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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 21 June 2017 (after trading hours), the Company entered into the two Subscription Agreements with the two Subscribers respectively pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 240,000,000 Shares at the Subscription Price of HK$0.45 per Subscription Share.

The Subscription Price of HK$0.45 per Subscription Share represents: (i) a premium of approximately 8.4% to the closing price of HK$0.415 per Share as quoted on the Stock Exchange on 21 June 2017, being the date of the Subscription Agreements; and (ii) a premium of approximately 6.6% to the average closing price of approximately HK$0.422 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the entering into of the Subscription Agreements. The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscribers with reference to the recent trading performance of the Shares. The Directors consider that the Subscription Price and the terms of the Subscription Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The Subscription Shares represent approximately 14.50% of the existing issued share capital of the Company and approximately 12.66% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The net proceeds of the Subscriptions of approximately HK$107.8 million of which (i) approximately HK$10.7 million will be applied for the general working capital of the Group and (ii) approximately HK$97.1 million will be applied for the partial repayment of the Service Fee.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Subscription Shares to be issued pursuant to the Subscriptions. The Subscriptions are conditional upon, among other things, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares. If such condition is not fulfilled, the Subscriptions will not proceed.

GENERAL

Shareholders and potential investors should note that completion of the Subscriptions are subject to fulfillment of the conditions under the respective Subscription Agreements. As the Subscriptions may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE SUBSCRIPTIONS

The First Subscription Agreement

Date: 21 June 2017 (after trading hours)

Parties: (i) the Company as issuer; and

(ii) the First Subscriber as subscriber

The First Subscriber is a private investor. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the First Subscriber is an Independent Third Party. Before entering into of the First Subscription Agreement, neither the First Subscriber nor his associates has any interests in the Shares or any business dealings with the Group.

As confirmed by the First Subscriber, the First Subscriber is independent of and not connected with the Second Subscriber and his associates.

Pursuant to the First Subscription Agreement, the Company has conditionally agreed to allot and issue and the First Subscriber has conditionally agreed to subscribe in cash of HK$54,000,000 for a total of 120,000,000 Subscription Shares at the Subscription Price. The 120,000,000 Subscription Shares represent approximately 7.25% of the existing issued share capital of the Company and approximately 6.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Second Subscription Agreement

Date: 21 June 2017 (after trading hours)

Parties: (i) the Company as issuer; and

(ii) the Second Subscriber as subscriber

The Second Subscriber is a private investor. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Second Subscriber is an Independent Third Party. Before entering into of the Second Subscription Agreement, neither the Second Subscriber nor his associates has any interests in the Shares or any business dealings with the Group.

As confirmed by the Second Subscriber, the Second Subscriber is independent of and not connected with the First Subscriber and his associates.

Pursuant to the Second Subscription Agreement, the Company has conditionally agreed to allot and issue and the Second Subscriber has conditionally agreed to subscribe in cash of HK$54,000,000 for a total of 120,000,000 Subscription Shares at the Subscription Price. The 120,000,000 Subscription Shares represent approximately 7.25% of the existing issued share capital of the Company and approximately 6.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Number of Subscription Shares

Pursuant to the Subscription Agreements, an aggregate of 240,000,000 Subscription Shares will be allotted and issued to the Subscribers. The 240,000,000 Subscription Shares represent approximately 14.50% of the existing issued share capital of the Company and approximately 12.66% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The aggregate nominal value of the Subscription Shares is HK$2,400,000.

PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENTS

Apart from the identities of the Subscribers, the terms of the two Subscription Agreements are substantially the same. Set out below are the key terms of the Subscription Agreements:

Subscription Price

Pursuant to the Subscription Agreements, within three Business Days after all the conditions precedent thereunder were fulfilled, each of the Subscribers shall pay to the Company the total subscription money pursuant to the relevant Subscription Agreement.

The Subscription Price of HK$0.45 per Subscription Share represents:

(i) a premium of approximately 8.4% to the closing price of HK$0.415 per Share as quoted on the Stock Exchange on 21 June 2017, being the date of the Subscription Agreements; and

(ii) a premium of approximately 6.6% to the average closing price of approximately HK$0.422 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the entering into of the Subscription Agreements.

The net Subscription Price, after deduction of relevant expenses (including but not limited to legal expenses and disbursements) of approximately HK$107.8 million, is estimated to be approximately HK$0.449 per Subscription Share.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscribers with reference to the recent trading performance of the Shares. The Directors consider that the Subscription Price and the terms of the Subscription Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions of the Subscriptions

Completion of the each of the Subscriptions shall be subject to and conditional upon, among other things, the following:

(a) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares;

(b) all necessary consent and approvals required to be obtained on the part of the Company in respect of the Subscriptions and the transactions contemplated thereunder being obtained; and

(c) all necessary consent and approvals required to be obtained on the part of the relevant Subscriber in respect of the relevant Subscription and the transactions contemplated thereunder being obtained.

For the avoidance of doubt, the Subscription Agreements are not inter-conditional with each other.

In the event that the conditions of the relevant Subscription are not fulfilled on or before 4:00 p.m. on 5 July 2017 (or such other date as may be agreed by the parties to the relevant Subscription Agreement), the relevant Subscription Agreement shall cease and determine (except terms in relation to termination, fees, announcement, notice and governing law and jurisdiction) and none of the parties to the relevant Subscription Agreement shall have any obligations and liabilities under the relevant Subscription Agreement.

Completion of the Subscriptions

Completion of the relevant Subscription will take place at 4:00 p.m. on the seventh Business Days after the conditions of the relevant Subscription are fulfilled (or such other date as may be agreed by the parties to the relevant Subscription Agreement).

Ranking of the Subscription Shares

The Subscription Shares, when allotted and issued, will rank equally in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Mandate to issue the Subscription Shares

The Subscription Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 331,139,403 Shares. As at the date of this announcement, the Company has not allotted and issued any Shares pursuant to the General Mandate and the General Mandate is sufficient for the issue and allotment of the Subscription Shares. As such, the issue of the Subscription Shares is not subject to further Shareholders' approval.

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

CHANGES IN SHAREHOLDING STRUCTURE

The changes of the shareholding structure of the Company as a result of the Subscriptions are as follows:

Name of Shareholders	**As at the date of this announcement**		**Immediately after the completion of the Subscriptions**	
	Number of Shares	*Approximate %*	*Number of Shares*	*Approximate %*
CCI *(Note 1)*	472,042,000	28.51	472,042,000	24.90
Yang Shao Hui	209,032,256	12.63	209,032,256	11.03
Friendly Capital Limited *(Note 2)*	109,900,000	6.63	109,900,000	5.80
Bao Yueqing *(Note 3)*	2,844,000	0.17	2,844,000	0.15
Public:				
First Subscriber	—	—	120,000,000	6.33
Second Subscriber	—	—	120,000,000	6.33
Other public Shareholders	861,878,761	52.06	861,878,761	45.46
	1,655,697,017	100.00	1,895,697,017	100.00

Notes:

1. CCI is wholly owned by CCC

2. Friendly Capital Limited is wholly-owned by Li Chungang

3. Bao Yueqing is a Director

As at the date of this announcement, the Company has a total of 18,000,000 outstanding share options which entitles the holder of the share option to subscribe for approximately 18,000,000 Shares. Save as disclosed above, there are no convertible securities, warrants, options, derivatives or other securities issued by the Company that are convertible or exchangeable into Shares or other types of equity interest in issue.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTH

The Company has not conducted any equity fund raising activities in the previous 12 months immediately preceding the date of this announcement.

REASONS FOR AND THE BENEFITS OF ENTERING INTO THE SUBSCRIPTION AGREEMENTS

The Group is principally engaged in the business of promotion and management services for an electronic smart card "Shentong Card" in the PRC and provision of robotic training course and others in the PRC.

The gross proceeds of the Subscriptions are HK$108.0 million. The net proceeds of the Subscriptions are approximately HK$107.8 million, of which (i) approximately HK$10.7 million will be applied for the general working capital of the Group; and (ii) approximately HK$97.1 million will be applied for settlement of part of the consideration payable by the Company for partial repayment of the Service Fee.

Reference is made to the circular (the "**Circular**") of the Company dated 31 December 2015 in relation to the acquisition of the entire issued share capital of Copious Link. As disclosed in the Circular, on 21 November 2015, Copious Link and CCI entered into a service agreement, and pursuant to which a one-off Service Fee of HK$350,000,000 was payable by Copious Link to CCI in consideration of the services provided by CCI to Copious Link. As also disclosed in the annual result announcement of the Company for the year ended 31 March 2017, on 15 November 2016, the outstanding amount of the Service Fee was HK$200,100,000 and CCI had agreed to postpone the repayment date of the Service Fee to 15 November 2017.

The Directors consider that the Subscriptions represent opportunities for the Company to raise additional funding for the Group's business operation and to repay the Service Fee. The Subscriptions also help strengthen the capital base and financial position for the Group's future business developments and broaden the Shareholder base of the Company. In addition, the Directors consider that the Subscriptions are a preferred method of fund raising as compared with other equity fund raising exercises based on the time and costs involved.

The Directors consider that the Subscription Agreements are in normal commercial terms and are entered into following arm's length negotiations between the Company and the Subscribers and that the terms of the Subscription Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

Shareholders and potential investors should note that completions of the Subscriptions are subject to fulfillment of the conditions under the respective Subscription Agreements. As the Subscriptions may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

"associates"	has the meaning ascribed to this term under the GEM Listing Rules
"Board"	the board of Directors
"Business Day"	a day (other than a Saturday, Sunday and public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
"CCC"	China Communication Group Co., Ltd.* (神州通信集團有限公司), a company established under the laws of the PRC
"CCI"	China Communication Investment Limited* (神州通信投資有限公司), a company incorporated in the British Virgin Islands with limited liability, a wholly owned subsidiary of CCC, and a substantial shareholder of the Company
"Company"	Shentong Robot Education Group Company Limited, a company incorporated in the Cayman Islands with limited liability whose Shares are listed on the GEM
"connected persons"	has the meaning ascribed to it in the GEM Listing Rules
"Copious Link"	Copious Link Ventures Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
"Directors"	the directors of the Company
"First Subscriber"	Mr. Cao Bingsheng (曹丙生), an Independent Third Party
"First Subscription"	the subscription for the Subscription Shares by the First Subscriber pursuant to the First Subscription Agreement
"First Subscription Agreement"	the agreement dated 21 June 2017 and entered into between the Company and the First Subscriber in respect of the First Subscription
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the GEM

* *For identification purpose only*

"General Mandate"	the general mandate granted to the Directors to allot, issue and deal in Shares at the annual general meeting of the Company held on 5 August 2016
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	third party(ies) independent of the Company and connected persons of the Company
"PRC"	the People's Republic of China and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
"Second Subscriber"	Mr. Liang Haiqi (梁海奇), an Independent Third Party
"Second Subscription"	the subscription for the Subscription Shares by the Second Subscriber pursuant to the Second Subscription Agreement
"Second Subscription Agreement"	the agreement dated 21 June 2017 and entered into between the Company and the Second Subscriber in respect of the Second Subscription
"Service Fee"	the fee in the amount of HK$350,000,000 payable by Copious Link to CCI under the service agreement dated 21 November 2015 entered into between Copious Link and CCI in relation to certain services provided by CCI to Copious Link, the details of which were set out in the announcements of the Company dated 9 December 2015 and 3 May 2016 respectively, and the circular of the Company dated 31 December 2015
"Shareholders"	holders of the Shares
"Shares"	ordinary shares of HK$0.01 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscribers"	collectively, the First Subscriber and the Second Subscriber
"Subscriptions"	collectively, the First Subscription and the Second Subscription
"Subscription Agreements"	collectively, the First Subscription Agreement and the Second Subscription Agreement
"Subscription Price"	the subscription price of HK$0.45 per Subscription Share

"Subscription Shares"	an aggregate of 240,000,000 Shares to be subscribed by the Subscribers pursuant to the Subscription Agreements
"substantial shareholder"	has the meaning ascribed to it in the GEM Listing Rules
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent.

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

Hong Kong, 21 June 2017

As at the date of this announcement, the executive Directors of the Company are Mr. He Chenguang, and Mr. Bao Yueqing and the independent non-executive Directors are Mr. Yip Tai Him, Ms. Han Liqun and Ms. Zhang Li.

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.

This announcement will remain at www.hkgem.com on the "Latest Company Announcements" page of the GEM website for at least 7 days from the date of its posting and on the website of the Group at www.srobotedu.com.