



Shentong Robot Education Group Company Limited

神通機器人教育集團有限公司

## Shentong Robot Education Group Company Limited Announces Positive Profit Alert

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### Turnover of Loss to Profit for the 3Q 2016/17

[Hong Kong, 3 February 2017] - **Shentong Robot Education Group Company Limited** (Stock Code: 8206) (“S ROBOT EDU” or the “Company”, together with its subsidiaries, the “Group”), today is pleased to announce Positive Profit Alert

The Group has made stable revenue contribution after completion of the full acquisition of the service provider of China Robot Competition (“CRC”) in Heilongjiang Province on 16 May 2016. Based on a preliminary assessment on the consolidated management accounts for the nine months ended 31 December 2016 (the “Period”), the Group is expected to record a turnaround from the consolidated net loss for the nine months ended 31 December 2015 to the consolidated net profit during the Period.

Upon the completion of the acquisition, the Group owns the exclusive rights to host CRC events and provide relevant CRC training courses in Heilongjiang Province (the “CRC Business”), and also actively organises CRC competitions and relevant trainings in the Province during the Period. These events are the engines of growth for the CRC Business, facilitating the popularisation of the Group’s CRC training courses.

**Mr. He Chenguang, Chairman of Shentong Robot Education Group Company Limited**, said, “We are glad that the Group is expected to record a turnaround from loss to profit during the Period, demonstrating that we have made a wise and forwarding decision on the acquisition of the service provider of CRC in Heilongjiang Province. The CRC Business is an important part of the Group’s development strategy. In the future, we will focus on the CRC Business development, and further grasp the market potential of robot sports to introduce more CRC competitions and strengthen the promotion of competitions. We believe that, the increasing influence of robot sports will ensure a solid foundation for 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.

### **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 has 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 Company established self-operated demonstration centres and online learning platforms to provide authorised CRC courses, and it 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. The Company's revenue proportion in CRC Business is: 100% for self-operated demonstration centres, 100% for online learning platforms, 50% for schools and 30% for training centres.

### **For further enquiries, please contact:**

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