Shentong Robot Education Group Company Limited
神通機器人教育集團有限公司

(Incorporated in Cayman Islands with limited liability)
(Stock code: 8206)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2019

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of Shentong Robot Education Group Company Limited (the "Company", together with its subsidiaries, the "Group") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

CHAIRMAN'S STATEMENT

On behalf of the Board of the Directors (the "Board"), I am pleased to present the audited consolidated results of Shentong Robot Education Group Company Limited ("Shentong Robot Education" or the "Company", together with its subsidiary companies, the "Group") for the year ended 31 March 2019 (the "Year").

FINANCIAL PERFORMANCE

The Group's revenue was mainly attributable to the provision of robotics education and other business in the People's Republic of China (the "PRC"), including robotics competitions and promotion and management services of "Shentong Card". The Group recorded consolidated revenue of approximately HK$177,415,000 for the year ended 31 March 2019, representing an increase of approximately 25.4% as compared to approximately HK$141,482,000 for the year ended 31 March 2018.

For the year ended 31 March 2019, the Group recorded approximately HK$58,832,000 in profit attributable to owners of the Company, representing an increase of approximately 113.1% as compared to approximately HK$27,602,000 for the year ended 31 March 2018. The Group's gross profit increased by 36.8% year-on-year to approximately HK$126,944,000, and gross profit margin increased approximately 6.0 percentage points year-to-year to approximately 71.6%. The business growth was mainly attributable to the increase of approximately 41.1% in revenue from Robotics Education and Others from approximately HK$110,062,000 for the year ended 31 March 2018 to approximately HK$155,318,000 for the year ended 31 March 2019.

BUSINESS REVIEW

The Ministry of Education incorporated robotics education into one of the eight major national school sports leagues, and approved the establishment of the National School Sports Robot League (the "NSSRL") (全國學校體育機器人聯盟) to deploy robotics-related work with the commencement of robot sports nationwide. On the other hand, robot sports in the PRC has been recognised as one of the 108 national social sports programmes by the General Administration of Sport of China ("GASC"). National Robot Sports Competition is the only robot sports event hosted by the GASC.

In the past year, the robotics education which combines technology, education and practice continued to develop rapidly. As one of the leading regions of the PRC in the development of robotics education, Heilongjiang Province records a steady development in robotics education. The Group provides robotics-related education and training, and hosts robot sports competition in Heilongjiang Province (collectively, the "Robotics Education Business"). Through innovative education and promotion, the Group deepened the integration of education, sports and technology in the province, and strived to create a high-end robotics education platform, aiming at making greater contributions to the development of robotics education in the PRC.

Steady development of the Robotics Education Business

In order to promote the development of the Robotics Education Business more effectively, the Group was committed to commencing various types of robotics education courses and developing a diversified learning framework during the year. The Group has organised a series of training, seminars and course experiences to enable students to master the latest robotics knowledge and encourage them to develop their creativity and skills. Through carnival and on-site interaction, we also cooperated with online media to enhance the promotion efficiency, so that more and more parents understand and pay attention to robotics curriculum for schools, setting off a wave of taking robotics education. In August 2018, the China Robot Sports Mudanjiang Talent Training Centre, the China International Youth Robot Mudanjiang Exchange Centre and the China Robot Sports Mudanjiang Science and Technology Museum were officially put into operation. The establishment integrates robot teaching, training, examination, certification and event training to provide students with comprehensive robotics education, sports and event training venues. It gradually shows the Group's goal and achievements from the establishment of a comprehensive base with international standards and strong strength.

On the other hand, the Robot Sports Certification Examination (機器人運動等級認證考試) jointly guided by the China Robot Sports Working Committee (中國機器人運動工作委員會), the Working Committee of the NSSRL, the Robot Sports Association of Heilongjiang Province and organised by the China Robot Sports Rank Examination Center was held in Harbin and Mudanjiang, Heilongjiang Province. The examination not only evaluate the robot knowledge and skills of the candidates, but also provides a recognised and open certification platform for them. After passing the evaluation, the candidates will receive the corresponding certificates of qualification and also have the opportunity to participate in the national robot sports competition.

Increase education income through competitions

The robotics education advocated by the Group emphasises the use of both hands and brains. It is an important way to cultivate students' ability to innovate and practice. The Robotics Education Business combined with sports elements can enhance students' interest in learning and teamwork skills. Robot sports is a social sports project in which robots are used as the tools for competition. Since the popularisation of the sports in the PRC, it has attracted a large number of young people to participate actively. For the Year, the Group actively organised various robotics competitions to raise the reputation of the Robotics Education Business and positively contribute to the income of the business. In April 2018, the "First Robotics Competition for University Students in Heilongjiang Province" was successfully launched by the Group, providing a stage for nearly 500 university athletes to fully demonstrate the creativity of science and technology. In August 2018, the Group hosted the "China Communication Cup First National Robotic Football Competition" in Daqing, Heilongjiang Province. The competition was the national football match with robots as the tools for competition. The football match attracted 73 teams and nearly 300 athletes to participate, showing a new look of integration of people and technology innovation. In addition, the "2018 Postal Savings Bank Cup Heilongjiang Intelligent Robot Competition" jointly held by the Heilongjiang Provincial Science and Technology Association and the Department of Education of Heilongjiang Province, and co-organised by the Group was held in Harbin City in October 2018. The competition attracted numbers of outstanding students from 13 cities in Heilongjiang Province, creating a dynamic competition environment and greatly enhancing the Group's appeal and influence in the field of robotics.

Booming artificial intelligence industry with unlimited potential of robotics education

The Ministry of Education has always supported the development of quality education in kindergartens, primary and secondary schools, and cultivated the innovation and practical ability of students to achieve comprehensive development of morality, intelligence, physical fitness and art. In March 2019, the Ministry of Education issued the "Key Points of Education Informationisation and Cyber-security in 2019", indicating that it would continue to promote the establishment of artificial intelligence related courses in the primary and secondary schools in this year, and gradually promote programming education. In addition, with the further maturity of artificial intelligence technology and the increasing investment from government and industry, application of artificial intelligence will continue to accelerate, helping the artificial intelligence industry to flourish. In November 2018, the Artificial Intelligence and Robotics Education Committee of China Education Development Strategy Association (中國教育發展戰略學會人工智能與機器人教育專業委員會) was established in Beijing, further promoting technological innovation and resource integration and sharing in the domestic industry and academia. Currently, artificial intelligence is widely mentioned and robotics education, with relative mature development in the PRC, is becoming more and more popular. Numerous primary and secondary schools have also carried out a variety of robotics courses. Robotics education, sports and competitions have continued to heat up in Heilongjiang Province, and the training market is booming day by day.

PROSPECTS

Looking ahead, the Group plans to launch various robotics theme activities in Heilongjiang Province. In addition to various robotics education courses and teacher training, we will actively cooperate with members of the NSSRL in Heilongjiang Province to plan intelligent robotics classrooms, on-campus robotics education programmes, as well as international exchanges and field trips. The above activities fill the gaps in robotics education in Heilongjiang Province and help to promote smart education into the campus, further strengthening the internationalisation and diversification of robotics education in the PRC. With the continuous development of robotics education projects, China's educational reform and the development of the robotics industry are expected to reach a new level. In addition to building a good platform for robotics education for young people in Heilongjiang Province, the Group will actively participate in planning the national development strategy of robotics education and strive to cultivate the robotics industry and robotics professionals.

Moreover, we will continue to cooperate with the Robot Sports Association of Heilongjiang Province, leverage its resources advantages and take all efforts to promote the vigorous development of the Robotics Education Business and related business in Heilongjiang Province as well as throughout the country. The "Third National China Robot Competition" will be held in Jiayuguan, Gansu Province in August 2019. It will play an important role in cultivating sports talents in an all-round way and promoting the comprehensive, healthy and sustainable development of robot sports in the PRC. In addition to regular events in previous competitions, including robotics polo, robotics obstacle race, robotics dance, humanoid robot soccer, and UAV missions, this year's competition will incorporate robotics programming elements, adding five new competition items, such as UAV bombing contest, electromechanical arm task challenge and robotics task challenge, which will greatly enhance the excitement and observability of the contest. We believe that the China Robot Competition will further enhance the influence of robot sports, encourage more robot enthusiasts to participate actively, and allow athletes, coaches, referees and other professionals to demonstrate their potential and develop their strengths during the competition.

In conclusion, the development of robotics education in the PRC is showing a booming trend. Benefiting from the sound market development and the strong support of Heilongjiang Province for the popularisation of robotics education, we will continue to strive to optimise business operations and develop robotics education related industries in the PRC, in order to effectively promote the innovation and healthy development of the Group's education business and bring the greatest return to the Group and its shareholders.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our gratitude to our shareholders for their tremendous support and to my fellow Directors and our management and staff for their dedication and contribution in the past year.

RESULTS

The Board is pleased to announce the audited consolidated results of the Group for the year ended 31 March 2019, together with the comparative figures for the corresponding year ended 31 March 2018 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2019

	Note	**2019** *HK$'000*	2018 *HK$'000* (restated)
Revenue	*3*	**177,415**	141,482
Cost of service		**(50,471)**	(48,675)
Gross profit		**126,944**	92,807
Investment and other income	*4*	**2,654**	338
Other gains and losses	*5*	**1,888**	(2,687)
Impairment allowance on expected credit losses		**(73)**	–
Selling and distribution expenses		**(15,737)**	(18,016)
Administrative expenses		**(28,364)**	(25,454)
Other expenses		**–**	(32)
Profit from operations		**87,312**	46,956
Finance costs	*7*	**(1,887)**	(1,891)
Profit before tax		**85,425**	45,065
Income tax expense	*8*	**(26,593)**	(17,463)
Profit for the year attributable to owners of the Company	*9*	**58,832**	27,602
		HK cent	*HK cent*
Earnings per share			
Basic (cents per share)	*11(a)*	**3.10**	1.51
Diluted (cents per share)	*11(b)*	**N/A**	N/A

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	HK$'000	*HK$'000*
Profit for the year	**58,832**	27,602
Other comprehensive income		
Item that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**(33,185)**	47,300
Total comprehensive income for the year attributable to owners of the Company	**25,647**	74,902

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2019

	Note	**2019** **HK$'000**	2018 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**16,115**	13,863
Goodwill		**37,537**	40,190
Intangible assets	*12*	**385,745**	413,792
Total non-current assets		**439,397**	467,845
Current assets			
Prepayments, deposits and other receivables	*13*	**44,030**	52,868
Bank and cash balances		**221,422**	146,589
Total current assets		**265,452**	199,457
TOTAL ASSETS		**704,849**	667,302
EQUITY AND LIABILITIES			
Share capital	*16*	**18,957**	18,957
Reserves		**280,744**	255,220
Total equity		**299,701**	274,177
LIABILITIES			
Non-current liabilities			
Promissory note	*14*	**107,621**	105,734
Deferred tax liabilities		**98,537**	105,698
Total non-current liabilities		**206,158**	211,432
Current liabilities			
Contract liabilities		**51,252**	–
Education course obligation		**–**	38,841
Receipt in advance		**12**	12
Accruals and other payables	*15*	**110,647**	109,912
Current tax liabilities		**37,079**	32,928
Total current liabilities		**198,990**	181,693
TOTAL EQUITY AND LIABILITIES		**704,849**	667,302

NOTES:

1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) Application of new and revised HKFRSs

The HKICPA has issued a number of new and revised HKFRSs that are first effective for annual periods beginning on or after 1 April 2018. Of these, the following developments are relevant to the Group's consolidated financial statements:

(i) HKFRS 9 Financial Instruments; and

(ii) HKFRS 15 Revenue from Contracts with Customers

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 9 Financial instruments

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening accumulated losses and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 Financial Instruments: Recognition and Measurement.

The adoption of HKFRS 9 resulted in the following changes to the Group's accounting policies.

Classification

From 1 April 2018, the Group classifies its financial assets to be measured at amortised cost. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Assets measured at amortised cost are assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities at 1 April 2018 have not been impacted by the initial application.

Impairment

From 1 April 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Amount due from a substantial shareholder is trade in nature hence the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Set out below is the impact of the adoption of HKFRS 9 on the Group.

The following table summarises the impact on the Group's opening accumulated losses as at 1 April 2018 is as follows:

	HK$'000
Increase in expected credit loss ("ECL") for bank and cash balances	(123)
Adjustment to accumulated losses from adoption of HKFRS 9 on 1 April 2018	(123)
Attributable to: owners of the Company	(123)

The following table and the accompanying notes below explain the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group's financial assets as at 1 April 2018.

Financial assets	**Classification under HKAS 39**	**Classification under HKFRS 9**	**Carrying amount under HKAS 39** *HK$'000*	**Carrying amount under HKFRS 9** *HK$'000*
Amount due from a substantial shareholder	Loans and receivables	Amortised cost	43,956	43,956
Amount due from a related company	Loans and receivables	Amortised cost	469	469
Other receivables	Loans and receivables	Amortised cost	675	675
Deposits	Loans and receivables	Amortised cost	810	810
Bank and cash balances	Loans and receivables	Amortised cost	146,589	146,466

All financial assets above that were classified as loans and receivables under HKAS 39 are now classified as amortised cost. An increase of HK$123,000 in the allowance for expected credit loss was recognised in the opening accumulated losses on 1 April 2018 on transition to HKFRS 9.

The impact of these changes on the Group's equity is as follows:

	Effect on accumulated losses *HK$'000*
Opening balance — HKAS 39	(1,139,432)
Remeasurement (ECL allowance) on bank and cash balances	(123)
Opening balance — HKFRS 9	(1,139,555)

For assets in scope of the HKFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Group has determined that the application of HKFRS 9 impairment model requirements at 1 April 2018 results in an additional impairment allowance as follows:

	At 1 April 2018 under HKFRS 9 *HK$'000*
Impairment allowance at 31 March 2018 under HKAS 39	–
Additional ECL allowance recognised at 1 April 2018 on bank and cash balances under HKFRS 9	(123)
Impairment allowance at 1 April 2018 under HKFRS 9	(123)

Impairment allowance on expected credit losses are presented separately in statement of profit or loss.

HKFRS 15 Revenue from contracts with customers

HKFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 April 2018. Any difference at the date of initial application is recognised in the opening accumulated losses (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1 April 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 Revenue and HKAS 11 Construction Contracts and the related interpretations. The application of HKFRS 15 does not have material impact on the timing and amounts of revenue recognition of the Group.

Contract liabilities represented the advance payments from students who had enrolled the Group's robotics courses which were previously presented as education course obligation under the consolidated statement of financial position. Upon adoption of HKFRS 15, an amount of HK$38,841,000 was reclassified to contract liabilities as at 1 April 2018. Apart from above, the adoption of HKFRS 15 has no material changes to the Group's accounting policies.

(b) New and revised HKFRSs in issue but not yet effective

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 April 2018. These new and revised HKFRSs include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
HKFRS 16 Leases	1 April 2019
HK(IFRIC) 23 Uncertainty over Income Tax Treatments	1 April 2019
Annual Improvements to HKFRSs 2015–2017 Cycle	1 April 2019

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of HKFRS 16 which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. While the assessment has been substantially completed for HKFRS 16, the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's interim financial report for the six months ending 30 September 2019. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in that interim financial report.

HKFRS 16 Leases

HKFRS 16 replaces HKAS 17 Leases and related interpretations. The new standard introduces a single accounting model for lessees. For lessees the distinction between operating and finance leases is removed and lessees will recognise right-of-use assets and lease liabilities for all leases (with optional exemptions for short-term leases and leases of low value assets). HKFRS 16 carries forward the accounting requirements for lessors in HKAS 17 substantially unchanged. Lessors will therefore continue to classify leases as operating or financing leases.

HKFRS 16 is effective for annual periods beginning on or after 1 April 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

Based on a preliminary assessment, the standard will affect primarily the accounting for the Group's operating leases. The Group's office property leases are currently classified as operating leases and the lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term. Under HKFRS 16 the Group may need to recognise and measure a liability at the present value of the future minimum lease payments and recognise a corresponding right-of-use asset for these leases. The interest expense on the lease liability and depreciation on the right-of-use asset will be recognised in profit or loss. The Group's assets and liabilities will increase and the timing of expense recognition will also be impacted as a result.

The Group's future minimum lease payments under non-cancellable operating leases for its office properties amounted to HK$12,189,000 as at 31 March 2019. These leases are expected to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The amounts will be adjusted for the effects of discounting and the transition reliefs available to the Group.

Other than the recognition of lease liabilities and right-of-use assets, the Group expects that the transition adjustments to be made upon the initial adoption of HKFRS 16 will not be material. However, the expected changes in accounting policies as described above could have a material impact on the Group's consolidated financial statements from 2020 onwards.

HK(IFRIC) 23 Uncertainty over Income Tax Treatments

The interpretation of HKAS 12 Income Taxes sets out how to apply that standard when there is uncertainty about income tax treatments. Entities are required to determine whether uncertain tax treatments should be assessed separately or as a group depending on which approach will better predict the resolution of the uncertainties. Entities will have to assess whether it is probable that a tax authority will accept an uncertain tax treatment. If yes, the accounting treatment will be consistent with the entity's income tax filings. If not, however, entities are required to account for the effects of the uncertainty using either the most likely outcome or expected value method depending on which method is expected to better predict its resolution.

The Group is unable to estimate the impact of the interpretation on the consolidated financial statements until a more detailed assessment has been completed.

3. REVENUE

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major services line for the year is as follows:

Revenue from contracts with customers within the scope of HKFRS 15

	2019			2018		
Reportable Segments	**Promotion and Management Services** *HK$'000*	**Robotics Education and Others** *HK$'000*	**Total** *HK$'000*	Promotion and Management Services *HK$'000*	Robotics Education and Others *HK$'000*	Total *HK$'000*
Types of service						
Promotion and Management Services						
— Designated Shentong Cards	**22,097**	**–**	**22,097**	31,420	–	31,420
Robotics Education and Others						
— Robotics course	**–**	**140,582**	**140,582**	–	103,620	103,620
— Rental of training equipment	**–**	**5,103**	**5,103**	–	3,288	3,288
— Competition admission	**–**	**5,872**	**5,872**	–	3,154	3,154
— Voting service of robotics events	**–**	**3,761**	**3,761**	–	–	–
	–	**155,318**	**155,318**	–	110,062	110,062
Total	**22,097**	**155,318**	**177,415**	31,420	110,062	141,482
Geographical market						
Mainland China	**22,097**	**155,318**	**177,415**	31,420	110,062	141,482
Time of revenue recognition						
A point in time	**–**	**9,633**	**9,633**	–	3,154	3,154
Over time	**22,097**	**145,685**	**167,782**	31,420	106,908	138,328
	22,097	**155,318**	**177,415**	31,420	110,062	141,482

The Group has initially applied HKFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated and was prepared in accordance with HKAS 18 and HKAS 11.

(b) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2019 and the expected timing of recognising revenue as follows:

	Robotics Education and Others
	HK$'000
Within 1 year	51,252
More than 1 year	–
	51,252

4. INVESTMENT AND OTHER INCOME

	2019	2018
	HK$'000	*HK$'000*
Advertising income	**631**	–
Interest income	**478**	338
Sponsorship income	**1,545**	–
	2,654	338

5. OTHER GAINS AND LOSSES

	2019	2018
	HK$'000	*HK$'000*
Exchange gain/(loss)	**1,725**	(2,674)
Gain on disposal of property, plant and equipment	**206**	–
Written off of property, plant and equipment	**(43)**	(13)
	1,888	(2,687)

6. SEGMENT INFORMATION

The Group has the following operating segments:

Promotion and Management Services	– Provision of promotion and management services for an electronic smart card "Designated Shentong Card" in the PRC.
Robotics Education and Others	– Organising and hosting of China Robot Competition ("CRC") and provision of CRC education course in Heilongjiang Province in the PRC.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies. Each of the above operating segments corresponds to related subsidiaries engaging in the respective segment activities.

Segment profits or losses do not include finance costs, income tax expense and unallocated corporate expenses. Segment assets include all non-current assets and current assets with the exception of corporate assets. Segment liabilities include all non-current liabilities and current liabilities with the exception of current tax liabilities, deferred tax liabilities and corporate liabilities.

Information about operating segments' profit or loss, assets and liabilities:

	2019			2018		
	Promotion and Management Services	**Robotics Education and Others**	**Total**	Promotion and Management Services	Robotics Education and Others	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 March						
Revenue from external customer (including a related company)	**22,097**	**155,318**	**177,415**	31,420	110,062	141,482
Segment (loss)/profit	**(2,397)**	**104,545**	**102,148**	3,842	60,110	63,952
Interest income	**75**	**398**	**473**	80	256	336
Depreciation and amortisation	**301**	**7,457**	**7,758**	406	4,721	5,127
Additions to segment non-current assets:						
— Purchase of intangible assets	**–**	**–**	**–**	–	2,226	2,226
— Purchases of property, plant and equipment	**25**	**10,305**	**10,330**	141	12,127	12,268
	25	**10,305**	**10,330**	141	14,353	14,494
As at 31 March						
Segment assets	**41,608**	**678,171**	**719,779**	47,382	630,996	678,378
Segment liabilities	**2,326**	**263,705**	**266,031**	2,180	249,496	251,676

Reconciliations of segment revenue, profit, assets and liabilities:

	2019	2018
	HK$'000	*HK$'000*
Revenue		
Total revenue of reportable segments	**177,415**	141,482
Consolidated revenue	**177,415**	141,482
Profit or loss		
Total profit of reportable segments	**102,148**	63,952
Finance costs	**(1,887)**	(1,891)
Income tax expense	**(26,593)**	(17,463)
Unallocated amounts:		
Consultancy fee	**(130)**	(780)
Directors' emoluments and allowances	**(4,106)**	(4,006)
Legal and professional fee	**(534)**	(1,509)
Rent	**(2,461)**	(2,461)
Salaries and allowances	**(4,487)**	(5,067)
Other unallocated head office and corporate expenses	**(3,118)**	(3,173)
Consolidated profit for the year	**58,832**	27,602
Assets		
Total assets of reportable segments	**719,779**	678,378
Elimination of intersegment assets	**(122,915)**	(117,915)
Unallocated assets:		
Amount due from reportable segment	**105,000**	105,000
Bank and cash balances	**1,943**	704
Other unallocated head office and corporate assets	**1,042**	1,135
Consolidated total assets	**704,849**	667,302
Liabilities		
Total liabilities of reportable segment	**266,031**	251,676
Elimination of intersegment assets	**(117,915)**	(117,915)
Current tax liabilities	**37,079**	32,928
Deferred tax liabilities	**98,537**	105,698
Promissory note	**107,621**	105,734
Other unallocated head office and corporate liabilities	**13,795**	15,004
Consolidated total liabilities	**405,148**	393,125

Geographical information

No separate analysis of segment information by geographical is presented as the Group's revenue and non-current assets are principally attributable to a single geographical region, which is the PRC.

Revenue from major customer

	2019 *HK$'000*	2018 *HK$'000*
A Substantial Shareholder, China Communication Group Co., Ltd. ("CCC") — Promotion and Management Services segment	**22,097**	31,420

7. FINANCE COSTS

	2019 *HK$'000*	2018 *HK$'000*
Interest on promissory note payable to China Communication Investment Limited ("CCI")	**1,887**	1,891

8. INCOME TAX EXPENSE

	2019 *HK$'000*	2018 *HK$'000*
Current tax — PRC		
Provision for the year	**26,777**	16,821
Under-provision in prior year	**–**	162
Deferred tax	**(184)**	480
	26,593	17,463

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the years ended 31 March 2019 and 2018.

PRC Enterprise Income Tax has been provided at a rate of 25% (2018: 25%).

The reconciliation between the income tax expense and the product of profit before tax multiplied by the PRC Enterprise Income Tax rate is as follows:

	2019	2018
	HK$'000	*HK$'000*
Profit before tax	**85,425**	45,065
Tax at the PRC Enterprise Income Tax rate of 25% (2018: 25%)	**21,356**	11,266
Tax effect of temporary differences not recognised	**(184)**	460
Tax effect of expenses that are not deductible	**4,209**	5,575
Tax effect of unused tax losses not recognised	**599**	–
PRC dividend tax	**613**	–
Under-provision in the prior year	**–**	162
Income tax expense	**26,593**	17,463

9. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging the following:

	2019	2018
	HK$'000	*HK$'000*
Auditor's remuneration		
— audit services	**680**	650
— other services	**593**	578
	1,273	1,228
Amortisation of intangible assets — included in cost of service	**735**	309
Allowance on inventories — included in cost of service	**–**	56
Depreciation	**7,055**	4,840
Operating lease charges for land and buildings	**8,205**	7,960
Legal and professional fee (excluding auditor's remuneration)	**547**	1,522

10. DIVIDENDS

No dividends have been paid or proposed during the year, nor has any dividend been proposed since the end of reporting period (2018: Nil).

11. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following:

	2019	2018
	HK$'000	*HK$'000*
Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculation	**58,832**	27,602

(a) Basic earnings per share

	2019	2018
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,895,697,017**	1,833,888,798

(b) Diluted earnings per share

No diluted earnings per share was presented as the Company did not have any dilutive potential ordinary shares for the years ended 31 March 2019 and 2018.

12. INTANGIBLE ASSETS

	Distribution network *HK$'000*	Service contract *HK$'000*	Exclusive Rights *HK$'000* *(note (i))*	Mobile Application *HK$'000* *(note (ii))*	Total *HK$'000*
Cost					
At 1 April 2017	66,568	165,496	371,929	–	603,993
Additions	–	–	–	2,226	2,226
Exchange differences	7,129	17,724	39,833	132	64,818
At 31 March 2018 and 1 April 2018	73,697	183,220	411,762	2,358	671,037
Exchange differences	(4,864)	(12,094)	(27,179)	(156)	(44,293)
At 31 March 2019	68,833	171,126	384,583	2,202	626,744
Accumulated amortisation and impairment losses					
At 1 April 2017	66,568	165,496	–	–	232,064
Amortisation for the year	–	–	–	309	309
Exchange differences	7,129	17,724	–	19	24,872
At 31 March 2018 and 1 April 2018	73,697	183,220	–	328	257,245
Amortisation for the year	–	–	–	735	735
Exchange differences	(4,864)	(12,094)	–	(23)	(16,981)
At 31 March 2019	68,833	171,126	–	1,040	240,999
Carrying amount					
At 31 March 2019	–	–	384,583	1,162	385,745
At 31 March 2018	–	–	411,762	2,030	413,792

Notes:

(i) Exclusive Rights represent the rights to use the CRC Shengtong Card payment system, to organise and develop China Robot Competition (全國素質體育機器人運動會) ("CRC") competition events and to provide CRC education and training courses in Heilongjiang Province of the PRC.

Heilongjiang Shentong Cultural Club Company Limited ("Heilongjiang Shentong"), a subsidiary of the Company, was authorised by Beijing Shentong Culture Club Co., Ltd. ("Beijing Shentong"), and consented by the Social Sports Direction Centre of the General Administration of Sport (國家體育總局社會體育指導中心) and further confirmed by the Heilongjiang Province Sports Federation (黑龍江省體育總會) and the Harbin Municipal Sports Federation (哈爾濱市體育總會) to organise and develop CRC competition events and to provide CRC education and training courses in Heilongjiang Province of the PRC.

Pursuant to CRC Organisation Contract, Beijing Shentong obtained from the Social Sports Direction Centre of the General Administration of Sport, among other things, the rights to organise and develop CRC competition events and to provide CRC education and training courses at a national level for an initial period from 9 May 2011 to 31 December 2016, upon the expiry of which the CRC Organisation Contract would be automatically extended. Each extension shall be for a duration of five years if the parties have no objection. The parties intend to form a long-term cooperation relationship, and that the CRC Organisation Contract shall remain effective for a long-term.

Pursuant to the Heilongjiang CRC Authorisation Supplemental Agreement, so long as the co-operation period between the Social Sports Direction Centre of the General Administration of Sport and Beijing Shentong under the CRC Organisation Contract remains effective, the authorisation granted by Beijing Shentong to Heilongjiang Shentong would be automatically extended indefinitely unless terminated by Heilongjiang Shentong by written notice.

Pursuant to the CRC Shentong Card Payment System Heilongjiang Province Exclusive Right Authorisation Agreement, CCC granted to Heilongjiang Shentong the long-term and exclusive right to use the CRC Shentong Card payment system. The CRC Shentong Card Payment System Heilongjiang Province Exclusive Right Authorisation Agreement shall be effective and extended indefinitely unless terminated by Heilongjiang Shentong.

Exclusive Rights of the Group are regarded and assessed to have indefinite useful lives as there is no foreseeable limit to the period over which these assets are expected to generate cash flows for the Group.

As the economic benefits arising from these intangible assets are totally integrated with Robotics Education and Others CGU, these carrying amounts have been taken into consideration for the impairment assessment of goodwill allocated to this CGU.

(ii) Mobile Application represents the mobile phone software to facilitate training course, CRC competition enrollment and attendance management. The amortisation period is 3 years and the remaining life is 1.58 years. (2018: 2.58 years)

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Amount due from a substantial shareholder *(note a)*	**39,296**	43,956
Amount due from a related company *(note b)*	**–**	469
Other receivables	**1,018**	675
Prepayments and deposits	**3,716**	7,768
	44,030	52,868

Notes:

(a) The amount due from CCC, a substantial shareholder of the Company is denominated in RMB, unsecured, interest-free and repayable on demand.

(b) The amount due from a related company was denominated in RMB, unsecured, interest-free and repayable on demand.

14. PROMISSORY NOTE

As at 31 March 2019, the promissory note is held by CCI with principal amount of approximately HK$94,427,000 (2018: HK$94,427,000).

On 31 March 2018, the Group and CCI agreed to extend the maturity date from 30 June 2018 to 30 June 2019. On 31 March 2019, the Group and CCI agreed to extend the maturity date from 30 June 2019 to 30 June 2020.

The principal amount of the promissory note is denominated in HK$. The promissory note is unsecured. As at 31 March 2019, the coupon rate is 2% per annum (2018: 2% per annum) and the effective interest rate is 1.75% (2018: 1.79%).

15. ACCRUALS AND OTHER PAYABLES

	2019	2018
	HK$'000	*HK$'000*
Amount due to a substantial shareholder *(note a)*	**95,100**	95,100
Amounts due to related companies *(note b)*	**1,364**	564
Accrued salaries	**5,880**	3,809
Accrued expenses	**1,110**	2,670
Security deposits *(note c)*	**5,252**	5,624
Other payables	**1,941**	2,145
	110,647	109,912

Notes:

(a) The amount due to CCI, a substantial shareholder of the Company is denominated in HK$, unsecured, interest-free and repayable on 15 November 2019.

(b) The amounts due to related companies are denominated in HK$, unsecured, interest-free and repayable on demand.

(c) The amount represented the security deposits paid by CCC for the Heilongjiang Shentong CRC Shentong Card Payment system.

16. SHARE CAPITAL

	2019		2018	
	Number of shares	**Amount**	Number of shares	Amount
		HK$'000		*HK$'000*
Authorised:				
Ordinary shares of HK$0.01 each				
At the beginning and the end of the year	**10,000,000,000**	**100,000**	10,000,000,000	100,000
Issued and fully paid:				
Ordinary shares of HK$0.01 each				
At the beginning of the year	**1,895,697,017**	**18,957**	1,655,697,017	16,557
Shares issued upon subscription *(note)*	**–**	**–**	240,000,000	2,400
At the end of the year	**1,895,697,017**	**18,957**	1,895,697,017	18,957

Note: On 21 June 2017, the Company entered into Subscription Agreements (as defined in the announcement of the Company dated the same) with 2 independent investors in respect a total of 240,000,000 new shares of the Company to be allotted and issued to them at HK$0.45 per new share. The Subscription Agreements were completed on 4 July 2017.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amounts of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes judgements to the capital structure in light of changes in economic conditions. In order to adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Total debt is defined as promissory note and all amounts due to related companies. Adjusted capital comprises all components of equity except for non-controlling interests, if any.

During the current reporting period, the Group's strategy, which was unchanged from prior years, was to reduce the debt-to-adjusted capital ratio to reasonable level in order to secure access to finance at a reasonable cost. The debt-to-adjusted capital ratios at the end of reporting periods were follows:

	2019	2018
	HK$'000	*HK$'000*
Total debt	**204,085**	201,398
Less: cash and cash equivalents	**(221,422)**	(146,589)
Net debt	**N/A**	54,809
Total equity	**299,701**	274,177
Debt-to-adjusted capital ratio	**N/A**	20%

The externally imposed capital requirement is that for the Company to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of its issued shares throughout the year. The Company was not informed of any change in its shareholdings that would lead to its non-compliance with the 25% limit throughout the year.

17. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform to the current year's presentation. The new classification of the accounting items are considered to provide a more appropriate presentation of the state of affairs of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue and Profitability

The Group recorded a revenue of approximately HK$177,415,000 (2018: HK$141,482,000) for the year ended 31 March 2019, representing an increase of approximately 25.4% as compared with the year ended 31 March 2018 which was primarily due to the growth of the Robotics Education and Others.

The Group's gross profit for the year ended 31 March 2019 amounted to approximately HK$126,944,000 as compared to approximately HK$92,807,000 for the year ended 31 March 2018. The increase was mainly attributable to the growth of the Robotics Education and Others.

Selling and distribution and administrative expenses for the year ended 31 March 2019 was approximately HK$44,101,000 as compared to approximately HK$43,470,000 for the year ended 31 March 2018.

Profit Attributable to Owners of the Company

The Group made a profit attributable to owners of approximately HK$58,832,000 for the year ended 31 March 2019 as compared to approximately HK$27,602,000 for the year ended 31 March 2018. The improvement was mainly due to the improvement in revenue and gross profit.

Segment Information

An analysis of the performance of the Group by reportable segments is set out in note 6.

Liquidity and Financial Resources

As at 31 March 2019, the Group had outstanding promissory note at principal amount of approximately HK$94.4 million (as at 31 March 2018: approximately HK$94.4 million) with carrying value of approximately HK$107.6 million (as at 31 March 2018: approximately HK$105.7 million). The promissory note was unsecured and interest bearing at 2% per annum. On 31 March 2019, the Group and China Communication Investment Limited ("CCI"), being the noteholder, agreed to extend the maturity date to 30 June 2020. Other than the said promissory note, the Group did not have any other committed borrowing facilities as at 31 March 2019 (as at 31 March 2018: Nil).

As at 31 March 2019, the Group had net current assets of approximately HK$66.5 million (as at 31 March 2018: approximately HK$17.8 million). The Group's current assets mainly consisted of cash and cash equivalents of approximately HK$221.4 million (as at 31 March 2018: approximately HK$146.6 million) and prepayments, deposits and other receivables of approximately HK$44.0 million (as at 31 March 2018: approximately HK$52.9 million). The Group's current liabilities mainly include accruals and other payables of approximately HK$110.6 million (as at 31 March 2018: approximately HK$109.9 million), current tax liabilities of approximately HK$37.1 million (as at 31 March 2018: approximately HK$32.9 million) and contract liabilities of approximately HK$51.3 million (as at 31 March 2018: classified as education course obligation of approximately HK$38.8 million).

At present, the Group generally finances its operations and investment activities with internal resources.

Gearing Ratio

The gearing ratio is measured by total interest-bearing borrowings as a percentage of equity. As at 31 March 2019, the gearing ratio was 35.9% (as at 31 March 2018: 38.6%).

Capital Structure

There was no change in the capital structure during the year.

Charge on Assets

The Group did not have any charge on its assets as at 31 March 2019 and 31 March 2018.

Employees, Remuneration Policies and Staff Costs

As at 31 March 2019, the Group had 199 employees (2018: 96). The staff costs for the year ended 31 March 2019 was approximately HK$26.0 million (2018: HK$20.8 million). The Group's remuneration is determined with reference to the market conditions and the performance, qualifications and experience of individual employees while year-end bonus is based on the individual performance as recognition of and reward for their contributions. Other benefits accruing its employees include share option scheme, contributions made to statutory mandatory provident fund scheme and a group medical scheme to its employees.

Material Investment or Capital Assets

For the year ended 31 March 2019 and 31 March 2018, the Group had no significant investment. As at 31 March 2019, the Group has no plan for material investments or acquisition of capital assets. Nevertheless, the Group is constantly looking for such opportunities to enhance the shareholders' value.

Material Acquisitions or Disposals of Subsidiaries and Affiliated Companies

There were no material acquisitions or disposals of subsidiaries during the year.

Foreign Currency Risk

The income and expenditure of the Group are mainly carried in Hong Kong dollars and Renminbi ("RMB") and the assets and liabilities of the Group were mainly denominated in Hong Kong dollars and RMB. The Group does not expect significant exposure to foreign exchange fluctuations. The Group currently does not have a foreign currency hedging policy. However, the management of the Group will monitor foreign exchange exposure and will consider hedging significant currency exposure should the need arise.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 31 March 2019 and 31 March 2018.

CAPITAL COMMITMENTS

The non-cancellable capital commitment as at 31 March 2019 is approximately HK$639,000 (2018: HK$1,168,000).

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiary companies had purchased, sold or redeemed any of the Company's shares on the GEM during the year ended 31 March 2019.

DIRECTORS' SECURITIES TRANSACTIONS

The Board has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the year ended 31 March 2019. The Company also had made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE PRACTICES OF THE GEM LISTING RULES

The Company acknowledges that good and effective corporate governance could make an important contribution to corporate success and enhance values to the Group and our shareholders. Therefore, the Board is committed to maintaining and ensuring the standards of corporate governance within the Group and to ensure that the business activities and decision making processes are regulated in a proper and responsible manner. Save as disclosed below, the Group has adopted the practices and code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 15 of the GEM Listing Rules throughout the year ended 31 March 2019.

Under Code Provision A.6.7 of the CG Code, independent non-executive Directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of the shareholders. Ms. Han Liqun and Ms. Zhang Li, the independent non-executive Directors, were unable to attend the annual general meeting of the Company held on 3 August 2018 (the "2018 AGM") due to their other business activities and unexpected engagement.

In addition, under the Code Provision E.1.2 of the CG Code, the chairman of the Board should attend the annual general meeting of the Company and he should also invite the chairman of the audit committee, remuneration committee, nomination committee and any other committees (as appropriate) of the Company to attend. Mr. He Chenguang (chairman of the Board and chairman of the nomination committee of the Company) was unable to attend the 2018 AGM due to an unexpected engagement. Mr. Bao Yueqing (executive Director and Co-Chief Executive Officer of the Company) was appointed as the chairman of the 2018 AGM to answer and address questions raised by shareholders of the Company at the 2018 AGM.

Save as disclosed above, in the opinion of the Directors, the Company has complied with the code provisions set out in the CG Code. The key principles and practices of the Company are summarised below.

APPROPRIATIONS

The Directors do not recommend the payment of any dividends during the year.

AUDIT COMMITTEE

For the year ended 31 March 2019, the Audit Committee of the Company (the "Audit Committee") held five meetings in which the members of the Audit Committee reviewed and concluded with satisfaction in relation to the internal control system of the Group and the following reports:

— Annual report for the year ended 31 March 2018;

— Quarterly reports for the first quarter and third quarter of 2018/19;

— Interim report for the first six months of 2018/19; and

— Review of continuing connected transactions of the Group.

The financial statements of the Company and the Group for the year ended 31 March 2019 have been reviewed by the Audit Committee, who is of the opinion that such statements have complied with the applicable accounting standards and the requirements of the GEM Listing Rules, and that adequate disclosures have been made.

SCOPE OF WORK OF RSM HONG KONG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2019 as set out in the preliminary announcement have been agreed by the Group's auditors, RSM Hong Kong, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by RSM Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by RSM Hong Kong on the preliminary announcement.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company will be held at 11:00 a.m. on Friday, 2 August 2019 at Units 2115–2116, 21/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong. Notice of the annual general meeting of the Company will be sent to the shareholders of the Company.

By order of the Board
Shentong Robot Education Group Company Limited
He Chenguang
Chairman

Hong Kong, 14 June 2019

As at the date of this announcement, the executive Directors are Mr. He Chenguang and Mr. Bao Yueqing and the independent non-executive Directors are Mr. Yip Tai Him, Ms. Han Liqun and Ms. Zhang Li.

This announcement will remain at www.hkgem.com on the "Latest Company Announcements" page of the GEM website for at least 7 days from the date of its posting and on the website of the Group at www.srobotedu.com.