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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)

MEMORANDUM OF UNDERSTANDING IN RELATION TO THE POTENTIAL ACQUISITION

References are made to the Announcement. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

The Board is pleased to announce that on 15 June 2023 (after trading hours of the Stock Exchange), the Parties entered into the non-legally binding MOU, pursuant to which the Company intends to carry out the Potential Acquisition.

The Potential Acquisition may or may not proceed. Shareholders and investors of the Company are urged to exercise caution when dealing in the Shares. If the Potential Acquisition materializes, it may constitute a notifiable transaction on the part of the Company pursuant to the GEM Listing Rules. Should the Company enter into the Formal Agreement or decide to terminate the MOU or there be any material development on the Potential Acquisition, the Company will inform the Shareholders and investors by way of announcement(s) in accordance with the GEM Listing Rules as and when appropriate.

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

THE MOU

The Board is pleased to announce that on 15 June 2023 (after trading hours of the Stock Exchange), the Parties entered into the non-legally binding MOU, pursuant to which the Company intends to carry out the Potential Acquisition.

Principal terms of the MOU are set out below.

Date: 15 June 2023
Parties: (i) the Company; and
(ii) the Potential Vendors

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, both the Potential Investee Company and Potential Vendors are Independent Third Parties.

Potential Acquisition

Pursuant to the MOU, it is proposed that the Company will acquire and the Potential Vendors will sell certain equity interests of the Potential Investee Company, subject to the terms and conditions of the Formal Agreement.

Consideration

The consideration for the Potential Acquisition will be subject to further negotiation between the Parties.

Exclusivity Period

The Company will be offered an exclusivity period for a term of 12 months from the date of the MOU (or such later date to be agreed by the Parties). Within the Exclusivity Period, (i) the Potential Vendors shall not enter into any discussions with any entity or person in respect of the sale of shares of the Potential Investee Company (ii) the Company shall conduct a due diligence review on the Potential Investee Company; and (iii) the Parties shall use their best endeavours to agree the terms and conditions of and enter into the Formal Agreement in connection with the Potential Acquisition.

Non-legally Binding Effect

Save for the provisions relating to exclusivity, binding provision and governing law contained in the MOU, which are legally binding, the MOU shall not have any legally binding effect. The Potential Acquisition are subject to further negotiations between the Parties and the execution of Formal Agreement.

Termination of the MOU

The MOU shall expire on: (i) the expiry of the Exclusivity Period, (ii) the date on which the Formal Agreement are executed, or (iii) the Company gives written notice to the Potential Vendors of its intention to abandon further negotiations, whichever date is earlier, or such other later date as the Parties may agree in writing. The MOU shall be of no force and effect after its expiration. Upon expiry of the MOU, the Parties shall have no further rights and/or obligations hereunder, except with respect to any antecedent breaches of the binding provisions.

Information of the Potential Investee Company

The Potential Investee Company is a company incorporated in PRC with limited liability and is principally engaging in the development and operation of education platforms and related technologies and software.

REASONS FOR AND BENEFITS OF THE POTENTIAL ACQUISITION

The Company is an investment holding company and the Group is principally engaged in the provision of promotion and management services for an electronic smart card in the PRC and the provision of robotics related education and training in the PRC.

The Potential Investee Company is principally engaging in the development and operation of education platforms and related technologies and software.

The Directors consider that the Potential Acquisition, if materializes, represents a good opportunity for the Group to further develop in the area of education services by the potential expansion of types and means of provision of education services and geographical expansion. As such, the Directors are of the view that the terms of the MOU are fair and reasonable and the Potential Acquisition is in the interests of the Company and the Shareholders as a whole.

The Potential Acquisition may or may not proceed. Shareholders and investors of the Company are urged to exercise caution when dealing in the Shares. If the Potential Acquisition materializes, it may constitute a notifiable transaction on the part of the Company pursuant to the GEM Listing Rules. Should the Company enter into the Formal Agreement or decide to terminate the MOU or there be any material development on the Potential Acquisition, the Company will inform the Shareholders and investors by way of announcement(s) in accordance with the GEM Listing Rules as and when appropriate.

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 1 November 2022 in relation to the Possible Acquisition
“Board”	The board of Directors
“Company”	Shentong Robot Education Group Company Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM of the Stock Exchange (stock code: 8206)
“Director(s)”	the director(s) of the Company
“Exclusivity Period”	a period of 12 month from the date of the MOU (or such later date as the Parties may agree in writing)
“GEM”	the GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected person (as defined in the GEM Listing Rules)
“MOU”	the non-legally binding memorandum of understanding dated 15 June 2023 entered into between the Parties
“Parties”	the Company and the Potential Vendors
“Potential Investee Company”	河北新創恒網路工程技術有限公司, a company incorporated in PRC with limited liability
“Potential Acquisition”	the possible acquisition of certain equity interest in the Potential Investee Company as contemplated under the MOU
“Potential Vendors”	Potential Vendor A and Potential Vendor B
“Potential Vendor A”	Mr. Chen Qiang (陳強), shareholder and director of the Potential Investee Company, holding 67% of the issued share capital of the Potential Investee Company
“Potential Vendor B”	Mr. Wang Zhaoliang (王兆良), shareholder and director of the Potential Investee Company, holding 33% of the issued share capital of the Potential Investee Company
“PRC”	People’s Republic of China
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the capital of the Company
“Shareholders”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Formal Agreement”	the formal binding agreement for the Potential Acquisition
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 15 June 2023

As at the date of this announcement, the executive directors of the Company 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, for which the Directors 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 of Hong Kong Limited 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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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.