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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)**

### **POSITIVE PROFIT ALERT**

This announcement is made by Shanghai Gench Education Group Limited (the “**Company**”, together with its subsidiaries and affiliated entities, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the management accounts of the Group for the year ended 31 December 2020 and other information currently available, it is expected that the Group will record an increase of not less than 50% in its consolidated net profit attributable to owners of the Company for the year ended 31 December 2020 as compared to the corresponding period of 2019.

Based on the information currently available, the Board considers that the significant increase in the consolidated net profit attributable to owners of the Company for the year ended 31 December 2020 was mainly attributable to (i) the increase in the revenue of the Group for the year ended 31 December 2020 as compared to the corresponding period of 2019, which was in relation to the combined effects of the increase of the average tuition rates during the year ended 31 December 2020 and the growth in the number of newly admitted student for the 2020/2021 school year commencing in September 2020 due to the utilization of the new dormitory buildings in its existing school campus in 2020; and (ii) the receipt of the tax refund of approximately RMB20 million by the Group during the year ended 31 December 2020.

As at the date of this announcement, the Company is still in the process of finalising the consolidated annual results of the Group for the year ended 31 December 2020, the information contained in this announcement is only a preliminary assessment of the management accounts of the Group for the year ended 31 December 2020 and other information currently available to the Board, which has not been confirmed, reviewed or audited by the external auditors of the Company or reviewed by the audit committee of the Company.

Further details of the financial information of the Group will be disclosed in the annual results announcement of the Group for the year ended 31 December 2020, which is expected to be published by the end of March 2021 in accordance with the Listing Rules.

**Shareholders and potential investors are cautioned not to unduly rely on such data and are advised to exercise caution when dealing in the shares of the Company.**

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

Shanghai, 23 February 2021

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