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)

DECISION OF THE GEM LISTING COMMITTEE

This announcement is made by Shentong Robot Education Group Company Limited (the "**Company**" together with its subsidiaries, the "**Group**") pursuant to Rule 17.10 of the Rules (the "**GEM Listing Rules**") Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

References are made to the announcements of the Company dated 23 May 2025 and 3 June 2025 (the "**Announcements**") in relation to, among other matters, the decision of the Listing Division of the Stock Exchange that the Company has failed to maintain a sufficient level of operations and assets of sufficient value as required under Rule 17.26 of the GEM Listing Rules and the Company's written request for a review of the decision (the "**Decision**") by the GEM Listing Committee of the Stock Exchange (the "**GEM Listing Committee**"). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as in the Announcements.

DECISION OF THE GEM LISTING COMMITTEE

The Company wishes to inform the Shareholders and potential investors of the Company that the review hearing of the Decision by the GEM Listing Committee (the "**Review Hearing**") was held on 15 July 2025. On 31 July 2025, the Company received a letter from the GEM Listing Committee notifying the Company that the GEM Listing Committee, having considered all the submissions (both written and oral) made by the Company and the Listing Division, was of the view that the Company had failed to maintain a sufficient level of operations and assets of sufficient value to support its operation as required under Rule 17.26 of the GEM Listing Rules to warrant the continued listing of its Shares, and therefore decided to uphold the Decision to suspend trading in the Company's shares (the "**Shares**") under Rule 9.04(3) of the GEM Listing Rules (the "**GLC Decision**").

According to the GLC Decision, the GEM Listing Committee arrived at its decision for the following reasons:

On operation

1. The Company had been operating the Robotics Business as its principal segment since the year ended 31 March 2020 and its scale had been deteriorating since FY2021. The GEM Listing Committee was concerned about the substance, viability and sustainability of the Robotics Business, taking into account the following:

   (a) The Robotics Business had been operating at a low level of activities. It recorded minimal revenue of around HK$4.7 million to HK$16.6 million between FY2021 to the year ended 31 March 2024 ("**FY2024**"), a level which was consequently not temporary in nature. Since FY2021, there had been a decline in demand for the courses and competitions of the Robotics Business as evidenced by the fact that the number of enrolled training hours, competitions held and partnering schools had all declined to a minimal level. In the year ended 31 March 2025 ("**FY2025**"), the Company's revenue further decreased to around HK$10.4 million, representing a decrease of 37% from FY2024.

   (b) The Robotics Business did not appear to be sustainable as it had recorded consecutive net losses for the past five financial years. This concern was further exacerbated as the Company had been relying, and would continue to rely, on the support of China Communication Group Co., Ltd through, e.g. continuing to obtain discounted service fees to maintain its working capital and operations. Despite this, the Company was still unable to generate sufficient revenue to cover its corporate expenses.

   (c) The previous plans implemented by the Company since COVID-19 pandemic in FY2021, i.e. hosting online training courses and self-learning platform, offering new robotics courses (focusing on robotics plug-ins and advanced plug-ins programming), and exploring collaboration opportunities with other vocational institutions, did not substantively improve the operating scale and financial performance of the Robotics Business even after the end of the COVID-19 pandemic.

   (d) While the Company submitted business plans to assert its compliance with GEM Rule 17.26, these plans only commenced in 2025 and had limited or no historical track record and involved a different business model from the Company's existing business. In the written submission dated 18 June 2025 (the "**Written Submission**") the Company further submitted that the artificial intelligence robotics education platform (the "**AI Platform**") launched by the joint venture (the "**JV**") formed in April 2025 would generate a majority of the forecast revenue and turn around the business in the coming years. The Company also submitted that, within two months from the formation of the JV, it had entered into cooperation agreements with six schools (the "**Cooperation Agreements**"), which were expected to generate annual revenue of approximately HK$62.9 million, assuming full adoption of the AI Platform by all teachers and students of the six schools.

However, the GEM Listing Committee considered the terms of the Cooperation Agreements presented to it lacked sufficient details or clarity to substantiate the Company's claim that it would achieve the expected revenue. It was unclear to the GEM Listing Committee whether and when the AI Platform would be required under the Cooperation Agreements to be fully adopted by all teachers and students. Further, the GEM Listing Committee noted inconsistencies between the Written Submission and the Company's oral submissions made at the Review Hearing. For example:

(i) It was submitted in the Written Submission that, according to the Cooperation Agreements, Schools 1 and 5 "ultimately aim" for 100% adoption of the AI Platform by all teachers and students, while the other three schools "aim" to achieve full adoption within the first year of implementation. This appeared to be inconsistent with the Company's submission at the Review Hearing which suggested that full adoption was a firm commitment under the Cooperation Agreements.

(ii) The Company acknowledged at the Review Hearing that the participation rate of students at School 1 would increase from 40% in the first semester to 60% in the second semester, while the Written Submission stated that the "remaining 60% of the total number of students will participate from the second semester".

(e) The Company failed to demonstrate that the profit forecast (the "**Profit Forecast**") and the operating cash flow forecast (the "**Cash Flow Forecast**") of the Group for the five years ending 31 March 2030 appended to the Written Submission were credible. The GEM Listing Committee noted that both the Profit Forecast and the Cash Flow Forecast lacked details as to the bases and assumptions. Also, the projections in the Profit Forecast in relation to Beijing Shentong Xianghe Intelligent Technology Company Limited, the JV entity, did not take into account the share of the JV partner and consequently did not show the projected profit/(loss) actually attributable to the Company's shareholders. Further, it was questionable that the projections in relation to Heilongjiang Shentong Cultural Club Company Limited remained constant throughout the four years and three years ending 31 March 2030 in the Profit Forecast and the Cash Flow Forecast, respectively. While the Company submitted the opinion letters on each of the Profit Forecast and the Cash Flow Forecast provided by its financial adviser dated 18 June 2025 (the "**Comfort Letters**"), the Comfort Letters, in the absence of disclosure of the bases and assumptions of the Profit Forecast and the Cash Flow Forecast that they purported to comment on, provided the GEM Listing Committee with no additional insight into the veracity of the projections.

2. In light of the above, the GEM Listing Committee considered the Company failed to demonstrate that the Robotics Business was a business of substance and was viable and sustainable.

On assets

3. As of 31 March 2025, the Company recorded net liabilities of HK$65.9 million. It was uncertain whether the loan capitalisation would materialise, as it would be subject to shareholder approval and the grant of a whitewash waiver. Even if it did materialise, given the GEM Listing Committee's concerns about the credibility of the business plans submitted by the Company, the Profit Forecast and the Cash Flow Forecast, which cast doubt on the business viability and sustainability, it was unclear whether the Company would have sufficient assets to support the operation of a viable and sustainable business. The GEM Listing Committee was not satisfied that the Company had sufficient assets to meet GEM Rule 17.26.

4. In conclusion, the GEM Listing Committee considered that the Company had failed to maintain a sufficient level of operations and assets of sufficient value to support its operations as required under GEM Rule 17.26 to warrant the continued listing of its Shares.

RIGHT TO REVIEW THE GLC DECISION

Under Chapter 4 of the GEM Listing Rules, the Company has the right to have the GLC Decision referred to the GEM Listing Review Committee (as defined in the GEM Listing Rules) for review. Rule 4.08(1) of the GEM Listing Rules provides that an application for review has to be made to the Secretary of the GEM Listing Review Committee within seven business days of the issue of the GLC Decision (i.e. on or before 11 August 2025). The trading in the Shares will be suspended from 9:00 a.m. on 12 August 2025 (i.e. after the expiry of seven business days from the date of the GLC Decision), unless the Company applies for a review of the GLC Decision. Prior to that, trading in the Shares will continue.

The Company is in the process of reviewing the GLC Decision and is discussing the same internally and with the professional advisers, and will consider whether to lodge a request for the GLC Decision to be referred to the GEM Listing Review Committee for review.

The Directors would like to remind the Shareholders and potential investors of the Company that (i) the Company may or may not proceed with the review by the GEM Listing Review Committee; and (ii) the outcome of such review, if undertaken, is uncertain.

Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the GEM Listing Rules.

Shareholders who have any queries about the implications of the GLC Decision are advised to obtain appropriate professional advice. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 31 July 2025

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain at www.hkexnews.hk on the "Latest Company Announcements" page of the Stock Exchange's website for at least 7 days from the date of its posting and on the website of the Group at www.srobotedu.com.