



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

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

**THIRD QUARTERLY RESULTS ANNOUNCEMENT
FOR THE NINE MONTHS ENDED 31 DECEMBER 2022**

**CHARACTERISTICS OF THE 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.

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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 the 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 or deceptive; and (2) there are no other matters the omission of which would make any statement herein or this announcement misleading.

HIGHLIGHTS

- Revenue of the Group for the nine months ended 31 December 2022 was approximately HK\$12,216,000.
- Profit attributable to owners of the Company was approximately HK\$231,000 for the nine months ended 31 December 2022.
- Earnings per share for the nine months ended 31 December 2022 was approximately HK0.01 cent.
- The board of the Directors (the “Board”) does not recommend the payment of a dividend for the nine months ended 31 December 2022.

The Directors hereby present the unaudited consolidated results of the Company together with its subsidiaries (collectively the “Group”) for the nine months ended 31 December 2022.

FINANCIAL PERFORMANCE

The Group recorded consolidated revenue of approximately HK\$12,216,000 for the nine months ended 31 December 2022, representing an increase of approximately 27.1% as compared to approximately HK\$9,613,000 for the nine months ended 31 December 2021.

The Group made a profit attributable to owners of the Company of approximately HK\$231,000 for the nine months ended 31 December 2022, as compared to loss of approximately HK\$78,698,000 for the nine months ended 31 December 2021. The improvement was mainly due to the increase in revenue and there was a derecognition of intangible assets of approximately HK\$89,501,000 (the “Derecognition”) for the nine months ended 31 December 2021. The Derecognition is non-cash and non-recurring in nature.

BUSINESS REVIEW AND PROSPECTS

The principal business activities of the Group are the provision of promotion and management services for an electronic smart card “Designated Shentong Card” in the PRC (the “Promotion and Management Business”) and the provision of robotics related education and training in the PRC (the “Robotics Business”). The Group recorded an increase of approximately 27.1% in revenue for the nine months ended 31 December 2022 as compared with that for the nine months ended 31 December 2021.

As the COVID-19 outbreak has widespread and negatively impacted all businesses in general, the businesses of the ultimate customers of CCC, being a company which wholly owns CCI which in turn is a substantial shareholder of the Company, have been adversely affected while some of which had even become insolvent, and the scale-down of CCC’s ultimate customers and its implementation of cost control measures, had led to a decrease in the revenue of CCC from hotline rental and server hosting and hence a decrease in promotion and after-sale services fees received by the Group. Further, the revenue generated from the Promotion and Management Business had decreased due to the reasons that marketing and promotion activities, such as client pitching are seriously interrupted due to the outbreak of COVID-19 in the PRC. As there were less active players for CCC’s card game mobile application which uses the Designated Shentong Card system, the Group had been putting more resources into the Robotics Business as the growth of the Promotion and Management Business was low or even negative before the COVID-19 outbreak. In relation to the Robotics Business, physical robotics classes of our Group which are normally conducted at schools and training centres of the Group have been suspended for the period from August 2021 to December 2021, from March 2022 to early June 2022 and from late September 2022 to January 2023 due to the precautionary measures imposed by the local government in the PRC.

It is expected by the Group, based on its assessment of the current circumstances, that the increasing vaccinated population and effective containing measures imposed should have a positive influence on the COVID-19 outbreak. The restriction measures should be gradually eased and the revenue will gradually recover. However, the revenue level as recorded by the Group before the COVID-19 outbreak may not be attained in the short future.

The Company expects that, after the release of the current restriction measures imposed by the government authority, more training classes will gradually resume operation depending on the recovery of demand for students to attend the classes, and it is expected that the results will have a steady growth.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTHS ENDED 31 DECEMBER 2022

	<i>Note</i>	Unaudited		Unaudited	
		For the three months ended		For the nine months ended	
		31 December		31 December	
		2022	2021	2022	2021
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	4	4,259	435	12,216	9,613
Cost of service		<u>(1,872)</u>	<u>(1,398)</u>	<u>(4,964)</u>	<u>(6,008)</u>
Gross profit/(loss)		2,387	(963)	7,252	3,605
Investment and other income	5	15	336	375	1,456
Other gains and losses, net	6	(792)	(90,107)	3,155	(90,686)
Reversal/(allowance) for expected credit losses		8	8	612	(475)
Selling and distribution expenses		(337)	(401)	(1,078)	(1,863)
Administrative expenses		<u>(2,973)</u>	<u>(3,915)</u>	<u>(9,306)</u>	<u>(11,566)</u>
(Loss)/profit from operations		(1,692)	(95,042)	1,010	(99,529)
Finance costs	7	<u>(9)</u>	<u>(518)</u>	<u>(779)</u>	<u>(1,544)</u>
(Loss)/profit before tax		(1,701)	(95,560)	231	(101,073)
Income tax credit	8	<u>210</u>	<u>22,750</u>	<u>–</u>	<u>22,375</u>
(Loss)/profit for the period attributable to owners of the Company	9	<u>(1,491)</u>	<u>(72,810)</u>	<u>231</u>	<u>(78,698)</u>
		<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
(Loss)/earnings per share	11				
Basic (HK cents per share)		<u>(0.08)</u>	<u>(3.84)</u>	<u>0.01</u>	<u>(4.15)</u>
Diluted (HK cents per share)		<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

FOR THE NINE MONTHS ENDED 31 DECEMBER 2022

	Unaudited		Unaudited	
	For the three months ended		For the nine months ended	
	31 December		31 December	
	2022	2021	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/profit for the period	(1,491)	(72,810)	231	(78,698)
Other comprehensive income, net of tax:				
<i>Item that may be reclassified to profit or loss:</i>				
Exchange differences on translating foreign operations	<u>2,196</u>	<u>4,125</u>	<u>(15,848)</u>	<u>9,045</u>
Total comprehensive income for the period attributable to owners of the Company	<u>705</u>	<u>(68,685)</u>	<u>(15,617)</u>	<u>(69,653)</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 DECEMBER 2022

	Unaudited						
	Share capital	Share premium	Merger reserve	Foreign currency translation reserve	Statutory reserve	Accumulated losses	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 April 2021	18,957	1,354,838	8,320	(11,022)	625	(1,333,678)	38,040
Total comprehensive income for the period	—	—	—	9,045	—	(78,698)	(69,653)
Changes in equity for the period	—	—	—	9,045	—	(78,698)	(69,653)
At 31 December 2021	<u>18,957</u>	<u>1,354,838</u>	<u>8,320</u>	<u>(1,977)</u>	<u>625</u>	<u>(1,412,376)</u>	<u>(31,613)</u>
At 1 April 2022	18,957	1,354,838	8,320	(266)	625	(1,416,526)	(34,052)
Total comprehensive income for the period	—	—	—	(15,848)	—	231	(15,617)
Changes in equity for the period	—	—	—	(15,848)	—	231	(15,617)
At 31 December 2022	<u>18,957</u>	<u>1,354,838</u>	<u>8,320</u>	<u>(16,114)</u>	<u>625</u>	<u>(1,416,295)</u>	<u>(49,669)</u>

NOTES TO THE QUARTERLY FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 31 DECEMBER 2022

1. GENERAL

The Company was incorporated as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The address of its principal place of business in Hong Kong is Unit 3006, 30/F, West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong. The Company's shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2. BASIS OF PREPARATION

The unaudited quarterly financial information ("Financial Information") has been prepared by the directors of the Company (the "Directors") in accordance with the applicable disclosure requirements of Chapter 18 of the GEM listing Rules of the Stock Exchange.

The amounts included in the Financial Information have been computed in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") applicable to the interim periods. However, it does not contain sufficient information to constitute an interim financial report as defined in HKFRSs.

The Financial Information should be read in conjunction with the 2022 annual financial statements. The accounting policies (including the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of the Financial Information are consistent with those used in the annual financial statements for the year ended 31 March 2022.

The Group had net current liabilities and net liabilities of approximately HK\$49,504,000 and HK\$49,669,000 respectively as at 31 December 2022. This condition indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, the Directors had adopted the going concern basis in the preparation of this Financial Information of the Group based on the following:

- (a) On 1 November 2022, the Group agreed with China Communication Investment Limited ("CCI"), a substantial shareholder of the Company, to postpone the repayment date to 15 November 2023 for an amount of HK\$95,100,000 due to CCI. The Directors expect that the repayment date can be further postponed if required.
- (b) CCI agreed not to demand repayment of loans amounted HK\$19,850,000 until the Group have the ability to do so.

- (c) The Directors have obtained the confirmation from 神州通信集團有限公司 (China Communication Group Co., Ltd.*) (“CCC”), the holding company of CCI and a substantial shareholder of the Company, that CCC will continue to provide adequate funds for the Group to meet its present and future financial obligations as they fall due, and to cause CCI to postpone the repayment dates of any present and future liabilities due to CCI by the Group when necessary.
- (d) Notwithstanding the derecognition of intangible assets of Exclusive Rights on December 2021, the Group has been continuing to provide robotic education and training courses under the Group’s own brand.

Having regard to the financial support of CCC and CCI, at a level sufficient to finance the working capital requirements of the Group, the Directors are therefore of the opinion that it is appropriate to prepare this Financial Information on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the Financial Information to adjust the value of the Group’s assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

** English name is for identification purpose only*

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

The accounting policies applied for this Financial Information are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 March 2022. In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2022 but they do not have a material effect on the Group’s financial statements.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2022 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing this Financial Information.

4. REVENUE

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived from contracts with customers.

In the following table, revenue is disaggregated by primary geographical market and timing of revenue recognition.

For the nine months ended
31 December (Unaudited)

Reportable Segments	2022			2021		
	Promotion and Management Services <i>HK\$'000</i>	Robotics Education and Others <i>HK\$'000</i>	Total <i>HK\$'000</i>	Promotion and Management Services <i>HK\$'000</i>	Robotics Education and Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Types of service						
Promotion and Management Services						
— Designated Shentong Cards	53	–	53	152	–	152
Robotics Education and Others						
— Robotics course	–	12,163	12,163	–	9,461	9,461
Total	<u>53</u>	<u>12,163</u>	<u>12,216</u>	<u>152</u>	<u>9,461</u>	<u>9,613</u>
Geographical market						
Mainland China	<u>53</u>	<u>12,163</u>	<u>12,216</u>	<u>152</u>	<u>9,461</u>	<u>9,613</u>
Time of revenue recognition						
Over time	<u>53</u>	<u>12,163</u>	<u>12,216</u>	<u>152</u>	<u>9,461</u>	<u>9,613</u>

**For the three months ended
31 December (Unaudited)**

Reportable Segments	2022			2021		
	Promotion and Management Services <i>HK\$'000</i>	Robotics Education and Others <i>HK\$'000</i>	Total <i>HK\$'000</i>	Promotion and Management Services <i>HK\$'000</i>	Robotics Education and Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Types of service						
Promotion and Management Services						
— Designated Shentong Cards	16	–	16	39	–	39
Robotics Education and Others						
— Robotics course	–	4,243	4,243	–	396	396
Total	16	4,243	4,259	39	396	435
Geographical market						
Mainland China	16	4,243	4,259	39	396	435
Time of revenue recognition						
Over time	16	4,243	4,259	39	396	435

5. INVESTMENT AND OTHER INCOME

	Unaudited For the three months ended 31 December		Unaudited For the nine months ended 31 December	
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Government grants	10	–	104	–
Interest income	5	194	263	485
Other income	–	142	8	971
	15	336	375	1,456

6. OTHER GAINS AND LOSSES, NET

	Unaudited		Unaudited	
	For the three months ended		For the nine months ended	
	31 December		31 December	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Exchange (loss)/gain	(792)	(606)	3,155	(1,204)
Loss on derecognition of intangible assets	–	(89,501)	–	(89,501)
Others	–	–	–	19
	<u>(792)</u>	<u>(90,107)</u>	<u>3,155</u>	<u>(90,686)</u>

7. FINANCE COSTS

	Unaudited		Unaudited	
	For the three months ended		For the nine months ended	
	31 December		31 December	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest on promissory note payable to CCI	–	477	741	1,420
Interest on lease liabilities	9	41	38	124
	<u>9</u>	<u>518</u>	<u>779</u>	<u>1,544</u>

8. INCOME TAX CREDIT

	Unaudited		Unaudited	
	For the three months ended		For the nine months ended	
	31 December		31 December	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax				
— Provision for the period	(210)	(375)	–	–
Deferred tax	–	(22,375)	–	(22,375)
	<u>(210)</u>	<u>(22,750)</u>	<u>–</u>	<u>(22,375)</u>

For the three months ended and nine months ended 31 December 2022 and for the three months ended and nine months ended 31 December 2021, no provision for taxation of Hong Kong Profits Tax and PRC Enterprise Income Tax is required since the Group has no assessable profit in Hong Kong and PRC.

9. (LOSS)/PROFIT FOR THE PERIOD

The Group's (loss)/profit for the period is stated after charging the following:

	Unaudited		Unaudited	
	For the three months ended		For the nine months ended	
	31 December		31 December	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	4	144	20	568
Depreciation of right-of-use assets	566	360	1,527	1,692
Directors' emoluments	639	846	1,917	2,550
Legal and professional fee	93	196	626	561
Loss on derecognition of intangible assets	–	89,501	–	89,501
Employee benefits expense including Directors' emoluments				
— Salaries, bonus and allowances	2,837	2,560	8,181	7,700
— Retirement benefits scheme contributions	185	178	587	549
	<u>3,022</u>	<u>2,738</u>	<u>8,768</u>	<u>8,249</u>

10. DIVIDENDS

No dividends have been paid or proposed during the three months and nine months ended 31 December 2022, nor has any dividend been proposed since the end of reporting period (three months and nine months ended 31 December 2021: Nil).

11. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic loss per share of the Company for the three months ended 31 December 2022 is based on the loss for the period attributable to owners of the Company of approximately HK\$1,491,000 (three months ended 31 December 2021: HK\$72,810,000) and nine months ended 31 December 2022 is based on the profit for the period attributable to owners of the Company of approximately HK\$231,000 (nine months ended 31 December 2021: based on the loss HK\$78,698,000) respectively and the weighted average number of ordinary shares of 1,895,697,017 in issue during all periods.

(b) Diluted loss per share

No diluted loss per share was presented as the Company did not have any dilutive potential ordinary shares for the three months and nine months ended 31 December 2022 and 31 December 2021.

12. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in the condensed financial statements, the Group had the following material transactions with related parties during the period:

(a) Transactions with related parties

	Unaudited			
	For the three months ended 31 December		For the nine months ended 31 December	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Loans advanced from CCI	1,500	1,250	4,100	4,750
Promotion and management service income from CCC	16	39	53	152
Interest on promissory note payable to CCI	–	(477)	(741)	(1,420)
Salaries and allowance paid to a close family member of an executive director	(155)	(155)	(464)	(464)
Service fee to CCC				
— Customer service hotline rental	(200)	(116)	(630)	(532)
— Shentong Card payment system management	(265)	(26)	(755)	(589)
— Server hosting service	(792)	(878)	(2,469)	(2,610)
— Discount of server hosting service (<i>note</i>)	264	290	823	290
Service fee to related companies				
— Web advertising expenses	(548)	(874)	(2,211)	(2,591)
— Discount of web advertising expenses (<i>note</i>)	548	874	2,211	2,591
— Heilongjiang Operation and Management Contract	–	(1)	–	(136)
— Office rental	(341)	(345)	(1,066)	(1,025)

Note: Due to the outbreak of COVID-19, total discounts on service fees of HK\$812,000 and HK\$3,034,000 were granted by CCC and a related company during the three months ended and nine months ended 31 December 2022 (three months ended and nine months ended 31 December 2021: total discounts on service fees of HK\$1,164,000 and HK\$2,881,000 were granted by CCC and a related company).

- (b) CCC provides office space to the Group with nil consideration for the three months and nine months ended 31 December 2021.
- (c) The remuneration of Directors and other members of key management during the period was as follows:

	Unaudited			
	For the three months ended 31 December		For the nine months ended 31 December	
	2022	2021	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Short-term benefits	810	1,008	2,405	3,036
Post-employment benefits	22	14	40	41
Termination benefits	–	79	–	79
	832	1,101	2,445	3,156

OTHER INFORMATION

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN SHARES AND UNDERLYING SHARES AND DEBENTURES

As at 31 December 2022, the interests and short positions of the Directors and the chief executives of the Company in the shares and underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”) (Chapter 571 of the Laws of Hong Kong)) which (a) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required pursuant to Section 352 of the SFO to be entered in the register referred therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Name of Director	Number of shares held			Approximate percentage of issued share capital
	Personal interests	Corporate interests	Total	
Bao Yueqing	2,844,000	–	2,844,000	0.15%

Save as disclosed above, none of the Directors or the chief executives has any interests or short positions in the shares and underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required pursuant to Section 352 of the SFO to be entered in the register referred therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the rules 5.46 to 5.67 of the GEM Listing Rules as at 31 December 2022.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at 31 December 2022, so far as is known to, or can be ascertained after reasonable enquiry by, the Directors, the following persons (other than the Directors or chief executives of the Company) had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO and Section 336 of the SFO or, who were or were expected, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name of shareholder	Number of shares held			Total	Approximate percentage of issued share capital
	Personal interests	Corporate interests	Other interests		
CCC (<i>Note 1</i>)	–	542,042,000	–	542,042,000	28.59%
CCI	542,042,000	–	–	542,042,000	28.59%
Yang Shao Hui	191,041,256	–	–	191,041,256	10.08%
Cao Bingsheng	120,000,000	–	–	120,000,000	6.33%
Liang Haiqi	120,000,000	–	–	120,000,000	6.33%
Li Chungang (<i>Note 2</i>)	–	109,900,000	–	109,900,000	5.80%
Friendly Capital Limited	109,900,000	–	–	109,900,000	5.80%

Notes:

- (1) CCC is deemed to be a substantial shareholder as defined in the GEM Listing Rules. CCI is a wholly-owned subsidiary of CCC.
- (2) Friendly Capital Limited is wholly-owned by Li Chungang and he is therefore deemed to be interested in 109,900,000 shares held by Friendly Capital Limited by virtue of the SFO.

Save as disclosed above, as at 31 December 2022, so far as is known to, or can be ascertained after reasonable enquiry by the Directors, no other person (other than the Directors or chief executives of the Company) had an interest or short position in the shares or underlying shares of the Company which requires to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and Section 336 of the SFO or, who were or were expected, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

CHANGES IN INFORMATION OF DIRECTORS

There are no matter that need to be disclosed pursuant to Rule 17.50A (1) of the GEM Listing Rules.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “2013 Share Option Scheme”) pursuant to an ordinary resolution passed on 7 August 2013. Details of the 2013 Share Option Scheme have been set out in the Company’s annual report of year 2021/22.

There is no outstanding options which have been granted under 2013 Share Option Scheme as at 31 December 2022.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company’s Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s shares on the GEM during the nine months ended 31 December 2022.

COMPETING INTERESTS

None of the Directors nor their respective associates (as defined in the GEM Listing Rules) had any business or interest in a business which competes or may compete with the businesses of the Group.

AUDIT COMMITTEE

The Company has established an audit committee on 28 October 2002 with written terms of reference based on the guidelines set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 15 to the GEM Listing Rules. During the nine months ended 31 December 2022, it comprises three independent non-executive Directors, namely Mr. Yip Tai Him, Ms. Han Liqun and Ms. Zhang Li. The primary duties of the audit committee are to review the Company’s annual report and accounts, half-yearly reports and quarterly reports and to provide advice and comments thereon to the Board. In addition, the audit committee considers any significant and unusual items that are, or may need to be, reflected in such reports and accounts and gives due consideration to any matters that have been raised by the Company’s qualified accountant, compliance officer and auditors. The audit committee is also responsible for reviewing and supervising the financial reporting process and the Group’s internal control system.

REVIEW OF ACCOUNTS

The audit committee has reviewed the unaudited third quarterly results of the Group for the nine months ended 31 December 2022. The audit committee is of the opinion that the preparation of such financial information complied with the applicable accounting standards, the requirements under the GEM Listing Rules and any other applicable legal requirements and that adequate disclosures have been made.

CODE ON CORPORATE GOVERNANCE PRACTICES

Having made specific enquiry of all Directors, the Board has confirmed that all Directors have complied with the principles and code provisions (the “Code Provisions”) set out in the CG Code during the nine months ended 31 December 2022.

The Group will keep on reviewing its corporate governance standards on a timely basis and the Board endeavours to take all necessary actions to ensure the compliance with the Code Provisions set out in the CG Code.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a Code of Conduct regarding Securities Transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “Code of Conduct”). Having made specific enquiry of the Directors, all the Directors confirmed that they have complied with the required standard of dealings as set out in the Code of Conduct during the nine months ended 31 December 2022.

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

As at the date of this announcement, the Board comprises:

Mr. He Chenguang (*Executive Director and Chairman*)
Mr. Bao Yueqing (*Executive Director and Chief Executive Officer*)
Mr. Yip Tai Him (*Independent Non-Executive Director*)
Ms. Han Liqun (*Independent Non-Executive Director*)
Ms. Zhang Li (*Independent Non-Executive Director*)

Hong Kong, 9 February 2023

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.