



**Shentong Robot Education Group Company Limited
Announces 2016/17 Interim Results**

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**Turnover of Loss from Operations to Profit
CRC Business Shows Huge Growth Potential**

Results Highlights

- Revenue of the Group for the six months ended 30 September 2016 increased 155.3% to approximately HK\$42,600,000.
- Turnover of loss from operations to profit of approximately HK\$2,806,000 (1H 2015/16: operating loss of approximately HK\$7,069,000).
- Completed Acquisition of Heilongjiang CRC on 16 May 2016, CRC Business contributed approximately HK\$24,977,000 during the reporting period.
- Excluding the related professional fee incurred for the acquisition, the adjusted profit attributable to owners of the Company was approximately HK\$500,000.
- EBITDA (earnings before interest, taxes, depreciation and amortisation) for the six months ended 30 September 2016 was approximately HK\$4,368,000 (1H 2015/16: loss of approximately HK\$5,367,000).

[Hong Kong, 4 November 2016] - Shentong Robot Education Group Company Limited (the "Company", together with its subsidiaries, the "Group", HKEx stock code: 8206) announced its interim results for the six months ended 30 September 2016.

For the six months ended 30 September 2016, the Group recorded consolidated revenue of approximately HK\$42,600,000, a significant increase of 155.3% compared to the same period last year, mainly attributable to the organisation of China Robot Competition ("CRC") and relevant education and training courses in Heilongjiang Province (the "CRC Business") upon the completion of the acquisition on 16 May 2016. Loss attributable to owners of the Company during the period significantly decreased to approximately HK\$1,949,000 (1H 2015/16: loss of approximately HK\$8,425,000). The adjusted profit attributable to owners of the Company was approximately HK\$500,000 for the period, excluding professional fees incurred for the related share purchase of the acquisition. In the four and a half months after the completion of the acquisition, the CRC Business has already made revenue contributions to the Group. Profit before tax from the CRC Business was approximately HK\$10,976,000 during the period, reflecting its strong growth potential. In addition, the Group changed its name to "Shentong Robot Education Group Company Limited", with the view to better benefit the Group's development, and catering to the new CRC Business and new corporate image.

During the period, the Group actively organised CRC competitions and relevant trainings in the Heilongjiang Province. County-level selection contest of land robots and aerial robots were held in various prefecture-level cities. The 2016 "China Communication Cup" robot league in Heilongjiang Province was also successfully held between



4 and 6 October 2016. In addition, the 2016 “Harbin Bank Cup” smart robot competition in Heilongjiang Province was held on 15 July 2016 which attracted around 1,260 athletes from kindergartens, primary and secondary schools, as well as universities across all prefecture-level cities in Heilongjiang Province. The competition introduced a total of 17 events, including robotic polo competition, robotic obstacle competition, robotic cross site competition, humanoid robotic dance competition and robotic & innovation competition. These events are the engines of growth for the CRC Business, facilitating the popularisation of CRC training courses, particularly in the Group’s key markets of Harbin and Daqing where the influence of robot sports is increasing. During the period, the Group hosted the “Little Pilot” experience programme in Harbin, and the “2016 Popular Science Activity Day” in Daqing, both activities received popular market responses, further enhancing the influence of the CRC Business in these cities.

Mr. He Chenguang, Chairman of Shentong Robot Education Group Company Limited, said, “The CRC Business is an important part of the Group’s development strategy, while also demonstrating the achievement of our efforts in tapping the new business. We are glad that the CRC Business has already made revenue contributions to our interim results in four and a half months after the acquisition, and recorded a continuous growth momentum. Looking ahead to the second half of the fiscal year, we will further grasp the market potential of robot sports to introduce more CRC competitions and strengthen the promotion of competitions, in order to further develop CRC training courses business. In the year ahead, the Group will further consolidate the development of its CRC Business through the organisation of various CRC competitions, which will effectively enhance the reputation and popularity of robot sports and relevant trainings in Heilongjiang Province, as well as increase the number of participants in CRC training courses and competitions, so as to strengthen the Group’s business development.”

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About Shentong Robot Education Group Company Limited

Shentong Robot Education Group Company Limited (the “Company”, Stock Code: 8206, formerly known as China Communication Telecom Services Company Limited), since becoming the provider of promotion and management services for the electronic smart card Shentong Card in the PRC in 2010, has been focusing on tapping related business opportunities. Upon completion of the full acquisition of the service provider of China Robot Competition (“CRC”) in Heilongjiang Province on 16 May 2016, the Company has transformed into the exclusive organiser of CRC events and provider of CRC-related training courses in the Province. The Company is also supporting the work of the National School Sports Robot League in order to expand school-based robot teaching business in the country (the “CQE business”).

At present, the Company’s three business pillars are: 1) “CRC business” (in operation) – for hosting the robot sports competitions and providing relevant training in the PRC; 2) “CQE business” (in preparation and under development) – for school-based robot teaching in the PRC; and 3) “Promotion of Shentong Card and the usage of CRC Shentong Card” (in operation) – as the premier electronic smart card system within the PRC. The special resolution to change of the English name of the Company to “Shentong Robot Education Group Company Limited”, and to adopt the Chinese name “神通機器人教育集團有限公司” as the dual foreign names of the Company was passed during



Shentong Robot Education Group Company Limited

神通機器人教育集團有限公司

the AGM on 5 August. The new name will provide the Company with a more appropriate corporate image and identity which will benefit the Group's future development.

About CRC Business

Upon completion of the full acquisition of the service provider of CRC in Heilongjiang Province on 16 May 2016, Shentong Robot Education Group Company Limited will have the exclusive rights to organise CRC events and provide relevant CRC training courses in the Heilongjiang Province. Currently, the Company's principle business, or "CRC Business", is the organisation of the robot sports competition and the provision of relevant training in the PRC.

The schools and training organisations in Heilongjiang Province wishing to become an official CRC Training Centre are required to submit applications to the CRC Working Committee through the Company. The Company then coordinates with the registered CRC Training Centres to provide them with CRC courses and CRC teaching materials, equipment and tutors. Once the CRC Training Centre starts to provide CRC training courses, it will be a CRC Course Provider and provide authorised CRC courses in the Province. The revenue proportion between the Company and those schools and training centres, is 50:50 and 30:70 respectively. The Company will reach out to more schools and training organisations, by promotion, site visits and demonstrations in Heilongjiang Province, to encourage them to become CRC Course Providers.

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