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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)**

## **DISCLOSEABLE TRANSACTION FORMATION OF LIMITED PARTNERSHIP**

### **FORMATION OF THE LIMITED PARTNERSHIP**

On 28 March 2025 (after trading hours), Gench WFOE, a wholly-owned subsidiary of the Company, entered into the Limited Partnership Agreement with Shanghai Yunyao and Shanghai Fengfu for the formation of the Limited Partnership in the PRC. According to the Limited Partnership Agreement, the total amount of capital contribution of all partners of the Limited Partnership is RMB150 million, with maximum contributions of RMB150,000 from Shanghai Yunyao (as general partner/executive partner), RMB75 million from Gench WFOE (as limited partner) and RMB74.85 million from Shanghai Fengfu (as limited partner), all by way of cash, representing 0.1%, 50.0% and 49.9% of the total amount of capital contribution, respectively. The Limited Partnership will be set up for venture capital investment in private enterprise, equity investment, investment management, and asset management, with a focus on the Group's industry-education integration strategy to invest in emerging productivity, new retail, new models, new market scenarios and related high-quality enterprises.

Upon completion of capital contribution, the Limited Partnership will be accounted for as a joint venture of the Group and will not be consolidated into the Group's consolidated financial statements.

### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in respect of entering into the Limited Partnership Agreement exceeds 5% but is less than 25%, the transaction contemplated under the Partnership Agreement constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## INTRODUCTION

The Board is pleased to announce that on 28 March 2025 (after trading hours), Gench WFOE, a wholly-owned subsidiary of the Company, entered into the Limited Partnership Agreement with Shanghai Yunyao and Shanghai Fengfu for the formation of the Limited Partnership in the PRC.

## LIMITED PARTNERSHIP AGREEMENT

The principal terms of the Limited Partnership Agreement are summarized as follows:–

<b>Date</b>	:	28 March 2025
<b>Name of the Limited Partnership</b>	:	Shanghai Gench Industry-Education Integration Venture Investment Partnership (Limited Partnership)* (上海建橋產教融合創業投資合夥企業(有限合夥)) (subject to the approval of the relevant government authorities in the PRC)
<b>Parties</b>	:	General partner/executive partner: (1) Shanghai Yunyao  : Limited partners: (2) Gench WFOE (3) Shanghai Fengfu
<b>Term of the Limited Partnership</b>	:	The initial term of operation of the Limited Partnership is nine (9) years commencing from the date of establishment, with a five-year investment period and a four-year exit period. Upon the conclusion of the exit period, the executive partner may, at its sole discretion, extend the term maximum twice, with each extension not exceeding one year (“ <b>Extension Period</b> ”).
<b>Scope of business</b>	:	The proposed scope of business of the Limited Partnership includes venture capital investment in private enterprise, equity investment, investment management, and asset management which shall be subject to the approval of the relevant government authorities in the PRC.
<b>Purpose of the Limited Partnership</b>	:	The Limited Partnership aims to generate satisfactory returns by fully leveraging the partnership structure and the collective resources, expertise and network of its partners. It will focus on the Group’s industry-education integration strategy, investing in emerging productivity, new retail, new models, new market scenarios and related high-quality enterprises.

**Capital contribution** : According to the Limited Partnership Agreement, the total amount of capital contribution of all partners of the Limited Partnership is RMB150 million, with maximum contributions of RMB150,000 from Shanghai Yunyao (as general partner/executive partner), RMB75 million from Gench WFOE (as limited partner) and RMB74.85 million from Shanghai Fengfu (as limited partner), all by way of cash, representing 0.1%, 50.0% and 49.9% of the total amount of capital contribution, respectively.

The size of the Limited Partnership and the amount of capital contribution of each partner was arrived at after arm's length negotiations with reference to (i) the investment objective of the Limited Partnership; (ii) the expected term of the Limited Partnership; (iii) the possible investment returns of the Limited Partnership; and (iv) the investment opportunities expected to be available to the Fund Manager.

The capital commitment payable by Gench WFOE will be funded in cash from the Group's internal resources.

Upon completion of capital contribution, the Limited Partnership will be accounted for as a joint venture of the Group and will not be consolidated into the Group's consolidated financial statements.

**Payment of capital contribution** : Each partner shall pay 10% of its capital contribution upon the first capital call notice from the Fund Manager, with payment to be completed within six months from the signing date of the Limited Partnership Agreement. Subsequent payments shall be made as needed for investment projects based on further notices from the Fund Manager. These notices shall be sent to all partners at least 10 days in advance.

**Management of the Limited Partnership** : Shanghai Yunyao, as the general partner, executive partner and the Fund Manager, is vested with the power to:

- (1). manage and maintain the assets of the Limited Partnership;
- (2). deal with all matters necessary for the operations and valid subsistence of the Limited Partnership;

- (3). take necessary actions to achieve the objectives of the Limited Partnership;
- (4). protect the legitimate rights and interests of the Limited Partnership; and
- (5). provide investment management, administrative management, daily operation management and other services to the Limited Partnership.

The Fund Manager will be entitled to receive a management fee of 1.5% of the total amount of the subscribed capital contributions of all partners during the investment period and 1.0% of unrealized investment amount during the exit period payable on an annual basis. No management fee will be charged during any Extension Period.

The investment decision committee, composed of four members, will hold the authority to make investment-related decisions. Shanghai Yunyao will nominate two members and Gench WFOE will nominate two members. Decisions require approval by at least three out of four members. For investment projects involving connected transactions, unanimous approval from all disinterested members is required.

The Limited Partnership will enter into a custodian agreement with a commercial bank for fund custody.

- Income distribution** :
- The distributable income, after paying the operating costs and expenses, taxes and liabilities payable of the Limited Partnership, will be allocated in the following order of priority:
- (1). first, to the limited partners (in proportion to their respective paid-up capital contributions to the Limited Partnership) until they recover 100% of their paid-up capital contributions;
  - (2). second, to the general partner until it recovers 100% of its paid-up capital contributions;

- (3). third, to the limited partners until they achieve a preferred return of 8% per annum (simple interest) on its recovered paid-up capital, calculated from the date of actual contribution to the date of full recovery, and thereafter to the general partner under the same terms;
- (4). lastly, 15% to the general partner and 85% to the limited partners, with the limited partners' portion distributed in proportion to their respective paid-up capital contributions to the Limited Partnership.

If the distributable income is insufficient to fully satisfy a given priority level, no further distributions will be made for the subsequent levels.

**Debt sharing** : Any debts of the Limited Partnership shall be repaid from the partnership's assets. If the assets are insufficient to cover the debts, the general partner shall bear unlimited liability for the debts of the Limited Partnership whereas the limited partners shall be liable for the debts of the Limited Partnership up to the amount of their respective committed capital contribution.

**Transfer of partnership interest** : The general partner shall not transfer its partnership interest unless such transfer is approved at a meeting of partners.

A limited partner may transfer all or part of its partnership interest to other qualified investors with the consent of the general partner, provided that all other partners are given at 30 days' prior notice.

The general partner and Gench WFOE shall have a right of first refusal over any proposed transfer of partnership interest by a limited partner.

## **INFORMATION RELATING TO THE PARTIES**

### **The Company**

The Company is incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 1525). It is an investment holding company operating its business through its subsidiaries. The Group is a higher vocational education group which provides undergraduate education and junior college education, focusing on high-quality

schooling for the provision of excellent education for students. The Group operates Shanghai Jian Qiao University, being the domestic leading private university, at Lingang New Area in the China (Shanghai) Pilot Free Trade Zone.

### **The General Partner**

Shanghai Yunyao is a company established in the PRC and a registered private equity fund manager with the China Securities Investment Fund Association. It primarily engages in investment and asset management. It is 50% owned by Li Ping (李平), 40% owned by Wang Xiaojun (王曉君), and 10% owned by Gench WFOE. Li Ping and Wang Xiaojun are Independent Third Parties. Shanghai Yunyao invests in sectors aligned with the Group's industry-education integration focus, including integrated circuits, artificial intelligence, civil aviation, medical equipment, and intelligent manufacturing.

### **The Limited Partners**

Gench WFOE is a wholly foreign owned enterprise established in the PRC and a wholly-owned subsidiary of the Company. It principally provides technical and management consultancy services to the Group.

Shanghai Fengfu is a company established in the PRC and is engaged in technology promotion and application services, with a registered capital of RMB120 million. It is 99% owned by Zu Guangdong (祖廣東) and 1% owned by Zhuang Rangjing (莊讓靜), both Independent Third Parties. Shanghai Fengfu has an industry background and strong financial capacity and is optimistic about the industry-education integration policy.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for Gench WFOE's 10% shareholding interest in Shanghai Yunyao, Shanghai Yunyao, Shanghai Fengfu and their ultimate beneficial owner(s) are Independent Third Parties as at the date of this announcement.

## **REASONS FOR AND BENEFITS OF THE FORMATION OF THE LIMITED PARTNERSHIP**

In order to strengthen industry collaboration, enhance talent development, drive innovation and leverage financial resources, the Group intends to establish the Limited Partnership, which enables the Group to create a sustainable model that benefits both education and industry in the following aspects:

- (1). **Enhancing Industry Collaboration:** the Limited Partnership connects the Group with key industries by leveraging social capital and venture investment.
- (2). **Increasing Industry Influence:** equity investment allows us to gain a better understanding of the real problems and business needs of enterprises, enabling the Group to develop more effective talent training programs for industry-education integration and higher-quality course modules.

- (3). **Encouraging Knowledge Transfer:** enterprises are incentivized to contribute key personnel to the Group's dual-teacher faculty, improving industry-focused education.
- (4). **Building Industry-Education Integration Platforms, promoting education through industrial practices:** by jointly building distinctive industry-education integrated technological and skills innovation service platforms, such as engineering (technology) research centers, product process design centers, and technology inspection and testing centers with enterprises, to achieve the goal of promoting education through industrial practices.
- (5). **Expanding Internship and Job Opportunities:** leverage equity investment to encourage enterprises to provide more hands-on training and employment prospects for the Group's students.
- (6). **Driving Innovation and Entrepreneurship:** leverage capital investment to support faculty and student-led innovation and entrepreneurial projects.
- (7). **Generating Sustainable Returns:** the Limited Partnership helps the Group achieve reasonable investment returns while supporting long-term strategic goals.

The Directors believe that the terms of the Limited Partnership Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of entering into the Limited Partnership Agreement exceeds 5% but is less than 25%, this transaction contemplated under the Partnership Agreement constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings as set out below:

“Associate(s)”	has the meaning as defined under the Listing Rules
“Board”	the board of Directors
“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

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Board
“Fund Manager”	Shanghai Yunyao
“Gench WFOE”	Wangting Education Technology (Shanghai) Limited (望亭教育科技(上海)有限公司), a limited liability company established under the laws of the PRC on 31 October 2018, which is indirectly wholly owned by the Company
“Group”	the Company, its subsidiaries and affiliated entities
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the Listing Rules) any Director, chief executive or substantial shareholder (within the meaning of the Listing Rules) of the Company, its subsidiaries or any of their respective associates
“Limited Partnership”	a limited partnership to be established under the laws of the PRC pursuant to the Limited Partnership Agreement under the name of Shanghai Gench Industry-Education Integration Venture Investment Partnership (Limited Partnership) (上海建橋產教融合創業投資合夥企業 (有限合夥)) (subject to the approval of the relevant government authorities in the PRC)
“Limited Partnership Agreement”	the agreement dated 28 March 2025 entered into by and among the partners in respect of the formation of the Limited Partnership
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan, China)
“RMB”	Renminbi, the lawful currency of China



“Shanghai Yunyao”	Shanghai Yunyao Private Fund Management Co., Ltd* (上海昀耀私募基金管理有限公司), a limited liability company established under the laws of the PRC on 27 May 2022, which is 50% owned by Li Ping (李平), 40% owned by Wang Xiaojun (王曉君), and 10% owned by Gench WFOE. Each of Li Ping and Wang Xiaojun is an Independent Third Party.
“Shanghai Fengfu”	Shanghai Fengfu Energy Technology Co., Ltd* (上海峰賦能源科技有限公司), a limited liability company established under the laws of the PRC on 6 March 2019, which is 99% owned by Zu Guangdong (祖廣東) and 1% owned by Zhuang Rangjing (莊讓靜), each of whom is an Independent Third Party
“Shanghai Jian Qiao University”	a university in the PRC operated as a private non-enterprise unit under the name of “Shanghai Jian Qiao University”* (上海建橋學院) from 28 June 2000 to 9 August 2021 and as a limited liability company under the name of “Shanghai Jian Qiao University Co., Ltd.”* (上海建橋學院有限責任公司) since 10 August 2021, with the short name of “Shanghai Jian Qiao University”* (上海建橋學院) in the relevant private school operating permit
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

By order of the Board  
**Shanghai Gench Education Group Limited**  
**Zhao Donghui**  
*Chairman*

Shanghai, 28 March 2025

*If there is any inconsistency between the Chinese names of entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translation of company or entity names in Chinese or another language which are marked with “\*” and the Chinese translation of company or entity names in English which are marked with “\*” is for identification purpose only.*

*As at the date of this announcement, the executive Directors are Mr. Zhao Donghui and Mr. Ding Zheyin, the non-executive Directors are Ms. Li Huihui, Mr. Ye Qionghai and Ms. Zhao Jiaqiao, and the independent non-executive Directors are Mr. Chen Baizhu, Mr. Hu Rongen and Ms. Liu Tao.*