer Shares, representing approximately 5.10% of the initial total number of Offer Shares before the exercise of the Over-allotment Option, were placed to Macquarie Funds Management Hong Kong Limited (the “**Macquarie Affiliate**”) (i) as investment manager of the Macquarie Unit Trust Series – Macquarie Asia New Stars Fund; (ii) as sub-investment manager of Macquarie Fund Solutions – Macquarie Asia New Stars Fund; (iii) as sub-investment manager of Macquarie Fund Solutions – Macquarie Asian All Stars Fund; (iv) as sub-investment manager and agent for Victorian Funds Management Corporation as trustee of the Victoria Funds Management Corporation Emerging Markets Trust; and (v) as sub-adviser and agent for Saxo PrivateBank A/S as investment advisor of the Investeringsforeningen Wealth Invest, afdeling SK Invest Far East Equities fund (each a “**Sub-Placee**”, and together the “**Sub-Placees**”). Each of the Macquarie Affiliate and the Sub-Placees is a connected client of Macquarie Capital Limited within the meaning of the Placing Guidelines. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted the Company the consent under paragraph 5(1) of the Placing Guidelines (the “**Placing Guidelines**”) to permit the Company to allocate Offer Shares in the International Offering to each of the above connected clients. Such Offer Shares will be held by the above connected clients on a discretionary basis on behalf of independent third parties and are in compliance with all the conditions under the consent granted by the Stock Exchange. Please refer to the section headed “Placees with Consent under Paragraph 5(1) of the Placing Guidelines” below.

Over-allotment Option

- In connection with the Global Offering, the Company has granted to the International Underwriters, exercisable by the Sole Representative on behalf of the International Underwriters, the Over-allotment Option, exercisable within 30 days from the last day for lodging applications under the Hong Kong Public Offering (the last day for exercise of the Over-allotment Option being Saturday, February 8, 2020) to require the Company to issue up to 15,000,000 additional Offer Shares, representing 15% of the maximum number of the Offer Shares initially available under the Global Offering, at the Offer Price, to cover over-allocations in the International Placing, if any. There has been an over-allocation of 15,000,000 Shares in the International Placing and such over-allocation will be settled by exercising the Over-allotment Option or by making purchases in the secondary market by the Stabilizing Manager that do not exceed the Offer Price or through deferred settlement or through stock borrowing arrangements or by a combination of these means. In the event the Over-allotment Option is exercised, an announcement will be made on the Company’s website at www.genchedugroup.com and the website of the Stock Exchange at www.hkexnews.hk. As at the date of this announcement, the Over-allotment Option has not yet been exercised.

LOCK-UP UNDERTAKINGS

- The Company, the Controlling Shareholders and the Cornerstone Investors are subject to certain lock-up undertakings as set out in the paragraph headed “Lock-up Undertakings” in this announcement.

RESULTS OF ALLOCATIONS

- The final Offer Price, the level of indications of interests in the International Placing, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares are published on Wednesday, January 15, 2020 on the Company’s website at www.genchedugroup.com and the website of the Stock Exchange at www.hkexnews.hk.
- The results of allocations of the Hong Kong Offer Shares under the Hong Kong Public Offering successfully applied for under **WHITE** and **YELLOW** Application Forms and by giving **electronic application instructions** to HKSCC or through the designated **White Form eIPO** service, including the Hong Kong identity card numbers, passport numbers or Hong Kong business registration numbers of successful applicants (where supplied) and the number of the Hong Kong Offer Shares successfully applied for, will be made available at the times and dates and in the manner specified below:
 - in the announcement to be posted on the Company’s website at www.genchedugroup.com and the Stock Exchange’s website at www.hkexnews.hk by no later than 9:00 a.m. on Wednesday, January 15, 2020;
 - from the designated results of allocations website at www.iporesults.com.hk (alternatively: English <https://www.eipo.com.hk/en/Allotment>; Chinese <https://www.eipo.com.hk/zh-hk/Allotment>) with a “search by ID” function on a 24-hour basis from 8:00 a.m. on Wednesday, January 15, 2020 to 12:00 midnight on Tuesday, January 21, 2020;
 - by telephone enquiry line by calling 2862 8669 between 9:00 a.m. and 10:00 p.m. from Wednesday, January 15, 2020 to Saturday, January 18, 2020;
 - in the special allocation results booklets which will be available for inspection during opening hours on Wednesday, January 15, 2020 to Friday, January 17, 2020 at all the receiving bank’s designated branches.

DISPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND CHEQUES

- Applicants who have applied for 1,000,000 Hong Kong Offer Shares or more on **WHITE** Application Forms or through the **White Form eIPO** service and who have been successfully or partially successfully allocated Hong Kong Offer Shares and are eligible to collect Share certificates (where applicable) in person may collect their Share certificate(s) (where applicable) in person from the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Wednesday, January 15, 2020 or such other place or date as notified by the Company.
- Share certificates for Hong Kong Offer Shares allotted to applicants who applied on **WHITE** Application Forms or through the **White Form eIPO** service, which are either not available for personal collection, or which are available but are not collected in person within the time specified for collection, are expected to be despatched by ordinary post to those entitled to the addresses specified in the relevant applications at their own risk on or before Wednesday, January 15, 2020.
- Wholly or partially successful applicants who applied on **YELLOW** Application Forms or by giving **electronic application instructions** to HKSCC will have their Share certificate(s) issued in the name of HKSCC Nominees Limited and deposited directly into CCASS for credit to their CCASS Investor Participant stock accounts or the stock accounts of their designated CCASS Participant as instructed by the applicants in their **YELLOW** Application Forms or any designated CCASS Participants giving **electronic application instructions** on their behalf on Wednesday, January 15, 2020.
- Applicants who applied through a designated CCASS Participant (other than a CCASS Investor Participant) should check the number of Hong Kong Offer Shares allocated to them with that CCASS Participant.
- Applicants who applied for 1,000,000 Hong Kong Offer Shares or more on **WHITE** or **YELLOW** Application Forms and have provided all information required by their **WHITE** or **YELLOW** Application Forms may collect their refund cheque(s) (where applicable) from the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Wednesday, January 15, 2020 or such other place or date as notified by the Company.
- Refund cheque(s) in respect of wholly or partially successful or unsuccessful applicants using **WHITE** or **YELLOW** Application Forms, which are either not available for personal collection or which are available but are not collected in person, are expected to be despatched by ordinary post to those entitled at their own risk on or before Wednesday, January 15, 2020. No interest will be paid thereon.
- For applicants who have applied for the Hong Kong Offer Shares through the **White Form eIPO** service and paid the application monies through a single bank account, refund monies (if any) will be despatched to their application payment bank account in the form of e-Refund payment instructions. For applicants who have applied for the Hong Kong Offer Shares through the **White Form eIPO** service and paid the application monies through multiple bank accounts, refund monies (if any) will be despatched to the addresses specified on the **White Form eIPO** applications in the form of refund cheque(s) by ordinary post and at their own risk on or before Wednesday, January 15, 2020.

- Refund monies (if any) for applicants who applied by giving **electronic application instructions** to HKSCC via CCASS are expected to be credited to the relevant applicants' designated bank accounts or the designated bank accounts of their broker or custodian on Wednesday, January 15, 2020.
- Share certificates will only become valid certificates of title at 8:00 a.m. on Thursday, January 16, 2020 provided that the Global Offering has become unconditional in all respects at or before that time and the right of termination as described in the paragraph headed "Underwriting – Underwriting Arrangements and Expenses – Hong Kong Public Offering – Hong Kong Underwriting Agreement – Grounds for termination" in the Prospectus has not been exercised.
- The Company will not issue any temporary documents of title in respect of the Hong Kong Offer Shares. No receipt will be issued for application monies received.

COMMENCEMENT OF DEALINGS

- Dealings in the Shares on the Main Board of the Stock Exchange are expected to commence at 9:00 a.m. on Thursday, January 16, 2020. The Shares will be traded in board lots of 500 Shares each. The stock code of the Shares is 1525.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could move substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

OFFER PRICE

The Offer Price has been determined at HK\$6.05 per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

NET PROCEEDS FROM THE GLOBAL OFFERING

Based on the Offer Price of HK\$6.05 per Offer Share, the net proceeds from the Global Offering to be received by the Company, after deduction of the underwriting fees and commissions and expenses payable by the Company in connection with the Global Offering (assuming that the Over-allotment Option is not exercised), are estimated to be approximately HK\$547.81 million. The Company intends to apply such net proceeds for the following purposes:

- approximately 34.8% (approximately HK\$190.64 million) is expected to be applied towards acquisitions or investments to expand our school network;
- approximately 35.0% (approximately HK\$191.73 million) is expected to be used primarily to finance construction projects on our campus and purchase of furniture and equipment, including construction of one multi-function building for administrative and student practical skills training purposes for our college of gemology and two student dormitory buildings which will increase our school capacity by 4,000, a dormitory ancillary building for laundry rooms, dormitory management and other boarding related services, and an underground parking garage;

- approximately 20.2% (approximately HK\$110.66 million) is expected to be used primarily to repay our short-term loans and the current portion of our long-term loans as they become due;
- approximately 10.0% (approximately HK\$54.78 million) is expected to be used to supplement our working capital and for general corporate purposes.

If the Over-allotment Option is exercised in full, the Company will receive additional net proceeds of approximately HK\$90.75 million for 15,000,000 Shares to be issued upon the exercise of the Over-allotment Option.

For further information, please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus.

APPLICATIONS AND INDICATIONS OF INTEREST RECEIVED

Hong Kong Public Offering

The Company announces that the Offer Shares initially offered under the Hong Kong Public Offering have been moderately over-subscribed. At the close of the application lists at 12:00 noon on Thursday, January 9, 2020, a total of 18,694 valid applications pursuant to the Hong Kong Public Offering on **WHITE** and **YELLOW** Application Forms, by giving **electronic application instructions** to HKSCC via CCASS and through the **White Form eIPO** service for a total of 45,175,500 Hong Kong Offer Shares were received, representing approximately 4.52 times of the total number of 10,000,000 Hong Kong Offer Shares initially available for subscription under the Hong Kong Public Offering.

- 18,687 valid applications in respect of a total of 37,575,500 Hong Kong Offer Shares were for the Hong Kong Public Offering with an aggregate subscription amount based on the maximum Offer Price of HK\$7.73 per Offer Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) of HK\$5 million or less, representing approximately 7.52 times of the 5,000,000 Hong Kong Offer Shares initially comprised in Pool A of the Hong Kong Public Offering; and
- 7 valid applications in respect of a total of 7,600,000 Hong Kong Offer Shares for the Hong Kong Public Offering with an aggregate subscription amount based on the maximum Offer Price of HK\$7.73 per Offer Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) of more than HK\$5 million, representing 1.52 times of the 5,000,000 Hong Kong Offer Shares initially comprised in Pool B of the Hong Kong Public Offering.

All applications were completed in accordance with the instructions set out in the Application Forms. 14 multiple or suspected multiple applications have been identified and rejected. One application has been rejected due to bounced cheque. No application has been rejected due to invalid application. No application for more than 50% of the Hong Kong Offer Shares initially available under the Hong Kong Public Offering (that is, more than 5,000,000 Hong Kong Offer Shares) has been identified.

The final number of Offer Shares allocated to the Hong Kong Public Offering is 10,000,000 Offer Shares, representing approximately 10.00% of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option). As the over-subscription in the Hong Kong Public Offering is less than 15 times, the reallocation procedure as described in the section headed “Structure of the Global Offering – The Hong Kong Public Offering – Reallocation” in the Prospectus was not applied.

The Offer Shares offered in the Hong Kong Public Offering were conditionally allocated on the basis set out in the paragraph headed “Basis of Allocation under the Hong Kong Public Offering” below.

INTERNATIONAL PLACING

The Company announces that the Offer Shares initially offered under the International Placing have been moderately over-subscribed by approximately 2.49 times. There were a total of 127 places under the International Placing. The final number of Offer Shares allocated to the places under the International Placing is 90,000,000 Offer Shares, representing approximately 90.00% of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option). Furthermore, a total number of 70 places have been allotted 3 board lots or less, representing approximately 55.12% of the total number of the 127 places under the International Placing. These places have been allotted approximately 0.09% of the Offer Shares under the International Placing.

Cornerstone Investors

Based on the Offer Price of HK\$6.05 per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) and pursuant to the Cornerstone Investment Agreements with the Cornerstone Investors as disclosed in the section headed “Cornerstone Investors” in the Prospectus, the number of Offer Shares subscribed for by the Cornerstone Investors has now been determined as set out below:

	Number of Offer Shares subscribed (rounded down to nearest whole board lot of 500 Shares)	Approximate percentage of the International Placing Shares (assuming that Over-allotment Option is not exercised)	Approximate percentage of the International Placing Shares (assuming that Over-allotment Option is exercised in full)	Approximate percentage of Offer Shares (assuming the Over-allotment Option is not exercised)	Approximate percentage of Offer Shares (assuming that Over-allotment Option is exercised in full)	Approximate percentage of the total issued share capital of the Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised)	Approximate percentage of total issued share capital of the Company immediately following completion of the Global Offering (assuming that Over-allotment Option is exercised in full)
ITG Education	25,880,000	28.76%	24.65%	25.88%	22.50%	6.47%	6.24%
Mlily Investment	5,240,000	5.82%	4.99%	5.24%	4.56%	1.31%	1.26%
Jihe Tuoli	4,628,000	5.14%	4.41%	4.63%	4.02%	1.16%	1.12%

To the best knowledge of the Company, each of the Cornerstone Investors is independent of the Company, connected persons of the Company and their respective associates, and is not an existing Shareholder or its close associate. The Cornerstone Investors will acquire the Offer Shares pursuant to, and as part of, the International Placing. The Offer Shares subscribed for by the Cornerstone Investors will *rank pari passu* in all respects with the other fully paid Offer Shares in issue and will be counted towards the public float of the Company under Rule 8.08 of the Listing Rules. The Cornerstone Investors will not have any representation on the Board or become a substantial Shareholder upon completion of the Global Offering, and will not subscribe for any Offer Shares under the Global Offering other than pursuant to the respective Cornerstone Investment Agreements.

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date (the “**Lock-up Period**”), (a) dispose of any of the relevant Offer Shares or any interest in any company or entity holding any of the relevant Offer Shares, other than in certain limited circumstance such as transfers to any wholly-owned subsidiary of such Cornerstone Investor provided that, amongst other requirements, such wholly-owned subsidiary undertakes to, and the Cornerstone Investor undertakes to procure that such subsidiary will, abide by such restrictions imposed on the Cornerstone Investor, or (b) enter into any transactions directly or indirectly with the same economic effect as any aforesaid transaction. With respect to their cornerstone investment, other than the Offer Shares agreed to allocate to them, none of the Cornerstone Investors has any preferential rights compared to other public investors in their respective Cornerstone Investment Agreements.

Please refer to the section headed “Cornerstone Investors” in the Prospectus for further details relating to the Cornerstone Investors.

Placees with Consent under Paragraph 5(1) of the Placing Guidelines

- Under the International Offering, 5,100,000 Offer Shares, representing approximately 5.10% of the initial total number of Offer Shares before the exercise of the Over-allotment Option, were placed to Macquarie Funds Management Hong Kong Limited (the “**Macquarie Affiliate**”) (i) as investment manager of the Macquarie Unit Trust Series – Macquarie Asia New Stars Fund; (ii) as sub-investment manager of Macquarie Fund Solutions – Macquarie Asia New Stars Fund; (iii) as sub-investment manager of Macquarie Fund Solutions – Macquarie Asian All Stars Fund; (iv) as sub-investment manager and agent for Victorian Funds Management Corporation as trustee of the Victoria Funds Management Corporation Emerging Markets Trust; and (v) as sub-adviser and agent for Saxo PrivateBank A/S as investment advisor of the Investeringsforeningen Wealth Invest, afdeling SK Invest Far East Equities fund (each a “**Sub-Placee**”, and together the “**Sub-Placees**”). Macquarie Funds Management Hong Kong Limited will sub-allocate the Shares to the aforementioned funds and accounts after listing. Each of the Macquarie Affiliate and the Sub-Placees is a company which is an affiliate of Macquarie Capital Limited (“**Macquarie**”). Accordingly, each of the Macquarie Affiliate and the Sub-Placees is a connected client of Macquarie within the meaning of the Placing Guidelines.
- The Company has applied to the Stock Exchange for, and the Stock Exchange has granted to the Company consent under paragraph 5(1) of the Placing Guidelines to permit the Company to allocate Shares in the International Offering to each of the above connected clients. The Shares placed to the above connected clients are held by the connected clients on behalf of independent third parties on a discretionary basis and are in compliance with all the conditions under the consent granted by the Stock Exchange.

- The Directors confirm to the best of their knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, that no International Offer Shares have been allocated to placees who are (i) Directors or existing Shareholders; or (ii) core connected persons (as such term is defined in the Listing Rules) of the Company; or (iii) the close associates (as such term is defined in the Listing Rules) of (i) and/or (ii), whether in their own names or through nominees. Save as disclosed above, the International Offering is in compliance with the Placing Guidelines. Save as disclosed in this announcement and confirmed by the Directors, no Offer Shares placed by or through the Joint Global Coordinators, the Joint Bookrunners or the Underwriters under the Global Offering have been placed with any core connected person (as defined in the Listing Rules) of the Company or to any connected clients (as set out in paragraph 5(1) of the Placing Guidelines), or persons as set out in paragraph 5(2) of the Placing Guidelines, whether in their own names or through nominees. The Directors confirm that no subscription of the Offer Shares by the placees or the public has been financed directly or indirectly by any of the Directors, senior management, substantial Shareholders or existing Shareholders of the Company or any of its subsidiaries or their respective close associates, and none of the placees and the public who has subscribed for the Offer Shares is accustomed to taking instructions from any of the Directors, senior management, substantial Shareholders or existing Shareholders of the Company or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in his/her/its name or otherwise held by him/her/it. The Directors confirm that (a) no placee will, individually, be placed more than 10% of the enlarged issued share capital of the Company immediately after the completion of the Global Offering; (b) there will not be any new substantial Shareholder (as defined in the Listing Rules) immediately after the completion of the Global Offering; (c) the number of Shares in public hands will satisfy the minimum percentage under Rule 8.08(1) of the Listing Rules as disclosed in the section headed “Public Float” below; (d) the three largest public Shareholders do not hold more than 50% of the Shares in public hands at the time of Listing in compliance with Rules 8.08(3) and 8.24 of the Listing Rules; and (e) there will be at least 300 Shareholders at the time of Listing in compliance with Rule 8.08(2) of the Listing Rules.

Over-allotment Option

In connection with the Global Offering, the Company has granted to the International Underwriters, exercisable by the Sole Representative on behalf of the International Underwriters, the Over-allotment Option, exercisable within 30 days from the last day for lodging applications under the Hong Kong Public Offering (the last day for exercise of the Over-allotment Option being Saturday, February 8, 2020) to require the Company to issue up to 15,000,000 additional Offer Shares, representing 15% of the Offer Shares initially available under the Global Offering, at the Offer Price, to cover over-allocations in the International Placing, if any. There has been an over-allocation of 15,000,000 Shares in the International Placing and such over-allocation will be settled by exercising the Over-allotment Option or by making purchases in the secondary market by the Stabilizing Manager that do not exceed the Offer Price or through deferred settlement or through stock borrowing arrangements or by a combination of these means. In the event the Over-allotment Option is exercised, an announcement will be made on the Company’s website at www.genchedugroup.com and the website of the Stock Exchange at www.hkexnews.hk. As at the date of this announcement, the Over-allotment Option has not yet been exercised.

LOCK-UP UNDERTAKINGS

Each of the Company, the Controlling Shareholders and the Cornerstone Investors has given certain undertakings in relation to the issue or disposal of Shares (the “**Lock-up Undertakings**”). The major terms of the Lock-up Undertakings are set out as follows:

Name	Number of Shares held in the Company subject to the Lock-up Undertakings upon the Listing	Percentage of shareholding in the Company subject to the Lock-up Undertakings upon the Listing	Last day subject to the Lock-up Undertakings
Company	NA	NA	15 July 2020 ^(Note 1)
<i>Controlling Shareholders</i>			
Mr. Zhou Xingzeng	105,450,000	26.36%	15 July 2020 (First Six-Month Period) ^(Note 2)
			15 January 2021 (Second Six-Month Period) ^(Note 3)
Mr. Zheng Xiangzhan	30,600,000	7.65%	15 July 2020 (First Six-Month Period) ^(Note 2)
			15 January 2021 (Second Six-Month Period) ^(Note 3)
Mr. Shi Yinjie	17,100,000	4.28%	15 July 2020 (First Six-Month Period) ^(Note 2)
			15 January 2021 (Second Six-Month Period) ^(Note 3)
She De Limited	66,000,000	16.50%	15 July 2020 (First Six-Month Period) ^(Note 2)
			15 January 2021 (Second Six-Month Period) ^(Note 3)
Gan En Limited	39,450,000	9.86%	15 July 2020 (First Six-Month Period) ^(Note 2)
			15 January 2021 (Second Six-Month Period) ^(Note 3)
Ze Ren Limited	30,600,000	7.65%	15 July 2020 (First Six-Month Period) ^(Note 2)
			15 January 2021 (Second Six-Month Period) ^(Note 3)

Name	Number of Shares held in the Company subject to the Lock-up Undertakings upon the Listing	Percentage of shareholding in the Company subject to the Lock-up Undertakings upon the Listing	Last day subject to the Lock-up Undertakings
Tuan Jie Limited	17,100,000	4.28%	15 July 2020 (First Six-Month Period) <i>(Note 2)</i>
			15 January 2021 (Second Six-Month Period) <i>(Note 3)</i>
<i>Cornerstone Investors</i>			
ITG Education	25,880,000	6.47%	15 July 2020 <i>(Note 3)</i>
Mlily Investment	5,240,000	1.31%	15 July 2020 <i>(Note 3)</i>
Jihe Tuoli	4,628,000	1.16%	15 July 2020 <i>(Note 3)</i>

Notes:

1. The Company may issue Shares without any lock-up obligation after the indicated date.
2. The Controlling Shareholders may dispose of or transfer Shares after the respective indicated dates subject to that the Controlling Shareholders (or any of them) will not cease to be a Controlling Shareholder.
3. The Controlling Shareholders and the Cornerstone Investors may dispose of or transfer Shares without any lock-up obligation after the respective indicated dates.

BASIS OF ALLOCATION UNDER THE HONG KONG PUBLIC OFFERING

Subject to the satisfaction of the conditions set out in the paragraph headed “Structure of the Global Offering – Conditions of the Global Offering” in the Prospectus, valid applications made by the public on **WHITE** and **YELLOW** Application Forms and through giving **electronic application instructions** to HKSCC via CCASS and to the **White Form eIPO** Service Provider under the **White Form eIPO** service will be conditionally allocated on the basis set out below:

NO. OF SHARES APPLIED FOR	NO. OF VALID APPLICATIONS	BASIS OF ALLOTMENT / BALLOT	APPROXIMATE PERCENTAGE ALLOTTED OF THE TOTAL NO. OF SHARES APPLIED FOR
POOL A			
500	14,068	5,627 out of 14,068 to receive 500 Shares	40.00%
1,000	1,894	954 out of 1,894 to receive 500 Shares	25.18%
1,500	343	199 out of 343 to receive 500 Shares	19.34%
2,000	373	224 out of 373 to receive 500 Shares	15.01%
2,500	247	161 out of 247 to receive 500 Shares	13.04%
3,000	154	111 out of 154 to receive 500 Shares	12.01%
3,500	65	50 out of 65 to receive 500 Shares	10.99%
4,000	86	72 out of 86 to receive 500 Shares	10.47%
4,500	64	59 out of 64 to receive 500 Shares	10.24%
5,000	376	500 Shares	10.00%
6,000	341	500 Shares plus 66 out of 341 to receive additional 500 Shares	9.95%
7,000	43	500 Shares plus 14 out of 43 to receive additional 500 Shares	9.47%
8,000	36	500 Shares plus 16 out of 36 to receive additional 500 Shares	9.03%
9,000	22	500 Shares plus 13 out of 22 to receive additional 500 Shares	8.84%
10,000	199	500 Shares plus 151 out of 199 to receive additional 500 Shares	8.79%
15,000	96	1,000 Shares	6.67%
20,000	55	1,000 Shares plus 22 out of 55 to receive additional 500 Shares	6.00%
25,000	70	1,000 Shares plus 42 out of 70 to receive additional 500 Shares	5.20%
30,000	26	1,000 Shares plus 22 out of 26 to receive additional 500 Shares	4.74%
35,000	10	1,500 Shares	4.29%
40,000	14	1,500 Shares plus 5 out of 14 to receive additional 500 Shares	4.20%
45,000	3	1,500 Shares plus 2 out of 3 to receive additional 500 Shares	4.07%
50,000	25	1,500 Shares plus 20 out of 25 to receive additional 500 Shares	3.80%
60,000	12	2,000 Shares	3.33%
70,000	9	2,000 Shares plus 4 out of 9 to receive additional 500 Shares	3.17%
80,000	6	2,000 Shares plus 4 out of 6 to receive additional 500 Shares	2.92%
90,000	5	2,000 Shares plus 4 out of 5 to receive additional 500 Shares	2.67%
100,000	23	2,500 Shares	2.50%
200,000	8	4,000 Shares	2.00%
300,000	7	5,500 Shares	1.83%
400,000	5	7,000 Shares	1.75%
500,000	1	8,500 Shares	1.70%
600,000	1	10,000 Shares	1.67%

18,687

NO. OF SHARES APPLIED FOR	NO. OF VALID APPLICATIONS	BASIS OF ALLOTMENT / BALLOT	APPROXIMATE PERCENTAGE ALLOTTED OF THE TOTAL NO. OF SHARES APPLIED FOR
		POOL B	
700,000	4	472,500 Shares	67.50%
800,000	1	532,000 Shares	66.50%
1,000,000	1	655,000 Shares	65.50%
3,000,000	1	1,923,000 Shares	64.10%
	<u>7</u>		

The final number of Offer Shares under the Hong Kong Public Offering is 10,000,000 Offer Shares, representing approximately 10.00% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option).

RESULTS OF ALLOCATIONS

The results of allocations of the Hong Kong Offer Shares under the Hong Kong Public Offering successfully applied for under **WHITE** and **YELLOW** Application Forms and by giving **electronic application instructions** to HKSCC or through the designated **White Form eIPO** service, including the Hong Kong identity card numbers, passport numbers or Hong Kong business registration numbers of successful applicants (where supplied) and the number of the Hong Kong Offer Shares successfully applied for, will be made available at the times and dates and in the manner specified below:

- in the announcement to be posted on the Company's website at www.genchedugroup.com and the Stock Exchange's website at www.hkexnews.hk by no later than 9:00 a.m. on Wednesday, January 15, 2020;
- from the designated results of allocations website at www.iporeresults.com.hk (alternatively: English <https://www.eipo.com.hk/en/Allotment>; Chinese <https://www.eipo.com.hk/zh-hk/Allotment>) with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Wednesday, January 15, 2020 to 12:00 midnight on Tuesday, January 21, 2020;
- by telephone enquiry line by calling 2862 8669 between 9:00 a.m. and 10:00 p.m. from Wednesday, January 15, 2020 to Saturday, January 18, 2020;

- in the special allocation results booklets which will be available for inspection during opening hours from Wednesday, January 15, 2020 to Friday, January 17, 2020 at all the receiving bank's designated branches at the addresses set out below:

CMB Wing Lung Bank Limited

District	Branch Name	Address
Hong Kong Island	Head Office	45 Des Voeux Road Central
	Kennedy Town Branch	28 Catchick Street
Kowloon	San Po Kong Branch	8 Shung Ling Street
	Mongkok Branch	B/F CMB Wing Lung Bank Centre, 636 Nathan Road

The final Offer Price, the indications of level of interests in the International Placing, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares are published on Wednesday, January 15, 2020 on the Company's website at www.genchedugroup.com and the website of the Stock Exchange at www.hkexnews.hk.

SHAREHOLDING CONCENTRATION ANALYSIS

Set out below is a summary of allotment results under the International Placing:

Top 1, 5, 10 and 25 placees in the International Placing

Placee	Subscription in the International Placing	Subscription as % of International Placing Shares initially available under the Global Offering (assuming no exercise of the Over-allotment Option)	Subscription as % of International Placing Shares initially available under the Global Offering (assuming full exercise of the Over-allotment Option)	Subscription as % of total Offer Shares initially available under the Global Offering (assuming no exercise of the Over-allotment Option)	Subscription as % of total Offer Shares initially available under the Global Offering (assuming full exercise of the Over-allotment Option)	Shares held immediately following the Global Offering	% of total share capital in issue (assuming no exercise of Over-allotment Option)	% of total share capital in issue (assuming full exercise of Over-allotment Option)
Top 1	25,880,000	28.76%	24.65%	25.88%	22.50%	25,880,000	6.47%	6.24%
Top 5	48,270,000	53.63%	45.97%	48.27%	41.97%	48,270,000	12.07%	11.63%
Top 10	64,953,000	72.17%	61.86%	64.95%	56.48%	64,953,000	16.24%	15.65%
Top 25	90,540,500	100.60%	86.23%	90.54%	78.73%	90,540,500	22.64%	21.82%

Top 1, 5, 10 and 25 Shareholders upon listing

Shareholder	Subscription in the Global Offering	Subscription as % of International Placing Shares initially available under the Global Offering (assuming no exercise of the Over- allotment Option)	Subscription as % of International Placing Shares initially available under the Global Offering (assuming full exercise of the Over- allotment Option)	Subscription as % of total Offer Shares initially available under the Global Offering (assuming no exercise of the Over- allotment Option)	Subscription as % of total Offer Shares initially available under the Global Offering (assuming full exercise of the Over- allotment Option)	Shares held immediately following the Global Offering	% of total share capital in issue (assuming no exercise of Over- allotment Option)	% of total share capital in issue (assuming full exercise of Over- allotment Option)
Top 1	-	0.00%	0.00%	0.00%	0.00%	105,450,000	26.36%	25.41%
Top 5	25,880,000	28.76%	24.65%	25.88%	22.50%	209,030,000	52.26%	50.37%
Top 10	25,880,000	28.76%	24.65%	25.88%	22.50%	279,710,000	69.93%	67.40%
Top 25	64,953,000	72.17%	61.86%	64.95%	56.48%	364,953,000	91.24%	87.94%

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could move substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND CHEQUES

Applicants who have applied for 1,000,000 Hong Kong Offer Shares or more on **WHITE** Application Forms or through the **White Form eIPO** service and who have been successfully or partially successfully allocated Hong Kong Offer Shares and are eligible to collect Share certificates (where applicable) in person may collect their Share certificate(s) (where applicable) in person from the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Wednesday, January 15, 2020 or such other date as notified by the Company.

Applicants being individuals who are eligible for personal collection cannot authorise any other person to make the collection on their behalf. Corporate applicants which are eligible for personal collection must attend by their authorised representatives bearing letters of authorisation from their corporations stamped with the corporations' chops. Both individuals and authorised representatives (if applicable) must produce, at the time of collection, evidence of identity acceptable to Computershare Hong Kong Investor Services Limited.

Share certificates for Hong Kong Offer Shares allotted to applicants who applied on **WHITE** Application Forms or through the **White Form eIPO** service which are either not available for personal collection, or which are available but are not collected in person within the time specified for collection, are expected to be despatched by ordinary post to those entitled to the addresses specified in the relevant applications at their own risk on or before Wednesday, January 15, 2020.

Wholly or partially successful applicants who applied on **YELLOW** Application Forms or by giving **electronic application instructions** to HKSCC will have their Share certificate(s) issued in the name of HKSCC Nominees Limited and deposited directly into CCASS for credit to their CCASS Investor Participant stock accounts or the stock accounts of their designated CCASS Participant as instructed by the applicants in their **YELLOW** Application Forms or any designated CCASS Participants giving **electronic application instructions** on their behalf on Wednesday, January 15, 2020.

Applicants who applied through a designated CCASS Participant (other than a CCASS Investor Participant) should check the number of Hong Kong Offer Shares allocated to them with that CCASS Participant.

Applicants who applied as a CCASS Investor Participant on **YELLOW** Application Forms or by giving **electronic application instructions** to HKSCC via CCASS should check the announcement made by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Wednesday, January 15, 2020 or such other date as shall be determined by HKSCC or HKSCC Nominees. Applicants who applied as a CCASS Investor Participant on **YELLOW** Application Forms or by giving **electronic application instructions** to HKSCC via CCASS may also check the number of Hong Kong Offer Shares allocated to them and the amount of refund monies (if any) payable to them via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) immediately after the crediting of the Hong Kong Offer Shares to the CCASS Investor Participant stock accounts. HKSCC will also make available to the CCASS Investor Participants an activity statement showing the number of Hong Kong Offer Shares credited to their CCASS Investor Participant stock accounts and (for CCASS Investor Participants applying by giving **electronic application instructions** to HKSCC) the refund amount credited to their respective designated bank accounts (if any).

Applicants who applied for 1,000,000 Hong Kong Offer Shares or more on **WHITE** or **YELLOW** Application Forms and have provided all information required by their **WHITE** or **YELLOW** Application Forms may collect their refund cheque(s) (where applicable) from the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Wednesday, January 15, 2020 or such other place or date as notified by the Company.

Refund cheque(s) in respect of wholly or partially successful or unsuccessful applicants using **WHITE** or **YELLOW** Application Forms, which are either not available for personal collection or which are available but are not collected in person, are expected to be despatched by ordinary post to those entitled at their own risk on or before Wednesday, January 15, 2020. No interest will be paid thereon.

For applicants who applied for the Hong Kong Offer Shares through the **White Form eIPO** service and paid the application monies through a single bank account, refund monies (if any) will be despatched to their application payment bank account in the form of e-Refund payment instructions. For applicants who have applied for the Hong Kong Offer Shares through the **White Form eIPO** service and paid the application monies through multiple bank accounts, refund monies (if any) will be despatched to the addresses specified on the **White Form eIPO** applications in the form of refund cheque(s) by ordinary post and at their own risk on or before Wednesday, January 15, 2020.

Refund monies (if any) for applicants who applied by giving **electronic application instructions** to HKSCC via CCASS are expected to be credited to the relevant applicants' designated bank accounts or the designated bank accounts of their broker or custodian on Wednesday, January 15, 2020.

Share certificates will only become valid certificates of title at 8:00 a.m. (Hong Kong time) on Thursday, January 16, 2020 provided that the Global Offering has become unconditional in all respects at or before that time and the right of termination as described in the paragraph headed "Underwriting – Underwriting Arrangements and Expenses – Hong Kong Public Offering – Hong Kong Underwriting Agreement – Grounds for termination" in the Prospectus has not been exercised. The Company will not issue any temporary documents of title in respect of the Hong Kong Offer Shares. No receipt will be issued for application monies received.

PUBLIC FLOAT

Immediately following completion of the Global Offering, not less than 25% of the total number of issued Shares will be held by the public in compliance with the requirements under Rule 8.08 of the Listing Rules. The Directors confirm that the three largest public Shareholders do not hold more than 50% of the Shares held in public hands at the time of the Listing in compliance with Rules 8.08(3) and 8.24 of the Listing Rules. The Directors also confirm that there will be at least 300 Shareholders at the time of the Listing in compliance with Rule 8.08(2) of the Listing Rules.

COMMENCEMENT OF DEALINGS

Assuming that the Global Offering becomes unconditional in all aspects at or before 8:00 a.m. (Hong Kong time) on Thursday, January 16, 2020, dealings in the Shares on the Stock Exchange are expected to commence at 9:00 a.m. (Hong Kong time) on Thursday, January 16, 2020. Shares will be traded in board lots of 500 Shares each. The stock code of the Shares is 1525.

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

Hong Kong, January 15, 2020

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