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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, 24 March 2021, 24 June 2022, 6 January 2023 and 9 June 2023 (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. On 24 June 2022, 6 January 2023 and 9 June 2023, certain directors of Jian Qiao University Company resigned and/or were appointed. As a result, (i) the aforesaid resigned directors are not required to comply with the relevant agreements under the New Contractual Arrangements upon their resignations, and (ii) directors' power of attorney ("POA") for the aforesaid new directors were entered into under the New Contractual Arrangements upon their appointments. At the material times, the Company has sought confirmations from the Stock Exchange, and the Stock Exchange has confirmed, that the transactions contemplated under the New Contractual Arrangements (upon the aforesaid resignations and appointments of directors) would continue to fall within the scope of the IPO Waiver. As of 9 June 2023, eight directors of Jian Qiao University Company (representing more than two-thirds of the board being the quorum required for approving material decisions) signed the POAs.

Six directors of Jian Qiao University Company (namely, Mr. Zhou Xingzeng (周星增), Mr. Zheng Xiangzhan (鄭祥展), Mr. Shi Yinjie (施銀節) and Ms. Xia Yu (夏雨) (collectively “**Relevant Outgoing Directors**”), Mr. Yang Junhe (楊俊和) and Ms. Zhang Jane) resigned and five new directors (namely, Mr. Zhao Donghui (趙東輝), Mr. Zhang Zhen (張震), Mr. Zhao Leihong (趙雷洪), Mr. Ding Zheyin (丁哲寅) and Mr. Zhou Tianming (周天明) (collectively, “**Relevant New Directors**”)) were therefore appointed as directors of Jian Qiao University Company and the list of directors has been filed with the Shanghai Municipal Education Commission on 10 July 2024. Among these six outgoing directors, Mr. Zhou Xingzeng resigned due to his personal health reasons; Mr. Zheng Xiangzhan and Mr. Shi Yinjie resigned due to their old age; Ms. Xia Yu resigned due to the work allocation within the Group that she has been appointed as a supervisor of Jian Qiao University Company; Mr. Yang Junhe resigned in order to pursue other business endeavors outside the Group; and Ms. Zhang Jane resigned due to expiration of her term of service. None of these outgoing directors has reported (a) their intention for re-election and to serve as a director of Jian Qiao University Company for a new term of the session of the board of directors; or (b) any disagreement with the board of director of Jian Qiao University Company or the board of directors of the Company in relation to his/her resignation, to Jian Qiao University Company or the Company.

As a result of the aforesaid change of directors of Jian Qiao University Company, (i) all Relevant Outgoing Directors are no longer required to comply with the relevant agreements under the New Contractual Arrangements upon their resignations, and (ii) all Relevant New Directors have entered into the POAs upon their appointments. The scope of power of attorney under the POAs are the same as the directors’ power of attorney currently in place under the New Contractual Arrangements. In addition, under the POAs, each of the Relevant New Directors 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 has been no change to the New Contractual Arrangements.

The Directors are of the view that the above updates to the New Contractual Arrangements are only to reflect the change of directors of Jian Qiao University Company. The arrangement under the New Contractual Arrangements (after the aforesaid updates) is effectively a reproduction of the existing framework under the New Contractual Arrangement (before the above updates).

The Company has sought from the Stock Exchange, and the Stock Exchange has confirmed, that the transactions contemplated under the New Contractual Arrangements (after the above updates) 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
Zhao Donghui
Chairman

Hong Kong, 16 July 2024

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