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**賽伯樂國際控股**

**CYBERNAUT INTERNATIONAL HOLDINGS COMPANY LIMITED**

**賽伯樂國際控股有限公司**

**(formerly known as Sinoref Holdings Limited)**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1020)**

**DISCLOSEABLE AND CONNECTED TRANSACTION  
IN RELATION TO  
THE ACQUISITION OF 100% EQUITY INTEREST IN  
CYBERNAUT TECHNOLOGY INTERNATIONAL LIMITED  
INVOLVING THE ISSUE OF PROMISSORY NOTES**

**THE ACQUISITION**

The Board is pleased to announce that on 26 July 2017 (after trading hours of the Stock Exchange), the Company (as the purchaser), the Vendor (as the vendor) and Mr. Zhu (as the guarantor) entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to acquire from the Vendor and the Vendor has conditionally agreed to sell to the Company the Sale Shares at the consideration of HK\$320 million which shall be settled by cash and the Promissory Notes.

**IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable ratios (as defined in the Listing Rules) in respect of the Acquisition is more than 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the requirements of reporting and announcement pursuant to Chapter 14 of the Listing Rules.

As at the date of this announcement, the Target Company is wholly-owned by the Vendor which is owned as to 90% by Mr. Zhu, a Director and a substantial Shareholder (as defined under the Listing Rules). Thus, the Vendor is an associate of Mr. Zhu and is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the entering into of the Sale and Purchase Agreement also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## GENERAL

The EGM will be convened at which resolution(s) will be proposed for the Independent Shareholders to consider and, if thought fit, approve, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder. Mr. Zhu and his associates are required to abstain from voting with respect to the resolutions for approving the Acquisition.

A circular containing, among others, further details of (i) the Sale and Purchase Agreement and the transactions contemplated thereunder; (ii) a letter of recommendations from the Independent Board Committee to the Independent Shareholders in respect of the Acquisition; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition; and (iv) a notice convening the EGM, will be despatched to the Shareholders. As additional time is required to finalise the VIE Agreements for the purpose of Reorganisation, the Company expects that the circular will be despatched to the Shareholders on or before 8 September 2017.

**The Acquisition is subject to a number of conditions precedent which may or may not be fulfilled. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

Reference is made to the announcement of the Company dated 31 May 2017 (after trading hours of the Stock Exchange) in which the Company and the Vendor entered into a non-legally binding memorandum of understanding on 31 May 2017 setting out the preliminary understanding in relation to the possible acquisition of 100% equity interest in the Target Company.

## THE ACQUISITION

### The Sale and Purchase Agreement

Date : 26 July 2017

Parties : (1) the Company, as the purchaser;  
(2) Cybernaut Education Limited, as the vendor; and  
(3) Mr. Zhu, as the guarantor

As at the date of this announcement, the Target Company is wholly-owned by the Vendor. Upon completion of the Reorganisation, the Target Company will have indirect control over Wowxue and enjoy the economic interest and benefits of Wowxue, and the financial results of Wowxue will be consolidated into the accounts of the Target Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Target Company is wholly-owned by the Vendor which in turn is owned as to 90% by Mr. Zhu, a Director and a substantial Shareholder (as defined under the Listing Rules). Thus, the Vendor is an associate of Mr. Zhu and is a connected person of the Company under Chapter 14A of the Listing Rules.

Mr. Zhu will guarantee the due performance by the vendor of its obligations, responsibilities and undertakings under the Sale and Purchase Agreement.

## **Assets to be acquired**

Pursuant to the Sale and Purchase Agreement, the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares. The Sale Shares will be sold free from all encumbrances together with all rights to any dividend or other distribution declared, made or paid after the Completion.

## **Consideration**

The maximum Consideration of HK\$320 million payable by the Company to the Vendor for the Sale Shares shall be settled in the following manner or such other settlement methods as may be agreed between the Company and the Vendor:

- (i) as to HK\$100 million shall be paid by the Company to the Vendor or its nominee(s) in cash on the date of Completion;
- (ii) as to HK\$55 million will be settled by the issue of the 1<sup>st</sup> Promissory Note on 30 September 2018;
- (iii) as to HK\$55 million will be settled by the issue of the 2<sup>nd</sup> Promissory Note on 31 March 2019;
- (iv) as to HK\$55 million will be settled by the issue of the 3<sup>rd</sup> Promissory Note on 30 September 2019; and
- (v) the balance of HK\$55 million will be settled by the issue of the 4<sup>th</sup> Promissory Note on 31 March 2020.

Further details of the Promissory Notes are set out in the section headed “Promissory Notes” below in this announcement.

The Consideration was determined after arm’s length negotiations between the Company and the Vendor on normal commercial terms taking into account of, among other things, (i) the preliminary due diligence valuation work prepared by an independent professional valuer in relation to the fair value of 100% equity interest in Wowxue using market-based approach compared to other listed comparables engaging in similar business as the Target Group in the PRC market; (ii) the Guaranteed Profit provided by the Vendor in favour of the Company; (iii) the business development and performance of Wowxue since 2017; and (iv) the future business prospects of Wowxue.

The Directors (excluding the independent non-executive Directors whose views will be expressed after considering the advice from the Independent Financial Adviser) are of the view that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## Promissory Notes

The following are the principal terms of the Promissory Notes:

|                  |   |  |
|------------------|---|--|
| Issuer           | : | The Company  |
| Principal amount | : | 1 <sup>st</sup> Promissory Note: HK\$55,000,000<br>2 <sup>nd</sup> Promissory Note: HK\$55,000,000<br>3 <sup>rd</sup> Promissory Note: HK\$55,000,000<br>4 <sup>th</sup> Promissory Note: HK\$55,000,000                       |
| Maturity date    | : | The date falling on the second anniversary from the date of issue of each of the Promissory Notes (the “ <b>Maturity Dates</b> ”)  |
| Issue price      | : | The Promissory Notes will be issued at 100% of their principal amount  |
| Interest         | : | No interest bearing  |
| Transferability  | : | The Promissory Notes shall be freely transferrable or assignable by the Vendor to any party upon prior written approval of the Company   |
| Early redemption | : | The Company may in its sole discretion, with not less than 10 business days’ prior written notice, elect to repay all or any part of the amount outstanding under the Promissory Notes at any time prior to the Maturity Dates |
| Listing          | : | No application will be made for the listing of, or permission to deal in, the Promissory Notes on the Stock Exchange or any other stock exchange   |

## Adjustment to Consideration

### *Profit Guarantee*

Pursuant to the Sale and Purchase Agreement, the Vendor irrevocably warrants and guarantees to the Company that the net profit after tax generating from operating activities (the “**Net Profit**”) of the Target Group as shown in the audited consolidated financial statements of the Target Company for:

- (i) the 1<sup>st</sup> Guaranteed Period shall not be less than the 1<sup>st</sup> Guaranteed Profit of HK\$7.5 million;
- (ii) the 2<sup>nd</sup> Guaranteed Period shall not be less than the 2<sup>nd</sup> Guaranteed Profit of HK\$7.5 million;
- (iii) the 3<sup>rd</sup> Guaranteed Period shall not be less than the 3<sup>rd</sup> Guaranteed Profit of HK\$9 million;  
and
- (iv) the 4<sup>th</sup> Guaranteed Period shall not be less than the 4<sup>th</sup> Guaranteed Profit of HK\$9 million.

The Company and the Vendor shall jointly procure the auditor to prepare the consolidated financial statements of the Target Company within 2 months from the end of each Guaranteed Period and the auditor shall also issue a certificate for the actual profit of the Target Group to the Company and the Vendor (the “**Auditor’s Certificate**”).

In the event that the actual Net Profit as shown in the Auditor’s Certificate in any or all of the Guaranteed Period is less than the respective Guaranteed Profit, the Vendor shall compensate the Company (the “**Compensation**”) as calculated according to the following formula:

$$\begin{aligned} \text{Compensation} &= (\text{Guaranteed Profit of the respective Guaranteed Period} - \text{Net Profit of the} \\ &\quad \text{respective Guaranteed Period}) \\ &\times \frac{\text{Total Consideration}}{\text{Average Guaranteed Profit}} \end{aligned}$$

For the avoidance of doubt, in the event that the Target Company recorded net loss after tax generating from operating activities (“**Net Loss**”) in its audited consolidated financial statements for any of the Guaranteed Periods, the Compensation shall be calculated according to the following formula:

$$\begin{aligned} \text{Compensation} &= (\text{Guaranteed Profit of the respective Guaranteed Period} \\ &\quad + \text{Net Loss of the respective Guaranteed Period (show as a positive figure)}) \\ &\times \frac{\text{Total Consideration}}{\text{Average Guaranteed Profit}} \end{aligned}$$

The maximum aggregate amount of the Compensation for the Guarantee Periods is limited to the Consideration i.e. HK\$320,000,000.

In the event that the Compensation is required

- (i) for the 1<sup>st</sup> Guaranteed Period, the Company shall deduct the amount of the respective Compensation from the 1<sup>st</sup> Promissory Note which will be issued to the Vendor on 30 September 2018;
- (ii) for the 2<sup>nd</sup> Guaranteed Period, the Company shall deduct the amount of the respective Compensation from the 2<sup>nd</sup> Promissory Note which will be issued to the Vendor on 31 March 2019;
- (iii) for the 3<sup>rd</sup> Guaranteed Period, the Company shall deduct the amount of the respective Compensation from the 3<sup>rd</sup> Promissory Note which will be issued to the Vendor on 30 September 2019; and
- (iv) for the 4<sup>th</sup> Guaranteed Period, the Company shall deduct the amount of the respective Compensation from the 4<sup>th</sup> Promissory Note which will be issued to the Vendor on 31 March 2019.

## Conditions precedent

Completion of the Sale and Purchase Agreement is conditional upon the fulfilment or waiver (as the case may be) of the following conditions:

- (i) the Company being reasonably satisfied with the results of the due diligence review on the Target Group, including but not limited to the assets, indebtedness, operation and financial aspect of the Target Group;
- (ii) all necessary consents and approvals required to be obtained on the part of the Vendor, the Target Company and the Guarantor in respect of the sale and purchase of the Sale Shares having been obtained;
- (iii) all necessary consents and approvals required to be obtained on the part of the Company in respect of the sale and purchase of the Sale Shares having been obtained;
- (iv) the Reorganisation having been completed in such manner as approved by the Company;
- (v) the passing by the Independent Shareholders at the EGM of the ordinary resolutions to approve the Sale and Purchase Agreement and the transactions contemplated thereunder, including but not limited to, the issue of the Promissory Notes;
- (vi) a legal opinion having been issued by the PRC legal adviser appointed by the Company in the form and substance to the satisfaction of the Company, on the matters relating to the Sale and Purchase Agreement, including but not limited to the legality and validity of the VIE Agreements;
- (vii) the warranties remaining true and accurate and not misleading from the date of the Sale and Purchase Agreement until the date of Completion;
- (viii) the Company being satisfied that there being no material adverse change to the financial conditions, businesses, assets or operating results of the members of the Target Group; and
- (ix) the Target Group having provided reasonable evidence that Wowxue shall (a) record Net Profit of not less than HK\$11,000,000 from legally-binding agreement(s) and/or purchase order(s) as at the date of Completion; and (b) record Net Profit of not less than HK\$4,000,000 in such manner as approved by the Company (such as memorandum(s) of understanding and/or framework agreement(s)) for the period from the date of Completion to 31 December 2017. Such profit recognition shall meet the requirements under Hong Kong Financial Reporting Standards. If there is any dispute, the parties to the Sale and Purchase Agreement shall seek professional advice.

The Company may at its absolute discretion at any time waive in writing any of the conditions set out in (i), (vi), (vii), (viii), and (ix) (to the extent it is capable of being waived) and such waiver may be made subject to such terms and conditions as determined by the Purchaser. Other conditions are not capable of being waived by either party to the Sale and Purchase Agreement. If the conditions set out in the Sale and Purchase Agreement have not been satisfied (or as the case may be, waived) on or before 30 September 2017 (or such other date as may be agreed between the Vendor and the Purchaser), the Sale and Purchase Agreement shall cease and terminate (save and except causes stated in the Sale and Purchase Agreement which shall continue to have full force and effect) notwithstanding any other provisions of the Sale and Purchase Agreement, and thereafter none of the parties shall have any obligations and liabilities towards the others save for any antecedent breaches of the terms of the Sale and Purchase Agreement.

## **Completion**

Completion shall take place on the (7th) seventh Business Day after fulfilment or waiver (as the case may be) of the above conditions.

Upon Completion, each of the companies within the Target Group will become a wholly-owned subsidiary of the Company and accordingly, the financial results of the Target Group will be consolidated into the accounts of the Company.

## **INFORMATION OF THE TARGET GROUP AND WOWXUE**

### **Information on the Vendor**

The Vendor is principally engaged in investment holding and is a company incorporated in the BVI with limited liability, which is owned as to 90%, 5% and 5% by Mr. Zhu, YM Zhao and YY Zhao respectively.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, save for being the common beneficial owners of the Vendor, YM Zhao and YY Zhao are Independent Third Parties.

### **Information on the Target Group**

The Target Company is principally engaged in investment holding and is a company incorporated in the BVI with limited liability on 17 January 2017. The Target Company has not recorded any profits as it has no business operation since it incorporated. It has US\$500 paid-up capital as at the date of this announcement.



Hong Kong Cybernaut is principally engaged in investment holding. It is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target Company. Hong Kong Cybernaut has not recorded any profits as it has no business operation since it incorporated. It has HK\$10,000 paid-up capital as at the date of this announcement.

Huzhou Company is a company established in the PRC with limited liability and principally engaged in investment holding. It is a wholly-owned subsidiary of Hong Kong Cybernaut. Huzhou Company has not recorded any profits as it has no business operation since it incorporated. The registered capital of Huzhou Company is HK\$10 million which has not been paid-up as at the date of this announcement.

Upon completion of the Reorganisation, the Target Company will have indirect control over Wowxue and enjoy the economic interest and benefits of Wowxue through Huzhou Company via the VIE Agreements, and the financial results of Wowxue will be consolidated into the accounts of the Target Company.

### **Information on Wowxue**

Wowxue is a company established in the PRC with limited liability, which is principally engaged in the research and provision of internet education services to kindergarten, primary and secondary schools.

As at the date of this announcement, Wowxue has obtained the value-added telecommunications business operating licence in the PRC.

The value-added telecommunication services related business of Wowxue is considered as “restricted” business in the PRC. Foreign investors are restricted to operate value-added telecommunication business in the PRC. In light of the above, as Huzhou Company is a foreign-owned company, Huzhou Company, Wowxue and the Registered Shareholders will enter into the VIE Agreements under the Reorganisation in order to enable the financial results, the entire economic benefits and the risks of the businesses of Wowxue to flow into Huzhou Company and to enable the Target Company to have indirect control over Wowxue.

Details of the VIE Agreements will be disclosed in the circular which is to be despatched to the Shareholders in relation to, among others, the Acquisition.

Upon completion of the Reorganisation, Wowxue will be controlled by the Target Company via the VIE Agreements.

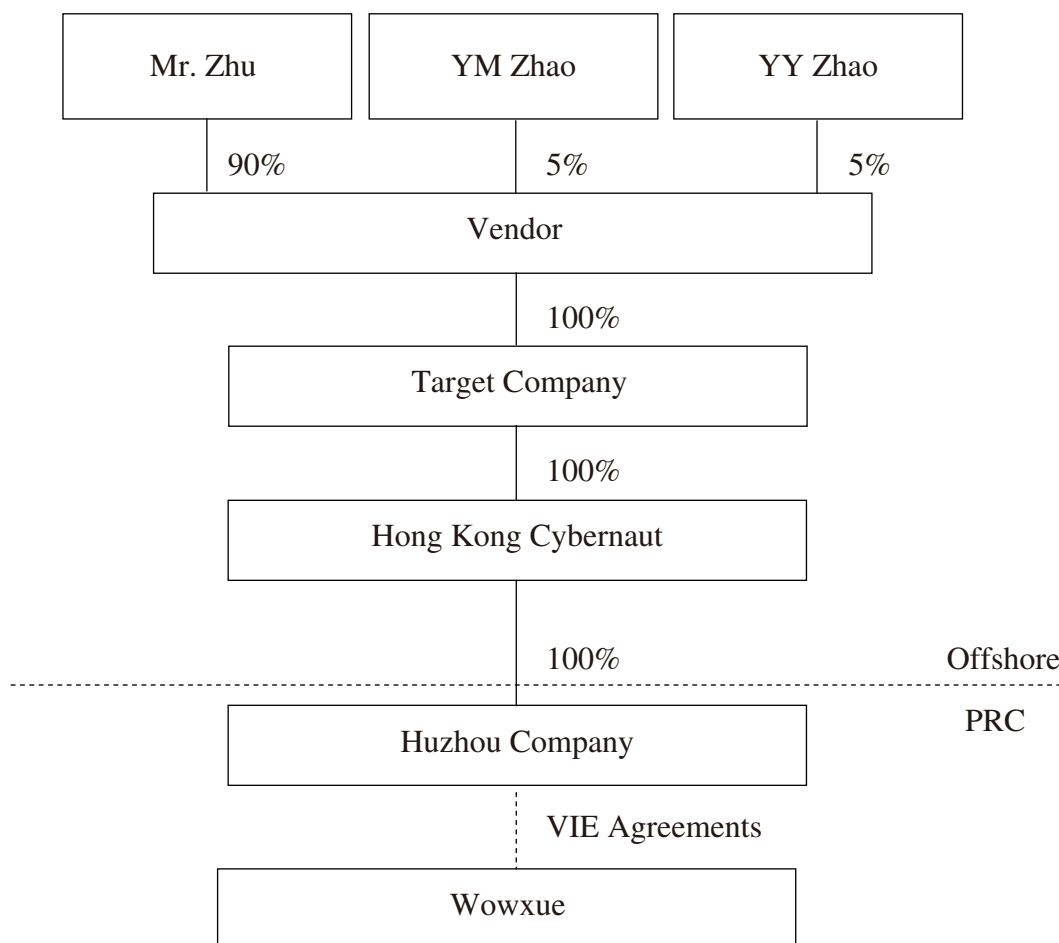


As at the date of this announcement, Wowxue is owned as to 40%, 20%, 20% and 20% by 賽伯樂投資集團有限公司 (Cybernaut Investment Group Limited\*), 賽伯樂智庫 (北京) 國際生態科學研究院 (Cybernaut Think Tank (Beijing) International Ecological Science Research Institute\*), YM Zhao and YY Zhao respectively.

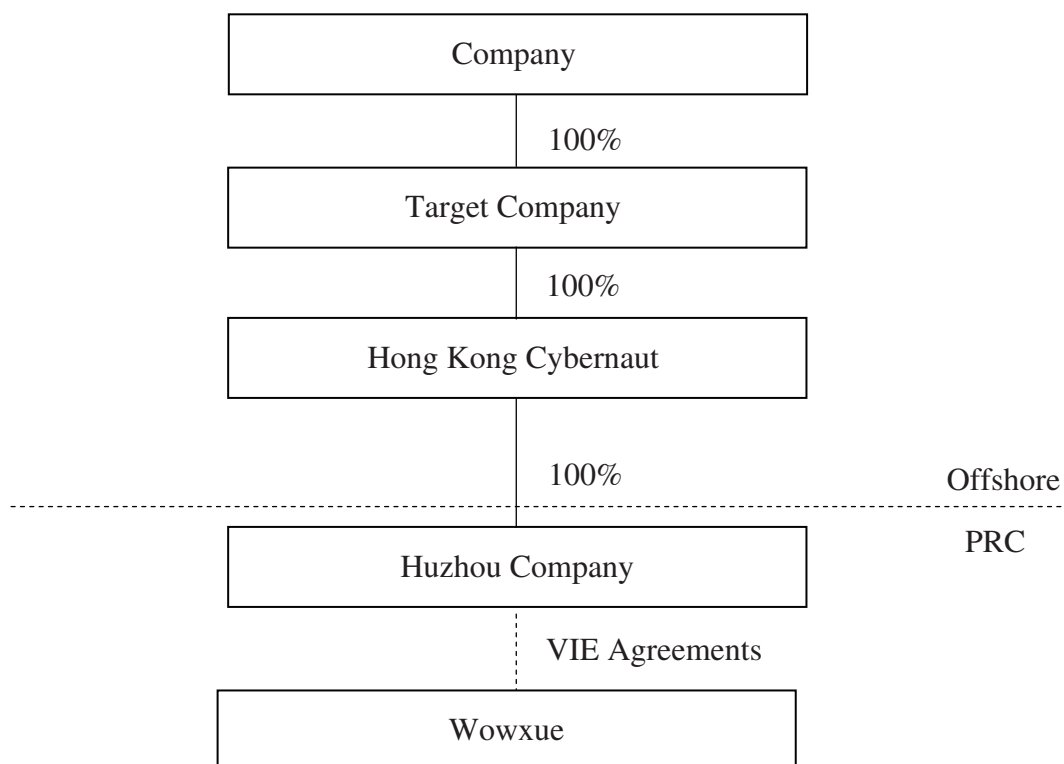
賽伯樂投資集團有限公司 (Cybernaut Investment Group Limited\*) is a company established in the PRC with limited liability and 賽伯樂智庫 (北京) 國際生態科學研究院 (Cybernaut Think Tank (Beijing) International Ecological Science Research Institute\*) is a research institute established in the PRC with collective ownership (cooperative stock).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, 賽伯樂投資集團有限公司 (Cybernaut Investment Group Limited\*) and 賽伯樂智庫 (北京) 國際生態科學研究院 (Cybernaut Think Tank (Beijing) International Ecological Science Research Institute\*) are beneficially indirectly owned as to 90.6% and 44.4% respectively by Mr. Zhu.

**Shareholding Structure of the Target Group (upon completion of the Reorganisation and immediately before the Completion)**



## Shareholder Structure of the Target Group (immediately upon Completion)



## Financial Information of Wowxue

Set out below is the summary of the unaudited financial information of Wowxue:

|                          | <b>For the<br/>year ended<br/>31 December<br/>2015<br/>RMB'000</b> | <b>For the<br/>year ended<br/>31 December<br/>2016<br/>RMB'000</b> | <b>For the<br/>six month<br/>ended<br/>30 June<br/>2017<br/>RMB'000</b> |
|--------------------------|--|--|---|
| Revenue                  | 841.7  | 1,100.7  | 7,019.4   |
| Profit/(loss) before tax | 9.3  | (837.1)  | 5,681.0   |
| Profit/(loss) after tax  | 8.0  | (837.1)  | 4,261.4   |

The unaudited net assets value of Wowxue is approximately RMB4,503,910.9 as at 30 June 2017.

## REASON FOR AND BENEFIT OF THE ACQUISITION

The Group is principally engaged in the manufacture and sale of advanced steel flow control products, paper converting equipments, money lending business and electronic commerce (E-commerce) business.

Wowxue mainly focuses on the internet education of kindergarten, primary and secondary school; internet teaching research; and providing internet education services. Wowxue relies on the quality education resources, teacher resources and teaching experiences of Beijing Normal University, Peking University and other well-known colleges and universities and their affiliated primary and secondary schools, and builds up a “brand – product – service” integrated education service model. It has built five education service platform, namely “京師沃學教育研究院 (Capital Wowxue Education Institute\*)”, “京師沃學K12網路教育學院 (Capital Wowxue K12 Internet Education Institute\*)”, “京師沃學教師培訓學院 (Capital Wowxue Teacher Training Institute\*)”, “京師沃學國際教育學院 (Capital Wowxue International Education Institute\*)” and “京師沃學全媒體教育傳播平台 (Capital Wowxue Full Media Education Communication Platform\*)”.

In December 2016, Wowxue has been awarded “2016年度品牌知名度教育機構 (2016 Annual Brand Awareness Education Institution\*)” by Xinhua Net and in May 2017, it has been awarded “互聯網+教育行業領軍企業獎 (Internet + Education Industry Leadership Award\*)” by National Public Service Platform for Industry.

With the rise of the era of “Internet + Education”, the tide of online-to-offline (O2O) dual teacher teaching model has come and the norms in the education industry in the PRC is rapidly changing. Currently, the internet education industry in the PRC can be divided into the following sub-areas: pre-school education, K12 education, higher education, study abroad, vocational education, language education, interest education and integrated platform.

According to a research conducted by Analysys in relation to the internet education industry forecast from 2017 to 2019 in the PRC, the market scale of the internet education industry in the PRC reached RMB160.1 billion in 2016, increased 43.3% on year-on-year basis. At present, comparing to the overall “offline” education industry, the internet education industry accounted for a relatively low proportion. However, with the further integration of “online” and “offline” education industry and the deepening development of the internet education, it is expected that the growth trend of the internet education industry will continue to be maintained in the next three years from 2017 to 2019, and the market scale of the internet education industry will reach RMB371.8 billion in 2019.

The Directors (excluding the independent non-executive Directors whose views will be expressed after considering the advice from the Independent Financial Adviser) consider that the Acquisition, if materialised, represents a good opportunity for the Group to diversify its business. Also, in consideration of the Guaranteed Profit provided by the Vendor in favour of the Company and the future prospects of Wowxue as mentioned above, the Board considers that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable ratios (as defined in the Listing Rules) in respect of the Acquisition is more than 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the requirements of reporting and announcement pursuant to Chapter 14 of the Listing Rules.

As at the date of this announcement, the Target Company is wholly-owned by the Vendor which is owned as to 90% by Mr. Zhu, a Director and a substantial Shareholder (as defined under the Listing Rules). Thus, the Vendor is an associate of Mr. Zhu and is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the entering into of the Sale and Purchase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL**

The EGM will be convened at which resolution(s) will be proposed for the Independent Shareholders to consider and, if thought fit, approve, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder. Mr. Zhu and his associates are required to abstain from voting with respect to the resolutions for approving the Acquisition.

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders as to whether the terms of the Sale and Purchase Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise and make recommendations to the Independent Shareholders after taking into account the advice from the Independent Financial Adviser. No member of the Independent Board Committee has any material interest in the Acquisition.

The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in connection with the Acquisition as contemplated under the Sale and Purchase Agreement.

A circular containing, among others, further details of (i) the Sale and Purchase Agreement and the transactions contemplated thereunder; (ii) a letter of recommendations from the Independent Board Committee to the Independent Shareholders in respect of the Acquisition; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition; and (iv) a notice convening the EGM, will be despatched to the Shareholders. As additional time is required to finalise the VIE Agreements for the purpose of Reorganisation, the Company expects that the circular will be despatched to the Shareholders on or before 8 September 2017.

## **WARNING**

**The Acquisition is subject to a number of conditions precedent which may or may not be fulfilled. 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 terms and expressions shall have the following meanings when used herein:

|                                     |   |
|-------------------------------------|---|
| “1 <sup>st</sup> Guaranteed Period” | the (6) six-month period ending 30 June 2018  |
| “1 <sup>st</sup> Guaranteed Profit” | Net Profit of not less than HK\$7.5 million for the 1 <sup>st</sup> Guaranteed Period   |
| “1 <sup>st</sup> Promissory Note”   | the non-interest bearing promissory note due on the date falling on the second anniversary from the date of issue of it up to a principal amount of HK\$55,000,000 to be issued by the Company to the Vendor or its nominee(s) on 30 September 2018 pursuant to the Sale and Purchase Agreement for the partial settlement of the Consideration |
| “2 <sup>nd</sup> Guaranteed Period” | the (6) six-month period ending 31 December 2018  |
| “2 <sup>nd</sup> Guaranteed Profit” | Net Profit of not less than HK\$7.5 million for the 2 <sup>nd</sup> Guaranteed Period   |
| “2 <sup>nd</sup> Promissory Note”   | the non-interest bearing promissory note due on the date falling on the second anniversary from the date of issue of it up to a principal amount of HK\$55,000,000 to be issued by the Company to the Vendor or its nominee(s) on 31 March 2019 pursuant to the Sale and Purchase Agreement for the partial settlement of the Consideration     |
| “3 <sup>rd</sup> Guaranteed Period” | the (6) six-month period ending 30 June 2019  |
| “3 <sup>rd</sup> Guaranteed Profit” | Net Profit of not less than HK\$9 million for the 3 <sup>rd</sup> Guaranteed Period   |
| “3 <sup>rd</sup> Promissory Note”   | the non-interest bearing promissory note due on the date falling on the second anniversary from the date of issue of it up to a principal amount of HK\$55,000,000 to be issued by the Company to the Vendor or its nominee(s) on 30 September 2019 pursuant to the Sale and Purchase Agreement for the partial settlement of the Consideration |
| “4 <sup>th</sup> Guaranteed Period” | the (6) six-month period ending 31 December 2018  |
| “4 <sup>th</sup> Guaranteed Profit” | Net Profit of not less than HK\$9 million for the 4 <sup>th</sup> Guaranteed Period   |
| “4 <sup>th</sup> Promissory Note”   | the non-interest bearing promissory note due on the date falling on the second anniversary from the date of issue of it up to a principal amount of HK\$55,000,000 to be issued by the Company to the Vendor or its nominee(s) on 31 March 2020 pursuant to the Sale and Purchase Agreement for the partial settlement of the Consideration     |
| “Acquisition”                       | the acquisition of the Sale Shares pursuant to the Sale and Purchase Agreement  |
| “associates”                        | has the meaning ascribed to it under the Listing Rules  |

|                             |   |
|-----------------------------|---|
| “Auditor’s Certificate”     | as defined under the section headed “Adjustment to Consideration” in this announcement  |
| “Average Guaranteed Profit” | average of 1 <sup>st</sup> Guaranteed Profit, 2 <sup>nd</sup> Guaranteed Profit, 3 <sup>rd</sup> Guaranteed Profit and 4 <sup>th</sup> Guaranteed Profit  |
| “Board”                     | the board of Directors of the Company   |
| “Business Day”              | a day (excluding Saturday and other general holidays in Hong Kong) on which banks in Hong Kong are generally open for business  |
| “BVI”                       | British Virgin Islands  |
| “Company”                   | Cybernaut International Holdings Company Limited (formerly known as Sinoref Holdings Limited), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on Main Board of the Stock Exchange (Stock Code: 1020) |
| “Compensation”              | as defined under the section headed “Adjustment to Consideration” in this announcement  |
| “Completion”                | completion of the Acquisition   |
| “connected person(s)”       | has the meaning ascribed to it under the Listing Rules  |
| “Consideration”             | the total consideration of HK\$320 million for the Acquisition, which shall be settled by cash and the Promissory Notes   |
| “Director(s)”               | the director(s) of the Company  |
| “EGM”                       | the extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder                                       |
| “Group”                     | the Company and its subsidiaries (from time to time)  |
| “Guaranteed Period(s)”      | each a Guaranteed Period, for the six (6) months period ended 30 June 2018, 31 December 2018, 30 June 2019 and 31 December 2019 respectively  |
| “Guaranteed Profit”         | collectively, the 1 <sup>st</sup> Guaranteed Profit, 2 <sup>nd</sup> Guaranteed Profit, 3 <sup>rd</sup> Guaranteed Profit and 4 <sup>th</sup> Guaranteed Profit   |
| “HK\$”                      | Hong Kong dollars, the lawful currency of Hong Kong   |
| “Hong Kong”                 | the Hong Kong Special Administrative Region of the PRC  |
| “Hong Kong Cybernaut”       | Hong Kong Cybernaut Technology Limited, a company incorporated in Hong Kong with limited liability, which directly wholly-owned the Huzhou Company  |

|                                 |  |
|---------------------------------|--|
| “Huzhou Company”                | 湖州賽樂弘教育科技有限公司 (Huzhou Sai Le Hong Education Technology Limited*), a company established in the PRC with limited liability, which will directly control Wowxue through variable interest entity arrangement upon Reorganisation                                     |
| “Independent Board Committee”   | an independent committee of the Board established by the Board to advise the Independent Shareholders on the terms and conditions of the Sale and Purchase Agreement and the transactions contemplated thereunder  |
| “Independent Third Party(ies)”  | third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)  |
| “Independent Financial Adviser” | an independent financial adviser to be appointed to make recommendation to the Independent Board Committee and the Independent Shareholders in respect of the terms and conditions of the Sale and Purchase Agreement and the transactions contemplated thereunder |
| “Independent Shareholders”      | the Shareholders other than Mr. Zhu and together with his associates, who are required by the Listing Rules to abstain from voting on the resolution(s) approving the Sale and Purchase Agreement and the transactions contemplated thereunder                     |
| “Listing Rules”                 | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “Maturity Dates”                | as defined under the section headed “Promissory Notes” in this announcement  |
| “Mr. Zhu” or “Guarantor”        | Mr. Zhu Min, being an executive Director and a substantial Shareholder (as defined under the Listing Rules)  |
| “Net Loss”                      | as defined under the section headed “Adjustment to Consideration” in this announcement   |
| “Net Profit”                    | as defined under the section headed “Adjustment to Consideration” in this announcement   |
| “Promissory Notes”              | collectively the 1 <sup>st</sup> Promissory Note, the 2 <sup>nd</sup> Promissory Note, the 3 <sup>rd</sup> Promissory Note and the 4 <sup>th</sup> Promissory Note   |
| “PRC” or “China”                | the People’s Republic of China, which, for the purpose of this announcement and for geographical reference only, excludes Taiwan, the Macao Special Administrative Region of the PRC and Hong Kong   |
| “Registered Shareholders”       | the holders of the equity interests in Wowxue, namely 賽伯樂投資集團有限公司 (Cybernaut Investment Group Limited*), 賽伯樂智庫 (北京) 國際生態科學研究院 (Cybernaut Think Tank (Beijing) International Ecological Science Research Institute*), YM Zhao and YY Zhao                           |



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| “Reorganisation”              | the Target Company, its subsidiaries and Wowxue will be organised through variable interest entity arrangement which is to be implemented by the relevant parties entering into the VIE Agreements. Upon completion of the Reorganisation, the Target Company will indirectly control over Wowxue and enjoy the economic interest and benefits of Wowxue, and the financial results of Wowxue will be consolidated into the accounts of the Target Company |
| “RMB”                         | Renminbi, the lawful currency of the PRC   |
| “Sale and Purchase Agreement” | the sale and purchase agreement dated 26 July 2017 entered into between the Company, the Vendor and the Guarantor pursuant to which the Company has conditionally agreed to acquire from the Vendor and the Vendor has conditionally agreed to sell to the Company the Sale Shares   |
| “Sale Shares”                 | 50,000 shares of US\$0.01 each of the Target Company, representing the entire issued share capital of the Target Company   |
| “Share(s)”                    | ordinary share(s) of HK\$0.10 each of the Company  |
| “Shareholder(s)”              | Shareholder(s) of the Company  |
| “Stock Exchange”              | The Stock Exchange of Hong Kong Limited  |
| “Target Company”              | Cybernaut Technology International Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Vendor as at the date of this announcement. Upon completion of the Reorganisation, the Target Company will indirectly control Wowxue through variable interest entity arrangement  |
| “Target Group”                | including the Target Company, Hong Kong Cybernaut, Huzhou Company, Wowxue and all other companies whose shares are directly or indirectly owned by the Target Company (if any)   |
| “US\$”                        | United States dollars, the lawful currency of the United States of America   |
| “VIE Agreements”              | a series of agreements to be executed for the purpose of establishing the variable interest entity arrangement between Huzhou Company and Wowxue, through which the financial results of Wowxue are consolidated with the financial results of Huzhou Company as “variable interest entity” (as defined in Hong Kong and International Financial Reporting Standards)  |
| “Vendor”                      | Cybernaut Education Limited, a company incorporated in the BVI with limited liability, which is owned as to 90%, 5% and 5% by Mr. Zhu, YM Zhao and YY Zhao respectively  |

- “Wowxue” 京師沃學(北京)教育科技有限公司 (Capital Wowxue (Beijing) Education Technology Limited\*), a company established in the PRC with limited liability and is principally engaged in the research and provision of Internet education services to kindergarten, primary and secondary schools
- “YM Zhao” Mr. Zhao Yingming
- “YY Zhao” Mr. Zhao Yingyong

By order of the Board  
**Cybernaut International Holdings Company Limited**  
**Mr. Zhu Min**  
*Chairman*

Hong Kong, 26 July 2017

*As at the date of this announcement, the executive Directors are Mr. Zhu Min, Mr. Gao Xiang, Mr. Lu Yongchao, Mr. Xu Yejun and Mr. Sin Kwok Wai Ronald; the non-executive Directors are Mr. Chow Chi Wa and Ms. Yip Sum Yu, and the independent non-executive Directors are Mr. Cao Ke, Mr. Tong Yiu On and Mr. Li Yik Sang.*

\* *For identification purpose only*