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)

(1) PROPOSED SHARE CONSOLIDATION;
(2) CONNECTED TRANSACTION IN RELATION TO PROPOSED DEBT CAPITALISATION INVOLVING SUBSCRIPTION OF SHARES UNDER SPECIFIC MANDATE;
(3) APPLICATION FOR WHITEWASH WAIVER; AND
(4) CONTINUED SUSPENSION OF TRADING

PROPOSED SHARE CONSOLIDATION

The Board proposes the Share Consolidation on the basis that every fifty (50) issued and unissued Existing Shares with par value of HK$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Share with par value of HK$0.50 each.

PROPOSED DEBT CAPITALISATION

On 31 August 2026 (after trading hours), the Company, CCI, and Copious entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and CCI has conditionally agreed to subscribe for 17,360,000 Consolidated Shares at HK$3.75 per Consolidated Share, the same of which shall be satisfied by offsetting HK$65,100,000 of the Amount Due to CCI, which amounted to HK$95,664,210 as at the date of the Subscription Agreement. Upon Completion, the Capitalisation Amount shall be deemed to have been repaid by the Group to CCI, and Copious shall be released from its obligations to CCI in respect of the Capitalisation Amount. The Amount Due to CCI shall accordingly be reduced by the Capitalisation Amount. Following Completion, the Amount Due to CCI is expected to be reduced to HK$30,564,210.

Save for the Share Consolidation, assuming that there will be no change in the total issued share capital between the date of this announcement and Completion, 17,360,000 Subscription Shares represent:

(i) approximately 45.79% of the total issued share capital as at the date of this announcement (after taking into account the effect of the Share Consolidation); and

(ii) approximately 31.41% of the total issued share capital as enlarged by the Subscription Shares (after taking into account the effect of the Share Consolidation).

The Subscription Shares will be allotted and issued pursuant to the Specific Mandate to be sought from the Independent Shareholders at the EGM.

IMPLICATIONS UNDER THE GEM LISTING RULES

As at the date of this announcement, the Subscriber is a substantial shareholder of the Company. As at the date of this announcement, the Subscriber is interested in 542,042,000 Existing Shares, representing approximately 28.59% of the total issued share capital of the Company. The Subscription Shares will be allotted and issued pursuant to the Specific Mandate to be sought from the Independent Shareholders at the EGM. Pursuant to Rule 20.07(1) of the GEM Listing Rules, the Subscriber, being a substantial shareholder, is a connected person of the Company. Accordingly, the Subscription Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 20 of the GEM Listing Rules, and are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Given that the Subscriber has a material interest in the Debt Capitalisation and Mr. Bao was involved in the negotiation of the Subscription Agreement on behalf of the Company, the CCI Concert Group and Mr. Bao are therefore required to abstain from voting on the relevant resolution(s) to be proposed at the EGM to approve the Subscription Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate, and the Whitewash Waiver.

IMPLICATIONS UNDER THE TAKEOVERS CODE

Application for Whitewash Waiver

As at the date of this announcement, CCI is interested in 542,042,000 Existing Shares, representing approximately 28.59% of the issued share capital of the Company. Immediately after the completion of the issue of Subscription Shares, the CCI Concert Group will be interested in 28,200,840 Consolidated Shares, and the aggregate shareholding of the CCI Concert Group in the Company will be increased from approximately 28.59% to approximately 51.02% (assuming there is no other change in the issued share capital of the Company).

Under Rule 26.1 of the Takeovers Code, the allotment and issuance of Subscription Shares to CCI will give rise to an obligation on CCI to make a mandatory general offer for all the issued shares and other securities of the Company (other than those already owned or agreed to be acquired by the CCI Concert Group), unless the Whitewash Waiver is granted by the Executive.

If the Whitewash Waiver is granted by the Executive and is approved by the Independent Shareholders and completion of the Debt Capitalisation having taken place, the aggregate shareholding of the CCI Concert Group in the Company will exceed 50% of the issued share capital of the Company as enlarged by the Subscription Shares. CCI may further increase its shareholding in the Company without incurring any further obligation to make a general offer under Rule 26 of the Takeovers Code.

An application will be made to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, (a) the approval by at least 75% of the votes cast by the Independent Shareholders either in person or by proxy at the EGM by way of poll in respect of the Whitewash Waiver; and (b) the approval by more than 50% of the votes cast by the Independent Shareholders either in person or by proxy at the EGM by way of poll in respect of the Debt Capitalisation, in which the CCI Concert Group and Mr. Bao will abstain from voting on the relevant resolution(s).

As at the date of this announcement, the Company does not believe that the Debt Capitalisation gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the GEM Listing Rules). The Company notes that the Executive may not grant the Whitewash Waiver if the Debt Capitalisation does not comply with other applicable rules and regulations. If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the circular.

The Executive may or may not grant the Whitewash Waiver. If the Whitewash Waiver is not granted by the Executive or not approved by the Independent Shareholders, the Debt Capitalisation will not proceed.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders as to whether (i) the Debt Capitalisation; (ii) the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate); and (iii) the Whitewash Waiver are fair and reasonable so far as the Independent Shareholders are concerned, and make recommendation as to voting.

As at the date of this announcement, each of Mr. Yip Tai Him, Ms. Han Liqun, and Ms. Chen Lei, being independent non-executive Directors, does not hold any securities of the Company and does not have any direct and/or indirect interest or involvement in the Debt Capitalisation.

The Independent Financial Adviser will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in this regard. The Company will publish a further announcement upon the appointment of the Independent Financial Adviser.

GENERAL

An EGM will be convened by the Company to consider and, if thought fit, approve (i) the Share Consolidation; (ii) the Subscription Agreement and the transactions contemplated thereunder (including the granting of the Specific Mandate); and (iii) the Whitewash Waiver. The voting in relation to resolutions to be proposed at the EGM will be conducted by way of a poll.

A circular including, among other things, details of (i) information regarding the Share Consolidation, the Debt Capitalisation, and the Whitewash Waiver; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement (including the grant of the Specific Mandate) and the Whitewash Waiver; (iv) other information required under the GEM Listing Rules and the Takeovers Code; and (v) a notice convening the EGM will be despatched to the Shareholders.

The circular is required to be despatched to the Shareholders within 15 business days from the date of this announcement pursuant to Rule 20.66 of the GEM Listing Rules or within 21 days from the date of this announcement pursuant to Rule 8.2 of the Takeovers Code, whichever is earlier.

As the Share Consolidation and the Debt Capitalisation are each conditional upon the satisfaction of certain conditions precedent, the Share Consolidation and/or the Debt Capitalisation may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

The Whitewash Waiver may or may not be granted by the Executive and if granted, will be subject to the approval by at least 75% and more than 50% respectively of the votes cast by the Independent Shareholders in person or by proxy by way of poll in respect of the Whitewash Waiver and the underlying transactions (i.e. the Debt Capitalisation and the Specific Mandate) at the EGM. Completion of the Debt Capitalisation is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and approved by the Independent Shareholders.

Shareholders and investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

PROPOSED SHARE CONSOLIDATION

As at the date of this announcement, the authorised share capital of the Company is HK$100,000,000 divided into 10,000,000,000 Existing Shares of par value of HK$0.01 each, of which 1,895,697,017 Existing Shares were issued and fully paid. The Board proposes the Share Consolidation on the basis that every fifty (50) issued and unissued Existing Shares with par value of HK$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Share with par value of HK$0.50 each.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions being fulfilled:

(i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;

(ii) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and

(iii) the compliance with the relevant procedures and requirements under the applicable laws of the Cayman Islands and the GEM Listing Rules to effect the Share Consolidation.

Effect of the Share Consolidation

Immediately upon the Share Consolidation becoming effective, and assuming there will be no change in the number of Existing Shares in issue from the date of this announcement to the effective date of the Share Consolidation, the authorised share capital of the Company will become HK$100,000,000 divided into 200,000,000 Consolidated Shares of par value of HK$0.50 each, of which 37,913,940 Consolidated Shares (which are fully paid or credited as fully paid) will be in issue.

As at the date of this announcement, the Company has no outstanding convertible bonds, options, derivatives, warrants, conversion rights or other similar rights entitling holders thereof to subscribe for or convert into or exchange into Shares.

Assuming no further Existing Shares will be issued or repurchased from the date of this announcement up to the effective date of the Share Consolidation, the effect of the Share Consolidation and the share capital structure of the Company is summarised below:

	As at the date of this announcement	**Immediately upon the Share Consolidation becoming effective**
Par value	HK$0.01 per Existing Share	HK$0.50 per Consolidated Share
Amount of authorised share capital	HK$100,000,000	HK$100,000,000
Number of authorised Shares	10,000,000,000 Existing Shares	200,000,000 Consolidated Shares
Number of issued Shares	1,895,697,017 Existing Shares	37,913,940 Consolidated Shares
Issued share capital	HK$18,956,970.17	HK$18,956,970
Number of unissued shares	8,104,302,983	162,086,060

All Consolidated Shares in issue immediately following the Share Consolidation becoming effective will rank *pari passu* in all respects with each other, and the Share Consolidation will not result in any change in the relative rights of the Shareholders.

Other than the relevant expenses, including but not limited to professional fees and printing charges to be incurred, the implementation of the Share Consolidation will have no material effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the proportionate interests of the Shareholders. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group.

Application for listing of the Consolidated Shares

Application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Consolidated Shares in issue and to be issued arising from the Share Consolidation.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange. Upon the Share Consolidation becoming effective, the Consolidated Shares will not be listed or dealt in on any stock exchange other than the Stock Exchange. No application is being, or is proposed to be, made for the listing of, or permission to deal in, the Consolidated Shares on any other stock exchange.

NO CHANGE IN BOARD LOT SIZE

The Existing Shares are currently traded on the Stock Exchange in board lot size of 1,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain unchanged at 1,000 Consolidated Shares per board lot. Based on the closing price of HK$0.038 per Existing Share (equivalent to the theoretical closing price of HK$1.90 per Consolidated Share) on the Last Trading Day, (i) the value per board lot of 1,000 Existing Shares is HK$38; and (ii) the value per board lot of 1,000 Consolidated Shares would be HK$1,900 on the assumption that the Share Consolidation becomes effective.

OTHER ARRANGEMENTS

Exchange of share certificates for the Consolidated Shares

The new share certificates of the Consolidated Shares will be in the colour of blue in order to distinguish them from the existing share certificates of the Existing Shares which are grey in colour. Subject to the Share Consolidation becoming effective, Shareholders may submit share certificates for the Existing Shares to the Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for exchange, at the expense of the Company, for new share certificates for the Consolidated Shares (on the basis of fifty (50) Existing Shares for one (1) Consolidated Share) within the prescribed time.

Details of such free exchange of share certificates will be announced as soon as the effective date of the Share Consolidation is ascertained.

The existing share certificates for the Existing Shares will remain valid and effective as documents of title. The last date and time on which such certificates will be accepted for delivery, trading and settlement purposes will be determined subject to the resumption of trading in the Shares and announced by the Company in due course.

Fractional entitlement to the Consolidated Shares

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

Odd lots arrangements and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, a designated broker will be appointed by the Company to provide matching services, on a best-effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares.

As trading in the Shares is currently suspended, the identity and contact details of the designated broker and the period during which the matching services will be determined after the timetable for the resumption of trading in the Shares has been finalised and will be announced by the Company in due course.

Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lots arrangement, is recommended to consult his/her/its own professional advisers. Shareholders or potential investors should note that (i) the above odd lots arrangements do not guarantee successful matching of all odd lots at the relevant market price; and (ii) odd lots might be sold below the market price.

REASONS FOR THE SHARE CONSOLIDATION

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK$0.01 or HK$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities.

Pursuant to the "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated in June 2026, (i) any trading price less than HK$0.10 will be considered as approaching the extremities of HK$0.01; and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK$1,000.

Based on the closing price of HK$0.038 per Existing Share as quoted on the Stock Exchange on the Last Trading Day and the existing board lot size of 1,000 Existing Shares, the value of each existing board lot was HK$38. Prior to the suspension of trading in the Shares, the trading price of the Existing Shares had generally remained below HK$0.10 and the value of each board lot had generally remained below HK$1,000 since October 2024.

In view of the prolonged period of share prices approaching extremity, the Board considers that the proposed Share Consolidation will bring about a corresponding upward adjustment in the expected value per board lot, resulting in the theoretical closing price of HK$1.90 per Consolidated Share and the expected market value of each board lot of HK$1,900 (based on the current closing price of HK$0.038 per Existing Share on the Last Trading Day) and will enable the Company to comply with the trading requirements under the GEM Listing Rules and reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction cost for each securities trade.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will have no effect on the consolidated net asset value of the Group, nor alter the underlying assets, business operations, management or the financial position of the Company or the proportionate interests of the Shareholders, save for any fractional Consolidated Shares will not be allocated to the Shareholders who may otherwise be entitled. Although the Share Consolidation may lead to the creation of odd lots of Shares, the Company will appoint a designated broker to provide matching services for odd lots of Shares for a period of not less than three weeks, which will alleviate the difficulties caused by the creation of odd lots of Shares.

Accordingly, the Board is of the view that the implementation of the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation. Save for the Debt Capitalisation, as at the date of this announcement, the Company has no present intention to conduct any equity fundraising activities. However, the Board considers that the Company may conduct debt and/or equity fundraising exercises if suitable fundraising and/or investment opportunities arise in order to support the future development of the Group. The Company will make further announcement(s) in accordance with the GEM Listing Rules as and when appropriate.

The Share Consolidation will not have any material adverse effect on the financial position of the Company nor result in change in the relative rights of the Shareholders and are in the interests of the Company and the Shareholders as a whole.

PROPOSED DEBT CAPITALISATION

Background and origin of the Amount Due to CCI

As at the date of this announcement, CCI, a substantial Shareholder of the Company, is interested in approximately 28.59% of the number of issued Shares as at the date of this announcement.

As at the date of this announcement, the Amount Due to CCI comprised two components: (i) an amount of HK$95,100,000, which is denominated in Hong Kong dollars, unsecured and interest-free, and was originally repayable on 15 August 2026, with the repayment date subsequently extended on 1 June 2026 to 15 August 2027; and (ii) an amount of HK$564,210, which is denominated in Hong Kong dollars, unsecured, interest-free and repayable on demand. Accordingly, the Amount Due to CCI as at the date of this announcement was HK$95,664,210.

The amount due to CCI originated from indebtedness owed by Copious to CCI before completion of the Company's acquisition of the entire equity interest in Copious. Reference is made to the circular of the Company dated 31 December 2015 in relation to, among other things, the Acquisition. Completion of the Acquisition took place on 16 May 2016.

As disclosed in the Company's annual report for the year ended 31 March 2017, upon completion of the Acquisition and the consolidation of Copious into the Group, an amount of approximately HK$350.1 million due by Copious to CCI was recognised as part of the liabilities acquired by the Group.

During the years ended 31 March 2017 and 31 March 2018, approximately HK$150.0 million and HK$105.0 million, respectively, of the amount due to CCI relating to the exclusive rights were settled, reducing the outstanding balance from approximately HK$350.1 million to HK$200.1 million as at 31 March 2017 and further to HK$95.1 million as at 31 March 2018.

Such remaining balance of HK$95.1 million has remained outstanding since then and continues to be recorded as a liability of the Group in its statement of financial position up to the date of this announcement.

Subscription Agreement

On 31 August 2026 (after trading hours), the Company, CCI, and Copious entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and CCI has conditionally agreed to subscribe for 17,360,000 Consolidated Shares at HK$3.75 per Consolidated Share, which shall be satisfied by offsetting HK$65,100,000 of the Amount Due to CCI. Upon Completion, the Capitalisation Amount shall be deemed to have been repaid by the Group to CCI, and Copious shall be released from its obligations to CCI in respect of the Capitalisation Amount. The Amount Due to CCI shall accordingly be reduced by HK$65,100,000.

Pursuant to the Subscription Agreement, the Company intends to allocate the gross proceeds under the Subscription Agreement of HK$65.1 million to settle part of the Amount Due to CCI.

Assuming that there is no change to the Amount Due to CCI from the date of this announcement up to the Completion, upon Completion, the remaining Amount Due to CCI is expected to be HK$30,564,210, comprising (i) HK$30,000,000, which the Group intends to settle using its internal resources on the relevant contractual due date, which is 15 August 2027; and (ii) HK$564,210, which is repayable on demand and also intended to be settled using its internal resources.

Set out below is a summary of the principal terms of the Subscription Agreement:

Date

31 August 2026 (after trading hours)

Parties

(1) The Company (as issuer); (2) CCI (as subscriber); and (3) Copious

Subject matter

Subject to the fulfilment or waiver (as applicable) of the conditions precedent set out below, the Company will allot and issue, and CCI will subscribe for, 17,360,000 Consolidated Shares at the Subscription Price of HK$3.75 per Consolidated Share, representing an aggregate Subscription Price of HK$65,100,000.

The aggregate Subscription Price shall be satisfied in full by setting off an equivalent amount against part of the Amount Due to CCI. Upon Completion, the Capitalisation Amount of HK$65,100,000 shall be deemed to have been repaid and discharged by way of such set-off, the Amount Due to CCI shall be reduced by the Capitalisation Amount, and Copious shall be released from its payment obligations to CCI in respect of the Capitalisation Amount.

Conditions precedent

Completion is conditional upon the fulfilment (or, where applicable, waiver) of the following conditions before the Long Stop Date:

(i) the Share Consolidation having become effective;

(ii) the passing by the Independent Shareholders at the EGM of the necessary resolutions approving, in accordance with the GEM Listing Rules and the Takeovers Code: (i) the Subscription Agreement and the transactions contemplated thereunder (by more than 50% of the votes cast by way of poll by the Independent Shareholders at the EGM); and (ii) the Whitewash Waiver (by at least 75% of the votes cast by way of poll by the Independent Shareholders at the EGM);

(iii) the grant of the Whitewash Waiver by the Executive and the fulfilment of all conditions (if any) attached thereto, and such approval not having been withdrawn or revoked;

(iv) the GEM Listing Committee having granted approval for the listing of, and permission to deal in, the Subscription Shares (whether subject to conditions or otherwise), and such approval not having been withdrawn or revoked prior to the commencement of dealings in the Shares on the Stock Exchange;

(v) all requirements set out in the resumption guidance imposed by the Stock Exchange in relation to the Resumption having been fulfilled; and

(vi) all other necessary waivers, consents and approvals required in connection with the transactions contemplated under the Subscription Agreement, other than any waiver, consent or approval contemplated under paragraphs (iii), (iv) and (v) above, including, without limitation, those from regulatory authorities and any other relevant governmental authorities, having been obtained.

As at the date of this announcement, save for the approvals, waivers and consents set out in paragraphs (iii), (iv) and (v) above, the Board is not aware of any other necessary waivers, consents or approvals required in connection with the Subscription Agreement and the transactions contemplated thereunder.

None of the conditions precedent set out above may be waived. As at the date of this announcement, none of the conditions precedent has been satisfied.

If the conditions precedent of the Subscription Agreement have not been satisfied on or before the Long Stop Date, the Subscription Agreement shall be terminated and the rights and obligations of the parties to the Subscription Agreement shall cease.

Subscription Shares

Save for the Share Consolidation, assuming that there will be no change in the total issued share capital between the date of this announcement and Completion, 17,360,000 Subscription Shares represent:

(i) approximately 45.79% of the total issued share capital as at the date of this announcement (after taking into account the effect of the Share Consolidation); and

(ii) approximately 31.41% of the total issued share capital as enlarged by the Subscription Shares (after taking into account the effect of the Share Consolidation).

Subscription Price

The Subscription Price of HK$3.75 per Subscription Share represents:

(i) a premium of approximately 97.37% over the theoretical closing price of HK$1.90 per Consolidated Share as adjusted for the effect of the Share Consolidation based on the closing price of HK$0.038 per Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a premium of approximately 71.23% over the theoretical average closing price of HK$2.19 per Consolidated Share as adjusted for the effect of the Share Consolidation based on the average closing price of HK$0.0438 as quoted on the Stock Exchange for the last five trading days prior to the Last Trading Day;

(iii) a premium of approximately 67.41% over the theoretical average closing price of HK$2.24 per Consolidated Share as adjusted for the effect of the Share Consolidation based on the average closing price of HK$0.0448 as quoted on the Stock Exchange for the last ten trading days prior to the Last Trading Day; and

(iv) a premium of approximately HK$5.32 over the theoretical audited consolidated net liabilities attributable to owners of the Company of approximately HK$1.57 per Consolidated Share as at 31 March 2026 as adjusted based on (a) the audited consolidated net liabilities attributable to owners of the Company of approximately HK$59,471,000 as disclosed in the annual report of the Company for the year ended 31 March 2026; and (b) 1,895,697,017 Existing Shares in issue as at 31 March 2026, after taking into account the effect of the Share Consolidation.

The aggregate nominal value of 17,360,000 Subscription Shares is HK$8,680,000. The net issue price per Subscription Share after the deduction of the relevant expenses incidental to the Debt Capitalisation is approximately HK$3.74, after taking into account the effect of the Share Consolidation.

The Subscription Price of HK$3.75 per Subscription Share was determined after arm's length negotiation between the Company and the Subscriber having taken into account, among other things, (i) the financial and liquidity position of the Group, including its net liabilities and net current liabilities as at 31 March 2026; and (ii) the historical trading prices of the Shares prior to the suspension of trading, including the average closing price of approximately HK$3.75 per Consolidated Share for the 12-month period immediately preceding the Last Trading Day, as adjusted for the effect of the Share Consolidation, as well as the prolonged suspension of trading in the Shares since 14 October 2025.

Although the Subscription Price represents a premium to the average closing price of the Consolidated Shares for the twelve months prior to the Last Trading Day, as adjusted for the effect of the Share Consolidation, the Board (excluding the independent non-executive Directors whose views will be set out in the circular after considering the advice of the Independent Financial Adviser) considers that, in view of the prolonged suspension of trading in the Shares, the historical trading price of the Shares may not fully reflect the current financial condition, business prospects or value of the Group. Nevertheless, the Subscription Price represents a premium of approximately 97.37% over the theoretical closing price per Consolidated Share based on the closing price of the Existing Shares on the Last Trading Day.

The Board (excluding the independent non-executive Directors whose views will be set out in the circular after considering the advice of the Independent Financial Adviser) also considers that the Subscription Price is commercially favourable to the Company as the Debt Capitalisation will result in the extinguishment of the Capitalisation Amount at a substantial premium to the historical market price of the Shares, without requiring the Company to apply its existing cash resources towards repayment of the Capitalisation Amount.

Taking into account the above, the Board (excluding the independent non-executive Directors whose views will be set out in the circular after considering the advice of the Independent Financial Adviser) considers that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Completion of the Debt Capitalisation

Completion of the Subscription Agreement shall take place within five Business Days (or such later date as may be agreed in writing by the parties to the Subscription Agreement) following the satisfaction of the conditions precedent of the Subscription Agreement.

USE OF PROCEEDS

As the aggregate Subscription Price under the Subscription Agreement will be satisfied by way of capitalising part of the Amount Due to CCI, no cash proceeds will be received by the Company from the allotment and issue of the Subscription Shares.

Upon Completion, the Capitalisation Amount (being part of the Amount Due to CCI) shall be deemed to have been repaid by the Group to CCI, and Copious shall be released from its obligations to CCI in respect of the Capitalisation Amount. Accordingly, the Amount Due to CCI will be reduced by HK$65.1 million, being the amount of the Capitalisation Amount.

APPLICATION FOR LISTING

An application will be made by the Company to the GEM Listing Committee for the grant of the listing of, and permission to deal in, the Subscription Shares to be allotted and issued.

The Subscription Shares shall rank, upon issue, *pari passu* in all respects among themselves with the Shares in issue as at the date of allotment and issue of the Subscription Shares.

INFORMATION ON THE SUBSCRIBER

The Subscriber is a company incorporated in 2004 under the laws of the British Virgin Islands. The Subscriber directly holds approximately 28.59% of the issued share capital of the Company as at the date of this announcement and therefore is a substantial Shareholder.

CCC is a company established under the laws of the PRC in 2003, a substantial Shareholder by virtue of its indirect interest in approximately 28.59% of the issued share capital of the Company as at the date of this announcement through CCI, its wholly-owned subsidiary. CCC and its subsidiaries (the "**CCC Group**") are principally engaged in the provision of telecommunications, software, and information technology services, as well as scientific research and technical services. The CCC Group is a nationwide network operator and provider of new telecommunications services. It has established branches across provinces, autonomous regions, municipalities and a number of major cities in China, and has developed Grade A Internet Data Centres in key hub cities including Beijing, Shanghai, Guangzhou and Xi'an.

As at the date of this announcement, CCC is owned as to (i) 92% by China Overseas Trade Harbin Prince Wine Co., Ltd.* (中國海外貿易哈爾濱王子葡萄酒有限公司); and (ii) 8% by Hebei Huayu Civil Explosive Equipment Group Co., Ltd.* (河北華宇民爆器材集團有限公司), which is wholly owned by Mr. Chen, an Independent Third Party.

As at the date of this announcement, China Overseas Trade Harbin Prince Wine Co., Ltd.*, being the largest shareholder of CCC, is owned as to (i) 85% by Harbin Prince Wine Co.* (哈爾濱王子葡萄酒製造公司); and (ii) 15% by China National Overseas Trading Corporation* (中國海外貿易總公司). According to the Company's PRC legal adviser, (i) the shareholders of China Overseas Trade Harbin Prince Wine Co., Ltd.* (中國海外貿易哈爾濱王子葡萄酒有限公司) are two state-owned enterprises, namely Harbin Prince Wine Co.* and China National Overseas Trading Corporation*; (ii) the sole shareholder of Harbin Prince Wine Co.* is Heilongjiang Branch of China Overseas Trading Tianjian Company* (中國海外貿易天津公司黑龍江分公司); and (iii) the Ministry of Commerce of the People's Republic of China is the sole equity owner of China National Overseas Trading Corporation*.

As at the date of this announcement, save as otherwise disclosed, (i) China National Overseas Trading Corporation* does not have any interest in the Shares, is not a shareholder of the Company, and has not dealt in any Shares during the six months immediately preceding the date of this announcement; (ii) neither Hebei Huayu Civil Explosive Equipment Group Co., Ltd.* nor Mr. Chen has any relationship with China Overseas Trade Harbin Prince Wine Co., Ltd.* or any of its shareholders; and (iii) neither Hebei Huayu Civil Explosive Equipment Group Co., Ltd.* nor Mr. Chen has any interest in the Shares, is a shareholder of the Company, and has dealt in any Shares during the six months immediately preceding the date of this announcement.

As at the date of this announcement, save as otherwise disclosed, each of CCC and CCI has no interest in any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM of the Stock Exchange. The Group is principally engaged in the provision of robotics-related education and training in the PRC.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not carried out any equity fund raising activity in the 12-month period immediately preceding the date of this announcement.

REASONS FOR AND BENEFITS OF DEBT CAPITALISATION

Trading in the Shares has been suspended since October 2025. The Company is in the course of preparing a resumption plan for submission to the Stock Exchange with a view to demonstrating, among other things, that the Group carries on a business with a sufficient level of operations and assets of sufficient value to support its operations and warrant the continued listing of the Shares under Rule 17.26 of the GEM Listing Rules.

The Group has continued to operate and develop its existing business during the suspension of trading in the Shares. For the year ended 31 March 2026, the Group recorded revenue of approximately HK$36.4 million, representing an increase of approximately 236.0% as compared with approximately HK$10.8 million for the year ended 31 March 2025. The increase in revenue was primarily attributable to the launch of the AI robotic education platform in the second half of 2025 and the increase in both the number of training hours and the number of students for the robotics course business.

During the same period, the Group recorded a profit for the year of approximately HK$9.5 million, as compared with a loss for the year of approximately HK$7.1 million for the year ended 31 March 2025. Such developments demonstrate the Group's efforts to maintain and enhance the substance, scale, viability and sustainability of its existing business. The improvement in profitability should, however, be read together with the Group's financial position described below.

As at 31 March 2026, the Group recorded audited consolidated net liabilities attributable to owners of the Company of approximately HK$59.5 million and net current liabilities of approximately HK$57.0 million. As at the same date, the Group had total current liabilities of approximately HK$156.1 million, including accruals and other payables of approximately HK$112.3 million and current tax liabilities of approximately HK$30.2 million, while its bank balances and cash amounted to approximately HK$92.4 million. The amounts owing by the Company to the Subscriber amounted to approximately HK$95.7 million and were classified as current liabilities.

Upon Completion, the Capitalisation Amount will reduce the Group's liabilities by the equivalent amount, improve the Group's net current liability position and strengthen its capital base without any cash outflow by the Group, save for the professional fees and other expenses relating to the Debt Capitalisation.

Based on the present financial information of the Group, the Company expects that the Debt Capitalisation will substantially reduce the Group's net liabilities, resulting in the Group moving from a net liabilities position to an unaudited positive net asset position of approximately HK$5.6 million upon Completion. Together with the intended repayment of the remaining indebtedness of HK$30.0 million using the Group's internal resources on its contractual due date of 15 August 2027, the Debt Capitalisation forms part of the Group's overall plan to reduce its indebtedness and improve its financial position.

Although the Group had bank balances and cash of approximately HK$92.4 million as at 31 March 2026, such cash resources are required to support the Group's ongoing operations and business development and to meet its working-capital requirements, including the payment of tax liabilities, operating expenses, accruals and other liabilities as they fall due. Repayment of the entire Amount Due to CCI in cash would reduce the Group's cash and liabilities by corresponding amounts and would not, in itself, improve the Group's net asset position. By contrast, the Debt Capitalisation will enable the Group to substantially reduce its indebtedness upon Completion without a corresponding cash outflow. The remaining amount of HK$30.0 million is intended to be settled using the Group's internal resources on its contractual due date in August 2027, which is expected to allow the Group to retain greater liquidity in the intervening period for its ongoing operations, working-capital requirements and future business development.

The Board (excluding the independent non-executive Directors whose views will be set out in the circular after considering the advice of the Independent Financial Adviser) have also considered other possible means of improving the Group's financial position, including bank borrowings and equity fundraising. Having regard to (i) the prolonged suspension of the Shares; and (ii) the Group's net liabilities and net current liabilities, the Board (excluding the independent non-executive Directors whose views will be set out in the circular after considering the advice of the Independent Financial Adviser) is of the view that obtaining additional bank financing on commercially acceptable terms may be difficult and would, in any event, increase the Group's indebtedness without improving its net asset position.

In addition, while trading in the Shares remains suspended, the practicability and certainty of completing an equity fundraising exercise involving independent investors are limited. Such an exercise may also be more time-consuming and costly and may require the issue of Shares at a substantial discount. A rights issue or an open offer has also been considered. However, given the suspension of trading in the Shares, the uncertainty of Shareholder take-up and underwriting support, and the additional time and costs involved, such alternatives are less certain and less commercially practicable.

By contrast, the Debt Capitalisation will reduce the Group's liabilities without any cash outflow and at a Subscription Price representing a premium to the historical market price of the Shares. It represents a more direct and commercially practicable means of reducing the Group's liabilities and strengthening its financial position. The fact that the Subscription Price represents a premium of approximately 97.37% over the theoretical closing price per Consolidated Share based on the closing price of the Existing Shares on the Last Trading Day is also favourable to the Company when compared with an equity fundraising exercise conducted at a discount.

The Board (excluding the independent non-executive Directors whose views will be set out in the circular after considering the advice of the Independent Financial Adviser) acknowledges that the allotment and issue of the Subscription Shares will result in dilution to the shareholdings of the existing Shareholders. Nevertheless, having considered:

(i) the substantial premium represented by the Subscription Price over the historical market price of the Shares;

(ii) the reduction of HK$65.1 million in the Group's liabilities without any corresponding cash outflow;

(iii) the expected improvement in the Group's net current liability and net asset positions;

(iv) the preservation of the Group's cash resources for its existing operations and business development; and

(v) the limited availability of practicable alternative financing methods during the suspension of trading in the Shares,

The Board (excluding the independent non-executive Directors whose views will be set out in the circular after considering the advice of the Independent Financial Adviser) considers that the dilution arising from the Debt Capitalisation is justified.

The Debt Capitalisation, alongside the intended cash settlement of HK$30.0 million upon its maturity on 15 August 2027, forms part of the Group's overall strategy to improve its financial position. Coupled with the positive developments in the Group's existing business and operations, the Board (excluding the independent non-executive Directors whose views will be set out in the circular after considering the advice of the Independent Financial Adviser) considers that the strengthening of the Group's financial position resulting from the Debt Capitalisation will provide a more sustainable financial foundation for the continued operation and development of the Group's business and will assist the Company in demonstrating that it has sufficient operations and assets of sufficient value to support those operations for the purposes of Rule 17.26 of the GEM Listing Rules.

Having considered the above, the Board (excluding the independent non-executive Directors whose views will be set out in the circular after considering the advice of the Independent Financial Adviser) considers that the terms of the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate) are on normal commercial terms or better, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately before Completion and after the Share Consolidation; and (iii) immediately after Completion:

	As at the date of this announcement		**Immediately before Completion and after the Share Consolidation**		**Immediately after Completion**	
	No. of Existing Shares	*%*	*No. of Consolidated Shares*	*%*	*No. of Consolidated Shares*	*%*
CCI Concert Group						
Subscriber	542,042,000	28.59	10,840,840	28.59	28,200,840	51.02
Sub-total of the CCI Concert Group	542,042,000	28.59	10,840,840	28.59	28,200,840	51.02
The Directors:						
— Mr. He Chenguang	—	—	—	—	—	—
— Mr. Bao Yueqing	2,844,000	0.15	56,880	0.15	56,880	0.10
— Mr. Yip Tai Him	—	—	—	—	—	—
— Ms. Han Liqun	—	—	—	—	—	—
— Ms. Chen Lei	—	—	—	—	—	—
Sub-total of the Directors	2,844,000	0.15	56,880	0.15	56,880	0.10
Public Shareholders:						
Yang Shao Xiao	147,701,256	7.79	2,954,025	7.79	2,954,025	5.34
Cao Bingsheng	120,000,000	6.33	2,400,000	6.33	2,400,000	4.34
Liang Haiqi	120,000,000	6.33	2,400,000	6.33	2,400,000	4.34
Friendly Capital Limited	109,900,000	5.80	2,198,000	5.80	2,198,000	3.98
Other public Shareholders	853,209,761	45.01	17,064,195	45.01	17,064,195	30.87
Sub-total of public Shareholders	1,350,811,017	71.26	27,016,220	71.26	27,016,220	48.88
Total	1,895,697,017	100.00	37,913,940	100.00	55,273,940	100.00

Note:

1. The percentages in the table above are expressed as percentages of the total issued Shares of the Company at the relevant time and are subject to rounding adjustments.

IMPLICATIONS UNDER THE GEM LISTING RULES

As at the date of this announcement, the Subscriber is a substantial shareholder of the Company. As at the date of this announcement, the Subscriber is interested in 542,042,000 Existing Shares, representing approximately 28.59% of the total issued share capital of the Company. The Subscription Shares will be allotted and issued pursuant to the Specific Mandate to be sought from the Independent Shareholders at the EGM. Pursuant to Rule 20.07(1) of the GEM Listing Rules, the Subscriber, being a substantial shareholder, is a connected person of the Company. Accordingly, the Subscription Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 20 of the GEM Listing Rules, and are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Given that the Subscriber has a material interest in the Subscription Agreement and Mr. Bao was involved in the negotiation of the Subscription Agreement on behalf of the Company, the CCI Concert Group and Mr. Bao are therefore required to abstain from voting on the relevant resolution(s) to be proposed at the EGM to approve the Subscription Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate, and the Whitewash Waiver.

IMPLICATIONS UNDER THE TAKEOVERS CODE

Application for Whitewash Waiver

As at the date of this announcement, CCI is interested in 542,042,000 Existing Shares, representing approximately 28.59% of the issued share capital of the Company. As illustrated in the table under the section headed "Effect on shareholding structure of the Company" above, immediately after the completion of the issue of Subscription Shares, the CCI Concert Group will be interested in 28,200,840 Consolidated Shares, and the aggregate shareholding of the CCI Concert Group in the Company will be increased from approximately 28.59% to approximately 51.02% (assuming there is no other change in the issued share capital of the Company).

Under Rule 26.1 of the Takeovers Code, the allotment and issuance of Subscription Shares to CCI will give rise to an obligation on CCI to make a mandatory general offer for all the issued shares and other securities of the Company (other than those already owned or agreed to be acquired by the CCI Concert Group), unless the Whitewash Waiver is granted by the Executive.

If the Whitewash Waiver is granted by the Executive and is approved by the Independent Shareholders and completion of the Debt Capitalisation having taken place, the aggregate shareholding of the CCI Concert Group in the Company will exceed 50% of the issued share capital of the Company as enlarged by the Subscription Shares. CCI may further increase its shareholding in the Company without incurring any further obligation to make a general offer under Rule 26 of the Takeovers Code.

An application will be made to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, (a) the approval by at least 75% of the votes cast by the Independent Shareholders either in person or by proxy at the EGM by way of poll in respect of the Whitewash Waiver; and (b) the approval by more than 50% of the votes cast by the Independent Shareholders either in person or by proxy at the EGM by way of poll in respect of the Debt Capitalisation, in which the CCI Concert Group and Mr. Bao will abstain from voting on the relevant resolution(s).

As at the date of this announcement, the Company does not believe that the Debt Capitalisation gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the GEM Listing Rules). The Company notes that the Executive may not grant the Whitewash Waiver if the Debt Capitalisation does not comply with other applicable rules and regulations. If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the circular.

The Executive may or may not grant the Whitewash Waiver. If the Whitewash Waiver is not granted by the Executive or not approved by the Independent Shareholders, the Debt Capitalisation will not proceed.

INFORMATION REQUIRED UNDER THE TAKEOVERS CODE

The Subscriber has confirmed that as at the date of this announcement:

(i) save for the Subscription Agreement, none of the members of the CCI Concert Group has acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of any voting rights in the Company within the six months prior to and including the date of this announcement;

(ii) save for the 542,042,000 Existing Shares held by the Subscriber and the Debt Capitalisation, none of the members of the CCI Concert Group owns or has control or direction over any voting rights or rights over the Shares or any outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of Shares nor has entered into any outstanding derivative in respect of securities in the Company;

(iii) save as disclosed in the section headed "Effect on Shareholding Structure of the Company" in this announcement, none of the members of the CCI Concert Group has any arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) with any other persons in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or of the Subscriber and which might be material to the transactions contemplated under the Subscription Agreement and/or the Whitewash Waiver;

(iv) none of the members of the CCI Concert Group has received any irrevocable commitment to vote for or against the resolutions relating to the transactions contemplated under the Subscription Agreement and/or the Whitewash Waiver;

(v) save for the conditions of the Subscription Agreement, none of the members of the CCI Concert Group has any agreements or arrangements to which it is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the transactions contemplated under the Subscription Agreement and/or the Whitewash Waiver;

(vi) none of the members of the CCI Concert Group has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;

(vii) save for the consideration to be paid under the Subscription Agreement, none of the members of the CCI Concert Group has paid or will pay any other consideration, compensation or benefit in whatever form to the Company or any party acting in concert with it in connection with the Debt Capitalisation;

(viii) save for the Subscription Agreement disclosed in this announcement, there is no other understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any members of the CCI Concert Group on one hand and the Company or any party acting in concert with it on the other hand;

(ix) there is no agreement or arrangement to which any members of the CCI Concert Group is a party which relates to circumstances in which the Subscriber may or may not invoke or seek to invoke a pre-condition or a condition to the transactions contemplated under the Subscription Agreement and/or the Whitewash Waiver; and

(x) save for the Subscription Agreement disclosed in this announcement, there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2) any members of the CCI Concert Group.

As at the date of this announcement, the Company also confirmed that there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholders and the Company, its subsidiaries or associated companies.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders as to whether (i) the Debt Capitalisation; (ii) the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate); and (iii) the Whitewash Waiver are fair and reasonable so far as the Independent Shareholders are concerned, and make recommendation as to voting.

As at the date of this announcement, each of Mr. Yip Tai Him, Ms. Han Liqun, and Ms. Chen Lei, being independent non-executive Directors, does not hold any securities of the Company and does not have any direct and/or indirect interest or involvement in the Debt Capitalisation.

The Independent Financial Adviser will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in this regard. The Company will publish a further announcement upon the appointment of the Independent Financial Adviser.

GENERAL

An EGM will be convened by the Company to consider and, if thought fit, approve (i) the Share Consolidation; (ii) the Subscription Agreement and the transactions contemplated thereunder (including the granting of the Specific Mandate); and (iii) the Whitewash Waiver. The voting in relation to resolutions to be proposed at the EGM will be conducted by way of a poll.

A circular including, among other things, details of (i) information regarding the Share Consolidation, the Debt Capitalisation, and the Whitewash Waiver; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Debt Capitalisation, the Subscription Agreement (including the grant of the Specific Mandate), and the Whitewash Waiver; (iv) other information required under the GEM Listing Rules and the Takeovers Code; and (v) a notice convening the EGM will be despatched to the Shareholders.

The circular is required to be despatched to the Shareholders within 15 business days from the date of this announcement pursuant to Rule 20.66 of the GEM Listing Rules or within 21 days from the date of this announcement pursuant to Rule 8.2 of the Takeovers Code, whichever is earlier.

At the date of this announcement, save for the members of the CCI Concert Group and Mr. Bao, no Shareholder is materially interested in or involved in (i) the Subscription Agreement and the respective transactions thereunder (including the grant of the Specific Mandate); and/or (ii) the Whitewash Waiver and the respective transactions contemplated thereunder. Accordingly, save for the members of the CCI Concert Group and Mr. Bao, no Shareholder will be required to abstain from voting on the resolution(s) in relation to (i) the Subscription Agreement and the respective transactions thereunder (including the grant of the Specific Mandate); and/or (ii) the Whitewash Waiver and the respective transactions contemplated thereunder at the EGM.

As the Share Consolidation and the Debt Capitalisation are each conditional upon the satisfaction of certain conditions precedent, the Share Consolidation and/or the Debt Capitalisation may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

The Whitewash Waiver may or may not be granted by the Executive and if granted, will be subject to the approval by at least 75% and more than 50% respectively of the votes cast by the Independent Shareholders in person or by proxy by way of poll in respect of the Whitewash Waiver and the underlying transactions (i.e. the Debt Capitalisation and the Specific Mandate) at the EGM. Completion of the Debt Capitalisation is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and approved by the Independent Shareholders.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 14 October 2025 and will remain suspended until further notice pending the fulfilment of the Resumption Guidance. 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 and investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set out below:

"Acquisition"	the acquisition of the entire equity interest in Copious completed on 16 May 2016
"acting in concert"	has the meaning ascribed thereto in the Takeovers Code
"Amount Due to CCI"	the aggregate amounts recorded as owing by Copious to CCI, whether presently repayable or repayable at a future date, which as at the date of this announcement was HK$95,664,210
"associates"	has the meaning ascribed thereto in the GEM Listing Rules or the Takeovers Code (as the case may be)
"Board"	the board of Directors
"Business Day(s)"	any day (excluding Saturday and Sunday and any day on which "extreme conditions" caused by super typhoons are announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. or on which a "black" rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m.) on which licensed banks in the PRC and Hong Kong are open for general business
"Capitalisation Amount"	HK$65,100,000, being the debt owed by Copious to CCI that will be capitalised pursuant to the Subscription Agreement to offset part of the Amount Due to CCI

"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCC"	神州通信集團有限公司 (China Communication Group Co., Ltd*), a company established under the laws of the PRC with limited liability, a substantial Shareholder by virtue of its indirect interest in approximately 28.59% of the issued share capital of the Company as at the date of this announcement through CCI, its wholly-owned subsidiary
"CCI" or "Subscriber"	China Communication Investment Limited (神州通信投資有限公司), a company established under the laws of the British Virgin Islands with limited liability, a wholly-owned subsidiary of CCC, which directly holds approximately 28.59% of the issued share capital of the Company as at the date of this announcement and therefore is a substantial Shareholder
"CCI Concert Group"	CCI, CCC, any parties acting in concert with any of them together with their respective associates (including China Overseas Trade Harbin Prince Wine Co. Ltd*, Harbin Prince Wine Co.*, and Heilongjiang Branch of China Overseas Trading Tianjin Company*)
"Companies Act"	the Companies Act (Revised) of the Cayman Islands, as consolidated and revised
"Company"	Shentong Robot Education Group Company Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands, the shares of which are listed on GEM of the Stock Exchange (Stock Code: 8206)
"Completion"	completion of the Debt Capitalisation in accordance with the terms and conditions of the Subscription Agreement
"connected person(s)"; "connected transaction"	has the meaning ascribed to it under the GEM Listing Rules
"Consolidated Share(s)"	ordinary share(s) of par value of HK$0.50 each in the share capital of the Company upon completion of the Share Consolidation, whether issued or unissued
"controlling shareholder(s)"	has the meaning ascribed thereto in the GEM Listing Rules

"Copious"	Copious Link Ventures Limited, a company incorporated in the British Virgin Islands with limited liability, which was a former subsidiary of CCI, became a wholly-owned subsidiary of the Company upon completion of the Acquisition
"Debt Capitalisation"	the proposed allotment and issue of the Subscription Shares at the Subscription Price by capitalising the Capitalisation Amount upon the terms and conditions of the Subscription Agreement
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate) and the Whitewash Waiver
"Executive"	Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
"Existing Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company prior to the completion of the Share Consolidation, whether issued or unissued
"GEM"	GEM operated by the Stock Exchange
"GEM Listing Committee"	has the meaning ascribed to it under the GEM Listing Rules
"GEM Listing Rules"	The Rules Governing the Listing of Securities on GEM of the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"General Rules of HKSCC"	the terms and conditions regulating the use of HKSCC's services, as may be amended, supplemented and/or otherwise modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
"Group"	the Company and its subsidiaries
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKSCC Operational Procedures"	the operational procedures of the HKSCC, containing the practices, procedures and administrative or other requirements relating to the operations and functions of CCASS, as from time to time in force

"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Independent Board Committee"	the independent committee of the Board comprising all the independent non-executive Directors established to advise the Independent Shareholders in respect of (i) the Debt Capitalisation; (ii) the Subscription Agreement and the transactions contemplated thereunder (including the grant of Specific Mandate); and (iii) the Whitewash Waiver
"Independent Financial Adviser"	the independent financial adviser to be appointed by the Company with the approval of the Independent Board Committee for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of (i) the Debt Capitalisation; (ii) the Subscription Agreement and the transactions contemplated thereunder (including the grant of Specific Mandate); and (iii) the Whitewash Waiver
"Independent Shareholder(s)"	any Shareholder(s) other than (i) the CCI Concert Group; (ii) Mr. Bao; (iii) those who are involved in, or interested in the Debt Capitalisation, the Subscription Agreement and/or the Whitewash Waiver; and (iv) those who are required under the GEM Listing Rules and/or the Takeovers Code (as the case may be) to abstain from voting at the EGM to consider and approve the Debt Capitalisation and the Whitewash Waiver
"Independent Third Part(ies)"	any person or company together with its ultimate beneficial owner(s) who or which is/are not connected person(s) of the Company and is/are third party(ies) independent of the Company and its connected person(s)
"Last Trading Day"	13 October 2025
"Long Stop Date"	31 October 2026 or such other dates as the parties to the Subscription Agreement may agree in writing
"Mr. Bao"	Bao Yueqing, an executive Director and chief executive officer of the Company
"Mr. Chen"	Chen Changlu* (陳昌潞), the sole shareholder of Hebei Huayu Civil Explosive Equipment Group Co., Ltd.* (河北華宇民爆器材集團有限公司)

"PRC"	The People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Resumption Guidance"	the guidance received from the Stock Exchange regarding the resumption of trading of the Shares on the Stock Exchange as set out in the announcement of the Company dated 21 October 2025
"SFC"	the Securities and Futures Commission
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
"Share(s)"	Existing Share(s) and/or Consolidated Share(s) as the case may be
"Share Consolidation"	the proposed consolidation of every fifty (50) issued and unissued Existing Shares of par value of HK$0.01 each in the share capital of the Company into one (1) Consolidated Share of par value of HK$0.50 each
"Shareholder(s)"	holders of Share(s)
"Specific Mandate"	the specific mandate to be sought for the allotment and issue of the Subscription Shares, which is subject to approval by the Independent Shareholders voting by way of poll at the EGM
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Agreement"	the subscription agreement dated 31 August 2026 entered into between the Company, Copious, and the Subscriber in respect of the Debt Capitalisation
"Subscription Price"	the subscription price of HK$3.75 per Subscription Share for the Debt Capitalisation
"Subscription Shares"	an aggregate of 17,360,000 Consolidated Shares to be allotted and issued to the Subscriber pursuant to the terms and conditions of the Subscription Agreement
"substantial shareholder"	has the meaning ascribed to it under the GEM Listing Rules
"Takeovers Code"	Hong Kong Code on Takeovers and Mergers issued by the SFC (as amended, modified and supplemented from time to time)

"Whitewash Waiver"	a waiver from the Executive pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code in respect of the obligations of CCI to make a mandatory general offer for all the securities of the Company (other than those already owned or agreed to be acquired by the CCI Concert Group) which would otherwise arise as a result of the issue of the Subscription Shares
"%"	per cent.

* *For identification purposes only*

Hong Kong, 31 August 2026

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

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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in 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.

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.