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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Shanghai Gench Education Group Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

PROPOSED DECLARATION AND PAYMENT OF INTERIM DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the EGM of Shanghai Gench Education Group Limited to be held at M617, Library Building, Shanghai Jian Qiao University, No. 1111, Huchenghuan Road, Pudong New Area, Shanghai, China on Tuesday, 29 September 2020 at 1:30 p.m. is set out on pages 7 to 9 of this circular.

Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the EGM (i.e. not later than 1:30 p.m. on Sunday, 27 September 2020) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

11 September 2020

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms and expressions shall have the following meanings:

“Articles”	the articles of association of the Company
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Companies Law”	the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Company”	Shanghai Gench Education Group Limited (上海建橋教育集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 8 May 2018 and whose Shares are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company to be convened and held at M617, Library Building, Shanghai Jian Qiao University, No. 1111, Huchenghuan Road, Pudong New Area, Shanghai, China on Tuesday, 29 September 2020 at 1:30 p.m., to consider and, if thought fit, approve the declaration and payment of the Interim Dividend out of the Share Premium Account
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Interim Dividend”	the proposed interim dividend of HK\$0.10 per Share as recommended by the Board
“Latest Practicable Date”	4 September 2020, being the latest practicable date prior to printing of this circular for ascertaining certain information included herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“Share Premium Account”	the share premium account of the Company, the amount standing to the credit of which was approximately RMB586,083,000 as at 30 June 2020 based on the unaudited interim condensed consolidated financial statements of the Group as at that date
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percent

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)

Executive Directors:

Mr. Zhou Xingzeng
Mr. Zheng Xiangzhan
Mr. Shi Yinjie

Non-executive Directors:

Mr. Zhao Donghui
Mr. Du Jusheng

Independent non-executive Directors:

Mr. Chen Baizhu
Mr. Hu Rongen
Ms. Liu Tao

Registered Office:

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

*Principal Place of Business
in Hong Kong:*

40th Floor, Sunlight Tower
No. 248 Queen's Road East
Wanchai
Hong Kong

11 September 2020

To the Shareholders,

Dear Sir or Madam,

**PROPOSED DECLARATION AND PAYMENT OF
INTERIM DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the proposed declaration and payment of the Interim Dividend out of the Share Premium Account; and to give the Shareholders notice of the EGM at which resolution will be proposed to the Shareholders to consider and, if thought fit, approve the aforesaid matter.

A notice convening the EGM is set out on pages 7 to 9 of this circular.

LETTER FROM THE BOARD

2. PROPOSED DECLARATION AND PAYMENT OF INTERIM DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT

As announced by the Company in its announcement dated 26 August 2020 regarding the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2020, the Board recommended the payment of the Interim Dividend of HK\$0.10 per Share, subject to the approval of Shareholders at the EGM by way of an ordinary resolution. Subject to the fulfilment of the conditions set out in the paragraph headed “Conditions of the payment of the Interim Dividend out of the Share Premium Account” below, the Interim Dividend is intended to be paid entirely out of the Share Premium Account pursuant to the Articles and in accordance with the Companies Law.

As at 30 June 2020, based on the unaudited interim condensed consolidated financial statements of the Group, the amount standing to the credit of the Share Premium Account amounted to approximately RMB586,083,000. The Board proposed to use an amount of approximately HK\$41,500,000 (approximately RMB36,988,950) standing to the credit of the Share Premium Account for the payment of the Interim Dividend. Following the payment of the Interim Dividend on the basis of 415,000,000 Shares in issue as at the Latest Practicable Date, there will be a remaining balance of approximately RMB549,094,050 standing to the credit of the Share Premium Account.

Conditions of the payment of the Interim Dividend out of the Share Premium Account

The payment of the Interim Dividend out of the Share Premium Account is conditional upon the satisfaction of the following conditions:

- (a) the passing of an ordinary resolution by the Shareholders declaring and approving the payment of the Interim Dividend out of the Share Premium Account pursuant to the Articles and in accordance with the Companies Law; and
- (b) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, immediately following the date on which the Interim Dividend is paid, unable to pay its liabilities as they fall due in the ordinary course of business.

Subject to the fulfilment of the above conditions, it is expected that the Interim Dividend will be paid in cash on Friday, 30 October 2020 to those Shareholders whose names appear on the register of members of the Company at close of business on Monday, 12 October 2020, being the record date of determination of entitlements of the Interim Dividend.

LETTER FROM THE BOARD

Reasons for payment of the Interim Dividend out of the Share Premium Account

The Board considers it unnecessary to maintain the Share Premium Account at its current level. In recognition of the Shareholders' support, the Board considers that the declaration and payment of the Interim Dividend out of the Share Premium Account is in the interests of the Company and the Shareholders as a whole.

Effect of the payment of the Interim Dividend out of the Share Premium Account

The implementation of the payment of the Interim Dividend out of the Share Premium Account does not involve any reduction in the authorized or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or the trading arrangements concerning the Shares.

Save for the immaterial expenses incurred as a result of the payment of the Interim Dividend, the Board considers that the payment of the Interim Dividend out of the Share Premium Account will not have any material adverse effect on the financial position of the Group.

Closure of register of members

In order to determine the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 24 September 2020 to Tuesday, 29 September 2020, both days inclusive, during which period no transfer of the Shares will be registered. In order to be eligible to attend and vote at the EGM, all transfer of the Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 23 September 2020.

In order to determine the entitlement of the Shareholders to receive the Interim Dividend, the register of members of the Company will be closed from Wednesday, 7 October 2020 to Monday, 12 October 2020, both days inclusive, during which period no transfer of Shares will be registered. The record date for entitlement to the Interim Dividend is Monday, 12 October 2020. In order to qualify for the entitlement to receive the Interim Dividend, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 6 October 2020. The payment date of the Interim Dividend is expected to be on Friday, 30 October 2020.

LETTER FROM THE BOARD

3. EXTRAORDINARY GENERAL MEETING

A notice of the EGM is set out on pages 7 to 9 of this circular.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting in respect of the ordinary resolution to be proposed at the EGM.

A form of proxy for use at the EGM is enclosed herewith. Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the EGM (i.e. not later than 1:30 p.m. on Sunday, 27 September 2020) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to procedural or administrative matter to be voted by a show of hands. Accordingly, the resolution put to vote at the EGM will be taken by way of poll. An announcement on the poll results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

4. RECOMMENDATION

The Directors consider that the proposed declaration and payment of the Interim Dividend out of the Share Premium Account is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favour of the resolution to be proposed at the EGM.

5. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information relating to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

For and on behalf of the Board
Shanghai Gench Education Group Limited
Zhou Xingzeng
Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (“EGM”) of Shanghai Gench Education Group Limited (the “**Company**”) will be held at M617, Library Building, Shanghai Jian Qiao University, No. 1111, Huchenghuan Road, Pudong New Area, Shanghai, China on Tuesday, 29 September 2020 at 1:30 p.m. for the purposes of considering and, if thought fit, passing with or without amendments, the following resolution of the Company:

ORDINARY RESOLUTION

“THAT:

1. (a) the declaration and payment of an interim dividend of HK\$0.10 per ordinary share out of the share premium account of the Company (the “**Interim Dividend**”) to the shareholders of the Company whose names appear on the register of members of the Company on the record date fixed by the board (the “**Board**”) of directors (the “**Directors**”) of the Company for determining the entitlements to the Interim Dividend be and is hereby approved; and
- (b) the Directors be and are hereby authorised to take such action, do such things and execute such further documents as the Directors may at their absolute discretion consider necessary or desirable for the purpose of or in connection with the payment of the Interim Dividend.”

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

Shanghai, 11 September 2020

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. In order to determine the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 24 September 2020 to Tuesday, 29 September 2020, both days inclusive, during which period no transfer of the shares of the Company will be registered. In order to be eligible to attend and vote at the EGM, all transfer of the shares of the Company accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 23 September 2020.
2. In order to determine the entitlement of the shareholders of the Company to receive the Interim Dividend, the register of members of the Company will be closed from Wednesday, 7 October 2020 to Monday, 12 October 2020, both days inclusive, during which period no transfer of the shares of the Company will be registered. The record date for entitlement to the Interim Dividend is Monday, 12 October 2020. In order to qualify for the entitlement to receive the Interim Dividend, all transfers of the shares of the Company accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 6 October 2020. The payment date of the Interim Dividend is expected to be on Friday, 30 October 2020.
3. A shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint one or, if he is the holder of two or more shares, more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
4. In the case of joint registered holders of any shares, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such shares as if he/she were solely entitled thereto but the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Company's register of members in respect of the relevant joint holding.
5. In order to be valid, the signed and completed form of proxy must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the EGM (i.e. not later than 1:30 p.m. on Sunday, 27 September 2020) or any adjournment thereof. If a form of proxy is signed by an attorney of a shareholder who is not a corporation, the power of attorney or other authority under which it is signed or a certified copy of that power of attorney or authority (such certification to be made by either a notary public or a solicitor qualified to practice in Hong Kong) must be delivered to the Company's branch share registrar in Hong Kong together with the form of proxy.

NOTICE OF EXTRAORDINARY GENERAL MEETING

As at the date of this notice, 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.