



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)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024**

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

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

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

HIGHLIGHTS

- Revenue of the Group for the six months ended 30 September 2024 was approximately HK\$5,575,000.
- Loss for the period of the Company was approximately HK\$2,800,000 for the six months ended 30 September 2024.
- Losses per share for the six months ended 30 September 2024 was approximately HK0.15 cents.
- The board of the Directors (the “Board”) does not recommend the payment of a dividend for the six months ended 30 September 2024.

The Directors hereby present the unaudited consolidated results of the Group for the six months ended 30 September 2024.

FINANCIAL PERFORMANCE

The Group recorded consolidated revenue of approximately HK\$5,575,000 for the six months ended 30 September 2024, representing a decrease of approximately 55.3% as compared to approximately HK\$12,485,000 for the six months ended 30 September 2023. The decrease in revenue was primarily due to the challenging economic environment.

The Group made loss for the period of the Company of approximately HK\$2,800,000 for the six months ended 30 September 2024, as compared to profit of approximately HK\$452,000 for the six months ended 30 September 2023. The decrease in results was primarily due to the decrease in revenue as mentioned above.

BUSINESS REVIEW AND PROSPECTS

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 55.3% in revenue for the six months ended 30 September 2024 as compared with that for the six months ended 30 September 2023. 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\$2.2 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\$3.0 million for the six months ended 30 September 2023 to approximately HK\$2.3 million for the six months ended 30 September 2024. The total selling and distribution and administrative expenses have been decreased from approximately HK\$8.0 million for the six months ended 30 September 2023 to approximately HK\$5.8 million for the six months ended 30 September 2024.

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, if materializes, represents a good opportunity for the Group to further develop in the area of education services through the potential expansion of types and means of provision of education services and geographical expansion.

Looking ahead, 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, the PRC’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.

MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE AND PROFITABILITY

The Group recorded a revenue of approximately HK\$5,575,000 (2023: approximately HK\$12,485,000) for the six months ended 30 September 2024, representing a decrease of approximately 55.3% as compared with six months ended 30 September 2023 which was primarily due to the challenging economic environment.

The Group's gross profit for the six months ended 30 September 2024 amounted to approximately HK\$3,240,000 as compared to approximately HK\$9,505,000 for the six months ended 30 September 2023. Decrease was primarily contributed to the decrease in revenue.

Selling and distribution and administrative expenses for the six months ended 30 September 2024 was approximately HK\$5,794,000 as compared to approximately HK\$8,017,000 for the six months ended 30 September 2023.

LOSS FOR THE PERIOD OF THE COMPANY

The Group made a loss for the period of the Company of approximately HK\$2,800,000 for the six months ended 30 September 2024 as compared to profit of approximately HK\$452,000 for the six months ended 30 September 2023. The decrease in results was mainly due to the decrease in revenue as mentioned above.

SEGMENT INFORMATION

An analysis of the performance of the Group by reportable segments is set out in note 7 to the condensed financial statements.

LIQUIDITY AND FINANCIAL RESOURCE

As at 30 September 2024, the Group had outstanding interest free loans from CCI of approximately HK\$2,708,000 (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: approximately HK\$95.1 million) and approximately HK\$0.6 million (as at 31 March 2024: approximately HK\$0.6 million) which were unsecured, interest-free and repayable on 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 30 September 2024 (as at 31 March 2024: HK\$Nil).

As at 30 September 2024, the Group had net current liabilities of approximately HK\$63.6 million (as at 31 March 2024: approximately HK\$62.4 million). The Group's current assets mainly consisted of cash and cash equivalents of approximately HK\$77.2 million (as at 31 March 2024: approximately HK\$77.7 million) and prepayments, deposits and other receivables of approximately HK\$9.2 million (as at 31 March 2024: approximately HK\$5.4 million). The Group's current liabilities mainly included contract liabilities of approximately HK\$7.9 million (as at 31 March 2024: approximately HK\$6.7 million), accruals and other payables of approximately HK\$110.3 million (as at 31 March 2024: approximately HK\$110.2 million), current tax liabilities of approximately HK\$26.6 million (as at 31 March 2024: approximately HK\$25.9 million) and loans from a substantial shareholder of approximately HK\$2.7 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 30 September 2024, the gearing ratio was 0% (as at 31 March 2024: 0%).

CAPITAL STRUCTURE

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

CHARGE ON ASSETS

The Group did not have any charge on its assets as at 30 September 2024 and 31 March 2024.

EMPLOYEE, REMUNERATION POLICIES AND STAFF COSTS

As at 30 September 2024, the Group had 49 employees (as at 31 March 2024: 56). The staff costs from continuing operation for the six months ended 30 September 2024 was approximately HK\$3.8 million (six months ended 30 September 2023: approximately HK\$4.2 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 six months ended 30 September 2024 and the year ended 31 March 2024, 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 period.

FOREIGN CURRENCY RISK

The income and expenditure of the Group are mainly carried in Hong Kong dollars (“HK\$”) and Renminbi (“RMB”) and the assets and liabilities of the Group were mainly denominated in HK\$ 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 30 September 2024 and 31 March 2024.

CAPITAL COMMITMENTS

Details of capital commitments is set out in note 22 to the condensed financial statements.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

		Unaudited	
		For the six months ended	
		30 September	
	<i>Note</i>	2024	2023
		HK\$'000	HK\$'000
Revenue	4	5,575	12,485
Cost of service		<u>(2,335)</u>	<u>(2,980)</u>
Gross profit		3,240	9,505
Investment and other income	5	66	366
Other gains and losses	6	–	35
Impairment allowance expected credit losses		–	65
Selling and distribution expenses		(762)	(1,347)
Administrative expenses		<u>(5,032)</u>	<u>(6,670)</u>
(Loss)/profit from operations		(2,488)	1,954
Finance costs	8	<u>(103)</u>	<u>(79)</u>
(Loss)/profit before tax		(2,591)	1,875
Income tax expense	9	<u>(209)</u>	<u>(1,423)</u>
(Loss)/profit for the period	10	<u>(2,800)</u>	<u>452</u>
		<i>HK cents</i>	<i>HK cents</i>
		(Unaudited)	(Unaudited)
(Loss)/earnings per share	12		
Basic (cents per share)		<u>(0.15)</u>	<u>0.02</u>
Diluted (cents per share)		<u>N/A</u>	<u>N/A</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	Unaudited	
	For the six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
(Loss)/profit for the period	(2,800)	452
Other comprehensive income		
<i>Item that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	<u>1,304</u>	<u>(2,276)</u>
Total comprehensive income for the period attributable to owners of the Company	<u>(1,496)</u>	<u>(1,824)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2024

	<i>Note</i>	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
Non-current assets			
Property, plant and equipment	13	17	6
Right-of-use assets	14	2,798	3,836
Deferred tax assets		<u>683</u>	<u>843</u>
Total non-current assets		<u>3,498</u>	<u>4,685</u>
Current assets			
Prepayments, deposits and other receivables	15	9,204	5,441
Bank and cash balances		<u>77,236</u>	<u>77,749</u>
Total current assets		<u>86,440</u>	<u>83,190</u>
Current liabilities			
Contract liabilities	16	7,931	6,650
Receipt in advance		11	12
Accruals and other payables	18	110,273	110,185
Interest free loans from a substantial shareholder	17	2,708	–
Lease liabilities		2,506	2,833
Current tax liabilities		<u>26,641</u>	<u>25,890</u>
Total current liabilities		<u>150,070</u>	<u>145,570</u>
Net current liabilities		<u>(63,630)</u>	<u>(62,380)</u>
Total assets less current liabilities		<u>(60,132)</u>	<u>(57,695)</u>
Non-current liabilities			
Lease liabilities		918	1,713
Deferred tax liabilities		<u>1,557</u>	<u>1,703</u>
Total non-current liabilities		<u>2,475</u>	<u>3,416</u>
NET LIABILITIES		<u><u>(62,607)</u></u>	<u><u>(61,111)</u></u>
CAPITAL AND RESERVES			
Share capital	19	18,957	18,957
Reserves		<u>(81,564)</u>	<u>(80,068)</u>
CAPITAL DEFICIENCY		<u><u>(62,607)</u></u>	<u><u>(61,111)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Merger reserve <i>HK\$'000</i>	Foreign currency translation reserve <i>HK\$'000</i>	Statutory reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2023	18,957	1,354,838	8,320	(15,513)	625	(1,420,009)	(52,782)
Changes in equity for the period	-	-	-	(2,276)	-	452	(1,824)
At 30 September 2023 (unaudited)	<u>18,957</u>	<u>1,354,838</u>	<u>8,320</u>	<u>(17,789)</u>	<u>625</u>	<u>(1,419,557)</u>	<u>(54,606)</u>
At 1 April 2024	18,957	1,354,838	8,320	(19,687)	625	(1,424,164)	(61,111)
Changes in equity for the period	-	-	-	1,304	-	(2,800)	(1,496)
At 30 September 2024 (unaudited)	<u>18,957</u>	<u>1,354,838</u>	<u>8,320</u>	<u>(18,383)</u>	<u>625</u>	<u>(1,426,964)</u>	<u>(62,607)</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	Unaudited	
	For the six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
NET CASH USED IN OPERATING ACTIVITIES	(4,172)	(14,204)
Interest received	66	95
Purchase of property, plant and equipment	(12)	(7)
NET CASH GENERATED FROM INVESTING ACTIVITIES	54	88
Interest free loans from CCI	4,028	3,200
Repayment of loans from CCI	(1,320)	(24,650)
Payment of lease liabilities	(1,203)	(473)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	1,505	(21,923)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,613)	(36,039)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	2,100	(3,494)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	77,749	125,439
CASH AND CASH EQUIVALENTS AT END OF PERIOD	77,236	85,906
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	77,236	85,906

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

1. GENERAL INFORMATION

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

In the opinion of the Directors of the Company, as at 30 September 2024, 神州通信集團有限公司 (China Communication Group Co., Ltd.*) ("CCC"), a Company incorporated in the People's Republic of China (the "PRC"), is the ultimate parent of the Company.

2. BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited.

These condensed financial statements should be read in conjunction with the 2024 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2024.

The Group had net current liabilities and net liabilities of approximately HK\$63,630,000 and HK\$62,607,000 respectively as at 30 September 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 had adopted the going concern basis in the preparation of this Financial Information of the Group based on the followings:

- (a) The Group's contract liabilities as at 30 September 2024 amounted to HK\$7,931,000 was deferred income in nature and would not required 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. 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 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.

* *English name is for identification purpose only*

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

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

A. New and amended standards adopted by the Group

The Group has applied the following amendments that are relevant to the Group for the first time from 1 April 2024:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants — Amendments to HKAS 1; and
- Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause — HK Int 5 (Revised).

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

As a result of the adoption of the amendments to HKAS 1, 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.”

This new policy did not result in a change in the classification of the Group's borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to HKAS 1.

B. Impact of new and amended standards issued but not yet adopted by the Group

In September 2023, HKICPA amended HKAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. These new requirements will apply for annual reporting periods beginning on or after 1 January 2025. The management does not expect the amendment to have a material impact on the consolidated financial statements.

In July 2024, HKICPA issued HKFRS 18 which is effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. 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 management is currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

4. REVENUE

(a) Disaggregation of revenue

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

	Unaudited	
	For the six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
Revenue from contracts with customers		
within the scope of HKFRS 15		
Robotics Education		
— Robot course	5,435	12,170
— Competition admission	140	315
	<hr/>	<hr/>
Total	5,575	12,485
	<hr/> <hr/>	<hr/> <hr/>

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

	Unaudited	
	For the six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
Geographical market		
Mainland China	<u>5,575</u>	<u>12,485</u>
Timing of revenue recognition		
Services transferred at a point in time	140	315
Services transferred over time	<u>5,435</u>	<u>12,170</u>
Total	<u><u>5,575</u></u>	<u><u>12,485</u></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) and the expected timing of recognising revenue as follows:

	Unaudited	Audited
	As at	As at
	30 September	31 March
	2024	2024
	HK\$'000	HK\$'000
Within 1 year	<u>7,931</u>	<u>6,650</u>

5. INVESTMENT AND OTHER INCOME

	Unaudited	
	For the six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
Government grants	–	260
Interest income	66	98
Others	<u>–</u>	<u>8</u>
	<u><u>66</u></u>	<u><u>366</u></u>

6. OTHER GAINS AND LOSSES

The amounts represented the exchange gain and loss for the six months ended 30 September 2023.

7. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

As the Group is principally engaged in the provision of robotics education courses in Heilongjiang, which are subject to similar business risk, and resources are allocated based on what is beneficial to the Group in enhancing the value of the Group as a whole, the Group's chief operating decision maker considers the performance assessment of the Group should be based on the profit before tax of the Group as a whole. Therefore, management considers there to be only one operating segment under the requirements of Hong Kong Financial Reporting Standard 8 "Operating Segments".

8. FINANCE COSTS

The amounts represented the interest on lease liabilities for the six months ended 30 September 2024 and 30 September 2023.

9. INCOME TAX EXPENSE

	<u>Unaudited</u>	
	For the six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
Current tax — PRC		
— Provision for the period	191	1,557
Deferred tax	18	(134)
	209	1,423

For the six months ended 30 September 2024 and 30 September 2023, no provision for Hong Kong Profits Tax is required since the Group has no assessable profit in Hong Kong.

Tax charged on estimated assessable profits in the PRC has been calculated at prorating tax rate of 25%.

10. (LOSS)/PROFIT FOR THE PERIOD

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

	Unaudited	
	For the six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment (<i>note 13</i>)	1	4
Depreciation of right-of-use assets	1,101	977
Directors' emoluments	1,278	1,278
Legal and professional fees	271	235
Employee benefits expense including Directors' emoluments		
— Salaries, bonus and allowances	3,499	3,872
— Retirement benefits scheme contributions	293	335
	3,792	4,207
Short term lease charges for land and buildings	51	50

11. DIVIDENDS

No dividends have been paid or proposed during the six months ended 30 September 2024, nor has any dividend been proposed since the end of the reporting period (six months ended 30 September 2023: Nil).

12. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share attributable to owners of the Company for the six months ended 30 September 2024 is based on the loss for the period attributable to owners of the Company of approximately HK\$2,800,000 (profit for six months ended 30 September 2023: HK\$452,000) respectively and the weighted average number of ordinary shares of 1,895,697,017 (six months ended 30 September 2023: 1,895,697,017) in issue during both periods.

(b) Diluted (loss)/earnings per share

No diluted (loss)/earnings per share was presented as the Company did not have any dilutive potential ordinary shares for the six months ended 30 September 2024 and 30 September 2023.

13. PROPERTY, PLANT AND EQUIPMENT

	Unaudited 30 September 2024 <i>HK\$'000</i>	Audited 31 March 2024 <i>HK\$'000</i>
Net carrying amount, beginning of the period/year	6	5
Additions	12	8
Depreciation	<u>(1)</u>	<u>(7)</u>
Net carrying amount, end of the period/year	<u><u>17</u></u>	<u><u>6</u></u>

14. RIGHT-OF-USE ASSETS

During the six months ended 30 September 2024, no new lease agreements are entered into by the Group.

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Unaudited 30 September 2024 <i>HK\$'000</i>	Audited 31 March 2024 <i>HK\$'000</i>
Amount due from CCC (<i>note</i>)	7,080	3,147
Other receivables	54	38
Prepayment and deposits	<u>2,070</u>	<u>2,256</u>
	<u><u>9,204</u></u>	<u><u>5,441</u></u>

Notes:

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.

16. CONTRACT LIABILITIES

	Unaudited 30 September 2024 <i>HK\$'000</i>	Audited 31 March 2024 <i>HK\$'000</i>
Contract liabilities		
Billings in advance of performance obligation		
— Robotics course fee	<u>7,931</u>	<u>6,650</u>

Contract liabilities represented the prepaid course fee received from enrolled robotics course participants.

Movements in contract liabilities:

	Unaudited 30 September 2024 <i>HK\$'000</i>	Audited 31 March 2024 <i>HK\$'000</i>
Beginning of the period/year	6,650	12,164
Increase in contract liabilities as a result of advance payments of robotics course fee received	6,439	11,319
Decrease in contract liabilities as a result of recognising revenue during the period/year	(5,380)	(16,201)
Exchange differences	<u>222</u>	<u>(632)</u>
End of the period/year	<u>7,931</u>	<u>6,650</u>

17. INTEREST FREE LOANS FROM CCI

	Unaudited 30 September 2024 <i>HK\$'000</i>	Audited 31 March 2024 <i>HK\$'000</i>
Interest free loans from CCI	<u>2,708</u>	<u>—</u>

The loans are denominated in HK\$, interest free, unsecured and repayable on demand.

18. ACCRUALS AND OTHER PAYABLES

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 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>)	752	729
Amounts due to related companies (<i>note d</i>)	68	625
Accrued salaries	6,395	5,941
Accrued expenses	1,292	1,396
Security deposits (<i>note e</i>)	4,996	4,854
Other payables	1,106	976
	<u>110,273</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.
- (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 amount 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 paid by CCC for the Heilongjiang Shentong Card Payment system.

19. SHARE CAPITAL

	Unaudited At 30 September 2024		Audited At 31 March 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 period/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 period/year	<u>1,895,697,017</u>	<u>18,957</u>	<u>1,895,697,017</u>	<u>18,957</u>

20. RELATED PARTY TRANSACTIONS

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

(a) Transactions with related parties

	Unaudited	
	For the six months ended 30 September	
	2024 HK\$'000	2023 HK\$'000
Interest-free loans from CCI	4,028	3,200
Repayment of CCI interest-free loans	(1,320)	(24,650)
Salaries and allowance paid to a close family member of an executive director	(309)	(309)
Service fee to CCC		
— Customer service hotline rental	(256)	(451)
— Discount of customer service hotline rental	128	225
— Heilongjiang Shentong Card payment system management	(345)	(769)
— Server hosting service	(1,040)	(1,054)
— Discount of server hosting service	520	527
Service fee to related companies		
— Web advertising expenses	(1,546)	(1,567)
— Discount of web advertising expenses	<u>1,546</u>	<u>1,567</u>

- (b) The remuneration of directors and other members of key management during the period was as follows:

	Unaudited	
	For the six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
Short-term benefits	1,638	1,647
Retirement benefits scheme contribution	27	18
Post-employment benefits	–	–
	1,665	1,665

21. CONTINGENT LIABILITIES

As at 30 September 2024, the Group did not have any significant contingent liabilities (at 31 March 2024: Nil).

22. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

	Unaudited	Audited
	30 September	31 March
	2024	2024
	HK\$'000	HK\$'000
Purchase of property, plant and equipment		
— Contracted but not provide for	–	–

OTHER INFORMATION

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

As at 30 September 2024, the interests and short positions of the Directors and the chief executives of the Company in the shares and underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”) (Chapter 571 of the Laws of Hong Kong)) which (a) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required pursuant to Section 352 of the SFO to be entered in the register referred therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Name of Director	Number of shares held			Approximate percentage of issued share capital
	Personal interests	Corporate interests	Total	
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 30 September 2024.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at 30 September 2024, 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 (Note 1)	–	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 (Note 2)	–	109,900,000	–	109,900,000	5.80%
Friendly Capital Limited	109,900,000	–	–	109,900,000	5.80%

Notes:

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

Save as disclosed above, as at 30 September 2024, so far as is known to, or can be ascertained after reasonable enquiry by the Directors, no other person (other than the Directors or chief executives of the Company) had an interest or short position in the shares or underlying shares of the Company which requires to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and Section 336 of the SFO or, who were or were expected, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

CHANGES IN INFORMATION OF DIRECTORS

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

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “2013 Share Option Scheme”) pursuant to an ordinary resolution passed on 7 August 2013. The 2013 Share Option Scheme had a term of 10 years from its adoption date and has expired on 6 August 2023. Upon the expiration of the 2013 Share Option Scheme, no further options will be offered. There are no share options remained outstanding under the 2013 Share Option Scheme.

No share option has been granted, exercised, cancelled or lapsed during the six months ended 30 September 2024. As at 30 September 2024, nil option share was outstanding under the 2013 Share Option Scheme.

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s shares on the GEM during the six months ended 30 September 2024.

COMPETING INTERESTS

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

AUDIT COMMITTEE

The Company has established an audit committee on 28 October 2002 with written terms of reference based on the guidelines set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 15 to the GEM Listing Rules. During the six months ended 30 September 2024, it comprises three independent non-executive Directors, namely Mr. Yip Tai Him, Ms. Han Liqun and Ms. Chen Lei. The primary duties of the audit committee are to review the Company’s annual report and accounts, half-yearly reports and quarterly reports and to provide advice and comments thereon to the Board. In addition, the audit committee considers any significant and unusual items that are, or may need to be, reflected in such reports and accounts and gives due consideration to any matters that have been raised by the Company’s qualified accountant, compliance officer and auditors. The audit committee is also responsible for reviewing and supervising the financial reporting process and the Group’s internal control system.

REVIEW OF ACCOUNTS

The audit committee has reviewed the unaudited interim results of the Group for the six months ended 30 September 2024. The audit committee is of the opinion that the preparation of such financial information complied with the applicable accounting standards, the requirements under the GEM Listing Rules and any other applicable legal requirements and that adequate disclosures have been made.

CODE ON CORPORATE GOVERNANCE PRACTICES

Having made specific enquiry of all Directors, the Board has confirmed that all Directors have complied with the principles and code provisions (the “Code Provisions”) set out in the CG Code during the six months ended 30 September 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.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a Code of Conduct regarding Securities Transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “Code of Conduct”). Having made specific enquiry of the Directors, all the Directors confirmed that they have complied with the required standard of dealings as set out in the Code of Conduct during the six months ended 30 September 2024.

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

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

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

Hong Kong, 22 November 2024

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.