



Shentong Robot Education Group Company Limited
神通機器人教育集團有限公司

(Incorporated in Cayman Islands with limited liability)
(Stock code: 8206)

THIRD QUARTERLY RESULTS ANNOUNCEMENT
FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

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.

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 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 nine months ended 31 December 2018 was approximately HK\$136,682,000.
- Profit attributable to owners of the Company was approximately HK\$49,155,000 for the nine months ended 31 December 2018.
- Earnings per share for the nine months ended 31 December 2018 was approximately HK2.59 cents.
- The board of the Directors (the “Board”) does not recommend the payment of a dividend for the nine months ended 31 December 2018.

The Directors hereby present the unaudited consolidated results of the Company together with its subsidiaries (collectively the “Group”) for the nine months ended 31 December 2018.

FINANCIAL PERFORMANCE

The Group’s revenue was mainly attributable to the provision of robotics education and other business in the People’s Republic of China (the “PRC”), including robotics competitions and promotion and management services of “Shentong Card”. The Group recorded consolidated revenue of approximately HK\$136,682,000 for the nine months ended 31 December 2018, representing an increase of approximately 34.7% as compared to approximately HK\$101,466,000 for the nine months ended 31 December 2017.

The Group made a profit attributable to owners of the Company of approximately HK\$49,155,000 for the nine months ended 31 December 2018, representing an increase of approximately 135.4% as compared to approximately HK\$20,882,000 for the nine months ended 31 December 2017. The business growth was mainly attributable to the increase of approximately 52.3% in revenue from the robotics education business from approximately HK\$78,851,000 for the nine months ended 31 December 2017 to approximately HK\$120,108,000 for the nine months ended 31 December 2018.

BUSINESS REVIEW

The Ministry of Education incorporated robotics education into one of the eight major national school sports leagues, and approved the establishment of the National School Sports Robot League (全國學校體育機器人聯盟) to deploy related work for the commencement of robot sports nationwide. On the other hand, robot sports in the PRC has been recognised as one of the 108 national social sports programmes by the General Administration of Sport of China (“GASC”). National Robot Sports Competition is the only robot sports event hosted by the GASC. Upon completion of the acquisition of the entire equity interest of 黑龍江神通文化俱樂部有限公司 (Heilongjiang Shentong Cultural Club Co., Ltd.[#]) in May 2016, the Group became the only enterprise in Heilongjiang Province authorised to provide robotics-related education and training, and to host robot sports competitions and business, for the entire province (collectively, the “Robotics Education”).

The Robotics Education in Heilongjiang Province has become the main driving force of business growth of the Group. For the nine months ended 31 December 2018, revenue from the robotics education business was approximately HK\$120,108,000, representing an increase of approximately 52.3% as compared to approximately HK\$78,851,000 for the nine months ended 31 December 2017. Revenue from promotion and management services of “Shentong Card” amounted to approximately HK\$16,574,000, representing a decrease of approximately 26.7% as compared to approximately HK\$22,615,000 for the nine months ended 31 December 2017.

In the second half of 2018, the Group strengthened the reputation of the Robotics Education in Heilongjiang Province by launching various robotics-themed activities such as research and travel activities, carnival activities, holiday training courses and teacher training in the province. In November 2018, the first session of the inaugural meeting of the Artificial Intelligence and Robotics Education Committee of China Education Development Strategy Association (the “Committee”) (中國教育發展戰略學會人工智能與機器人教育專業委員會) and the 2018 China Artificial Intelligence and Robotics Education Development Forum was successfully held, promoting technological innovation and resource integration and sharing in the domestic industry and academia. Schools of the committee could therefore integrate resources and cultivate talents in the field of artificial intelligence and robotics innovation.

This year, the education market in the PRC maintains a good momentum of development. Factors such as policies, educational concepts, technological innovation and talent management will bring new opportunities and challenges to the future education market. The Group will continue exploring the industries related to quality education in the PRC with an aim to boost the development of Robotics Education business of the Group.

[#] English name is for identification purpose only

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the nine months ended 31 December 2018

		Unaudited For the three months ended 31 December		Unaudited For the nine months ended 31 December	
		2018	2017	2018	2017
	Note	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	3	50,149	35,872	136,682	101,466
Cost of sales		<u>(11,882)</u>	<u>(11,863)</u>	<u>(36,853)</u>	<u>(34,317)</u>
Gross profit		38,267	24,009	99,829	67,149
Other income	4	74	85	2,796	239
Selling and distribution expenses		(4,194)	(4,876)	(12,440)	(13,378)
Administrative expenses		(6,235)	(6,078)	(17,790)	(17,808)
Other operating expenses		<u>(39)</u>	<u>(529)</u>	<u>(103)</u>	<u>(1,601)</u>
Profit from operations		27,873	12,611	72,292	34,601
Finance costs	5	<u>(477)</u>	<u>(475)</u>	<u>(1,419)</u>	<u>(1,423)</u>
Profit before tax		27,396	12,136	70,873	33,178
Income tax expense	6	<u>(7,935)</u>	<u>(4,670)</u>	<u>(21,718)</u>	<u>(12,296)</u>
Profit for the period attributable to owners of the Company	7	<u>19,461</u>	<u>7,466</u>	<u>49,155</u>	<u>20,882</u>
		<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
Earnings per share	9				
Basic (HK cents per share)		<u>1.03</u>	<u>0.39</u>	<u>2.59</u>	<u>1.15</u>
Diluted (HK cents per share)		<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 31 December 2018

	Unaudited For the three months ended 31 December		Unaudited For the nine months ended 31 December	
	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
Profit for the period	19,461	7,466	49,155	20,882
Other comprehensive income, net of tax:				
<i>Item that may be reclassified to profit or loss:</i>				
Exchange differences on translating foreign operations	<u>177</u>	<u>9,260</u>	<u>(46,066)</u>	<u>26,890</u>
Total comprehensive income for the period attributable to owners of the Company	<u>19,638</u>	<u>16,726</u>	<u>3,089</u>	<u>47,772</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine months ended 31 December 2018

	Unaudited							
	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Foreign currency translation reserve HK\$'000	Statutory reserve HK\$'000	Share-based payment reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2017	16,557	1,249,389	8,320	(19,711)	625	3,316	(1,167,070)	91,426
Share issued upon subscription (<i>note (a)</i>)	2,400	105,449	–	–	–	–	–	107,849
Total comprehensive income for the period	–	–	–	26,890	–	–	20,882	47,772
Changes in equity for the period	2,400	105,449	–	26,890	–	–	20,882	155,621
At 31 December 2017	<u>18,957</u>	<u>1,354,838</u>	<u>8,320</u>	<u>7,179</u>	<u>625</u>	<u>3,316</u>	<u>(1,146,188)</u>	<u>247,047</u>
At 1 April 2018	18,957	1,354,838	8,320	27,589	625	3,280	(1,139,432)	274,177
Adjustments on initial application of — HKFRS 9	–	–	–	–	–	–	(123)	(123)
Restated balance at 1 April 2018	<u>18,957</u>	<u>1,354,838</u>	<u>8,320</u>	<u>27,589</u>	<u>625</u>	<u>3,280</u>	<u>(1,139,555)</u>	<u>274,054</u>
Total comprehensive income for the period	–	–	–	(46,066)	–	–	49,155	3,089
Changes in equity for the period	–	–	–	(46,066)	–	–	49,155	3,089
At 31 December 2018	<u>18,957</u>	<u>1,354,838</u>	<u>8,320</u>	<u>(18,477)</u>	<u>625</u>	<u>3,280</u>	<u>(1,090,400)</u>	<u>277,143</u>

- (a) On 21 June 2017, the Company entered into Subscription Agreements with 2 independent investors in respect a total of 240,000,000 new shares of the Company to be allotted and issued to them at HK\$0.45 per new share. The Subscription Agreements were completed on 4 July 2017.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION

For the nine months ended 31 December 2018

1. GENERAL

The Company was incorporated as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is P.O. Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands. The address of its principal place of business in Hong Kong is Units 2115-2116, 21/F, China Merchants 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").

2. BASIS OF PREPARATION

The unaudited quarterly financial information ("Financial Information") has been prepared by the directors of the Company (the "Directors") in accordance with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

The amounts included in the Financial Information have been computed in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") applicable to the interim periods. However, it does not contain sufficient information to constitute an interim financial report as defined in HKFRSs.

The accounting policies and methods of computation used in the preparation of the Financial Information are consistent with those used in the annual financial statement for the year ended 31 March 2018 except for the adoption of the standards, amendments and interpretation issued by the HKICPA for the annual period beginning on 1 April 2018.

The Group had net current liabilities of approximately HK\$57,211,000 as at 31 December 2018. This condition indicates 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 following:

- (a) The Group's education course obligation as at 31 December 2018 amounted to HK\$44,741,000 was deferred income in nature and would not require settlement in form of bank and cash balances.
- (b) On 1 November 2017, the Group agreed with China Communication Investment Limited ("CCI"), a substantial shareholder of the Company, to postpone the repayment date to 15 November 2018 for an amount of HK\$95,100,000 due to CCI. On 1 November 2018, the Group agreed with CCI to postpone the maturity date to 15 November 2019 and the directors expect that the repayment date will be further postponed successfully.
- (c) On 31 March 2018, the Group agreed with CCI to postpone the maturity date of the promissory note to 30 June 2019 and the directors expect that the repayment date will be further postponed successfully.
- (d) 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 the 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 the 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. REVENUE

	Unaudited For the three months ended 31 December		Unaudited For the nine months ended 31 December	
	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
Promotion and management services income from CCC	5,336	7,991	16,574	22,615
Robotics Education and Others	44,813	27,881	120,108	78,851
	<u>50,149</u>	<u>35,872</u>	<u>136,682</u>	<u>101,466</u>

4. OTHER INCOME

	Unaudited For the three months ended 31 December		Unaudited For the nine months ended 31 December	
	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
Exchange (loss)/gain	(45)	–	2,467	–
Interest income	119	85	329	239
	<u>74</u>	<u>85</u>	<u>2,796</u>	<u>239</u>

5. FINANCE COSTS

	Unaudited For the three months ended 31 December		Unaudited For the nine months ended 31 December	
	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
Interest on promissory note payable to CCI	477	475	1,419	1,423

6. INCOME TAX EXPENSE

	Unaudited For the three months ended 31 December		Unaudited For the nine months ended 31 December	
	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
Current tax				
— Provision for the period	7,979	4,670	21,856	12,237
Deferred tax	(44)	—	(138)	59
	<u>7,935</u>	<u>4,670</u>	<u>21,718</u>	<u>12,296</u>

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the three-month and nine-month periods ended 31 December 2018 and 2017.

Tax charge on estimated assessable profits in the PRC has been calculated at prevailing tax rate of 25% (2017: 25%).

7. PROFIT FOR THE PERIOD

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

	Unaudited For the three months ended 31 December		Unaudited For the nine months ended 31 December	
	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
Amortisation in intangible assets				
— Include in cost of sales	178	—	553	—
Depreciation	1,927	1,235	5,080	3,266
Directors' emoluments	952	921	2,866	2,775
Legal and professional fee	75	234	247	424
Operating lease charges for land and buildings	1,900	1,884	5,863	5,262
Net gain on disposal of property, plant and equipment	3	—	(166)	—
Property, plant and equipment written off				
— Include in other operating expenses	—	—	—	22
Employee benefits expense including directors' emoluments				
— Salaries, bonus and allowances	5,189	3,970	15,690	12,521
— Retirement benefits scheme contributions	545	390	1,189	994
	<u>5,734</u>	<u>4,360</u>	<u>16,879</u>	<u>13,515</u>

8. DIVIDENDS

No dividends have been paid or proposed during the three months and nine months ended 31 December 2018, nor has any dividend been proposed since the end of reporting period (three months and nine months ended 31 December 2017: HK\$Nil).

9. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following:

	Unaudited For the three months ended 31 December		Unaudited For the nine months ended 31 December	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Earnings				
Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculation	<u>19,461</u>	<u>7,466</u>	<u>49,155</u>	<u>20,882</u>

(a) Basic earnings per share

Number of shares

	Unaudited For the three months ended 31 December		Unaudited For the nine months ended 31 December	
	2018	2017	2018	2017
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>1,895,697,017</u>	<u>1,895,697,017</u>	<u>1,895,697,017</u>	<u>1,813,660,653</u>

(b) Diluted earnings per share

No diluted earnings per share is presented as the Company did not have any dilutive potential ordinary shares during the three-month and nine-month periods ended 31 December 2018 and 31 December 2017.

OTHER INFORMATION

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

As at 31 December 2018, 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	Share option held
	Personal interests	Corporate interests	Total		
He Chenguang	–	–	–	–	2,000,000
Bao Yueqing	2,844,000	–	2,844,000	0.15%	5,000,000

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 31 December 2018.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at 31 December 2018, so far as is known to, or can be ascertained after reasonable enquiry by, the Directors, the following persons (other than the Directors or chief executives of the Company) had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO and Section 336 of the SFO or, who were or were expected, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name of shareholder	Number of shares held			Total	Approximate percentage of issued share capital
	Personal interests	Corporate interests	Other interests		
CCC (<i>Note 1</i>)	–	472,042,000	–	472,042,000	24.90%
CCI	472,042,000	–	–	472,042,000	24.90%
Yang Shao Hui	207,028,256	–	–	207,028,256	10.92%
Cao Bingsheng	120,000,000	–	–	120,000,000	6.33%
Liang Haiqi	120,000,000	–	–	120,000,000	6.33%
Li Chungang (<i>Note 2</i>)	–	109,900,000	–	109,900,000	5.80%
Friendly Capital Limited	109,900,000	–	–	109,900,000	5.80%

Note:

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

Save as disclosed above, as at 31 December 2018, 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

Pursuant to Rule 17.50A (1) of the GEM Listing Rules, there are changes in the information required to be disclosed pursuant to paragraph (a) to (e) and (g) of Rule 17.50(2) of the GEM Listing Rules during the course of the directors' term of office. Mr. Yip Tai Him ceased to be the independent non-executive director of Sino Golf Holdings Limited (stock code: 361) with effect from 9 November 2018.

Save as disclosed above, there are no other 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. Details of the 2013 Share Option Scheme have been set out in the Company's annual report of year 2017/18.

Particulars of the outstanding options which have been granted under the 2013 Share Option Scheme as at 31 December 2018 were as follows:

					Number of share options					
Name or category of participant	Date of grant	Exercisable period	Exercise price per share HK\$	Closing price per share immediately before date of grant HK\$	As at 1 April 2018	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	As at 31 December 2018
Directors										
He Chenguang	26 August 2016	26 August 2016 to 25 August 2019 (both days inclusive)	0.53	0.53	2,000,000	–	–	–	–	2,000,000
Bao Yueqing	26 August 2016	26 August 2016 to 25 August 2019 (both days inclusive)	0.53	0.53	5,000,000	–	–	–	–	5,000,000
Sub-total					7,000,000	–	–	–	–	7,000,000
Other Eligible Participants										
In aggregate	26 August 2016	26 August 2016 to 25 August 2019 (both days inclusive)	0.53	0.53	10,800,000	–	–	–	–	10,800,000
Total					17,800,000	–	–	–	–	17,800,000

Save as disclosed above, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or other body corporate granted to any Directors or their respective associates, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable the Directors, or their respective associates to acquire such rights in any other body corporate.

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 nine months ended 31 December 2018.

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 nine months ended 31 December 2018, it comprises three independent non-executive Directors, namely Mr. Yip Tai Him, Ms. Han Liqun and Ms. Zhang Li. 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 third quarterly results of the Group for the nine months ended 31 December 2018. 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 nine months ended 31 December 2018, save for the deviation from Code Provisions A.6.7 and E.1.2 which are explained below:

Under Code Provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Ms. Han Liqun and Ms. Zhang Li, the independent non-executive Directors, were unable to attend the annual general meeting of the Company held on 3 August 2018 (the “2018 AGM”) due to their other business activities and unexpected engagement.

In addition, under the Code Provision E.1.2 of the CG Code, the chairman of the Board should attend the annual general meeting of the Company and he should also invite the chairman of the audit committee, remuneration committee, nomination committee and any other committees (as appropriate) of the Company to attend. Mr. He Chenguang (chairman of the Board and chairman of the nomination committee of the Company) was unable to attend the 2018 AGM due to an unexpected engagement. Mr. Bao Yueqing (executive Director and co-chief executive officer of the Company) was appointed as the chairman of the 2018 AGM to answer and address questions raised by shareholders at the 2018 AGM.

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 nine months ended 31 December 2018.

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 co-Chief Executive Officer*)
Mr. Yip Tai Him (*Independent Non-Executive Director*)
Ms. Han Liqun (*Independent Non-Executive Director*)
Ms. Zhang Li (*Independent Non-Executive Director*)

Hong Kong, 11 February 2019

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