



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 Annual Results for the Year Ended 31 March 2017**

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**Tapping into China Quality Education Market Achieved a Turnover of Loss to Profit
Profit Attributable to Owners of the Company Reached Approx. HK\$3.85 Million
Gross Profit Surged by 134.7% Year-on-Year to Approx. HK\$55.54 Million**

**Strive to Explore the Business Opportunities of Quality Education with
Combination of Science, Technology and Education**

Financial Highlights	For the Year Ended 31 March (HK'\$000)		
	2016/17	2015/16	Change
Revenue	91,507	34,684	+163.8%
Gross profit	55,540	23,664	+134.7%
Earnings / (Loss) before interest, taxes, depreciation and amortisation (EBITDA)	16,828	(14,061)	Loss to profit
Profit / (Loss) attributable to owners of the Company	3,846	(20,370)	Loss to profit

[Hong Kong, 16 June 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 audited consolidated results for the year ended 31 March 2017 (the "Year").

During the Year, the Group's consolidated revenue increased 163.8% year-on-year to approximately HK\$91,507,000. The increase was mainly attributable to the steady revenues recorded by the Group after the full acquisition of the service provider of China Robot Competition ("CRC") in Heilongjiang Province on 16 May 2016. The Group's gross profit surged by 134.7% year-on-year to approximately HK\$55,540,000, while gross profit margin was approximately 60.7%. The Group successfully turned losses into gains by recording approximately HK\$3,846,000 in profit attributable to owners of the Company for the Year. (FY2015/16: loss of approximately HK\$20,370,000). Upon the completion of the acquisition, the Group tapped the potential of the quality robot education market and organised a diversified series of CRC events with the focus on land robots and aerial robots, in order to motivate the business growth. The CRC Business recorded approximately HK\$60,050,000 in revenue and approximately HK\$28,598,000 in profit before tax in the short span of just a little more than ten months after the acquisition. The outstanding results demonstrated the CRC Business has become an important part of the Group's development strategy and revealed its immense development potential.

Mr. He Chenguang, Chairman of Shentong Robot Education Group Company Limited, said, "The Group has been endeavouring to further enhance its integrated strength through restructuring of business operations, and finally turned losses into gains for the Year. The acquisition of CRC service provider in Heilongjiang Province is an important milestone in the development process of the Group. It established a clear business development direction for the Group in the field of China quality education."



The Group achieved many breakthroughs in CRC events which is the main driving force for the growth of the Group's quality robot education. The CRC events which are exclusively organised by the Group have achieved a leap-forward development with increasing number of participants. The competition items are also more diversified, such as robotic polo competition, robot obstacle race, off-road robot competition, humanoid robotic dance competition and smart robot innovation competitions and various other items, which successfully attracted participants from kindergarten to tertiary education level. The novel competitions during the Year, such as the "China Communication Cup" Robot Tournament Qualifying, the "Harbin Bank Cup" Smart Robot Competition, the "Back-to-school Season Land Robot Obstacle Challenge" received tremendous response via new point of marketing penetration. By organising CRC events in Heilongjiang Province, the Group effectively promotes the development of quality robot education and makes it take root in the province for talent development. Meanwhile, the Group made active efforts to promote the school-based quality robot teaching business in China in coordination with the working committee of National School Sports Robot League. The Group also organised experience courses including the "Little Pilot" Science and Technology Experience Activity and the "2016 Science Popularisation Day", which not only expanded the influence of the Group's quality education business in the local regions, but also contributed to the development of quality education in China.

Looking forward, we will keep developing and organising various robot competitions to increase the number of participants in CRC events and training courses while continuously developing our CRC Business network in Heilongjiang Province. The China Robot Sports Working Committee has deployed a series of national robot competitions in 2017. The "First National Robotic Football Competition", which is the first football match using robots as the tools for competition in China, will be hosted in Heilongjiang Province in the second half of 2017. The Group anticipated that, the popularity and reputation of the robot sports and related training programmes in Heilongjiang Province can be motivated by the widespread robot competitions, and drive the development of CRC business in China.

Mr. He Chenguang continued, "Education modernisation and talent cultivation are keys to China's future development. Meanwhile, we welcome a heap of business opportunities. The year 2017 marks the first year in which we enter the field of China quality education. We will continue to focus on the development of the current CRC business in Heilongjiang Province in future. In addition to expand the business network, we will carefully consider to extend our business to robot education related sectors or even other fields, excavate more high-quality education programmes and strive to build a more comprehensive business portfolio along the entire industry chain. We believe that, supported by favourable policies, the Group's quality education business in China is going to develop steadily and it can facilitate the China quality education usher in a brand new page."

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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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