



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 Q3 Results Ended 31 December 2016

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Achieved a Turnover of Loss to Profit

**Profit Attributable to Owners of the Company Reached Approx. HK\$1.91 Million
Growing CRC Business in Heilongjiang Province Facilitates Stable Development**

Financial Highlights	For the Nine Months Ended 31 December (HK\$ '000)		
	2016/17	2015/16	Change
Revenue	68,041	25,581	+166%
Gross profit	42,233	17,155	+146%
Earnings / (Loss) before interest, taxes, depreciation and amortisation (EBITDA)	13,033	(9,026)	Loss to profit
Profit / (Loss) attributable to owners of the Company	1,911	(13,897)	Loss to profit

[Hong Kong, 7 February 2017] - **Shentong Robot Education Group Company Limited** (Stock Code: 8206) ("S ROBOT EDU" or the "Company", together with its subsidiaries, the "Group"), today announced its third quarter results for the nine months ended 31 December 2016 (the "Period").

During the Period, the Group has made stable revenue and profit contribution attributable to the completion of the full acquisition of the service provider of China Robot Competition ("CRC") in Heilongjiang Province on 16 May 2016. The revenue of the Group reached approximately HK\$68,041,000, representing a significant increase of 166% during the Period, as compared with the corresponding period of last year. The Group's gross profit surged by 146% year-on-year to approximately HK\$42,233,000, while gross profit margin was approximately 62.1%. During the Period, the Group recorded a turnover of loss to profit, with profit attributable to owners of the Company reached HK\$1,911,000 (Q3 2015/16: loss of approximately HK\$13,897,000). Upon the completion of the acquisition, the Group actively organises CRC competitions and relevant trainings in the Province ("CRC Business"). Relying on the various events as the engines of growth for the CRC Business, the Group has facilitated the popularisation of its CRC training courses. The CRC Business recorded a gross profit of HK\$24,851,000 after seven and a half months after the acquisition, such outstanding results made a great contribution to a turnover of loss to profit of the Group. CRC Business has demonstrated its importance in the Group's future development.



Mr. He Chenguang, Chairman of Shentong Robot Education Group Company Limited, said, “The Group has recorded a turnover of loss to profit within a short period upon the completion of the acquisition of the service provider of CRC in Heilongjiang Province last year. It demonstrates that the Board made a wise and forwarding decision on the acquisition, and also realised our objective to seek opportunities for business development over the years.”

During the Period, various CRC competitions including land robot and aerial robot competitions were exclusively organised by the Group. For example, the 2016 “China Communication Cup” robot league in various prefecture-level cities in Heilongjiang Province was successfully held and received positive market responses by all participants. 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, attracting a wide range of athletes from kindergartens, primary and secondary schools, as well as universities across all prefecture-level cities in Heilongjiang Province. The success of the 2016 “China Communication Cup” further enhanced the influence of the Group’s CRC training courses business and contributed to the potential growth and development of the Group’s business.

Mr. He Chenguang continued, “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 event promotion. We believe that, since the robot education industry has just begun in the PRC, 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.

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