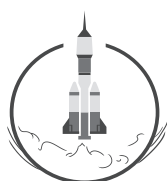


THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shentong Robot Education Group Company Limited (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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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 the Cayman Islands with limited liability)

(Stock code: 8206)

CONTINUING CONNECTED TRANSACTIONS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders

Nuada Limited

A notice convening the extraordinary general meeting (the “**EGM**”) of the Company to be held at the Meeting Room, Unit 3006, 30th Floor, West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong on 28 March 2024 at 11 a.m. is set out on pages EGM-1 to EGM-4 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the office of the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. no later than 26 March 2024 at 11 a.m. (Hong Kong Time)) or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting if you so wish and in such event, the form of proxy shall be deemed to be revoked.

This circular will remain on the “Latest Listed Company Information” page of the website of The Stock Exchange of Hong Kong Limited at <https://www.hkexnews.hk> for at least 7 days from the date of its posting and on the website of the Group at www.SRobotEdu.com.

11 March 2024

CHARACTERISTICS OF GEM

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.

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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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Board”	the board of Directors
“CCC”	神州通信集團有限公司 (China Communication Group Co., Ltd. [#]), a company established under the laws of the PRC, a substantial Shareholder by virtue of its interest in approximately 28.59% of the issued share capital of the Company through CCI, its wholly-owned subsidiary
“CCC Group”	CCC and its associates
“CCI”	神州通信投資有限公司 (China Communication Investment Limited [#]), a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of CCC
“CCT Agreements”	collectively, (i) the Heilongjiang Shentong Shentong Card Payment System Contract; (ii) the Heilongjiang Shentong Customer Service Hotline Rental Contract; (iii) the Heilongjiang Shentong Server Hosting Agreement; and (iv) the Heilongjiang Shentong Web Advertising Contract
“China Communication Heilongjiang”	神州通信黑龍江有限公司 (China Communication Heilongjiang Co., Ltd. [#]), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of CCC
“Company”	Shentong Robot Education Group Company Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on GEM
“connected persons”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company, from time to time
“EGM”	the extraordinary general meeting of the Company to be convened and held at the Meeting Room, Unit 3006, 30th Floor, West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong on 28 March 2024 at 11 a.m. for the purpose of considering and, if thought fit, approving, among other things, the CCT Agreements and the transactions contemplated thereunder

DEFINITIONS

“Existing CCT Agreements”	collectively, (i) the Existing Heilongjiang Shentong Shentong Card Payment System Contract; (ii) the Existing Heilongjiang Shentong Customer Service Hotline Rental Contract; (iii) the Existing Heilongjiang Shentong Server Hosting Agreement; and (iv) the Existing Heilongjiang Shentong Web Advertising Contract
“Existing Heilongjiang Shentong Customer Service Hotline Rental Contract”	the 95130*** nationwide number rental contract [#] (95130***全國號碼租用合同) dated 4 February 2021 entered into between CCC and Heilongjiang Shentong (as amended and supplemented)
“Existing Heilongjiang Shentong Server Hosting Agreement”	the data centre server hosting service agreement [#] (數據中心主機托管服務協議) dated 4 February 2021 entered into between CCC and Heilongjiang Shentong (as amended and supplemented)
“Existing Heilongjiang Shentong Shentong Card Payment System Contract”	the user management contract [#] (用戶管理合同) entered into on 4 February 2021 between CCC and Heilongjiang Shentong (as amended and supplemented)
“Existing Heilongjiang Shentong Web Advertising Contract”	the network advertising cooperation contract [#] (網絡廣告合作合同) dated 4 February 2021 entered into between China Communication Heilongjiang and Heilongjiang Shentong (as amended and supplemented)
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Heilongjiang Shentong”	黑龍江神通文化俱樂部有限公司 (Heilongjiang Shentong Cultural Club Co., Ltd. [#]), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Heilongjiang Shentong Customer Service Hotline Rental Contract”	the 95130*** nationwide number rental contract [#] (95130***全國號碼租用合同) dated 24 January 2024 entered into between CCC and Heilongjiang Shentong
“Heilongjiang Shentong Server Hosting Agreement”	the data centre server hosting service agreement [#] (數據中心主機托管服務協議) dated 24 January 2024 entered into between CCC and Heilongjiang Shentong
“Heilongjiang Shentong Shentong Card Payment System Contract”	the user management contract [#] (用戶管理合同) in relation to the Shentong Card payment system dated 24 January 2024 entered into between CCC and Heilongjiang Shentong

DEFINITIONS

“Heilongjiang Shentong Web Advertising Contract”	the network advertising cooperation contract [#] (網絡廣告合作合同) dated 24 January 2024 entered into between China Communication Heilongjiang and Heilongjiang Shentong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee comprising all the independent non-executive Directors, established to advise the Independent Shareholders as to the CCT Agreements
“Independent Financial Adviser”	Nuada Limited, a licensed corporation under the SFO licensed to conduct type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders as to the CCT Agreements and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders who are not interested in and are entitled to vote in the resolution in relation to the CCT Agreements and the transactions contemplated thereunder at the EGM
“Independent Third Party(ies)”	any person(s) or company(s) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, are third party(ies) independent of and not connected with any director, chief executive or substantial shareholders or management shareholders of the Company or its subsidiaries or any of their respective associates
“Latest Practicable Date”	5 March 2024, being the latest practicable date prior to the bulk print of this circular for ascertaining certain information contained herein
“PRC”	the People’s Republic of China, which for the purpose of this circular, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued and unissued share capital of the Company

DEFINITIONS

“Shentong Card”	an electronic smart card “Shentong Card” (神通卡) for use in payment of insurances, mobile and fixed line phone recharge fees, online trading fees, or education and training courses
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

English translation of the name for identification purpose only

For the purpose of this circular, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the approximate exchange rate of RMB1.00 to HK\$1.11. This exchange rate is adopted for the purpose of illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rate at all.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. He Chenguang (*Chairman*)

Mr. Bao Yueqing (*Chief Executive Officer*)

Independent non-executive Directors:

Mr. Yip Tai Him

Ms. Han Liqun

Ms. Chen Lei

Registered Office:

PO Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

*Head office and principal place
of business in Hong Kong:*

Unit 3006, 30th Floor

West Tower

Shun Tak Centre

168–200 Connaught Road Central

Hong Kong

11 March 2024

To the Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 24 January 2024 in relation to, among other things, the CCT Agreements and the transactions contemplated thereunder.

The purpose of this circular is to provide you with (i) further details of the CCT Agreements and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the notice convening the EGM.

LETTER FROM THE BOARD

On 24 January 2024, the Group entered into the CCT Agreements. The CCT Agreements are renewal of certain of the Existing CCT Agreements. Save for the adjustment to the proposed annual caps as compared to the historical annual caps, the key terms of the CCT Agreements, including the pricing policies and the scope of services, are substantially the same as the relevant Existing CCT Agreements.

Details of the CCT Agreements are set out below:

(i) Heilongjiang Shentong Shentong Card Payment System Contract

- Date:** 24 January 2024
- Parties:** (i) CCC as supplier; and
(ii) Heilongjiang Shentong as purchaser
- Services:** CCC shall provide Heilongjiang Shentong with the right to use the Shentong Card integrated payment management system to facilitate customer's information maintenance, customer enquiry services and payment processing services.
- Term:** The term shall be effective for the period commencing after obtaining the approval by the Independent Shareholders or on 1 April 2024 (whichever is later) and ending on 31 March 2027 (both days inclusive).
- Pricing basis:** Heilongjiang Shentong shall pay a fee to CCC which is calculated as 6% of the overall income of Heilongjiang Shentong (including income from training and competitions) which payment is made through and processed by the Shentong Card integrated payment management system.

CCC had previously paid RMB4.5 million (equivalent to approximately HK\$5.0 million) of clearing security deposit (結算保證金) to Heilongjiang Shentong pursuant to the Existing Heilongjiang Shentong Shentong Card Payment System Contract and the parties agreed that CCC shall keep the said clearing security deposit as clearing security deposit under the Heilongjiang Shentong Shentong Card Payment System Contract.

CCC and Heilongjiang Shentong shall undergo settlement reconciliation within seven calendar days after the end of each month and CCC shall pay to accounts designated by Heilongjiang Shentong within 30 calendar days after the end of the relevant month for settlement of the funds.

LETTER FROM THE BOARD

The above pricing basis was determined after negotiations on an arm's length basis in the ordinary course of business and on normal commercial terms with reference to similar transactions carried out in the market regarding electronic payment service charge of payment service companies, and are no less favourable than terms between the supplier and its independent third parties.

Historical transaction amounts and annual caps

The actual transaction amounts under the Existing Heilongjiang Shentong Shentong Card Payment System Contract for the relevant periods are set out below:

	For the year ended 31 March 2022 (RMB'000) (Audited)	For the year ended 31 March 2023 (RMB'000) (Audited)	For the nine months ended 31 December 2023 (RMB'000) (Unaudited)
Actual transaction amounts	613	847	787

The historical annual caps for the transactions under the Existing Heilongjiang Shentong Shentong Card Payment System Contract for the three years ending 31 March 2024 are set out below:

	For the year ended 31 March 2022 (RMB million)	For the year ended 31 March 2023 (RMB million)	For the year ending 31 March 2024 (RMB million)
Historical annual caps	4.45	5.10	5.70

The annual caps for the transaction amount under the Existing Heilongjiang Shentong Shentong Card Payment System Contract for the two years ended 31 March 2023 have not been exceeded. The Directors have been monitoring the transaction amount under the Existing Heilongjiang Shentong Shentong Card Payment System Contract for the year ending 31 March 2024 to ensure the annual cap for the year ending 31 March 2024 has not been exceeded. As at the Latest Practicable Date, the annual cap for the year ending 31 March 2024 has not been exceeded and was not expected to be exceeded before 31 March 2024.

LETTER FROM THE BOARD

Proposed annual caps

For each of the three years ending 31 March 2027, the proposed maximum annual aggregate transaction amounts under the Heilongjiang Shentong Shentong Card Payment System Contract are set out below:

	For the year ending 31 March 2025 (RMB million)	For the year ending 31 March 2026 (RMB million)	For the year ending 31 March 2027 (RMB million)
Proposed annual caps	1.5	1.6	1.7

In arriving at the proposed annual caps under the Heilongjiang Shentong Shentong Card Payment System Contract, the Directors have taken into account the following factors:

- (a) 6% of the historical revenues generated by the Shentong Card; and
- (b) an expected reduction to the transaction amounts for the years ending 31 March 2025, 2026 and 2027 due to relatively low historical utilization rates (based on the actual transaction amounts and the historical annual caps) as a result of slower than expected recovery in the market.

The Directors (including the independent non-executive Directors whose view are expressed in the letter from the Independent Board Committee after taking into account the advice from the Independent Financial Adviser) are of the view that the basis of determining the proposed annual caps is fair and reasonable.

(ii) Heilongjiang Shentong Customer Service Hotline Rental Contract

Date:	24 January 2024
Parties:	(i) CCC as supplier; and (ii) Heilongjiang Shentong as purchaser
Services:	CCC shall provide a designated national customer service hotline number 95130*** to Heilongjiang Shentong.
Term:	The term shall be effective for the period commencing after obtaining the approval by the Independent Shareholders or on 1 April 2024 (whichever is later) and ending on 31 March 2027 (both days inclusive).

LETTER FROM THE BOARD

Pricing basis:

CCC will charge Heilongjiang Shentong (i) an annual fee of RMB20,000 (equivalent to approximately HK\$22,200) which is on a pro-rata and 12-month-year basis; (ii) a calling charge of RMB0.06 (equivalent to approximately HK\$0.067) per 6 seconds for long distance incoming calls (subject to the scaled-discount rates); and (iii) a calling charge of RMB0.15 (equivalent to approximately HK\$0.17) per minute for outgoing calls via internet through the “VoIP” (Voice-Over Internet Protocol) telephone system.

In the event any new standard of guideline rates is imposed by the PRC governmental authority which is applicable to the telecommunication services to be provided under the Heilongjiang Shentong Customer Service Hotline Rental Contract, CCC will still charge Heilongjiang Shentong in accordance with the scaled-discount rates as stated in the agreement for the incoming calls. The scaled-discount rates for long distance incoming calls will not be changed. The annual fee and separate charges on long distance incoming calls and outgoing calls are made on normal commercial terms and determined with reference to the charges provided by several nationwide telecommunication operators. It was found that the pricing basis (including the fixed annual fee, the separate charges on long distance incoming calls and outgoing calls and the corresponding scaled-discount rates) under the Heilongjiang Shentong Customer Service Hotline Rental Contract is more favourable than those offered by other nationwide telecommunication operators.

The annual fee shall be payable by Heilongjiang Shentong on 31 March for each of the three years ending 31 March 2025, 2026 and 2027, whereas the calling charges shall be settled by Heilongjiang Shentong within 1 week after the end of each month. In the event the period of service provided by CCC is shorter than one year, the annual fee will be charged on a pro-rata basis. For the avoidance of doubt, the annual fee paid by Heilongjiang Shentong under the Heilongjiang Shentong Customer Service Hotline Rental Contract will be returned to Heilongjiang Shentong on a pro-rata basis in case of early termination of the agreement. A daily default interest of 0.3% on the outstanding amount payable will be accrued should Heilongjiang Shentong fail to pay the service fee payable on time.

LETTER FROM THE BOARD

The above pricing basis was determined after negotiations on an arm's length basis in the ordinary course of business and on normal commercial terms with reference to similar transactions carried out in the market regarding customer service hotline rental charge of telecommunication companies, and are no less favourable than terms between the supplier and its independent third parties.

Historical transaction amounts and annual caps

The actual transaction amounts under the Existing Heilongjiang Shentong Customer Service Hotline Rental Contract for the relevant periods are set out below:

	For the year ended 31 March 2022 (RMB'000) (Audited)	For the year ended 31 March 2023 (RMB'000) (Audited)	For the nine months ended 31 December 2023 (RMB'000) (Unaudited)
Actual transaction amounts	608	707	499

Waiver of fees amounting to approximately RMB Nil, RMB Nil and RMB250,000 for each of the year ended 31 March 2022, year ended 31 March 2023 and nine months ended 31 December 2023 has been made by CCC as a special discount.

The historical annual caps for the transactions under the Existing Heilongjiang Shentong Customer Service Hotline Rental Contract for the three years ending 31 March 2024 are set out below:

	For the year ended 31 March 2022 (RMB million)	For the year ended 31 March 2023 (RMB million)	For the year ending 31 March 2024 (RMB million)
Historical annual caps	2.00	2.25	2.50

LETTER FROM THE BOARD

The annual caps for the transaction amount under the Existing Heilongjiang Shentong Customer Service Hotline Rental Contract for the two years ended 31 March 2023 have not been exceeded. The Directors have been monitoring the transaction amount under the Existing Heilongjiang Shentong Customer Service Hotline Rental Contract for the year ending 31 March 2024 to ensure the annual cap for the year ending 31 March 2024 has not been exceeded. As at the Latest Practicable Date, the annual cap for the year ending 31 March 2024 has not been exceeded and was not expected to be exceeded before 31 March 2024.

Proposed annual caps

For each of the three years ending 31 March 2027, the proposed maximum annual aggregate transaction amounts under the Heilongjiang Shentong Customer Service Hotline Rental Contract are set out below:

	For the year ending 31 March 2025 (RMB million)	For the year ending 31 March 2026 (RMB million)	For the year ending 31 March 2027 (RMB million)
Proposed annual caps	0.95	1.00	1.05

In arriving at the proposed annual caps under the Heilongjiang Shentong Customer Service Hotline Rental Contract, the Directors have taken into account the following factors:

- (a) the historical usage and transaction amount under the Existing Heilongjiang Shentong Customer Service Hotline Rental Contract; and
- (b) an expected reduction to the transaction amounts for the years ending 31 March 2025, 2026 and 2027 due to relatively low historical utilization rates (based on the actual transaction amounts and the historical annual caps) as a result of slower than expected recovery in the market.

The Directors (including the independent non-executive Directors whose view are expressed in the letter from the Independent Board Committee after taking into account the advice from the Independent Financial Adviser) are of the view that the basis of determining the proposed annual caps is fair and reasonable.

LETTER FROM THE BOARD

(iii) Heilongjiang Shentong Server Hosting Agreement

Date: 24 January 2024

Parties: (i) CCC as supplier; and
(ii) Heilongjiang Shentong as purchaser

Services: (a) Server hosting service

CCC will provide server equipment to Heilongjiang Shentong, and Heilongjiang Shentong will place its servers in CCC's server rooms and CCC will provide monitoring, management and technical support services to Heilongjiang Shentong.

(b) Dedicated leased-lines

CCC will provide designated 110M bandwidth share of the broadband leased lines to Heilongjiang Shentong for the operation of its website. CCC will also provide 35 IP addresses and not more than 5 racks of servers for the use of Heilongjiang Shentong.

Term: The term shall be effective for the period commencing after obtaining the approval by the Independent Shareholders or on 1 April 2024 (whichever is later) and ending on 31 March 2027 (both days inclusive).

Pricing basis: CCC will charge Heilongjiang Shentong a fee of RMB40,000 (equivalent to approximately HK\$44,400) per month for each rack of servers used by Heilongjiang Shentong for the provision of server hosting service and dedicated leased-lines which shall be payable quarterly in advance.

A daily default interest rate of 0.3% on the outstanding amount payable will be accrued should Heilongjiang Shentong fail to pay the outstanding amount payable within five business days from the date of receipt of the relevant demand note.

LETTER FROM THE BOARD

The annual server rental fee is on commercial terms determined after arm's length negotiation between CCC and Heilongjiang Shentong with reference to similar transactions carried out in the market and the number of server rented, the bandwidth of the server and the quality of the maintenance service. The above pricing basis was determined on an arm's length basis in the ordinary course of business and on normal commercial terms and are no less favourable than terms between the supplier and its independent third parties.

Historical transaction amounts and annual caps

The actual transaction amounts under the Existing Heilongjiang Shentong Server Hosting Agreement for the relevant periods are set out below:

	For the year ended 31 March 2022 (RMB'000) (Audited)	For the year ended 31 March 2023 (RMB'000) (Audited)	For the nine months ended 31 December 2023 (RMB'000) (Unaudited)
Actual transaction amounts	1.92	1.92	1.44

Waiver of fees amounting to approximately RMB Nil, RMB Nil and RMB720,000 for each of the year ended 31 March 2022, year ended 31 March 2023 and nine months ended 31 December 2023 has been made by CCC as a special discount.

The historical annual caps for the transactions under the Existing Heilongjiang Shentong Server Hosting Agreement for the three years ending 31 March 2024 are set out below:

	For the year ended 31 March 2022 (RMB million)	For the year ended 31 March 2023 (RMB million)	For the year ending 31 March 2024 (RMB million)
Historical annual caps	4.80	5.76	6.72

LETTER FROM THE BOARD

The annual caps for the transaction amount under the Existing Heilongjiang Shentong Server Hosting Agreement for the two years ended 31 March 2023 have not been exceeded. The Directors have been monitoring the transaction amount under the Existing Heilongjiang Shentong Server Hosting Agreement for the year ending 31 March 2024 to ensure the annual cap for the year ending 31 March 2024 has not been exceeded. As at the Latest Practicable Date, the annual cap for the year ending 31 March 2024 has not been exceeded and was not expected to be exceeded before 31 March 2024.

Proposed annual caps

For each of the three years ending 31 March 2027, the proposed maximum annual aggregate transaction amounts under the Heilongjiang Shentong Server Hosting Agreement are set out below:

	For the year ending 31 March 2025 (RMB million)	For the year ending 31 March 2026 (RMB million)	For the year ending 31 March 2027 (RMB million)
Proposed annual caps	2.40	2.40	2.40

In arriving at the proposed annual caps under the Heilongjiang Shentong Server Hosting Agreement, the Directors have taken into account the following factors:

- (a) the contract price of RMB40,000 (equivalent to approximately HK\$44,400) per month for each server used;
- (b) the historical usage and transaction amount under the Existing Heilongjiang Shentong Server Hosting Agreement;
- (c) the estimated number of racks of servers required for the years ending 31 March 2025, 2026 and 2027 of 4, 4 and 4 respectively with additional 1 server for back up; and
- (d) an expected reduction to the transaction amounts for the years ending 31 March 2025, 2026 and 2027 due to relatively low historical utilization rates (based on the actual transaction amounts and the historical annual caps) as a result of slower than expected recovery in the market.

The Directors (including the independent non-executive Directors whose view are expressed in the letter from the Independent Board Committee after taking into account the advice from the Independent Financial Adviser) are of the view that the basis of determining the proposed annual caps is fair and reasonable.

LETTER FROM THE BOARD

(iv) Heilongjiang Shentong Web Advertising Contract

- Date:** 24 January 2024
- Parties:** (i) China Communication Heilongjiang as supplier; and
(ii) Heilongjiang Shentong as purchaser
- Services:** Heilongjiang Shentong agreed to place, and China Communication Heilongjiang agreed to arrange for, the web advertisements of Heilongjiang Shentong to be published on the internet. 24-hour technical support services shall also be provided by China Communication Heilongjiang to Heilongjiang Shentong to handle all technical issues arising out the publication of the advertisements.
- Term:** The term shall be effective for the period commencing after obtaining the approval by the Independent Shareholders or on 1 April 2024 (whichever is later) and ending on 31 March 2027 (both days inclusive).
- Pricing basis:** China Communication Heilongjiang shall charge Heilongjiang Shentong for each advertisement to be placed by Heilongjiang Shentong, which shall be determined according to the proposed publication timeslots and duration as follows:
- (i) from 08:20 to 12:19 (i.e. 4 hours in total), RMB14,000 (equivalent to approximately HK\$15,540) per day for the 4-hour period with a discount of 35%;
 - (ii) from 12:20 to 15:19 (i.e. 3 hours in total), RMB12,000 (equivalent to approximately HK\$13,320) per day for the 3-hour period with a discount of 35%;
 - (iii) from 15:20 to 19:19 (i.e. 4 hours in total), RMB15,000 (equivalent to approximately HK\$16,650) per day for the 4-hour period with a discount of 35%;
 - (iv) from 19:20 to 22:19 (i.e. 3 hours in total), RMB18,800 (equivalent to approximately HK\$20,868) per day for the 3-hour period with a discount of 35%; and
 - (v) from 22:20 to 01:19 (i.e. 3 hours in total), RMB10,000 (equivalent to approximately HK\$11,100) per day for the 3-hour period with a discount of 35%.

LETTER FROM THE BOARD

Heilongjiang Shentong intends to place advertisement for one timeslot (i.e. 3 hours in total per day), particularly during lunch time, and thus, only pricing basis (ii) above shall be applicable. The above pricing basis was determined after negotiations on an arm's length basis in the ordinary course of business and on normal commercial terms with reference to similar transactions between the supplier and independent third parties, and are no less favourable than terms between the supplier and its independent third parties.

Historical transaction amounts and annual caps

The actual transaction amounts under the Existing Heilongjiang Shentong Web Advertising Contract for the relevant periods are set out below:

	For the year ended 31 March 2022 (RMB million) (Audited)	For the year ended 31 March 2023 (RMB million) (Audited)	For the nine months ended 31 December 2023 (RMB million) (Unaudited)
Actual transaction amounts	2.85	2.64	2.15

Waiver of fees amounting to approximately RMB2.85 million, RMB1.93 million and RMB2.15 million, respectively, for each of the year ended 31 March 2022, year ended 31 March 2023 and nine months ended 31 December 2023 has been made by China Communication Heilongjiang as a special discount.

The historical annual caps for the transactions under the Existing Heilongjiang Shentong Web Advertising Contract for the three years ending 31 March 2024 are set out below:

	For the year ended 31 March 2022 (RMB million)	For the year ended 31 March 2023 (RMB million)	For the year ending 31 March 2024 (RMB million)
Historical annual caps	2.90	2.90	2.90

The annual caps for the transaction amount under the Existing Heilongjiang Shentong Web Advertising Contract for the two years ended 31 March 2023 have not been exceeded. The Directors have been monitoring the transaction amount under the Existing Heilongjiang Shentong Web Advertising Contract for the year ending 31 March 2024 to ensure the annual cap for the year ending 31 March 2024 has not

LETTER FROM THE BOARD

been exceeded. As at the Latest Practicable Date, the annual cap for the year ending 31 March 2024 has not been exceeded and was not expected to be exceeded before 31 March 2024.

Proposed annual caps

For each of the three years ending 31 March 2027, the proposed maximum annual aggregate transaction amounts under the Heilongjiang Shentong Web Advertising Contract are set out below:

	For the year ending 31 March 2025 (RMB million)	For the year ending 31 March 2026 (RMB million)	For the year ending 31 March 2027 (RMB million)
Proposed annual caps	2.90	2.90	2.90

In arriving at the proposed annual caps under the Heilongjiang Shentong Web Advertising Contract, the Directors have taken into account the following factors:

- (a) the contract price for the section of 12:20 to 15:19 (i.e. 3 hours in total) of RMB12,000 (equivalent to approximately HK\$13,320) per section with a discounted price of RMB7,800 (equivalent to approximately HK\$8,658) per section;
- (b) the estimated number of sections to be used for the years ending 31 March 2025, 2026 and 2027 of 365, 365 and 365 respectively; and
- (c) the historical usage and transaction amount under the Existing Heilongjiang Shentong Web Advertising Contract.

The Directors (including the independent non-executive Directors whose view are expressed in the letter from the Independent Board Committee after taking into account the advice from the Independent Financial Adviser) are of the view that the basis of determining the proposed annual caps is fair and reasonable.

PRICING POLICY AND INTERNAL CONTROL

The basis of determining the prices of the services to or from the Group under each of the CCT Agreements will be in accordance with the prevailing market prices of similar services and based on the following principles:

- (i) by reference to the prevailing market price of the same or substantially similar services, taking into account the price of the same or substantially similar services with comparable order quantities and quality offered to/by other suppliers; and

LETTER FROM THE BOARD

- (ii) if there are not sufficient comparable transactions in (i) above, on normal commercial terms comparable to those currently offered by the Group to, or received by the Group from, independent third parties in respect of the same or substantially similar products or services with comparable quantities.

In this regard, in relation to the services to or from the Group under each of the CCT Agreements, the Finance Department of the Company will invite quotations from at least 2 independent supplier(s) and review at least 4 similar contract(s) between the CCC Group as supplier and independent purchasers (except for the Heilongjiang Shentong Shentong Card Payment System Contract, where only 5 similar contracts between the CCC Group and independent purchasers were reviewed as the Shentong Card integrated payment management system as provided for use by CCC is a tailor-made system which is not readily available in the market), to get a reference on the prevailing market prices for the relevant services to be procured. Such quotations and/or similar contracts will be reviewed and evaluated from both the technical and commercial perspectives by the Finance Manager of the Company compared against the pricing basis under the CCT Agreements to ensure that the services to be procured under the CCT Agreements are better than or at least the same as the prices and terms for such services being offered by independent third parties thereby ensure that the transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

To ensure that the actual prices for the transactions under the CCT Agreements are on normal commercial terms and on terms no less favourable to the Group than that available from independent third party suppliers, the Finance Department of the Company will conduct regular checks monthly to review and assess whether the products have been supplied or purchased in accordance with the terms of the relevant agreement.

Moreover, in order to ensure that the proposed annual caps for the CCT Agreements will not be exceeded, the finance department of the Company will conduct regular quarterly review to monitor and keep track of the transaction amount incurred thereunder. When the actual transaction amounts under any of the CCT Agreements have reached 70% of the respective proposed annual cap, the finance department of the Company will report the results to the senior management of the Company and carry out the review more frequently and on a monthly basis. If, having considered the remaining term of the CCT Agreements, it is determined that the respective proposed annual caps may be exceeded, arrangements may be made to revise such proposed annual caps and to re-comply with all the announcement and/or shareholders' approval requirements in accordance with the Listing Rules.

Auditors of the Company will also conduct annual reviews on the CCT Agreements to opine on whether the proposed annual caps under any of the CCT Agreements have been exceeded.

INFORMATION OF THE GROUP AND THE CONNECTED PERSONS

The Group is principally engaged in the provision of robotics related education and training in Heilongjiang Province of the PRC. Heilongjiang Shentong is principally engaged in the provision of robotics education course in Heilongjiang Province of the PRC.

LETTER FROM THE BOARD

CCC is a nationwide telecom operator and internet network operator in the PRC covering a wide range of value-added telecom services, including telecommunication services, value-added telecommunication platform, payment and billing system. The electronic billing and payment system is operated through “Shentong Card” (神通卡) platform. The controlling shareholder of CCC is 中國海外貿易哈爾濱王子葡萄酒有限公司 (China Overseas Trade Harbin Province Wine Co. Limited[#]), a company incorporated in the PRC with limited liability and its ultimate beneficial owner is 中國海外貿易總公司 (China National Overseas Trading Corporation[#]), a state-owned company principally engaged in investment holding.

China Communication Heilongjiang, a company established in the PRC with limited liability, is a wholly-owned subsidiary of CCC. China Communication Heilongjiang is principally engaged in providing telecommunication services in the PRC.

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE CCT AGREEMENTS

The Group’s revenue was mainly attributable to the provision of quality education courses using an electronic smart card “Shentong Card” as main payment medium, as well as the organisation and hosting of competition events in Heilongjiang Province of the PRC.

All the CCT Agreements are conducted in the ordinary course of and are essential to the operations of the business of the Group.

As disclosed in the 2023/24 interim report of the Company, the Group is planning to launch various robotics theme activities in Heilongjiang Province and will actively cooperate with members of the National School Sports Robot League in Heilongjiang Province to plan intelligent robotics classrooms and further strengthen the internationalism and diversification of robotics education in the PRC. As the Shentong Card that the Group promotes is a tailor made integrated educational billing card in the PRC used for payment and smart management in connection with event hosting and operation of related trainings, the overall income (including income from training and competitions) which payment is made through and processed by the Shentong Card integrated payment management system is accordingly benefitted by the aforesaid source of revenues.

Accordingly, the Directors are of the view that it is beneficial to the Group to renew the CCT Agreements.

Furthermore, the Directors (including the independent non-executive Directors whose view are expressed in the letter from the Independent Board Committee after taking into account the advice from the Independent Financial Adviser) also considered the terms under the CCT Agreements no less favourable than terms that the Group may get from independent third parties and the annual caps would allow the Group to increase its supply to long term and reliable customers, thereby expanding its overall revenue.

Based on the above, the Directors (including the independent non-executive Directors whose view are expressed in the letter from the Independent Board Committee after taking into account the advice from the Independent Financial Adviser) consider that the entering into of

LETTER FROM THE BOARD

the CCT Agreements are in the ordinary course of business of the Group and that the terms of the CCT Agreements are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

THE GROUP'S INDEPENDENCE FROM THE CCC GROUP

In assessing the Group's independence from the CCC Group in light of the entering into of the CCT Agreements, the Directors have taken into account the following factors, which are set out and analyzed below:

(i) whether the business model can easily be changed to reduce the level of reliance

The services provided by the CCC Group are mainly telecommunication and other supporting services which most of them are generic and readily available from other independent suppliers. However, as the supply of services are conducted on commercial terms or better and in the ordinary and usual course of business of the Group, it is in the commercial interests of the Group to continue to procure such services from the CCC Group who had a long-term and smooth working relationship with the Group rather than to engage other suppliers who would not be able to provide such favourable terms to the Group.

The Directors consider most of the services provided by the CCC Group under the CCT Agreements are generic and readily available from independent suppliers and, except for the Heilongjiang Shentong Shentong Card Payment System Contract, similar services could be obtained from the open market. Please see below summary of the factors the Directors have considered in reaching the above view:

Name of CCT Agreement	Generic and readily available from third parties?	Is it technically feasible to switch to another supplier?	Is it commercially feasible to switch to another supplier?	Impact on the Group's operation if it is to switch to another supplier
Heilongjiang Shentong Shentong Card Payment System Contract	No. It is a tailor made payment system. ^(Note)	Yes	Yes	Transitional inconvenience
Heilongjiang Shentong Customer Service Hotline Rental Contract	Yes	Yes	Yes	Transitional inconvenience
Heilongjiang Shentong Server Hosting Agreement	Yes	Yes	Yes	Transitional inconvenience
Heilongjiang Shentong Web Advertising Contract	Yes	Yes	Yes	Transitional inconvenience

Note: In the extreme case that the Group's business relationship with the CCC Group or the services provided by the CCC Group under the Heilongjiang Shentong Shentong Card Payment System Contract is ceased, the Group will use its best endeavours to procure a new supplier for the

LETTER FROM THE BOARD

provision of a similar payment management system so that the Group's operation will not be materially affected. In this regard, the Group has (i) contacted a third party telecommunication services supplier and confirmed that the supplier has the necessary skills and expertise, and is willing to develop such payment management system if required by the Group; and (ii) had a meeting with representatives of the CCC Group and agreed that each party will use its best endeavours to ensure the smooth transition to a new payment management system in case the CCC Group cease to provide the existing payment management system to the Group.

(ii) whether the level of reliance is likely to decrease in the future, and whether the level of reliance is actually on decreasing trend

The purchases from the CCC Group as a percentage of the total expenses of the Group has been remained at a relatively low level and expected to be remained at similar level in the foreseeable future.

(iii) whether the Group is capable of maintaining its revenue in case the operation with the CCC Group is terminated

As submitted above, the services provided by the CCC Group are mainly telecommunication and other supporting services which most of them are generic and readily available from other independent suppliers. As such, the Group will be able to maintain its operation by procuring other independent suppliers (although it may not be in the commercial interests of the Group to do so, as submitted above).

Conclusion

Due to the factors and as analysed above, the Board is of the view that the Group's reliance and dependence (if any) on the CCC Group is not excessive. In light of the aforesaid factors, in particular, given the long-term and smooth working relationship of the Group with the CCC Group, and that interests of CCC, being a substantial shareholder of the Company, and the Company align, the Board is therefore of the view that the relationship with the CCC Group is unlikely to materially adversely change or terminate. Further, as analysed above, the Board is of the view that even in the extreme and unlikely event that the Group's business relationship with the CCC Group has any material adverse change or terminates, the Group will be able to effectively mitigate the exposure to such material adverse changes to or termination of relationship with CCC Group.

IMPLICATIONS UNDER THE GEM LISTING RULES

CCC is a connected person to the Company by virtue of its interest in approximately 28.59% of the issued share capital of the Company through CCI, its wholly-owned subsidiary. The controlling shareholder of CCC is 中國海外貿易哈爾濱王子葡萄酒有限公司 (China Overseas Trade Harbin Province Wine Co. Limited[#]), a company incorporated in the PRC with limited liability and its ultimate beneficial owner is 中國海外貿易總公司 (China National Overseas Trading Corporation[#]), a state-owned Company principally engaged in investment holding.

LETTER FROM THE BOARD

China Communication Heilongjiang, a company established in the PRC with limited liability, is a wholly-owned subsidiary of CCC and therefore a connected person of the Company.

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) for the transactions contemplated under the CCT Agreements, when aggregated and on an annual basis, is expected to be more than 25%, the entering into of the CCT Agreements and the transactions contemplated thereunder are subject to the reporting, annual review, announcement, circular (including independent financial advice) and shareholders' approval requirements pursuant to Chapter 20 of the GEM Listing Rules.

None of the Directors has a material interest in the transactions contemplated under the CCT Agreements and accordingly, none of them is required to abstain from voting at the Board's meeting to approve the CCT Agreements and the transactions contemplated thereunder.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all independent non-executive Directors, has been formed to consider the terms of the CCT Agreements and to advise the Independent Shareholders as to whether the terms of the CCT Agreements, including their respective annual caps, and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations on the same to be given by the Independent Financial Adviser. Nuada Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the same.

The Independent Board Committee and the Directors, having taken into account the advice of the Independent Financial Adviser, consider that the terms of the CCT Agreements (including their respective annual caps) and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interests of the Company so far as the Independent Shareholders are concerned and accordingly recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM for approving the CCT Agreements (including but not limited to their respective annual caps) and the transactions contemplated thereunder.

The text of the letter from the Independent Board Committee is set out on pages 25 to 26 of this circular and the text of the letter from the Independent Financial Adviser containing its advice is out on pages 27 to 56 of this circular.

EGM

Set out on pages EGM-1 to EGM-4 of this circular is a notice convening the EGM which will be held at the Meeting Room, Unit 3006, 30th Floor, West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong on 28 March 2024 at 11 a.m. at which ordinary resolutions will be proposed to approve the CCT Agreements (including but not limited to their respective annual caps) and the transactions contemplated thereunder.

LETTER FROM THE BOARD

The form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. no later than 26 March 2024 at 11 a.m. (Hong Kong Time)) or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting if you so wish and in such event, the form of proxy shall be deemed to be revoked.

The voting in relation to the CCT Agreements (including but not limited to their respective annual caps) and the transactions contemplated thereunder at the EGM will be conducted by way of a poll.

As at the Latest Practicable Date, CCI and its associates are entitled to exercise control over the voting rights in the 542,042,000 Shares held by CCI, representing approximately 28.59% of the total number of Shares in issue as at the Latest Practicable Date.

CCI and its respective associates will abstain from voting on the relevant resolution(s) at the EGM accordingly. Save for CCI and its associates, to the best of knowledge, information and belief of the Directors, no other Shareholder has a material interest in the transactions contemplated under the CCT Agreements and will be required to abstain from voting on the resolution(s) to approve the CCT Agreements and the transactions contemplated thereunder at the EGM.

Save as disclosed above, to the best of the Director's knowledge, information and belief having made all reasonable enquires, no Shareholder has a material interest in the CCT Agreements and the transactions contemplated thereunder that is required to abstain from voting and being counted towards the quorum on the relevant resolutions at the EGM.

RECOMMENDATION

Having considered the reasons set out herein and taken into account the advice of the Independent Financial Adviser, the Directors are of the view that the CCT Agreements were entered into on normal commercial terms, and the terms of the CCT Agreements and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Independent Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend all the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the CCT Agreements (including but not limited to their respective annual caps) and the transactions contemplated thereunder.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 25 to 26 of this circular which contains its recommendation to the Independent Shareholders and the letter from the Independent Financial Adviser set out on pages 27 to 56 of this circular which contains its advice to the Independent Board Committee and Independent Shareholders in relation to the CCT Agreements and the transactions contemplated thereunder and the principal factors and reasons considered by it in arriving its opinions.

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board
Shentong Robot Education Group Company Limited
He Chenguang
Chairman



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)

11 March 2024

To the Independent Shareholders,

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company dated 11 March 2024 (the “**Circular**”) to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members of the Independent Board Committee and to advise you as to whether, in our opinion, the terms of the CCT Agreements (including but not limited to their respective annual caps) and the transactions contemplated thereunder are fair and reasonable, whether the CCT Agreements and the transactions contemplated thereunder are on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote with respect to the resolutions to be proposed at the EGM to approve the CCT Agreements (including but not limited to their respective annual caps) and the transactions contemplated thereunder. Nuada Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the same.

Details of the advice of the Independent Financial Adviser, together with the principal factors and reasons taken into consideration in arriving at such advice, are set out on pages 27 to 56 of the Circular. Your attention is also drawn to the letter from the Board set out on pages 5 to 24 of the Circular and the additional information set out in the appendix to the Circular.

Having considered the terms and conditions of the CCT Agreements (including but not limited to their respective annual caps), the principal factors and reasons considered by, and the advice of the Independent Financial Adviser, we are of the opinion that the terms of the CCT Agreements (including but not limited to their respective annual caps) and the transactions contemplated thereunder are on normal commercial terms or better, in the ordinary and usual course of business of the Group, are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the CCT Agreements (including but not limited to their respective annual caps) and the transactions contemplated thereunder.

Yours faithfully,
Independent Board Committee of
Shentong Robot Education Group Company Limited

Mr. Yip Tai Him
*Independent non-executive
Director*

Ms. Han Liqun
*Independent non-executive
Director*

Ms. Chen Lei
*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice to the Independent Board Committee and the Independent Shareholders from Nuada Limited dated 11 March 2024 prepared for the purpose of inclusion in this circular.

Nuada Limited

Unit 1606, 16/F
OfficePlus @Sheung Wan
93-103 Wing Lok Street
Sheung Wan, Hong Kong
香港上環永樂街93-103號
協成行上環中心16樓1606室

11 March 2024

*To the Independent Board Committee and the Independent Shareholders of
Shentong Robot Education Group Company Limited*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the CCT Agreements (including but not limited to their respective annual caps) and the transactions contemplated thereunder, details of which are set out in the section headed “Letter from the Board” (the “**Board Letter**”) in the Company’s circular dated 11 March 2024 to the Shareholders, of which this letter forms part. Our appointment as the Independent Financial Adviser has been approved by the Independent Board Committee. Terms used in this letter shall have the same meanings as defined in this circular unless the context requires otherwise.

As the Existing CCT Agreements will expire on 31 March 2024, the Group and the counterparties agreed to, subject to approval by the Independent Shareholders at the EGM, renew the Existing CCT Agreements.

On 24 January 2024, the Group entered into the following CCT Agreements:

- (i) Heilongjiang Shentong Shentong Card Payment System Contract;
- (ii) Heilongjiang Shentong Customer Service Hotline Rental Contract;
- (iii) Heilongjiang Shentong Server Hosting Agreement; and
- (iv) Heilongjiang Shentong Web Advertising Contract.

CCC is a connected person of the Company by virtue of its interest in approximately 28.59% of the issued share capital of the Company through CCI, its wholly-owned subsidiary. The controlling shareholder of CCC is 中國海外貿易哈爾濱王子葡萄酒有限公司 (China Overseas Trade Harbin Province Wine Co. Limited*), a company established in the PRC with

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

limited liability, and its ultimate beneficial owner is 中國海外貿易總公司 (China National Overseas Trading Corporation*), a state-owned Company principally engaged in investment holding.

China Communication Heilongjiang, a company established in the PRC with limited liability, is a wholly-owned subsidiary of CCC and therefore a connected person of the Company.

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) for the transactions contemplated under the CCT Agreements, when aggregated and on an annual basis, is expected to be more than 25%, the entering into the CCT Agreements and the transactions contemplated thereunder are subject to the reporting, annual review, announcement, circular (including independent financial advice) and shareholders' approval requirements pursuant to Chapter 20 of the GEM Listing Rules.

The Independent Board Committee (which consists all the independent non-executive Directors) has been established to consider the terms of the CCT Agreements and to advise the Independent Shareholders as to whether the terms of the CCT Agreements (including but not limited to their respective annual caps) and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations on the same to be given by us. We, Nuada Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We are independent from, and are not connected with the Company, its close associate(s) or connected person(s) as defined under Rule 17.96 of the GEM Listing Rules, and accordingly are considered eligible to give independent advice in connection with CCT Agreements (including but not limited to their respective annual caps) and the transactions contemplated thereunder. Save for this appointment as the independent financial adviser to advise the Independent Board Committee and Independent Shareholders in respect of the CCT Agreements (including but not limited to their respective annual caps) and the transactions contemplated thereunder, during the past two years immediately preceding and up to the date of our appointment, there were no other engagements between the Group and Nuada Limited. Apart from normal professional fees for our services to the Company in connection with this appointment, no other arrangement exists whereby we will receive any fees and/or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Our appointment as the Independent Financial Adviser has been approved by the Independent Board Committee.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained or referred to in this circular and the information and representations provided to us by the Company, the Directors and the management of the Company (the “**Management**”). We have no reason to believe that any information or representation relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have assumed that all information, representations and opinions contained or referred to in this circular, which have been provided by the Company, the Directors and the Management and for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be true up to the Latest Practicable Date and should there be any material changes after the despatch of this circular, the Shareholders would be notified as soon as possible.

The Directors have jointly and severally accepted full responsibility for the accuracy of the information contained in this circular and have confirmed in this circular, having made all reasonable inquiries, that to the best of their knowledge, opinion expressed in this circular have been arrived at after due and careful consideration and there are no other facts the omission of which would make any statement in this circular misleading.

Our review and analysis were based upon, among other things, including (i) the CCT Agreements; (ii) the financial information of the Group for the two years ended 31 March 2022 (“**FY2022**”) and 2023 (“**FY2023**”) as extracted from the annual report of the Company for the year ended 31 March 2023 (the “**Annual Report 2023**”); (iii) the financial information of the Group for the six months ended 30 September 2022 (“**FP2022**”) and 2023 (“**FP2023**”) as extracted from the interim report of the Company for the six months ended 30 September 2023 (the “**Interim Report 2023**”); (iv) letters of confirmation issued by the independent non-executive Directors of the Company for the Existing CCT Agreements; (v) the independent auditor’s assurance reports issued by the auditors of the Company for the Existing CCT Agreements; (vi) the comparable agreements with similar terms as the CCT Agreements provided by the Management; (vii) the quotations obtained from the other Independent Third Parties provided by the Management; and (viii) this circular.

We consider that we have reviewed sufficient information, including relevant information and documents provided by the Company and the Directors and the information published by the Company, to enable us to reach an informed view and to justify reliance on the accuracy of the information contained in this circular to provide a reasonable basis for our opinions and recommendations. We have not, however, carried out any independent verification of the information provided by the Company and the Directors, nor have we conducted an independent in-depth investigation into the business and affairs, financial condition and future prospects of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our recommendation in respect of the terms of each of the CCT Agreements, including their relevant annual caps, and the transactions contemplated thereunder, we have taken into account the following principal factors and reasons:

I. Background information on the Group and the connected persons

(i) Information of the Group and Heilongjiang Shentong

The Group and Heilongjiang Shentong

According to the Management and the Board Letter, the Group is principally engaged in the provision of robotics related education and training in Heilongjiang Province of the PRC. Heilongjiang Shentong is an indirect wholly-owned subsidiary of the Company and principally engaged in the provision of robotics education course in Heilongjiang Province of the PRC.

(ii) Information of CCC and China Communication Heilongjiang

CCC

According to the Management and the Board Letter, CCC is a nationwide telecom operator and internet network operator in the PRC covering a wide range of value-added telecom services, including telecommunication services, value-added telecommunication platform, payment and billing system. The electronic billing and payment system is operated through Shentong Card platform. The controlling shareholder of CCC is 中國海外貿易哈爾濱王子葡萄酒有限公司 (China Overseas Trade Harbin Province Wine Co. Limited*), a company incorporated in the PRC with limited liability and its ultimate beneficial owner is 中國海外貿易總公司 (China National Overseas Trading Corporation*), a state-owned Company principally engaged in investment holding.

China Communication Heilongjiang

China Communication Heilongjiang, a company established in the PRC with limited liability, is a wholly-owned subsidiary of CCC. China Communication Heilongjiang is principally engaged in providing telecommunication services in the PRC.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(iii) Financial information of the Group

The table below summarises the financial results of the Group for FY2022 and FY2023 as extracted from the Annual Report 2023 and the financial results for the Group for FP2022 and FP2023 as extracted from the Interim Report 2023.

Table 1: Consolidated income statement of the Group

	For the six months ended 30 September		For the year ended 31 March	
	2023	2022	2023	2022
		(restated)		(re-presented)
		(Note)		(Note)
	(unaudited)	(unaudited)	(audited)	(audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	12,485	7,920	15,602	11,988
Gross profit	9,505	4,828	7,998	4,592
Other gains and losses, net	35	3,947	3,074	(91,015)
Profit/(Loss) for the period/ year from continuing operation	452	2,334	(2,648)	(81,446)
Profit/(Loss) for the period/ year	452	1,826	(3,579)	(82,848)

Note: According to the Annual Report 2023, on 31 March 2023, the Directors passed a resolution to discontinue the promotion and management services segment of the Group, the presentation of comparative information in respect of the consolidated statement of profit or loss for FY2022 and FP2022 has been re-presented in order to disclose the discontinued operation separately from continuing operation.

For FY2022 and FY2023

The Group recorded a revenue from continuing operation of approximately HK\$15.60 million for FY2023, representing an increase of approximately 30.11% as compared with that of approximately HK\$11.99 million for FY2022. According to the Annual Report 2023 and the Management, such increase was mainly due to the recovery of demand after the epidemic and there were fewer suspension of classes in the current year. The Group's gross profit from continuing operation for FY2023 amounted to approximately HK\$8.0 million as compared to approximately HK\$4.60 million for FY2022, which represents an increase of approximately 73.91%. The improvement was mainly attributable to the increase in revenue from continuing operation as mentioned above.

The Group recorded a turnaround from net loss from other gains and losses of approximately HK\$91.02 million for FY2022 to net profit from other gains and losses of approximately HK\$3.07 million for FY2023. According to note 9 to the consolidated financial statements of the Group in the Annual Report 2023, such turnaround was mainly attributable to absence of loss on

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

derecognition of intangible assets of certain exclusive rights (details of which please refer to note 21 to the consolidated financial statements of the Group in the Annual Report 2023) of approximately HK\$89.50 million for FY2022 (FY2023: nil). Based on the above, the loss for the year from continuing operation of the Group improved from approximately HK\$81.45 million for FY2022 to approximately HK\$2.65 million for FY2023.

For FP2022 and FP2023

The Group recorded unaudited revenue from continuing operation of approximately HK\$12.49 million for FP2023, representing an increase of approximately 57.70% as compared with that of approximately HK\$7.92 million for FP2022. According to the Interim Report 2023 and the Management, such increase was mainly attributable to the Group commenced its recovery from early 2023 upon the release of restriction measures imposed by the local government in the PRC that there was no suspension of classes for FP2023 and the recovery of demand after the epidemic. Followed by the increase of revenue, the Group's gross profit from continuing operation for FP2023 recorded approximately HK\$9.51 million as compared to approximately HK\$4.83 million for FP2022.

The Group recorded decrease of unaudited profit for the period from continuing operation from approximately HK\$2.33 million for FP2022 to approximately HK\$452,000 for FP2023, which was mainly due to the decrease of net gain from other gains and losses from approximately HK\$3.95 million for FP2022 to approximately HK\$35,000 for FP2023, which was mainly due to the decrease of exchange gain according to the Interim Report 2023 and the Management.

Table 2: Consolidated statement of financial position of the Group

	As at 30 September 2023	As at 31 March 2023
	(unaudited)	(restated) (audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current assets	89,405	128,580
— Bank and cash balances	85,906	125,439
Non-current assets	4,762	4,130
Total assets	94,167	132,710

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	As at 30 September 2023	As at 31 March 2023
	(unaudited)	(restated) (audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current liabilities	144,842	180,848
— Accruals and other payables	109,779	119,525
— Interest free loans from a substantial shareholder	—	21,450
Non-current liabilities	3,931	4,644
— Lease liabilities	2,308	2,863
Total liabilities	148,773	185,492
Net current liabilities	(55,437)	(52,268)
Net liabilities	(54,606)	(52,782)

As stated in the Interim Report 2023, as at 30 September 2023, the unaudited current assets of the Group amounted to approximately HK\$89.41 million as compared with approximately HK\$128.58 million as at 31 March 2023. The unaudited bank and cash balances of the Group decreased from approximately HK\$125.44 million as at 31 March 2023 to approximately HK\$85.91 million as at 30 September 2023. The non-current assets of the Group remained stable and recorded approximately HK\$4.76 million as at 30 September 2023 (approximately HK\$4.13 million as at 31 March 2023).

The current liabilities of the Group decreased from approximately HK\$180.85 million as at 31 March 2023 to approximately HK\$144.84 million as at 30 September 2023, which was mainly due to (i) the accruals and other payables decreased from approximately HK\$119.53 million as at 31 March 2023 to approximately HK\$109.78 million as at 30 September 2023; and (ii) the Group repaid interest free loans from a substantial shareholder during FP2023 (approximately HK\$21.45 million as at 31 March 2023 and nil as at 30 September 2023). The non-current liabilities of the Group decreased from approximately HK\$4.64 million as at 31 March 2023 to approximately HK\$3.93 million as at 30 September 2023, which was mainly due to the lease liabilities decreased from approximately HK\$2.86 million as at 31 March 2023 to approximately HK\$2.31 million as at 30 September 2023. Based on the above, the Group recorded net current liabilities of approximately HK\$55.44 million as at 30 September 2023 (approximately HK\$52.27 million as at 31 March 2023) and net liabilities of approximately HK\$54.61 million as at 30 September 2023 (approximately HK\$52.78 million as at 31 March 2023).

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Based on the net current liabilities and net liabilities financial position of the Group as at 31 March 2023 and 30 September 2023 respectively as mentioned above and the reasons for and benefits of the entering into the CCT Agreements as stated under the paragraph headed “II. Reasons for and benefits of the entering into the CCT Agreements” below in this letter, we are of the view and concur with the Management’s view that it is in the interests of the Group and the Shareholders as a whole to renew the Existing CCT Agreements and expanding the Group revenue.

II. Reasons for and benefits of the entering into the CCT Agreements

As stated in the Board Letter, the Group’s revenue was mainly attributable to the provision of quality robotics education courses using an electronic smart card “Shentong Card” as main payment medium, as well as the organisation and hosting of competition events in Heilongjiang Province of the PRC. All of the CCT Agreements are conducted in the ordinary course of and are essential to the operations of the business of the Group.

As disclosed in the Interim Report 2023 and according to the Management, 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 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. After the release of the restriction measures, the Company expects that more training classes would gradually resume operation depending on the recovery of demand for students to attend the classes. The Group plans to launch various robotics theme activities in Heilongjiang Province. In addition to various robotics education courses and teacher training, the Group would actively cooperate with members of the National School Sports Robot League in Heilongjiang Province to plan intelligent robotics classrooms. The above activities help to promote smart education into the campus, further strengthening the internationalisation and diversification of robotics education in the PRC. In addition to building a good platform for robotics education for young people in Heilongjiang Province, the Group would actively participate in planning the national development strategy of robotics education and strive to cultivate the robotics industry and robotics professionals.

As the Shentong Card that the Group promotes is a tailor made integrated educational billing card in the PRC used for payment and smart management in connection with event hosting and operation of related trainings, the overall income (including income from training and competitions) which payment is made through and processed by the Shentong Card integrated payment management system is accordingly benefitted by the aforesaid source of revenues.

In order to understand the outlook of robotics education development in the PRC, we have looked at the PRC government policies in relation to support the long term development of robotics industry in the PRC. We noticed that the National Development and Reform Commission published “the 14th Five-Year of Robotics Industry Development Plan”* (《“十四五”機器人產業發展規劃》) (the “**Robotics Industry Development Plan**”) (https://www.gov.cn/zhengce/zhengceku/2021-12/28/content_5664988.htm) in December

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2021, it is evident that the PRC official authorities are actively supporting the development of the robotics industry as the Robotics Industry Development Plan sets ambitious targets aiming to make PRC a leading hub for robotics technology innovation globally by 2025. One of the key aspects emphasized in the plan is the integration of new technologies such as artificial intelligence, big data, and cloud computing into robotics development and achieve an average annual growth rate of over 20% for revenue to be generated from the robotics industry in PRC.

The Robotics Industry Development Plan insisted to grasp the development trends of robotics technology and integrate the new technologies such as artificial intelligence, big data and cloud computing. In sectors where robotics technology has already found significant applications, such as the education industry, there is a focus on exploring high-end markets and promoting intelligent manufacturing and smart living. Based on the above, the intention of PRC official authorities to support and foster the development of robotics technology is clear and the outlook of the robotics technology industry is positive.

Given that (i) the CCT Agreements are essential to the operations of the business of the Group especially the Shentong Card integrated payment management system is crucial to process income from training courses and events of the Group; and (ii) the supportive PRC official policies on the development of robotics technology industry in PRC as mentioned above, we are of the view and concur with the view of the Management that the entering into the CCT Agreements are in the ordinary and usual course of the business of the Group and is in the interest of the Company and the Shareholders as a whole.

III. Details of the CCT Agreements

Details of the CCT Agreements are set out below:

1. *Heilongjiang Shentong Shentong Card Payment System Contract*

Please refer to the paragraph headed “(i) Heilongjiang Shentong Shentong Card Payment System Contract” under the Board Letter for the details of Heilongjiang Shentong Shentong Card Payment System Contract.

(i) Background

Date: 24 January 2024

Parties: (i) CCC as supplier; and
(ii) Heilongjiang Shentong as purchaser

Pursuant to the terms of the Heilongjiang Shentong Shentong Card Payment System Contract, for the period commencing after obtaining the approval by the Independent Shareholders or on 1 April 2024 (whichever is later) and ending on 31 March 2027 (both days inclusive), CCC shall provide Heilongjiang Shentong with the right to use the Shentong Card integrated

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payment management system to facilitate customer's information maintenance, customer enquiry services, card management services and payment processing services.

We understand from the Management that Heilongjiang Shentong generates its main income from provision of robotics education courses. As stated in the Board Letter, the Shentong Card is a tailor made integrated educational billing card in the PRC used for payment and smart management in connection with event hosting and operation of related trainings. According to the Management, while it is technically feasible to switch to another supplier for payment and smart management in connection with event hosting and operation of related trainings, switching to another supplier would cause transitional inconvenience on the Group's operation. Notwithstanding the reliance on CCC as the single supplier of electronic payment and smart management services to Heilongjiang Shentong, Heilongjiang Shentong has been engaging CCC since its commencement of business operations for the provision of electronic payment system management services.

Based on the above, we consider that the Heilongjiang Shentong Shentong Card Payment System Contract would enable Heilongjiang Shentong to utilise the Shentong Card integrated payment management system for processing transactions through the use of Shentong Cards, which is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

(ii) Pricing basis

Pursuant to the Heilongjiang Shentong Shentong Card Payment System Contract, (i) Heilongjiang Shentong shall pay a fee to CCC which is calculated as 6% of the overall income of Heilongjiang Shentong (including income from training and competitions) which payment is made through and processed by the Shentong Card integrated payment management system; (ii) CCC had previously paid RMB4.5 million (equivalent to approximately HK\$5.0 million) to Heilongjiang Shentong pursuant to the Existing Heilongjiang Shentong Shentong Card Payment System Contract as clearing security deposit; and (iii) CCC and Heilongjiang Shentong shall undergo settlement reconciliation within seven calendar days after the end of each month and CCC shall pay to accounts designated by Heilongjiang Shentong within 30 calendar days after the end of the relevant month for settlement of the funds.

As advised by the Management, there is no similar transaction conducted between Heilongjiang Shentong and other Independent Third Parties as CCC is the only supplier of Shentong Card integrated payment management system to Heilongjiang Shentong and it is not feasible to obtain quotation from other independent suppliers for similar services from the open market or change of service provider. Therefore, in assessing the terms of the Heilongjiang Shentong Shentong Card Payment System Contract, we have obtained, from the

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Management, the pricing range of all Shentong Card payment system contracts with similar payment terms conducted by CCC with other Independent Third Parties, and noted that CCC charge fees ranging 6% to 6.5% of the income which payment is made through and processed by the Shentong Card integrated payment management system. The 6% charging rate offered by CCC to Heilongjiang Shentong under the Heilongjiang Shentong Shentong Card Payment System Contract is therefore lower than or equal to those offered by CCC to other Independent Third Parties. To assess whether those comparable Shentong Card payment system contracts follow the aforesaid pricing policy of CCC, we reviewed five sample Shentong Card payment system contracts with similar payment terms conducted by CCC with other Independent Third Parties and with similar nature of services. Given that the major terms and nature of service provided are similar, we consider that such contracts are comparable to the Heilongjiang Shentong Shentong Card Payment System Contract and are representative. We found that (i) the charging rates offered by CCC to other Independent Third Parties are indeed within the aforesaid range; and (ii) other payment terms under the Heilongjiang Shentong Shentong Card Payment System Contract are substantially the same as those offered by CCC to other Independent Third Parties.

Taken into consideration that the charging rate offered by CCC to Heilongjiang Shentong is lower than or equal to those offered by CCC to other Independent Third Parties, we are of the view and concur with the view of the Management that the pricing arrangement is on normal commercial terms and the transactions conducted under the Heilongjiang Shentong Shentong Card Payment System Contract are fair and reasonable.

(iii) The proposed annual caps

The table below shows the relevant proposed annual caps under the Heilongjiang Shentong Shentong Card Payment System Contract for the three years ending 31 March 2025, 2026 and 2027 respectively:

	For the year ending		
	31 March	31 March	31 March
	2025	2026	2027
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
Proposed annual caps	1.5	1.6	1.7

With reference to the Board Letter, in arriving at the proposed annual caps under the Heilongjiang Shentong Shentong Card Payment System Contract, the Directors have taken into account the following factors:

- (a) 6% of the historical revenues generated by the Shentong Card; and

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- (b) an expected reduction to the transaction amounts for the years ending 31 March 2025, 2026 and 2027 due to relatively low historical utilisation rates (based on the actual transaction amounts and the historical annual caps) as a result of slower than expected recovery in the market.

The table below summarises the, historical annual caps, historical transaction amounts and the utilisation rates of the Existing Heilongjiang Shentong Shentong Card Payment System Contract (i) for the year ended 31 March 2022; (ii) for the year ended 31 March 2023; and (iii) for the nine months ended 31 December 2023.

	For the year ended 31 March 2022	For the year ended 31 March 2023	For the nine months ended 31 December 2023
Historical annual cap <i>(RMB million)</i>	4.45	5.10	5.70 <i>(Note 1)</i>
Actual transaction amounts <i>(RMB'000)</i>	613 <i>(Note 2)</i>	847 <i>(Note 2)</i>	787 <i>(Note 3)</i>
Utilisation rate	13.78%	16.61%	18.41% <i>(Note 4)</i>

Notes:

1. The historical annual cap is for the year ending 31 March 2024.
2. The relevant figures are audited.
3. The relevant figure is unaudited.
4. The utilisation rate represents the historical transaction amount for the nine months ended 31 December 2023 as compared to the annual cap for the year ending 31 March 2024, on a pro rata basis.

As shown in the above table, we noted that the utilisation rates of historical annual cap under the Existing Heilongjiang Shentong Shentong Card Payment System Contract were low for the years ended 31 March 2022 and 2023 and for the nine months ended 31 December 2023. According to the Management, the low historical transaction amounts and utilisation rates were mainly due to the impact of the outbreak of COVID-19 and the market has been recovered slower than expected. The Management expects that the business operation will be gradually recovered from the outbreak of COVID-19 and therefore has proposed the slightly higher annual caps for the three years ending 31 March 2025 to 31 March 2027 than the historical transaction amounts as stated in the above table. For illustration purpose, if we compare the annualised actual transaction amounts under the Existing Heilongjiang Shentong Shentong Card Payment System Contract for the year ending 31 March 2024 (i.e.

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approximately RMB1,049,000) with the proposed annual caps under the Heilongjiang Shentong Shentong Card Payment System Contract for the year ending 31 March 2025 (i.e. RMB1.5 million), the utilisation rate would be approximately 70%. Based on the above, we are of the view and concur with the Directors' view that the lowered annual caps for the transactions contemplated under the Heilongjiang Shentong Shentong Card Payment System Contract are justifiable.

Taking into account the Management have considered (i) the effects of COVID-19 resulting in a lower usage of Shentong Card as compared to the historical annual caps; (ii) the supportive governmental long term policies for the development of the robotics technology as mentioned under the section headed "II. Reasons for and benefits of the entering into the CCT Agreements" above in this letter, we consider that the proposed annual caps for the transactions contemplated under the Heilongjiang Shentong Shentong Card Payment System Contract are fair and reasonable.

Also taking into account the use of Shentong Card integrated payment management system under the Heilongjiang Shentong Shentong Card Payment System Contract is essential for the operations of the Group, we consider that the Heilongjiang Shentong Shentong Card Payment System Contract is in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

2. *Heilongjiang Shentong Customer Service Hotline Rental Contract*

(i) Background

Date: 24 January 2024

Parties: (i) CCC as supplier; and
(ii) Heilongjiang Shentong as purchaser

In respect of the provision of a designated national customer service hotline numbers 95130*** by CCC to the Group, CCC (as supplier) entered into the Heilongjiang Shentong Customer Service Hotline Rental Contract with Heilongjiang Shentong (as purchaser). Please refer to the paragraph headed "(ii) Heilongjiang Shentong Customer Service Hotline Rental Contract" in the Board Letter for the details of the Heilongjiang Shentong Customer Service Hotline Rental Contract.

Pursuant to the Heilongjiang Shentong Customer Service Hotline Rental Contract, for the period commencing after obtaining the approval by the Independent Shareholders or on 1 April 2024 (whichever is later) and ending on 31 March 2027 (both days inclusive), CCC shall provide a designated national customer service hotline number 95130*** to Heilongjiang Shentong.

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We understand from the Company that the customer service hotlines provided by CCC are in place for receiving queries from customers as customer services. We are advised that the Group has not received any material complaints from customers in relation to its service before. Notwithstanding the reliance on CCC as the single supplier of customer service hotline rental services to Heilongjiang Shentong, Heilongjiang Shentong has been engaging CCC since its commencement of business operations and for more than 10 years for the provision of customer service hotline, which is necessary for maintaining customer relationship. Accordingly, we consider that the Heilongjiang Shentong Customer Service Hotline Rental Contract would enable smooth operations of Heilongjiang Shentong, which is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

(ii) Pricing basis

Pursuant to the Heilongjiang Shentong Customer Service Hotline Rental Contract, for the period commencing after obtaining the approval by the Independent Shareholders or on 1 April 2024 (whichever is later) and ending on 31 March 2027 (both days inclusive), CCC will charge (i) an annual fee of RMB20,000 (equivalent to approximately HK\$22,200) which is on a pro-rata and 12-month-year basis; (ii) a calling charge of RMB0.06 (equivalent to approximately HK\$0.067) per 6 seconds for long distance incoming calls (subject to the scaled-discount rates); and (iii) a calling charge of RMB0.15 (equivalent to approximately HK\$0.17) per minute for outgoing calls via the internet through the “VoIP” (Voice-Over Internet Protocol) telephone system.

In the event that there is a new standard guideline related to the standard rates that could be imposed by the PRC governmental authority which is applicable to the telecommunication services to be provided under the Heilongjiang Shentong Customer Service Hotline Rental Contract, CCC will still charge Heilongjiang Shentong in accordance with the scaled-discount rates as stated in the agreement for the incoming calls. The scaled-discount rates for long distance incoming calls will not be changed.

As advised by the Management, there is no similar transaction conducted between the Group and other Independent Third Parties as CCC is the single supplier of customer service hotline rental services to the Group. Nevertheless, they obtained quotations from two other nationwide telecom network operators in the PRC (“**Supplier A**” and “**Supplier B**” respectively), both of which are Independent Third Parties, in December 2023 for similar customer service hotlines. As discussed with the Management, we understand that they consider that only nationwide telecom network operators are capable for providing similar services with stability comparable with those under the Heilongjiang Shentong Customer Service Hotline Rental Contract. Having also considered that the two quotations obtained are recent, we are of the view that they can

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serve as reference in determining whether the terms offered by CCC to the Group are no less favourable than those offered by other Independent Third Parties to the Group.

We have reviewed the two quotations and noted that, regarding the quotation from Supplier A, (i) a monthly fee of RMB3,000 (equivalent to approximately HK\$3,330); (ii) a calling charge of RMB0.06 (equivalent to approximately HK\$0.067) per 6 seconds will be charged for incoming calls; and (iii) a calling charge of RMB0.30 (equivalent to approximately HK\$0.33) per minute will be charged for outgoing calls via the internet through the “VoIP” (Voice-Over Internet Protocol) telephone system.

Regarding the quotation from Supplier B, we noted that (i) a monthly fee of RMB3,000 (equivalent to approximately HK\$3,330); (ii) a calling charge of RMB0.06 (equivalent to approximately HK\$0.067) per 6 seconds will be charged for incoming calls (subject to the scaled-discount rates which are the same as under the Heilongjiang Shentong Customer Service Hotline Rental Contract); and (iii) a calling charge of RMB0.15 (equivalent to approximately HK\$0.17) per minute will be charged for outgoing calls via the internet through the “VoIP” (Voice-Over Internet Protocol) telephone system. Based on the above, we are of the view and concur with the Management’s view that the quotations above fulfilled the requirements of the Company’s pricing policy and are fair and representative, the fees under the Heilongjiang Shentong Customer Service Hotline Rental Contract are respectively lower than or the same as those under each of the quotations, and is therefore no less favourable to the Group and the terms of the Heilongjiang Shentong Customer Service Hotline Rental Contract are fair and reasonable.

Furthermore, we have obtained from the Management, the pricing range of all customer service hotline rental contracts with similar payment terms conducted by CCC with other Independent Third Parties, and noted that (i) the annual fee charged by CCC to other Independent Third Parties range from RMB40,000 to RMB180,000 (equivalent to approximately HK\$44,400 to HK\$199,800); (ii) a calling charge of RMB0.06 (equivalent to approximately HK\$0.067) per 6 seconds for long distance incoming calls and the scaled-discount rates charged by CCC to other Independent Third Parties are the same as those under the Heilongjiang Shentong Customer Service Hotline Rental Contract; (iii) the calling charge for outgoing calls via internet through the “VoIP” (Voice-Over Internet Protocol) telephone system charged by CCC to other Independent Third Parties range from RMB0.18 per minute to RMB0.30 per minute (equivalent to approximately HK\$0.20 to HK\$0.33). The fees charged by CCC to the Group under the Heilongjiang Shentong Customer Service Hotline Rental Contract are therefore lower than or equal to those offered by CCC to other Independent Third Parties.

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To assess whether those comparable customer service hotline rental contracts follow the aforesaid pricing policy of CCC, we reviewed four sample customer service hotline rental contracts with similar payment terms conducted by CCC to other Independent Third Parties and with similar nature of services. Given that the major terms and nature of service provided are similar, we consider that such contracts are comparable to the Heilongjiang Shentong Customer Service Hotline Rental Contract and are representative. Based on the above sample evidences, we found that (i) the annual fee, the scaled-discount rates for calling charges for long distance incoming calls, the calling charge for outgoing calls via internet through the “VoIP” charged by CCC to other Independent Third Parties and indeed within the aforementioned ranges; and (ii) other payment terms under the Heilongjiang Shentong Customer Service Hotline Rental Contract are substantially the same as those offered by CCC to other Independent Third Parties.

Taking into consideration that (i) the prices offered by CCC to the Group (including the discount rates and the annual fee) are no less favourable than those offered by other Independent Third Parties to the Group based on the quotation as stated above; and (ii) the calling charges offered by CCC are no less favourable to those offered by CCC to other Independent Third Parties, we are of the view and concur with the view of the Management that the prices and other payment terms under the Heilongjiang Shentong Customer Service Hotline Rental Contract are fair and reasonable.

(iii) The proposed annual caps

The table below shows the proposed annual caps under the Heilongjiang Shentong Customer Service Hotline Rental Contract for the three years ending 31 March 2025, 2026 and 2027 respectively:

	For the year ending		
	31 March	31 March	31 March
	2025	2026	2027
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
Proposed annual caps	0.95	1.00	1.05

With reference to the Board Letter, in arriving at the proposed annual caps under the Heilongjiang Shentong Customer Service Hotline Rental Contract, the Directors have taken into account the following factors:

- (a) the historical usage and transaction amount under the Existing Heilongjiang Shentong Customer Service Hotline Rental Contract; and

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- (b) an expected reduction to the transaction amounts for the years ending 31 March 2025, 2026 and 2027 due to relatively low historical utilisation rates (based on the actual transaction amounts and the historical annual caps) as a result of slower than expected recovery in the market.

The table below summarises the historical transaction amounts and the respective utilisation rates of the Existing Heilongjiang Shentong Customer Service Hotline Rental Contract for the (i) year ended 31 March 2022; (ii) year ended 31 March 2023; and (iii) for the nine months ended 31 December 2023.

	For the year ended 31 March 2022	For the year ended 31 March 2023	For the nine months ended 31 December 2023
Historical annual cap (RMB million)	2.00	2.25	2.50 (Note 1)
Actual transaction amounts (RMB'000)	608 (Note 2)	707 (Note 2)	499 (Note 3)
Utilisation rate	30.40%	31.42%	26.61% (Note 4)

Notes:

1. The historical annual caps are for the year ending 31 March 2024.
2. The relevant figures are audited.
3. The relevant figure is unaudited.
4. The utilisation rates represent the historical transaction amounts for the nine months ended 31 December 2023 as compared to the corresponding annual caps for the year ending 31 March 2024, on a pro rata basis.
5. With reference to the Board Letter, waiver of fees by CCC as a special discount has been made amounting approximately nil, nil and RMB250,000 respectively for each of the year ended 31 March 2022, year ended 31 March 2023 and nine months ended 31 December 2023.

According to the Management, the low utilisation rate of the Existing Heilongjiang Shentong Customer Service Hotline Rental Contract as shown in the above table were due to the impact of the outbreak of COVID-19 and the market has been recovered slower than expected. For illustration purpose, if we compare the annualised actual transaction amounts under the Existing Heilongjiang Shentong Customer Service Hotline Rental Contract for the year ending 31 March 2024 (i.e. RMB665,000) with the proposed annual caps under the Heilongjiang Shentong Customer Service Hotline Rental Contract for the year ending 31 March 2025 (i.e. RMB950,000), the utilisation rate would be approximately 70.0%. Based on the above, we are of the view and concur with

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the Directors' view that the lowered annual caps for the transactions contemplated under the Heilongjiang Shentong Customer Service Hotline Rental Contract are justifiable.

Taking into account (i) the relevant historical transaction amounts and low utilisation rates of the historical annual caps under the Existing Heilongjiang Shentong Customer Service Hotline Rental Contract; (ii) the effects of COVID-19 and it takes time to gradually recover the transaction amounts; and (iii) the supportive official policies for the development of the robotics technology as mentioned under the paragraph headed "II. Reasons for and benefits of the entering into the CCT Agreements" above in this letter, we consider that the relevant annual caps for the transactions contemplated under the Heilongjiang Shentong Customer Service Hotline Rental Contract are fair and reasonable.

Also taking into account (i) the subscriptions of the customer service hotline under the Heilongjiang Shentong Customer Service Hotline Rental Contract are essential for the operations of the Group; and (ii) the waiver of fees by CCC as a special discount has been made amounting approximately RMB250,000 for nine months ended 31 December 2023, we consider that the Heilongjiang Shentong Customer Service Hotline Rental Contract are in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3. *Heilongjiang Shentong Server Hosting Agreement*

(i) *Background*

Date: 24 January 2024

Parties: (i) CCC as supplier; and
(ii) Heilongjiang Shentong as purchaser

In respect of the provision of server hosting service and dedicated leased lines by CCC to the Group, CCC (as supplier) entered into the Heilongjiang Shentong Server Hosting Agreement with Heilongjiang Shentong (as purchaser). Please refer to the paragraph headed "(iii) Heilongjiang Shentong Server Hosting Agreement" as stated under the Board Letter for details of the Heilongjiang Shentong Server Hosting Agreement.

Pursuant to the Heilongjiang Shentong Server Hosting Agreement, for the period commencing after obtaining the approval by the Independent Shareholders or on 1 April 2024 (whichever is later) and ending on 31 March 2027 (both days inclusive), (i) in respect of server hosting service, CCC will provide server equipment to Heilongjiang Shentong, and Heilongjiang Shentong will place its servers in CCC's server rooms and CCC will provide monitoring, management and technical support services to Heilongjiang Shentong; and (ii) in respect of dedicated leased lines, CCC will provide designated 110M-

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bandwidth share of broadband leased lines to Heilongjiang Shentong for the operation of its website, and CCC will also provide 35 IP addresses and not more than five racks of servers for the use of Heilongjiang Shentong.

We understand from the Company that the server and dedicated leased lines are required by Heilongjiang Shentong for data processing and storage. Notwithstanding the reliance on CCC as the single supplier of server hosting services and dedicated leased lines to Heilongjiang Shentong, Heilongjiang Shentong has been engaging CCC since its commencement of business operations and for more than 10 years for the provision of server hosting services and dedicated leased lines with stability and relevant technical support if necessary, which is essential for the existing business of the Group. Accordingly, we consider that the Heilongjiang Shentong Server Hosting Agreement would enable smooth operation of Heilongjiang Shentong, which is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

(ii) Pricing basis

Pursuant to the Heilongjiang Shentong Server Hosting Agreement, for the period commencing after obtaining the approval by the Independent Shareholders or on 1 April 2024 (whichever is later) and ending on 31 March 2027 (both days inclusive), CCC will charge Heilongjiang Shentong a fee of RMB40,000 (equivalent to approximately HK\$44,400) per month for each rack of servers used by Heilongjiang Shentong for the provision of server hosting service and dedicated leased lines which shall be payable quarterly in arrear. A daily default interest of 0.3% on the outstanding amount payable will be accrued should Heilongjiang Shentong fail to pay the outstanding amount payable within five business days from the date of receipt of the relevant demand note.

According to the Management, the aforementioned monthly rental fee for the server hosting service and dedicated leased lines is on commercial terms determined after arm's length negotiation between CCC and Heilongjiang Shentong with reference to similar transactions carried out in the market and the number of server rented, the bandwidth of the server and the quality of the maintenance service. At present, four rack(s) of servers were rented by Heilongjiang Shentong according to the Management.

As advised by the Management, there is no similar transaction conducted between the Group and other Independent Third Parties as CCC is the single supplier of server hosting services and dedicated leased lines to the Group. Nevertheless, they obtained two quotations from other nationwide internet network operators in the PRC, namely Server Hosting Supplier A and Server Hosting Supplier B (both of which are Independent Third Parties), in December 2023 for similar server hosting service and which are the only quotations available to provide dedicated leased lines to the Group according to the

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Management. As discussed with the Management, we understand that they consider that only nationwide internet network operators are capable of providing similar services with stability comparable with those under the Heilongjiang Shentong Server Hosting Agreement. Having also considered that the two quotations obtained are recent, we are of the view that they can serve as reference in determining whether the terms offered by CCC to the Group are no less favourable than those offered by other Independent Third Parties to the Group.

We have reviewed the quotation and noted that, regarding the quotation from Server Hosting Supplier A, (i) the monthly fee is RMB1,050,000 (equivalent to approximately HK\$1.17 million) for the dedicated leased lines with 300M bandwidth alone; (ii) the monthly fee is RMB10,000 (equivalent to approximately HK\$11,100) for each server used; and (iii) the monthly fee is RMB100 (equivalent to approximately HK\$111) for each IP address. While the bandwidth of lease lines is 300M which is higher than 110M under the Heilongjiang Shentong Server Hosting Agreement, we understand from the Management that the quotation is the most basic plan offered by Server Hosting Supplier A and that the lease lines with bandwidth of 110M is sufficient for the Group's operation. Accordingly it is unnecessary for the Company to adopt higher bandwidth of the lease lines which costs substantially higher monthly fee considering the net current liabilities financial position of the Company as stated under the paragraph headed "I. Background information on the Group and the connected persons" above in this letter. Regarding the quotation from Server Hosting Supplier B, we noted that (i) the monthly fee is approximately RMB47,000 (equivalent to approximately HK\$52,000) for each server used; and (ii) the additional monthly fee for the dedicated leased lines with 100M bandwidth is RMB13,450 (equivalent to approximately HK\$15,000).

Based on the above only quotations that are available to provide dedicated leased lines to the Group according to the Management, the total fee for each rack of server for the provision of server hosting service and dedicated leased-lines per month from Server Hosting Supplier A (i.e. approximately RMB1,060,000 per month) and Server Hosting Supplier B (i.e. approximately RMB60,450 per month) are higher than that offered by the CCC to Heilongjiang Shentong (i.e. RMB40,000 per month). Accordingly, we are of the view and concur with the Management's view that the quotations above fulfilled the requirements of the Company's pricing policy and are fair and representative, the monthly fee under the Heilongjiang Shentong Server Hosting Agreement is therefore more favourable to the Group and the terms of the Heilongjiang Shentong Server Hosting Agreement are fair and reasonable.

Furthermore, we have obtained, from the Management, the pricing range of all Heilongjiang Shentong Server Hosting Agreement with similar payment terms conducted by CCC with other Independent Third Parties, and noted that monthly fee rented charged by CCC to other Independent Third Parties range from RMB86,000 to RMB425,000 (equivalent to approximately HK\$95,500 to

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HK\$472,000) per server with the dedicated leased lines with bandwidth range from 30M to 100M. The fees charged by CCC to the Group under the Heilongjiang Shentong Server Hosting Agreement are therefore lower than those offered by CCC to other Independent Third Parties. To assess whether those comparable Heilongjiang Shentong Server Hosting Agreement follow the aforesaid pricing policy of CCC, we reviewed five sample agreements with similar payment terms conducted by CCC with other Independent Third Parties and with similar nature of services as Heilongjiang Shentong Server Hosting Agreement. Given that the major terms and nature of service provided are similar, we consider that the aforesaid agreements are comparable to the Heilongjiang Shentong Server Hosting Agreement and are representative. Based on the above sample evidences, we found that (i) the monthly fees per server rented charged by CCC to other Independent Third Parties are indeed within the aforesaid range; and (ii) other payment terms under the Heilongjiang Shentong Server Hosting Agreement are substantially the same as those offered by CCC to other Independent Third Parties.

Taking into consideration that the server rental fee charged by CCC to the Group are no less favourable than (i) those offered by other Independent Third Parties to the Group based on the quotation as stated above; and (ii) those charged by CCC to other Independent Third Parties, we are of the view and concur with the view of the Management that the prices and other payment terms under the Heilongjiang Shentong Server Hosting Agreement are fair and reasonable.

(iii) The proposed annual caps

The table below shows the relevant proposed annual caps under the Heilongjiang Shentong Server Hosting Agreement for the three years ending 31 March 2025, 2026 and 2027 respectively:

	For the year ending		
	31 March	31 March	31 March
	2025	2026	2027
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
Proposed annual caps	2.40	2.40	2.40

With reference to the Board Letter, in arriving at the proposed annual caps under the Heilongjiang Shentong Server Hosting Agreement, the Directors have taken into account the following factors:

- (a) the contract price of RMB40,000 (equivalent to approximately HK\$44,400) per month for each server used;
- (b) the historical usage and transaction amount under the Existing Heilongjiang Shentong Server Hosting Agreement;

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- (c) the estimated number of racks of servers required for the years ending 31 March 2025, 2026 and 2027 of 4, 4 and 4 respectively with additional 1 server for back up; and
- (d) an expected reduction to the transaction amounts for the years ending 31 March 2025, 2026 and 2027 due to relatively low historical utilisation rates (based on the actual transaction amounts and the historical annual caps) as a result of slower than expected recovery in the market.

The table below summarises the historical transaction amounts and the respective utilisation rates of the Existing Heilongjiang Shentong Server Hosting Agreement (i) for the year ended 31 March 2022; (ii) for the year ended 31 March 2023; and (iii) for the nine months ended 31 December 2023.

	For the year ended 31 March 2022	For the year ended 31 March 2023	For the nine months ended 31 December 2023
Historical annual cap <i>(RMB million)</i>	4.80	5.76	6.72 <i>(Note 1)</i>
Actual transaction amounts <i>(RMB million)</i>	1.92 <i>(Note 2)</i>	1.92 <i>(Note 2)</i>	1.44 <i>(Note 3)</i>
Utilisation rate	40.00%	33.33%	28.57% <i>(Note 4)</i>

Notes:

- The historical annual caps are for the year ending 31 March 2024.
- The relevant figures are audited.
- The relevant figure is unaudited.
- The utilisation rates represent the historical transaction amounts for the nine months ended 31 December 2023 as compared to the corresponding annual caps for the year ending 31 March 2024, on a pro rata basis.
- According to the Board Letter, waiver of fees amounting to approximately nil, nil and RMB720,000 respectively for each of the year ended 31 March 2022, year ended 31 March 2023 and nine months ended 31 December 2023 has been made by CCC as a special discount.

According to the Management, the low utilisation rates of Existing Heilongjiang Shentong Server Hosting Agreement for the years ended 31 March 2022, 31 March 2023 and for the nine months ended 31 December 2023 have been affected by the impact of COVID-19 and the market has been recovered slower than expected. For illustration purpose, if we compare the annualised actual transaction amounts under the Existing Heilongjiang Shentong Server

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Hosting Agreement for the year ending 31 March 2024 (i.e. RMB1.92 million) with the proposed annual caps under the Heilongjiang Shentong Server Hosting Agreement for the year ending 31 March 2025 (i.e. approximately RMB2.40 million), the utilisation rate would be approximately 80%. Based on the above, we are of the view and concur with the Directors' view that the lowered annual caps for the transactions contemplated under the Heilongjiang Shentong Server Hosting Agreement are fair and reasonable.

Taking into account (i) the relevant historical transaction amounts and low utilisation rates of the historical annual caps under the Existing Heilongjiang Shentong Server Hosting Agreement; (ii) the effects of COVID-19 and it takes time to gradually recover the transaction amounts; and (iii) the supportive official policies for the development of the robotics technology as mentioned under the section headed "II. Reasons for and benefits of the entering into the CCT Agreements" above in this letter and the Management are of the view that the business operation of the Group is gradually recovering, we consider that the relevant annual caps under the Heilongjiang Shentong Server Hosting Agreement are fair and reasonable.

Also taking into account (i) the server hosting service and dedicated leased lines is essential for the operations of the Group; and (ii) the waiver of fees amounting to approximately RMB720,000 for nine months ended 31 December 2023 has been made by CCC as a special discount, we consider that the Heilongjiang Shentong Server Hosting Agreement are in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

4. Heilongjiang Shentong Web Advertising Contract

(i) Background

Date: 24 January 2024

Parties: (i) China Communication Heilongjiang as supplier; and
(ii) Heilongjiang Shentong as purchaser

Pursuant to the Heilongjiang Shentong Web Advertising Contract, for the period commencing after obtaining the approval by the Independent Shareholders or on 1 April 2024 (whichever is later) and ending on 31 March 2027 (both days inclusive), Heilongjiang Shentong agreed to arrange for, the web advertisements of Heilongjiang Shentong to be published on the internet. 24-hour technical support services shall also be provided by China Communication Heilongjiang to Heilongjiang Shentong to handle all technical issues in relation to the publication of the advertisements.

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We are advised by the Company that at present, the web advertisements are for marketing and promotion of robotics related education and training courses. China Communication Heilongjiang will target the students or education institutions who are interested in robotics related education and training courses and hence increase the revenue to be generated from Shentong Card. Notwithstanding the reliance on China Communication Heilongjiang as the single agent of the official website of Heilongjiang Robot Sport Association, Heilongjiang Shentong has been engaging China Communication Heilongjiang since its commencement of business operations for the provision of web advertisements, which is beneficial to the existing business of the Group. Accordingly, we consider that the Heilongjiang Shentong Web Advertising Contract would enable smooth operation of Heilongjiang Shentong and represent a feasible marketing means for promoting the robotics related education and training courses, the payment method of which is via the Shentong Card, and is thus in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

(ii) Pricing basis

Pursuant to the Heilongjiang Shentong Web Advertising Contract, for the period commencing after obtaining the approval by the Independent Shareholders or on 1 April 2024 (whichever is later) and ending on 31 March 2027 (both days inclusive), China Communication Heilongjiang shall charge Heilongjiang Shentong for each advertisement to be placed by Heilongjiang Shentong, which shall be determined according to the proposed publication time slots and duration as follows:

- (a) From 08:20 to 12:19 (i.e. 4 hours in total), RMB14,000 (equivalent to approximately HK\$15,540) per day for the 4-hour period with a discount of 35%;
- (b) From 12:20 to 15:19 (i.e. 3 hours in total), RMB12,000 (equivalent to approximately HK\$13,320) per day for the 3-hour period with a discount of 35%;
- (c) From 15:20 to 19:19 (i.e. 4 hours in total), RMB15,000 (equivalent to approximately HK\$16,650) per day for the 4-hour period with a discount of 35%;
- (d) From 19:20 to 22:19 (i.e. 3 hours in total), RMB18,800 (equivalent to approximately HK\$20,868) per day for the 3-hour period with a discount of 35%; and
- (e) From 22:20 to 01:19 (i.e. 3 hours in total), RMB10,000 (equivalent to approximately HK\$11,100) per day for the 3-hour period with a discount of 35%.

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The unit rates charged by China Communication Heilongjiang under the Existing Heilongjiang Shentong Web Advertising Contract are the same as the Heilongjiang Shentong Web Advertising Contract. As advised by the Management, there is no similar transaction conducted between the Group and other Independent Third Parties as China Communication Heilongjiang is the single supplier of web advertisements to Heilongjiang Shentong. With reference to the Board Letter, 100% of transaction amounts for the year ended 31 March 2022 and for the nine months ended 31 December 2023 and approximately 73% of transaction amounts have been waived by China Communication Heilongjiang as special discounts.

Nevertheless, we have reviewed two quotations obtained in December 2023 by the Company from other Independent Third Parties which are portal sites providing news and other services (“Website A” and “Website B”) in relation to web advertising as provided by the Company. As discussed with the Management, we understand that they consider that these websites are popular news media websites which have the target customers of the Group with similar traffic. We noted that for web advertisement similar in nature with those under the Heilongjiang Shentong Web Advertising Contract, (i) Website A would charge on a full-day basis of RMB80,000 (equivalent to approximately HK\$88,800) per day; and (ii) Website B would charge on a full-day basis of RMB30,000 (equivalent to approximately HK\$33,300) per day.

We are advised by the Company that the Group intends to place web advertisement for one time slot (i.e. 3 hours per day), particularly during lunch time, and thus, only pricing basis (b) above shall be applicable and therefore would cost approximately RMB12,000 (equivalent to approximately HK\$13,320) with a discounted price of RMB7,800 (equivalent to approximately HK\$8,658) per section which would be lower than the advertising fee from Website A and Website B that required placing web advertisement on full day basis. Having consider that (i) the Company intends to place web advertisement for one time slot only and not necessary to place web advertisement on full day basis which is the quotation offered by Website A and Website B and cost higher fee ; and (ii) 100% of transaction amounts for the year ended 31 March 2022 and for the nine months ended 31 December 2023 respectively and approximately 73% of transaction amounts under the Existing Heilongjiang Shentong Web Advertising Contract have been waived by China Communication Heilongjiang as special discounts, we consider that the terms under the Heilongjiang Shentong Web Advertising Contract are no less favourable to the Group than those available from other Independent Third Parties and are fair and reasonable. We are of the view and concur with the Management’s view that the quotations above fulfilled the requirements of the Company’s pricing policy and are fair and representative.

Furthermore, we have obtained, from the Management, the pricing range of all web advertising contracts with similar payment terms conducted by China Communication Heilongjiang with other Independent Third Parties, and noted

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that (i) the advertising fees for different publication time slots charged by China Communication Heilongjiang to other Independent Third Parties are higher or the same as those advertising fees charged by China Communication Heilongjiang to Heilongjiang Shentong under the Heilongjiang Shentong Web Advertising Contract; and (ii) the maximum discount rate offered by China Communication Heilongjiang to other Independent Third Parties is 35%, which is same as the discount provided under the Heilongjiang Shentong Web Advertising Contract. The prices and maximum discount offered by China Communication Heilongjiang to Heilongjiang Shentong under the Heilongjiang Shentong Web Advertising Contract are therefore no less favourable to the Group than those offered by CCC to other Independent Third Parties and the terms of the Heilongjiang Shentong Web Advertising Contract are fair and reasonable.

To assess whether those web advertising contracts follow the aforesaid pricing policy of CCC, we also reviewed five sample web advertising contracts with similar payment terms conducted by China Communication Heilongjiang with other Independent Third Parties and with similar nature of services. Given that the major terms and nature of service provided are similar, we consider that such contracts are comparable to the Heilongjiang Shentong Web Advertising Contract and are representative. Based on the above, we found that (i) advertising fees and maximum discount rates offered by China Communication Heilongjiang to other Independent Third Parties indeed follow the aforesaid pricing basis; and (ii) other payment terms under the Heilongjiang Shentong Web Advertising Contract are substantially the same as those offered by China Communication Heilongjiang to other Independent Third Parties.

Taking into consideration that the prices and maximum discount offered by China Communication Heilongjiang to the Group are no less favourable than (i) those offered by other Independent Third Parties to the Group based on the quotation as stated above; and (ii) those offered by China Communication Heilongjiang to other Independent Third Parties, we are of the view and concur with the view of the Management that the prices and other payment terms under Heilongjiang Shentong Web Advertising Contract are fair and reasonable.

(iii) The proposed annual caps

The table below shows the relevant proposed annual caps for the three years ending 31 March 2025, 2026 and 2027 respectively:

	For the year ending		
	31 March	31 March	31 March
	2025	2026	2027
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
Proposed annual caps	2.90	2.90	2.90

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In arriving at the proposed annual caps under the Heilongjiang Shentong Web Advertising Contract, the Directors have taken into account the following factors:

- (a) the contract price for the section of 12:20 to 15:19 (i.e. 3 hours in total) of RMB12,000 (equivalent to approximately HK\$13,320) per section with a discounted price of RMB7,800 (equivalent to approximately HK\$8,658) per section;
- (b) the estimated number of sections to be used for the years ending 31 March 2025, 2026 and 2027 of 365, 365 and 365 respectively; and
- (c) the historical usage and transaction amount under the Existing Heilongjiang Shentong Web Advertising Contract.

The table below summarises the historical transaction amounts and the utilisation rates of the Existing Heilongjiang Shentong Web Advertising Contract (i) for the year ended 31 March 2022; (ii) for the year ended 31 March 2023; and (iii) for the nine months ended 31 December 2023:

	For the year ended 31 March 2022	For the year ended 31 March 2023	For the nine months ended 31 December 2023
Existing Heilongjiang Shentong Web Advertising Contract			
Historical annual cap <i>(RMB million)</i>	2.90	2.90	2.90 <i>(Note 1)</i>
Actual transaction amount <i>(RMB million)</i>	2.85 <i>(Note 2)</i>	2.64 <i>(Note 2)</i>	2.15 <i>(Note 3)</i>
Utilisation rate	98.28%	91.03%	98.85% <i>(Note 4)</i>

Notes:

1. The historical annual cap is for the year ending 31 March 2024.
2. The relevant figures are audited.
3. The relevant figure is unaudited.
4. The utilisation rate represents the historical transaction amount for the nine months ended 31 December 2023 as compared to the annual cap for the year ending 31 March 2024, on a pro rata basis.

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5. According to the Board Letter, waiver of fees amounting to approximately RMB2.85 million, RMB1.93 million and RMB2.15 million respectively for each of the year ended 31 March 2022, year ended 31 March 2023 and nine months ended 31 December 2023 has been made by China Communication Heilongjiang as a special discount.

As shown in the above table, we noted that the utilisation rates of historical annual cap were approximately (i) 98.28% for the year ended 31 March 2022; (ii) approximately 91.03% for the year ended 31 March 2023; and (iii) approximately 98.85% for the nine months ended 31 December 2023.

Taking into account (i) the relevant historical transaction amounts, indicating consistent amounts of web advertisement placed by Heilongjiang Shentong,; and (ii) the annual caps for the transactions contemplated under the Heilongjiang Shentong Web Advertising Contract were determined with reference to the estimated amount of advertisements to be placed by Heilongjiang Shentong and the prevailing charging rates, we consider that the annual caps for the transactions contemplated under the Heilongjiang Shentong Web Advertising Contract are fair and reasonable.

Also taking into account that (i) advertising on the website of China Communication Heilongjiang is an effective way of marketing relating to robotics related education and training courses of Heilongjiang Shentong; and (ii) 100% of transaction amounts for the year ended 31 March 2022 and for the nine months ended 31 December 2023 respectively and approximately 73% of transaction amounts have been waived by China Communication Heilongjiang as special discounts, we consider that the Heilongjiang Shentong Web Advertising Contract is in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IV. Pricing policy and internal control for implementing the CCT Agreements

As stated in the Board Letter, the basis of determining the prices of the services to or from the Group under each of the CCT Agreements will be in accordance with the prevailing market prices of similar services and based on the following principles:

- (i) by reference to the prevailing market price of the same or substantially similar services, taking into account the price of the same or substantially similar services with comparable order quantities and quality offered to/by other suppliers; and
- (ii) if there are not sufficient comparable transactions in (i) above, on normal commercial terms comparable to those currently offered by the Group to, or received by the Group from, independent third parties in respect of the same or substantially similar products or services with comparable quantities.

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In this regard, in relation to the services to or from the Group under each of the CCT Agreements, the finance department of the Company will invite quotations from at least two independent supplier(s); and review at least four similar contract(s) between the CCC Group as supplier and independent purchasers (except the Heilongjiang Shentong Shentong Card Payment System Contract, only five similar contracts between the CCC Group and independent purchasers were reviewed as the Shentong Card integrated payment management system as provided for use by CCC is a tailor-made system which is not readily available in the market), to get a reference on the prevailing market prices for the relevant services to be procured. Such quotations and/or similar contracts will be reviewed and evaluated from both the technical and commercial perspectives by the finance manager of the Company compared against the pricing basis under the CCT Agreements to ensure that the services to be procured under the CCT Agreements are better than or at least the same as to the prices and terms for such services being offered by other independent third parties thereby ensure that the transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

According to the Management, in addition to the above procedures in relation to pricing under the CCT Agreements, the Group will continue to implement the followings internal control measures to ensure that the continuing connected transactions are conducted within the framework of the CCT Agreements:

- (i) To ensure that the actual prices for the transactions under the CCT Agreements are on normal commercial terms and on terms no less favourable to the Group than that available from other Independent Third Party suppliers, the Finance Department of the Company will conduct monthly checks to review and assess whether the products have been supplied or purchased in accordance with the terms of the relevant agreement and quarterly checks to ensure that the relevant annual caps is not exceeded;
- (ii) The independent non-executive Directors will review the transactions under the CCT Agreements annually to ensure (i) the terms of the CCT Agreements are fair and reasonable and in the interest of the Company and Shareholders as a whole; (ii) the relevant transactions are entered into in the ordinary and usual course of business of the Group; (iii) on normal commercial terms; and (iv) the relevant transactions are entered into on normal commercial terms or on terms no less favourable to the Company than terms available to or from other Independent Third Parties; and
- (iii) The Company will engage its auditors to report on the CCT Agreements annually confirming whether (i) the relevant transactions under the CCT Agreements have received approval by the Board; (ii) the transactions are entered into, in all material respects, in accordance with the CCT Agreements governing them; and (iii) with respect to the aggregate amount of the continuing connected transactions under the CCT Agreements, such transactions do not exceed the relevant annual caps.

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Regarding item (i) above, we review the sample documents provided by the Company, including (i) two monthly checks for each CCT Agreement for each of the three financial years during the terms of the Existing CCT Agreements regarding terms of products supplied or purchased; and (ii) one quarterly check for each CCT Agreement for each of the three financial years during the terms of the Existing CCT Agreements regarding relevant annual caps, and noticed that the Finance Department of the Company indeed carried regular checks in the past which was duly acknowledged by the relevant counter parties and we did not notice any anomaly. Regarding items (ii) and (iii) above, we also review the relevant reports and statements by the independent non-executive Directors and the auditor of the Company respectively for the previous continuing connected transactions of the Group, and we did not notice any anomaly. Accordingly, we consider that there are adequate and enforceable internal control measures in place regarding the continuing connected transactions contemplated under the CCT Agreements.

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the opinion that (i) the entering of CCT Agreements is in the ordinary and usual course of business of the Group; and (ii) the terms of CCT Agreements (including but not limited to their respective annual caps) are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders, and we also recommend the Independent Shareholders, to vote in favour of the relevant resolution(s) to be proposed at the EGM to approve the CCT Agreements (including but not limited to their respective annual caps) and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Nuada Limited

Po Chan
Executive Director

Kevin Wong
Vice President

Ms. Po Chan is a person licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO and is a responsible officer of Nuada Limited who has over 20 years of experience in the corporate finance industry.

Mr. Kevin Wong is a person licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO and is a responsible officer of Nuada Limited who has over 16 years of experience in the corporate finance industry.

** The English translation of the Chinese name(s) in this letter, where indicated (*), is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).*

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 the information contained in this circular 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 circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of Directors and chief executives in shares and underlying shares and debentures

As at the Latest Practicable Date, 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 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 were as follows:

Name of Director	Number of shares held			Approximate percentage of issued share capital
	Personal interests	Corporate interests	Total	
Mr. 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 the Latest Practicable Date.

(b) Interests and short positions of shareholders in shares and underlying shares

As at the Latest Practicable Date, 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 substantial shareholder as defined in the GEM Listing Rules as CCI is a wholly-owned subsidiary of CCC and CCC is deemed to be interested in the shares held by CCI by virtue of Part XV of the SFO.
- (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 Part XV the SFO.

Save as disclosed above, as at the Latest Practicable Date, 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.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

4. INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENT

As at the Latest Practicable Date, none of the Directors and the Independent Financial Adviser has, or had, any direct or indirect interest in any assets which had been or are proposed to be acquired, disposed of by or leased to, any member of the Group since 31 March 2023, being the date to which the latest published audited financial statements of the Company were made up.

None of the Directors is materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

5. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinions or advice which are contained in this circular:

Name	Qualifications
Nuada Limited	A licensed corporation under the SFO licensed to conduct type 6 (advising on corporate finance) regulated activity under the SFO

Nuada Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, Nuada Limited did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

6. MATERIAL ADVERSE CHANGE

As disclosed in the Company's interim report for the six months ended 30 September 2023 dated 9 November 2023, the Group recorded an unaudited net profit of approximately HK\$452,000 for the six months ended 30 September 2023, as compared to approximately HK\$1,826,000 for the corresponding period in 2022 primarily due to the decrease in exchange gain. Further information is set out in the interim report of the Company for the six months ended 30 September 2023.

Save as above, the Directors are not aware of any circumstances or events that may give rise to a material adverse change in the financial or trading position of the Group since 31 March 2023, being the date of which the latest audited financial statement of the Group was made up.

7. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective close associates had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

8. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and there is no litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

9. MISCELLANEOUS

- (a) The company secretary of the Company is Mr. Yiu King Ming, who is a member of the Hong Kong Institute of Certified Public Accountants.
- (b) The registered office of the Company is situated at PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands.
- (c) The head office and principal place of business of the Company in Hong Kong is located at Unit 3006, 30th Floor, West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong.
- (d) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17th Floor Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong.
- (e) The English text of this circular shall prevail over the Chinese text in the case of any inconsistency.

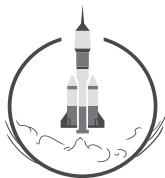
10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (www.srobotedu.com) for a period of not less than fourteen (14) days from the date of this circular up to and including the date of the EGM:

- (a) each of the CCT Agreements;
- (b) written consent referred to in the paragraph headed “Expert and consent” in this appendix;

- (c) the letter from the Board, the text of which is set out on pages 5 to 24 in this circular;
- (d) the letter from the Independent Board Committee, the text of which is set out on pages 25 to 26 in this circular;
- (e) the letter of advice from the Independent Financial Adviser, to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 27 to 56 in this circular; and
- (f) this circular.

NOTICE OF EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of the shareholders of Shentong Robot Education Group Company Limited (the “**Company**”) will be held at the Meeting Room, Unit 3006, 30th Floor, West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong on 28 March 2024 at 11 a.m. for the purposes of considering and, if thought fit, passing the following resolutions with or without amendments as ordinary resolution of the Company:

ORDINARY RESOLUTIONS

1. “**THAT**

- (a) the Heilongjiang Shentong Shentong Card Payment System Contract (as defined in the circular of the Company dated 11 March 2024 (the “**Circular**”), a copy of which has been produced to this meeting marked “A” and signed by the chairman of this meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the annual caps for the transactions contemplated under the Heilongjiang Shentong Shentong Card Payment System Contract as stated in the Circular for each of the three years ending 31 March 2027 be and are hereby approved, confirmed and ratified; and
- (c) any one or more of the directors (the “**Director(s)**”) of the Company be and is/ are hereby authorised to do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Heilongjiang Shentong Shentong Card Payment System Contract and the transactions contemplated thereunder and to make and agree to such variations of a non-material nature to any of the terms therein as he/she/they may in his/ her/their discretion consider to be desirable and in the interests of the Company and all the Directors’ acts as aforesaid be hereby confirm, ratified and approved.”

NOTICE OF EGM

2. “THAT

- (a) the Heilongjiang Shentong Customer Service Hotline Rental Contract (as defined in the Circular, a copy of which has been produced to this meeting marked “B” and signed by the chairman of this meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the annual caps for the transactions contemplated under the Heilongjiang Shentong Customer Service Hotline Rental Contract as stated in the Circular for each of the three years ending 31 March 2027 be and are hereby approved, confirmed and ratified; and
- (c) any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Heilongjiang Shentong Customer Service Hotline Rental Contract and the transactions contemplated thereunder and to make and agree to such variations of a non-material nature to any of the terms therein as he/she/they may in his/her/their discretion consider to be desirable and in the interests of the Company and all the Directors’ acts as aforesaid be hereby confirm, ratified and approved.”

3. “THAT

- (a) the Heilongjiang Shentong Server Hosting Agreement (as defined in the Circular, a copy of which has been produced to this meeting marked “C” and signed by the chairman of this meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the annual caps for the transactions contemplated under the Heilongjiang Shentong Server Hosting Agreement as stated in the Circular for each of the three years ending 31 March 2027 be and are hereby approved, confirmed and ratified; and
- (c) any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Heilongjiang Shentong Server Hosting Agreement and the transactions contemplated thereunder and to make and agree to such variations of a non-material nature to any of the terms therein as he/she/they may in his/her/their discretion consider to be desirable and in the interests of the Company and all the Directors’ acts as aforesaid be hereby confirm, ratified and approved.”

NOTICE OF EGM

4. “THAT

- (a) the Heilongjiang Shentong Web Advertising Contract (as defined in the Circular, a copy of which has been produced to this meeting marked “D” and signed by the chairman of this meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the annual caps for the transactions contemplated under the Heilongjiang Shentong Web Advertising Contract as stated in the Circular for each of the three years ending 31 March 2027 be and are hereby approved, confirmed and ratified; and
- (c) any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Heilongjiang Shentong Web Advertising Contract and the transactions contemplated thereunder and to make and agree to such variations of a non-material nature to any of the terms therein as he/she/they may in his/her/their discretion consider to be desirable and in the interests of the Company and all the Directors’ acts as aforesaid be hereby confirm, ratified and approved.”

Yours faithfully,

For and on behalf of the Board

Shentong Robot Education Group Company Limited

He Chenguang

Chairman

Hong Kong, 11 March 2024

Head Office and Principal Place of Business:

Unit 3006, 30th Floor
West Tower
Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

Registered Office:

P.O. Box 309, Ugland House
Grand Cayman
KY1-1104
Cayman Islands

NOTICE OF EGM

Notes:

1. Any member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. To be valid, the form of proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited at the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. no later than 26 March 2024 at 11 a.m. (Hong Kong Time)) or any adjournment thereof.
3. The register of members of the Company will be closed from 25 March 2024 to 28 March 2024, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration no later than 4:30 p.m. on 22 March 2024 (Hong Kong Time).
4. Where there are joint holders of a share of the Company, any one of such holders may vote at the meeting either personally or by proxy in respect of such share as if he were solely entitled thereto, but if more than one of such holders be present at the meeting personally or by proxy, that one of such holders so presents whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
5. Completion and delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the EGM and in such event, the form of proxy shall be deemed to be revoked.
6. The above resolutions will be put to vote at the EGM by way of poll.
7. If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or at any time after 9:00 a.m. on the date of the EGM, the EGM will be adjourned. The Company will post an announcement on the HKEXnews website (www.hkexnews.hk) and the website of the Company (www.SRobotEdu.com) and to notify shareholders of the date, time and place of the adjourned meeting. The EGM will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the EGM under bad weather conditions bearing in mind their own situations.

As at the date of this notice, 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. Chen Lei (Independent Non-Executive Director)