



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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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

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

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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

CHAIRMAN’S STATEMENT

On behalf of the Board of the Directors (the “Board”), I am pleased to present the audited consolidated results of Shentong Robot Education Group Company Limited (“Shentong Robot Education” or the “Company”, together with its subsidiary companies, the “Group”) for the year ended 31 March 2025 (the “Year”).

FINANCIAL PERFORMANCE

The Group recorded consolidated revenue of approximately HK\$10,829,000 for the year ended 31 March 2025, representing a decrease of approximately 34.8% as compared to approximately HK\$16,602,000 for the year ended 31 March 2024.

The Group made a loss for the year of approximately HK\$7,130,000 for the year ended 31 March 2025, as compared to approximately HK\$4,155,000 for the year ended 31 March 2024. The decrease in results was mainly due to the decrease in revenue.

BUSINESS REVIEW

The principal business activities of the Group is the provision of robotics related education and training in the PRC (the “Robotics Business”). The Group recorded a decrease of approximately 34.8% in revenue for the year ended 31 March 2025 as compared with that for the year ended 31 March 2024. The decrease in revenue was primarily due to the challenging economic environment.

Various cost-saving measures have been implemented to mitigate the economic challenge to control costs to the minimum necessary level. The CCC group, the substantial shareholder of the Group, has granted a total service fee discount of approximately HK\$4.4 million. The Group will solicit further discounts in the future. As a result of the abovementioned significant support provided by the CCC group, the cost of service of the Group significantly decreased from approximately HK\$5.3 million for the year ended 31 March 2024 to approximately HK\$4.4 million for the year ended 31 March 2025. The total selling and distribution and administrative expenses have been decreased from approximately HK\$16.0 million for the year ended 31 March 2024 to approximately HK\$13.6 million for the year ended 31 March 2025.

After the end of the reporting period, the Group set up a subsidiary with 51% shareholding, 北京神通祥合智慧科技有限公司 (Beijing Shentong Xianghe Intelligent Technology Company Limited*) (the “Beijing Shentong”), for the development of an AI-assisted robotics education platform in the PRC. At the date of this annual report, RMB510,000 had been injected into this subsidiary as registered capital.

* *English name is for identification purpose only*

PROSPECTS

Looking ahead, the Group plans to launch various robotics theme activities. In addition to various robotics education courses and teacher training, we will 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. With the continuous development of robotics education projects, China's educational reform and the development of the robotics industry are expected to reach a new level. In addition to building a good platform for robotics education for young people in Heilongjiang Province, the Group will actively participate in planning the national development strategy of robotics education and strive to cultivate the robotics industry and robotics professionals.

APPRECIATION

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

RESULTS

The Board is pleased to announce the audited consolidated results of the Group for the year ended 31 March 2025, together with the comparative figures for the corresponding year ended 31 March 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2025

		2025	2024
	Note	HK\$'000	HK\$'000
Revenue	3	10,829	16,602
Cost of service		<u>(4,388)</u>	<u>(5,275)</u>
Gross profit		6,441	11,327
Investment income	4	104	224
Other gains and losses, net		–	199
Reversal of impairment allowance on expected credit losses		6	227
Selling and distribution expenses		(1,457)	(3,051)
Administrative expenses		<u>(12,117)</u>	<u>(12,918)</u>
Loss from operations		(7,023)	(3,992)
Finance costs	6	<u>(184)</u>	<u>(273)</u>
Loss before tax		(7,207)	(4,265)
Income tax credit	7	<u>77</u>	<u>110</u>
Loss for the year		<u>(7,130)</u>	<u>(4,155)</u>
		HK cent	HK cent
Loss per share			
Basic (cents per share)	10	<u>(0.38)</u>	<u>(0.22)</u>
Diluted (cents per share)	10	<u>N/A</u>	<u>N/A</u>

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

For the year ended 31 March 2025

	2025 HK\$'000	2024 HK\$'000
Loss for the year	(7,130)	(4,155)
Other comprehensive income		
<i>Item that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	<u>(241)</u>	<u>(4,174)</u>
Total comprehensive income for the year attributable to owners of the Company	<u>(7,371)</u>	<u>(8,329)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	<i>Note</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		13	6
Right-of-use assets		1,712	3,836
Deferred tax assets		613	843
Total non-current assets		2,338	4,685
Current assets			
Prepayments, deposits and other receivables	<i>11</i>	7,610	5,441
Bank and cash balances		73,554	77,749
Total current assets		81,164	83,190
Current liabilities			
Contract liabilities		8,044	6,650
Receipt in advance		12	12
Accruals and other payables	<i>12</i>	110,448	110,185
Loans from a substantial shareholder		3,708	–
Lease liabilities		1,673	2,833
Current tax liabilities		25,779	25,890
Total current liabilities		149,664	145,570
Net current liabilities		(68,500)	(62,380)
Total assets less current liabilities		(66,162)	(57,695)

	<i>Note</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Non-current liabilities			
Lease liabilities		921	1,713
Deferred tax liabilities		1,399	1,703
		<u> </u>	<u> </u>
Total non-current liabilities		2,320	3,416
		<u> </u>	<u> </u>
NET LIABILITIES		(68,482)	(61,111)
		<u> </u>	<u> </u>
CAPITAL AND RESERVES			
Share capital	13	18,957	18,957
Reserves		(87,439)	(80,068)
		<u> </u>	<u> </u>
CAPITAL DEFICIENCY		(68,482)	(61,111)
		<u> </u>	<u> </u>

NOTES:

1. BASIS OF PREPARATION

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

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

The Group had incurred a loss of approximately HK\$7,130,000 during the year ended 31 March 2025 and, the Group had net current liabilities and net liabilities of approximately HK\$68,500,000 and HK\$68,482,000 as at 31 March 2025. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, the directors of the Company (the “Director”) had adopted the going concern basis in the preparation of these consolidated financial statements of the Company based on the following:

- (a) The Group’s contract liabilities as at 31 March 2025 amounted to HK\$8,044,000 was deferred income in nature and would not require settlement in form of bank and cash balances.
- (b) On 1 June 2024, the Group agreed with China Communication Investment Limited (“CCI”), a substantial shareholder of the Company, to postpone the repayment date to 15 August 2025 for an amount of HK\$95,100,000 due to CCI. On 1 June 2025, the repayment date was further extended to 15 August 2026. The Directors expect that the repayment date can be further postponed and CCI agreed not to demand repayment until the Group have the ability to do so.

- (c) The Directors have obtained the confirmation from 神州通信集團有限公司 (China Communication Group Co., Ltd.*) (“CCC”), the holding company of CCI and regarded as substantial shareholder of the Company, that CCC will continue to provide adequate funds for the Group to meet its present and future financial obligations as they fall due, and to cause CCI to postpone the repayment dates of any present and future liabilities due to CCI by the Group when necessary.

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

* English name is for identification purpose only

2. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

(a) Application of new and HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (“HK Int 5”) (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except as described below, the application of the new and amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Adoption of Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current” and Amendments to HKAS 1 “Non-current Liabilities with Covenants” (collectively the “HKAS 1 Amendments”)

As a result of the adoption of the HKAS 1 Amendments, the Group changed its accounting policy for the classification of borrowings as below:

“Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification.”

This new policy did not result in a change in the classification of Shentong Robot Education Group Company Limited’s borrowings. The Group did not make retrospective adjustments as a result of adopting HKAS 1 Amendments.

(b) Revised HKFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 31 March 2025 and which have not been adopted in these financial statements. The Group has not early applied the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
Amendments to HKAS 21 and HKFRS 1 — Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7 — Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 — Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HK Int 5 — Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027

The directors of the Company are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

Amendments to the Classification and Measurement of Financial Instruments — Amendments to HKFRS 9 and HKFRS 7

The HKICPA issued targeted amendments to HKFRS 9 and HKFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Amendments to HKAS 21 “Lack of Exchangeability”

The amendments specify when a currency is exchangeable into another currency and when it is not and how an entity estimates the spot exchange rate when a currency is not exchangeable. In addition, the amendments require disclosure of information that enables users of its financial statements to evaluate how a currency’s lack of exchangeability affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

3. REVENUE

(a) Disaggregation of revenue

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

	2025 HK\$’000	2024 HK\$’000
Revenue from contracts with customers within the scope of HKFRS 15		
Robotics Education and Others		
— Robotics course	10,293	16,290
— Competition admission	217	312
— Short-term residential training	319	—
	10,829	16,602

The Group derives revenue from the transfer of services over time and at a point in time in the following major service lines and geographical regions:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Geographical market		
Mainland China	<u>10,829</u>	<u>16,602</u>
Timing of revenue recognition		
Services transferred at a point in time	217	312
Services transferred over time	<u>10,612</u>	<u>16,290</u>
	<u>10,829</u>	<u>16,602</u>

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

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2025 and the expected timing of recognizing revenue as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 year	<u>8,044</u>	<u>6,650</u>

4. INVESTMENT INCOME

The amounts mostly represented interest income for both year ended 31 March 2025 and 2024.

5. SEGMENT INFORMATION

The executive directors of the Company, being the chief operating decision maker, consider the provision of robotics education course and other related business in Heilongjiang Province in the PRC as a single operating segment.

The operating segment has been identified on the basis of internal management reports prepared and is regularly reviewed by the executive directors of the Company. The executive directors of the Company review the overall results, assets and liabilities of the Group as a whole to make decisions about resources allocation. Accordingly, no analysis of this single operating segment is presented.

Geographical information

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

Revenue from major customer

No customer accounted for 10 percent or more of the Group's revenue for both years 2025 and 2024.

6. FINANCE COSTS

The amounts mostly represented interest expenses on lease liabilities for both year ended 31 March 2025 and 2024.

7. INCOME TAX CREDIT

Income tax relating has been recognised in profit or loss as following:

	2025 HK\$'000	2024 HK\$'000
Current tax — PRC		
Provision for the year	—	—
Deferred tax	<u>77</u>	<u>110</u>
	<u>77</u>	<u>110</u>

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the years ended 31 March 2025 and 2024.

PRC Enterprise Income Tax has been provided at a rate of 25% for the years ended 31 March 2025 and 2024. No provision for PRC Enterprise Income Tax has been made as the Company had sufficiently unused tax loss brought forward to offset against the assessable profits for the year.

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

	2025 HK\$'000	2024 <i>HK\$'000</i>
Loss before tax	<u>(7,207)</u>	<u>(4,265)</u>
Tax at the PRC Enterprise Income Tax rate of 25% (2024: 25%)	(1,802)	(1,066)
Tax effect of temporary differences not recognised	68	(199)
Tax effect of expenses that are not deductible	2,184	1,951
Tax effect of income that are not taxable	(2)	(21)
Tax effect of unused tax losses not recognised	108	138
Tax effect of utilisation tax losses not previously recognised	<u>(633)</u>	<u>(913)</u>
Income tax credit	<u>(77)</u>	<u>(110)</u>

8. LOSS FOR THE YEAR

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

	2025 HK\$'000	2024 <i>HK\$'000</i>
Auditor's remuneration		
— audit services	600	608
— other services	158	275
Depreciation of property, plant and equipment	6	7
Depreciation of right-of-use assets	2,114	2,375
Legal and professional fee (excluding auditor's remuneration)	542	882
Short term lease charges for land and buildings	<u>76</u>	<u>100</u>

9. DIVIDENDS

No dividends have been paid or proposed during the reporting period, nor has any dividend been proposed since the end of reporting period (2024: Nil).

10. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss for the year attributable to owners of the Company of approximately HK\$7,130,000 (2024: HK\$4,155,000) and the weighted average number of ordinary shares of approximately 1,895,697,017 (2024: 1,895,697,017) in issue during the year.

(b) Diluted earnings per share

No diluted earnings per share from continuing and discontinued operations were presented as the Company did not have any dilutive potential ordinary shares for the years ended 31 March 2025 and 2024.

11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Amount due from a substantial shareholder (<i>note</i>)	5,645	3,147
Other receivables	4	38
Prepayments and deposits	<u>1,961</u>	<u>2,256</u>
	<u><u>7,610</u></u>	<u><u>5,441</u></u>

Note: The amount due from CCC is trade in nature, denominated in RMB, unsecured and interest-free. The Group will grant a credit period of 30 days.

12. ACCRUALS AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Amount due to CCI (<i>note a</i>)	95,100	95,100
Amount due to CCI (<i>note b</i>)	564	564
Amount due to CCC — non-trade in nature (<i>note c</i>)	727	729
Amounts due to related companies (<i>note d</i>)	282	625
Accrued salaries	6,654	5,941
Accrued expenses	1,214	1,396
Security deposits (<i>note e</i>)	4,825	4,854
Other payables	1,082	976
	<u>110,448</u>	<u>110,185</u>

Notes:

- (a) The amount due to CCI, a substantial shareholder of the Company is denominated in HK\$, unsecured, interest-free and repayable on 15 August 2025 (2024: repayable on 15 August 2024). On 1 June 2025, the repayment date was further extended to 15 August 2026.
- (b) The amount due to CCI, a substantial shareholder of the Company is denominated in HK\$, unsecured, interest-free and repayable on demand.
- (c) The amounts due to CCC, a substantial shareholder of the Company is denominated in RMB, unsecured, interest-free and repayable on demand.
- (d) The amounts due to related companies are denominated in HK\$ and RMB, unsecured, interest-free and repayable on demand. Those related companies are the subsidiaries of CCC and CCI.
- (e) The amount represented the security deposits of CCC for the Heilongjiang Shentong Card Payment system.

13. SHARE CAPITAL

	2025		2024	
	Number of shares	Amount HK\$'000	Number of shares	Amount HK\$'000
Authorised:				
Ordinary shares of HK\$0.01 each				
At the beginning and the end of the year	<u>10,000,000,000</u>	<u>100,000</u>	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid:				
Ordinary shares of HK\$0.01 each				
At the beginning and the end of the year	<u>1,895,697,017</u>	<u>18,957</u>	<u>1,895,697,017</u>	<u>18,957</u>

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

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

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

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

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

14. EVENTS AFTER REPORTING PERIOD

- (i) In April 2025, the Group set up a subsidiary with 51% shareholding, 北京神通祥合智慧科技有限公司 (Beijing Shentong Xianghe Intelligent Technology Company Limited*), for the development of an AI-assisted robotics education platform in the PRC. RMB510,000 had been injected into this subsidiary as registered capital.
- (ii) On 1 June 2025, the repayment date of amount due to CCI was further extended from 15 August 2025 to 15 August 2026.
- (iii) On 20 June 2025, the Company entered into a loan agreement with CCI, with the amount of HK\$1,580,000. The loan is denominated in HK\$, interest free, unsecured and repayable on demand.

* *English name is for identification purpose only.*

EXTRACT FROM INDEPENDENT AUDITOR’S REPORT ON THE GROUP’S CONSOLIDATED FINANCIAL STATEMENTS

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance.

Material uncertainty related to going concern

We draw attention to note 2* to the consolidated financial statements, which indicates that, the Group had incurred a loss of approximately HK\$7,130,000 for the year ended 31 March 2025 and the Group had net current liabilities and net liabilities of approximately HK\$68,500,000 and HK\$68,482,000 respectively as at 31 March 2025. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

* As reproduced in note 1 of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE AND PROFITABILITY

The Group recorded a revenue of approximately HK\$10,829,000 (2024: approximately HK\$16,602,000) for the year ended 31 March 2025, representing a decrease of approximately 34.8% as compared with the year ended 31 March 2024 which was primarily due to the challenging economic environment.

The Group's gross profit for the year ended 31 March 2025 amounted to approximately HK\$6,441,000 as compared to approximately HK\$11,327,000 for the year ended 31 March 2024. The decrease was mainly attributable to the decrease in revenue which was primarily due to the challenging economic environment.

Selling and distribution and administrative expenses from continuing operation for the year ended 31 March 2025 was approximately HK\$13,574,000 as compared to approximately HK\$15,969,000 for the year ended 31 March 2024.

LOSS FOR THE YEAR

The Group made a loss for the year of approximately HK\$7,130,000 for the year ended 31 March 2025 as compared to approximately HK\$4,155,000 for the year ended 31 March 2024. The decrease in results was mainly due to the decrease in revenue.

SEGMENT INFORMATION

An analysis of the performance of the Group by segment from continuing operation is set out in note 9 to the consolidated financial statements.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2025, the Group had outstanding loans from CCI of approximately HK\$3,708,000 (as at 31 March 2024: HK\$Nil) which were unsecured, interest-free and repayable on demand and amount due to CCI of approximately HK\$95.1 million (as at 31 March 2024: HK\$95.1 million) and HK\$0.6 million (as at 31 March 2024: HK\$0.6 million) which were unsecured, interest-free and repayable on 15 August 2025 (on 1 June 2025, the repayable date was further extended to 15 August 2026) and unsecured, interest-free and repayable on demand respectively. Other than the above, the Group did not have any other committed borrowing facilities as at 31 March 2025 (as at 31 March 2024: Nil).

As at 31 March 2025, the Group had net current liabilities of approximately HK\$68.5 million (as at 31 March 2024: HK\$62.4 million). The Group's current assets mainly consisted of cash and cash equivalents of approximately HK\$73.6 million (as at 31 March 2024: approximately HK\$77.7 million) and prepayments, deposits and other receivables of approximately HK\$7.6 million (as at 31 March 2024: approximately HK\$5.4 million). The Group's current liabilities mainly include accruals and other payables of approximately HK\$110.4 million (as at 31 March 2024: approximately HK\$110.2 million), current tax liabilities of approximately HK\$25.8 million (as at 31 March 2024: approximately HK\$25.9 million), contract liabilities of approximately HK\$8.0 million (as at 31 March 2024: approximately HK\$6.7 million) and loans from a substantial shareholder of approximately HK\$3.7 million (as at 31 March 2024: HK\$Nil).

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

GEARING RATIO

The gearing ratio is measured by total interest-bearing borrowings as a percentage of share capital. As at 31 March 2025, the gearing ratio was 0% (as at 31 March 2024: 0%).

CAPITAL STRUCTURE

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

CHARGE ON ASSETS

The Group did not have any charge on its assets as at 31 March 2025 and 31 March 2024.

EMPLOYEES, REMUNERATION POLICIES AND STAFF COSTS

As at 31 March 2025, the Group had 48 employees (2024: 56). The staff costs for the year ended 31 March 2025 was approximately HK\$7.6 million (2024: HK\$8.5 million). The Group's remuneration is determined with reference to the market conditions and the performance, qualifications and experience of individual employees while year-end bonus is based on the individual performance as recognition of and reward for their contributions. Other benefits accruing its employees include share option scheme, contributions made to statutory mandatory provident fund scheme and a group medical scheme to its employees.

MATERIAL INVESTMENT OR CAPITAL ASSETS

For the years ended 31 March 2025 and 31 March 2024, the Group had no significant investment.

After the end of the reporting period, the Group set up a subsidiary with 51% shareholding, Beijing Shentong, for the development of an AI-assisted robotics education platform in the PRC. At the date of this annual report, RMB510,000 had been injected into this subsidiary as registered capital.

The Group is constantly looking for such opportunities to enhance the shareholders' value.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

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

FOREIGN CURRENCY RISK

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

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 March 2025 and 31 March 2024.

CAPITAL COMMITMENTS

As at 31 March 2025, the Group did not have any material capital commitments (2024: Nil).

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiary companies had purchased, sold or redeemed any of the Company's shares on the GEM during the year ended 31 March 2025. The Company did not have any treasury share during the year ended 31 March 2025.

DIRECTORS' SECURITIES TRANSACTIONS

The Board has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the year ended 31 March 2025. The Company also had made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors.

CORPORATE GOVERNANCE PRACTICES

The Company acknowledges that good and effective corporate governance could make an important contribution to corporate success and enhance values to the Group and our shareholders. Therefore, the Board is committed to maintaining and ensuring the standards of corporate governance within the Group and to ensure that the business activities and decision making processes are regulated in a proper and responsible manner. The Group has adopted the practices and code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 15 (revised as Appendix C1 on 31 December 2023) of the GEM Listing Rules, and the Company has applied the principles and complied with all applicable code provisions of the CG Code, throughout the year ended 31 March 2025.

Having made specific enquiry of all Directors, the Board has confirmed that all Directors have complied with the principles and code provisions (the "Code Provisions") set out in the CG Code during the year ended 31 March 2025. The Group will keep on reviewing its corporate governance standards on a timely basis and the Board endeavours to take all necessary actions to ensure the compliance with the Code Provisions set out in the CG Code.

APPROPRIATIONS

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

AUDIT COMMITTEE

For the year ended 31 March 2025, the audit committee held three meetings in which the members of the audit committee reviewed and concluded with satisfaction in relation to the internal control system of the Group and the following reports:

- Annual report for the year ended 31 March 2024;
- Interim report for the first six months of 2024/25; and
- Review of continuing connected transactions of the Group.

The financial statements of the Company and the Group for the year ended 31 March 2025 have been reviewed by the audit committee, who is of the opinion that such statements have complied with the applicable accounting standards and the requirements of the GEM Listing Rules, and that adequate disclosures have been made.

SCOPE OF WORK OF RSM HONG KONG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, insert other statements if presented in the preliminary announcement and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Group's auditors, RSM Hong Kong, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by RSM Hong Kong in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by RSM Hong Kong on the preliminary announcement.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company will be held at the meeting room, Units 3006, 30/F, West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong on Friday, 25 July 2025 at 11:00 a.m. Notice of the annual general meeting of the Company will be sent to the shareholders of the Company.

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

Hong Kong, 20 June 2025

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

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