



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 2024**

**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.**

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*This announcement, for which the directors (the “Directors”) of Shentong Robot Education Group Company Limited (the “Company”, together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on 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 2024 (the “Year”).

## **FINANCIAL PERFORMANCE**

The Group recorded consolidated revenue from continuing operation of approximately HK\$16,602,000 for the year ended 31 March 2024, representing an increase of approximately 6.4% as compared to approximately HK\$15,602,000 for the year ended 31 March 2023.

The Group made a loss for the year of approximately HK\$4,155,000 for the year ended 31 March 2024, as compared to approximately HK\$3,959,000 (restated) for the year ended 31 March 2023. The decrease in results was mainly due to the decrease in exchange gain.

## **BUSINESS REVIEW**

The principal business activities of the Group are the provision of robotics related education and training in the PRC (the “Robotics Business”). The Group commenced its recovery from early 2023 upon the release of restriction measures imposed by the local government in the PRC. The Group recorded an increase of approximately 6.4% in revenue from continuing operation for the year ended 31 March 2024 as compared with that for the year ended 31 March 2023. The increase in revenue was primarily due to the recovery of demand after the epidemic and there was no suspension of classes in the current period. The Group experienced continuous growth in revenue for 3 consecutive years.

The online classes were developed in order to mitigate the COVID-19 restriction measures imposed by the local government in the PRC in previous years. Commencing from early 2023, upon the release of the restriction measures imposed by the local government in the PRC, most of the classes provided by the Company were physical classes as physical classes are more welcome and attractive to students and students’ parents and the teaching efficiency is much higher. Based on the current situation, significant restriction measures are not expected, and thus significant online classes are no longer expected.

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.

It is expected by the Group, based on its assessment of the current circumstances, that significant restriction measures are not expected. The Company expects that more training classes will gradually resume operation depending on the recovery of demand for students to attend the classes, and it is expected that the results will have a steady growth.

## **PROSPECTS**

Looking ahead, after the release of the restriction measures, the Group plans to launch various robotics theme activities in Heilongjiang Province. In addition to various robotics education courses and teacher training, we will actively cooperate with members of the 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 2024, together with the comparative figures for the corresponding year ended 31 March 2023 as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2024

	<i>Note</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000 (Restated)
<b>Continuing operation</b>			
<b>Revenue</b>	3	<b>16,602</b>	15,602
Cost of service		<u>(5,275)</u>	<u>(7,604)</u>
<b>Gross profit</b>		<b>11,327</b>	7,998
Investment and other income	4	<b>224</b>	406
Other gains and losses, net	5	<b>199</b>	3,074
Reversal of impairment allowance on expected credit losses		<b>227</b>	625
Selling and distribution expenses		<b>(3,051)</b>	(1,413)
Administrative expenses		<u>(12,918)</u>	<u>(12,343)</u>
<b>Loss from operations</b>		<b>(3,992)</b>	(1,653)
Finance costs	7	<u>(273)</u>	<u>(995)</u>
<b>Loss before tax</b>		<b>(4,265)</b>	(2,648)
Income tax credit/(expense)	8	<u>110</u>	<u>(380)</u>
<b>Loss for the year from continuing operation</b>	9	<b>(4,155)</b>	(3,028)
<b>Discontinued operation</b>			
Loss for the year from discontinued operation		<u>–</u>	<u>(931)</u>
<b>Loss for the year</b>		<u><b>(4,155)</b></u>	<u>(3,959)</u>
		<b>HK cent</b>	<b>HK cent</b>
<b>Loss per share</b>			
From continuing and discontinued operation			
Basic (cents per share)	12	<u><b>(0.22)</b></u>	<u>(0.21)</u>
Diluted (cents per share)	12	<u><b>N/A</b></u>	<u>N/A</u>
From continuing operation			
Basic (cents per share)	12	<u><b>(0.22)</b></u>	<u>(0.16)</u>
Diluted (cents per share)	12	<u><b>N/A</b></u>	<u>N/A</u>

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

*For the year ended 31 March 2024*

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
<b>Loss for the year</b>	<b>(4,155)</b>	(3,959)
<b>Other comprehensive income</b>		
<i>Item that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	<u>(4,174)</u>	<u>(15,247)</u>
<b>Total comprehensive income for the year attributable to owners of the Company</b>	<u><b>(8,329)</b></u>	<u>(19,206)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*At 31 March 2024*

	<i>Note</i>	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i> (Restated)
<b>Non-current assets</b>			
Property, plant and equipment		<b>6</b>	5
Right-of-use assets		<b>3,836</b>	3,310
Deferred tax assets		<b>843</b>	815
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>4,685</b>	4,130
<b>Current assets</b>			
Prepayments, deposits and other receivables	<i>13</i>	<b>5,441</b>	3,141
Bank and cash balances		<b>77,749</b>	125,439
		<hr/>	<hr/>
<b>Total current assets</b>		<b>83,190</b>	128,580
<b>Current liabilities</b>			
Contract liabilities		<b>6,650</b>	12,164
Receipt in advance		<b>12</b>	12
Accruals and other payables	<i>14</i>	<b>110,185</b>	119,525
Loans from a substantial shareholder		<b>–</b>	21,450
Lease liabilities		<b>2,833</b>	680
Current tax liabilities		<b>25,890</b>	27,017
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>145,570</b>	180,848
<b>Net current liabilities</b>		<b>(62,380)</b>	(52,268)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		<b>(57,695)</b>	(48,138)
		<hr/>	<hr/>

	<i>Note</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000 (Restated)
<b>Non-current liabilities</b>			
Lease liabilities		<b>1,713</b>	2,863
Deferred tax liabilities		<b>1,703</b>	1,781
<b>Total non-current liabilities</b>		<b>3,416</b>	4,644
<b>NET LIABILITIES</b>		<b>(61,111)</b>	(52,782)
<b>CAPITAL AND RESERVES</b>			
Share capital	<i>15</i>	<b>18,957</b>	18,957
Reserves		<b>(80,068)</b>	(71,739)
<b>CAPITAL DEFICIENCY</b>		<b>(61,111)</b>	(52,782)

## NOTES:

### 1. BASIS OF PREPARATION

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

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

The Group had incurred a loss of approximately HK\$4,155,000 during the year ended 31 March 2024 and, the Group had net current liabilities and net liabilities of approximately HK\$62,380,000 and HK\$61,111,000 as at 31 March 2024. 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 2024 amounted to HK\$6,650,000 was deferred income in nature and would not require settlement in form of bank and cash balances.
- (b) On 1 June 2023, the Group agreed with China Communication Investment Limited (“CCI”), a substantial shareholder of the Company, to postpone the repayment date to 15 August 2024 for an amount of HK\$95,100,000 due to CCI. On 1 June 2024, the repayment date was further extended to 15 August 2025. 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 HONG KONG FINANCIAL REPORTING STANDARDS**

### **(a) Application of new and revised HKFRSs**

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules — Amendments to HKAS 12

Except as described below, the application of the new and amendments to HKFRSs 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.

*Impact on application of Amendments to HKAS 1 and HKFRS Practice Statement 2  
“Disclosure of Accounting Policies”*

The Group has adopted Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies” for the first time in the current year. HKAS 1 “Presentation of Financial Statements” is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 “Making Materiality Judgements” (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies set out in Note 4 to the consolidated financial statements.

*Impact on application of Amendments to HKAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”*

The Group has adopted Amendments to HKAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction” for the first time in the current year. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences — e.g. leases.

*Impacts of application of amendments to HKFRSs on the consolidated financial statements*

The effects of the changes in accounting policies as a result of application of Amendments of HKAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction and the changes in other accounting policies on the consolidated statement of profit or loss and other comprehensive income and loss per share, are as follows:

<b>For the year ended 31 March 2024</b>	<b>Before the adoption of Amendments to HKAS 12 HK\$'000</b>	<b>Effects of adoption of Amendments to HKAS 12 HK\$'000</b>	<b>After the adoption of Amendments to HKAS 12 HK\$'000</b>
Impact on loss for the year			
Revenue	16,602	–	16,602
Cost of sales	(5,275)	–	(5,275)
Investment and other income	224	–	224
Other gains and losses, net	199	–	199
Reversal of impairment allowance on expected credit losses	227	–	227
Selling and distribution expenses	(3,051)	–	(3,051)
Administrative expenses	(12,918)	–	(12,918)
Finance costs	(273)	–	(273)
Income tax credit	–	110	110
	<u>–</u>	<u>110</u>	<u>110</u>
<b>Loss for the year</b>	<b><u>(4,265)</u></b>	<b><u>110</u></b>	<b><u>(4,155)</u></b>
<b>Attributable to the owners of the Company</b>	<b><u>(4,265)</u></b>	<b><u>110</u></b>	<b><u>(4,155)</u></b>
<b>Impact on other comprehensive income/ (expense) for the year</b>			
Exchange differences on translating foreign operations	(4,170)	(4)	(4,174)
	<u>(4,170)</u>	<u>(4)</u>	<u>(4,174)</u>
<b>Other comprehensive income for the year</b>	<b><u>(8,435)</u></b>	<b><u>106</u></b>	<b><u>(8,329)</u></b>
<b>Attributable to the owners of the Company</b>	<b><u>(8,435)</u></b>	<b><u>106</u></b>	<b><u>(8,329)</u></b>

For the year ended 31 March 2023	Before the adoption of Amendments to HKAS 12 <i>HK\$'000</i>	Effects of adoption of Amendments to HKAS 12 <i>HK\$'000</i>	After the adoption of Amendments to HKAS 12 <i>HK\$'000</i>
Impact on loss for the year from continuing operation			
Revenue	15,602	–	15,602
Cost of sales	(7,604)	–	(7,604)
Investment and other income	406	–	406
Other gains and losses, net	3,074	–	3,074
Reversal of impairment allowance on expected credit losses	625	–	625
Selling and distribution expenses	(1,413)	–	(1,413)
Administrative expenses	(12,343)	–	(12,343)
Finance costs	(995)	–	(995)
Income tax expenses	–	(380)	(380)
	<hr/>	<hr/>	<hr/>
Loss for the year from continuing operation	(2,648)	(380)	(3,028)
Impact on loss for the year from discontinued operation			
Loss for the year from discontinued operation	(931)	–	(931)
	<hr/>	<hr/>	<hr/>
Loss for the year	(3,579)	(380)	(3,959)
	<hr/>	<hr/>	<hr/>
Attributable to the owners of the Company	(3,579)	(380)	(3,959)
	<hr/>	<hr/>	<hr/>
Impact on other comprehensive income/ (expense) for the year			
Exchange differences on translating foreign operations	(15,212)	(35)	(15,247)
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	(18,791)	(415)	(19,206)
	<hr/>	<hr/>	<hr/>
Attributable to the owners of the Company	(18,791)	(415)	(19,206)
	<hr/>	<hr/>	<hr/>

	<b>Year ended 31 March 2024 HK cent</b>	Year ended 31 March 2023 HK cent
<b>Impact on basic loss per share</b>		
Basic loss per share before adjustments	(0.22)	(0.19)
Net adjustments arising from changes in accounting policies in relation to:		
— Amendments to HKAS 12	<u>0.00</u>	<u>(0.02)</u>
<b>Reported basic loss per share</b>	<u><u>(0.22)</u></u>	<u><u>(0.21)</u></u>

The effects of the changes in accounting policies as a result of application of *Amendments of HKAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction* and the changes in other accounting policies on the consolidated statement of financial position at the end of the immediately preceding financial year and the beginning of the comparative period, are as follows:

<b>As at 31 March 2024</b>	<b>Before the adoption of Amendments to HKAS 12 HK\$’000</b>	<b>Effects of adoption of Amendments to HKAS 12 HK\$’000</b>	<b>After the adoption of Amendments to HKAS 12 HK\$’000</b>
Property, plant and equipment	6	–	6
Right-of-use assets	3,836	–	3,836
Deferred tax assets	–	843	843
Prepayments, deposits and other receivables	5,441	–	5,441
Bank and cash balances	77,749	–	77,749
Contract liabilities	(6,650)	–	(6,650)
Receipt in advance	(12)	–	(12)
Accruals and other payables	(110,185)	–	(110,185)
Lease liabilities	(4,546)	–	(4,546)
Current tax liabilities	(25,890)	–	(25,890)
Deferred tax liabilities	<u>(1,027)</u>	<u>(676)</u>	<u>(1,703)</u>
<b>Net liabilities</b>	<u><u>(61,278)</u></u>	<u><u>167</u></u>	<u><u>(61,111)</u></u>
Share Capital	18,957	–	18,957
Reserves	<u>(80,235)</u>	<u>167</u>	<u>(80,068)</u>
<b>Capital deficiency</b>	<u><u>(61,278)</u></u>	<u><u>167</u></u>	<u><u>(61,111)</u></u>

As at 31 March 2023	Before the adoption of Amendments to HKAS 12 <i>HK\$'000</i>	Effects of adoption of Amendments to HKAS 12 <i>HK\$'000</i>	After the adoption of Amendments to HKAS 12 <i>HK\$'000</i>
Property, plant and equipment	5	–	5
Right-of-use assets	3,310	–	3,310
Deferred tax assets	–	815	815
Prepayments, deposits and other receivables	3,141	–	3,141
Bank and cash balances	125,439	–	125,439
Contract liabilities	(12,164)	–	(12,164)
Receipt in advance	(12)	–	(12)
Accruals and other payables	(119,525)	–	(119,525)
Loans from a substantial shareholder	(21,450)	–	(21,450)
Lease liabilities	(3,543)	–	(3,543)
Current tax liabilities	(27,017)	–	(27,017)
Deferred tax liabilities	(1,027)	(754)	(1,781)
	<u>(52,843)</u>	<u>61</u>	<u>(52,782)</u>
Net liabilities			
Share Capital	18,957	–	18,957
Reserves	(71,800)	61	(71,739)
	<u>(52,843)</u>	<u>61</u>	<u>(52,782)</u>
Capital deficiency			

The abovementioned changes in accounting policies does not have any impact to the consolidated cash flows for the year ended 31 March 2024 and 31 March 2023.

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

The Group has not early applied the following amendments to standards and interpretation that have been issued but not yet effective:

	<b>Effective for accounting periods beginning on or after</b>
Amendments to HKAS 1 — Classification of Liabilities as Current or Non-current	1 January 2024
Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (“HK Int 5 (Revised)”)	1 January 2024
Amendments to HKAS 21 — Lack of Exchangeability	1 January 2025

Except for the amendments to standards mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRSs will not have material impact on the consolidated financial statements in the foreseeable future.

*Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current” and related amendments to Hong Kong Interpretation 5 (the “2020 Amendments”) and Amendments to HKAS 1 “Non-current Liabilities with Covenants” (the “2022 Amendments”)*

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if an entity classifies liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1 April 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 April 2024, with early application permitted. If an entity applies the 2020 Amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.



### 3. REVENUE

#### (a) Disaggregation of revenue

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Robotics Education and Others		
— Robotics course	16,290	15,602
— Competition admission	312	—
	<u>16,602</u>	<u>15,602</u>

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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Geographical market</b>		
Mainland China	<u>16,602</u>	<u>15,602</u>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	312	—
Services transferred over time	16,290	15,602
	<u>16,602</u>	<u>15,602</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 2024 and the expected timing of recognizing revenue as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 year	<u>6,650</u>	<u>12,164</u>

#### 4. INVESTMENT AND OTHER INCOME

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Continuing operation</b>		
Interest income	224	302
Government grant*	—	104
	<u>224</u>	<u>406</u>

\* For year ended 31 March 2023, the Group recognized government grants of HK\$104,000 in respect of COVID — 19 under subsidies for Employment Support Scheme provided by the Hong Kong Government.

#### 5. OTHER GAINS AND LOSSES, NET

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Continuing operation</b>		
Exchange gain/(loss)	—	2,676
Gain on disposal of property, plant and equipment	—	398
Others	199	—
	<u>199</u>	<u>3,074</u>

#### 6. SEGMENT INFORMATION

The Group has discontinued its promotion and management services segment on 31 March 2023. After the discontinuation of its promotion and management services segment, the executive directors of the Company, being the chief operating decision maker, no longer review discrete financial information on the discontinued operation and 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 2024 and 2023.

## 7. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Continuing operation</b>		
Interest on promissory note payable to CCI	–	741
Interest expenses on lease liabilities	<u>273</u>	<u>254</u>
	<u><u>273</u></u>	<u><u>995</u></u>

## 8. INCOME TAX CREDIT/(EXPENSE)

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
<b>Continuing operation</b>		
Current tax — PRC		
Provision for the year	–	–
Deferred tax	<u>110</u>	<u>(380)</u>
	<u><u>110</u></u>	<u><u>(380)</u></u>

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the years ended 31 March 2024 and 2023.

PRC Enterprise Income Tax has been provided at a rate of 25% for the years ended 31 March 2024 and 2023. 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:

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
Loss before tax from continuing operation	<b>(4,265)</b>	(2,648)
Loss before tax from discontinued operation	<u>—</u>	<u>(931)</u>
	<b>(4,265)</b>	(3,579)
Tax at the PRC Enterprise Income Tax rate of 25% (2023: 25%)	<b>(1,066)</b>	(895)
Tax effect of temporary differences not recognised	<b>(199)</b>	380
Tax effect of expenses that are not deductible	<b>1,951</b>	2,192
Tax effect of income that are not taxable	<b>(21)</b>	(154)
Tax effect of unused tax losses not recognised	<b>138</b>	—
Tax effect of utilisation tax losses not previously recognised	<u><b>(913)</b></u>	<u>(1,143)</u>
Income tax (credit)/expense	<u><b>(110)</b></u>	<u>380</u>

## 9. LOSS FOR THE YEAR FROM CONTINUING OPERATION

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

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Auditor's remuneration		
— audit services	<b>608</b>	600
— other services	<b>275</b>	350
Depreciation of property, plant and equipment	<b>7</b>	23
Depreciation of right-of-use assets	<b>2,375</b>	2,512
Legal and professional fee (excluding auditor's remuneration)	<b>882</b>	737
Short term lease charges for land and buildings	<u><b>100</b></u>	<u>118</u>

## 10. DISCONTINUED OPERATION

On 31 March 2023, the Directors passed a resolution to discontinue the Group's operation of the promotion and management services segment with the immediate effect. This segment has been discontinued since then.

2023  
HK\$'000

### Loss for the year from discontinued operation:

<b>Revenue</b>	70
Cost of service	<u>–</u>
<b>Gross profit</b>	70
Investment and other income	15
Reversal of impairment allowance on expected credit losses	(10)
Selling and distribution expenses	(114)
Administrative expenses	<u>(892)</u>
<b>Loss from operation</b>	(931)
Income tax expense	<u>–</u>
<b>Loss for the year from discontinued operation</b>	<u><u>(931)</u></u>

2023  
HK\$'000

### Cash flows from discontinued operation:

Net cash outflows from operating activities	(15)
Net cash inflows from investing activities	<u>15</u>
	<u><u>–</u></u>

## 11. DIVIDENDS

No dividends have been paid or proposed during the reporting period, nor has any dividend been proposed since the end of reporting period (2023: Nil).

## 12. LOSS PER SHARE

### **From continuing and discontinued operations**

#### *(a) Basic loss per share*

The calculation of basic loss per share is based on the loss for the year attributable to the owners of the Company of approximately HK\$4,155,000 (2023: HK\$3,959,000 (restated)) and the weighted average number of ordinary shares of approximately 1,895,697,017 (2023: 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 2024 and 2023.

### **From continuing operation**

#### *(a) Basic loss per share*

The calculation of basic loss per share is based on the loss for the year from continuing operation attributable to the owners of the Company of approximately HK\$4,155,000 (2023: HK\$3,028,000 (restated)) and the weighted average number of ordinary shares of approximately 1,895,697,617 (2023: 1,895,697,617) in issue during the year.

#### *(b) Diluted earnings per share*

No diluted earnings per share from continuing operation was presented as the Company did not have any dilutive potential ordinary shares for the years ended 31 March 2024 and 2023.

### **From discontinued operation**

#### *(a) Basic loss per share*

The calculation of basic loss per share is based on the loss for the year from discontinued operation attributable to the owners of the Company of approximately HK\$Nil (2023: HK\$931,000) and the weighted average number of ordinary shares of approximately 1,895,697,017 (2023: 1,895,697,017) in issue during the year.

#### *(b) Diluted earnings per share*

No diluted earnings per share from discontinued operation was presented as the Company did not have any dilutive potential ordinary shares for the years ended 31 March 2024 and 2023.

### 13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Amount due from a substantial shareholder ( <i>note</i> )	3,147	–
Other receivables	38	502
Prepayments and deposits	<u>2,256</u>	<u>2,639</u>
	<u><u>5,441</u></u>	<u><u>3,141</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.

### 14. ACCRUALS AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
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 — trade in nature ( <i>note c</i> )	–	5,888
Amount due to CCC — non-trade in nature ( <i>note c</i> )	729	777
Amounts due to related companies ( <i>note d</i> )	625	2,907
Accrued salaries	5,941	6,369
Accrued expenses	1,396	908
Security deposits ( <i>note e</i> )	4,854	5,143
Other payables	<u>976</u>	<u>1,869</u>
	<u><u>110,185</u></u>	<u><u>119,525</u></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 2024 (2023: repayable on 15 November 2023). On 1 June 2024, the repayment date was further extended to 15 August 2025.
- (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.

## 15. SHARE CAPITAL

	2024		2023	
	Number of shares	Amount <i>HK\$'000</i>	Number of shares	Amount <i>HK\$'000</i>
<b>Authorised:</b>				
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>
<b>Issued and fully paid:</b>				
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.

## **16. EVENTS AFTER REPORTING PERIOD**

- (i) On 1 June 2024, the repayment date of amount due to CCI was further extended from 15 August 2024 to 15 August 2025.
- (ii) On 14 June 2024, the company entered into a non-legal binding memorandum of understanding (the “MOU”) with 2 potential vendors for a potential acquisition of certain equity interest in a PRC company as contemplated under the MOU. The MOU is non-legally binding and with a term of 12 months exclusive period. Details are set out in the Company’s announcement dated 14 June 2024.
- (iii) On 17 June 2024, the Company entered into a loan agreement with CCI, with the amount of HK\$1,220,000. The loan is denominated in HK\$, interest free, unsecured and repayable on demand.

## **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 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) 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 Hong Kong 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\$4,155,000 for the year ended 31 March 2024 and the Group had net current liabilities and net liabilities of approximately HK\$62,380,000 and HK\$61,110,000 respectively as at 31 March 2024. 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 from continuing operation of approximately HK\$16,602,000 (2023: approximately HK\$15,602,000) for the year ended 31 March 2024, representing an increase of approximately 6.4% as compared with the year ended 31 March 2023 which was primarily due to the recovery of demand after the epidemic and there was no suspension of classes in current year.

The Group's gross profit from continuing operation for the year ended 31 March 2024 amounted to approximately HK\$11,327,000 as compared to approximately HK\$7,998,000 for the year ended 31 March 2023. The improvement was mainly attributable to the increase in revenue which was primarily due to the recovery of demand after the epidemic and there was no suspension of classes in current year.

Selling and distribution and administrative expenses from continuing operation for the year ended 31 March 2024 was approximately HK\$15,969,000 as compared to approximately HK\$13,756,000 for the year ended 31 March 2023.

### **LOSS FOR THE YEAR**

The Group made a loss for the year of approximately HK\$4,155,000 for the year ended 31 March 2024 as compared to approximately HK\$3,959,000 (restated) for the year ended 31 March 2023. The decrease in results was mainly due to the decrease in exchange gain.

### **SEGMENT INFORMATION**

An analysis of the performance of the Group by segment from continuing operation is set out in note 6 to the consolidated financial statements.

### **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 March 2024, the Group had outstanding loans from CCI of approximately HK\$Nil (as at 31 March 2023: HK\$21.5 million) which were unsecured, interest-free and repayable on demand and amount due to CCI of approximately HK\$95.1 million (as at 31 March 2023: HK\$95.1 million) and HK\$0.6 million (as at 31 March 2023: HK\$0.6 million) which were unsecured, interest-free and repayable on 15 August 2024 (on 1 June 2024, the repayable date was further extended to 15 August 2025) 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 2024 (as at 31 March 2023: Nil).

As at 31 March 2024, the Group had net current liabilities of approximately HK\$62.4 million (as at 31 March 2023: HK\$52.3 million). The Group's current assets mainly consisted of cash and cash equivalents of approximately HK\$77.7 million (as at 31 March 2023: approximately HK\$125.4 million) and prepayments, deposits and other receivables of approximately HK\$5.4 million (as at 31 March 2023: approximately HK\$3.1 million). The Group's current liabilities mainly include accruals and other payables of approximately HK\$110.2 million (as at 31 March 2023: approximately HK\$119.5 million), current tax liabilities of approximately HK\$25.9 million (as at 31 March 2023: approximately HK\$27.0 million), contract liabilities of approximately HK\$6.7 million (as at 31 March 2023: approximately HK\$12.2 million) and loans from a substantial shareholder of approximately HK\$Nil (as at 31 March 2023: HK\$21.5 million).

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

### **GEARING RATIO**

The gearing ratio is measured by total interest-bearing borrowings as a percentage of share capital. As at 31 March 2024, the gearing ratio was 0% (as at 31 March 2023: 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 2024 and 31 March 2023.

### **EMPLOYEES, REMUNERATION POLICIES AND STAFF COSTS**

As at 31 March 2024, the Group had 56 employees (2023: 66). The staff costs for the year ended 31 March 2024 was approximately HK\$8.5 million (2023: HK\$10.3 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 2024 and 31 March 2023, the Group had no significant investment. The Company is in a preliminary discussion exploring a possible acquisition of certain equity interest in an education platform and software company (the “Possible Acquisition”).

As at the date hereof, no material terms concerning the Possible Acquisition have been agreed and no definitive agreement whatsoever has been entered into by the Group in relation to the Possible Acquisition. As the discussion of the Possible Acquisition is only at its preliminary stage, the Possible Acquisition may or may not proceed.

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 2024 and 31 March 2023.

## **CAPITAL COMMITMENTS**

As at 31 March 2024, the Group did not have any material capital commitments (2023: 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 2024. The Company did not have any treasury share during the year ended 31 March 2024.

## **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 2024. 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 2024.

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 2024. 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 2024, the audit committee held four 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 2023;
- Quarterly reports for the first quarter of 2023/24;
- Interim report for the first six months of 2023/24; and
- Review of continuing connected transactions of the Group.

The financial statements of the Company and the Group for the year ended 31 March 2024 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 2024 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, 26 July 2024 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, 21 June 2024

*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](http://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](http://www.srobotedu.com).*