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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 and 24 March 2021 (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. 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 would continue to fall within the scope of the IPO Waiver.

As part of a sound corporate governance, the Company is committed to promoting transparency and open communication with its employees. Currently, only one staff representative is a director of Jian Qiao University Company. To further facilitate the communication between the Company and its employees, one more staff representative, namely, Mr. Xu Haogang (徐皓剛) ("Mr. Xu") (Director of University Office (學校辦公室主任)), has been nominated by the staff of Jian Qiao University Company and appointed as a director of Jian Qiao University Company with effect from 24 June 2022. Since more than two-thirds of the board of Jian Qiao University Company is the quorum required for approving material decisions of Jian Qiao University Company, Mr. Xu entered into a director's power of attorney (the "POA") on the same date. The terms of the POA are substantially the same as the directors' power of attorney currently in place under the New Contractual Arrangements. In addition, under the POA, Mr. Xu 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 is no change to the New Contractual Arrangements.

The Directors (including the independent non-executive Directors) are of the view that the signing of the POA by Mr. Xu is only to reflect the addition of a new director to the board of Jian Qiao University Company. The arrangement under the New Contractual Arrangements (after signing of the POA) is effectively a reproduction of the existing framework under the New Contractual Arrangement (before signing of the POA).

Since the signing of the POA by Mr. Xu is reproduced from the New Contractual Arrangements, the Company has sought from the Stock Exchange, and the Stock Exchange has confirmed, that the transactions contemplated under the New Contractual Arrangements (after signing of the POA) 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, 24 June 2022

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.