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CYBERNAUT INTERNATIONAL HOLDINGS COMPANY LIMITED
賽伯樂國際控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1020)

**ADDITIONAL INFORMATION TO
INTERIM RESULTS ANNOUNCEMENT FOR
THE SIX MONTHS ENDED 30 JUNE 2018**

References are made to (i) the interim results announcement for the six months ended 30 June 2018 (the “**2018 Interim Results Announcement**”) of Cybernaut International Holdings Company Limited (the “**Company**”) dated 28 August 2018; and (ii) the announcement of the Company dated 1 August 2018 (the “**Disposal Announcement**”) in respect of a major disposal of 100% equity interest in a subsidiary. Unless otherwise specified herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

In addition to the information disclosed in the 2018 Interim Results Announcement and the Disposal Announcement, the Company would like to provide to the shareholders of the Company and the public with the following additional information in relation to the information disclosed in the 2018 Interim Results Announcement and the reason of the Disposal set out in the Disposal Announcement:

MARKET OVERVIEW BY THE COMPANY

As stated in the 2018 Interim Results Announcement, it was reported that the world crude steel production for the first half of 2018 had experienced an increase of 4.6% when compared to the same period in 2017 while China’s crude steel production for June 2018 also experienced an increase of 7.5% when compared to that of June 2017. Notwithstanding the fact that the world crude market production appeared to experience a rebound, the Company is of the view that the short rebound on the steel production quantity itself which is based on historical data is not sufficient to conclude any insight towards the outlook of the overall steel industry.

According to the World Trade Association, world steel capacity utilization rate in July 2018 was approximately 77.5%, representing a month-on-month decrease of approximately 1.4% when compared to June 2018 of approximately 78.9%. In view of the continuous increase in the world crude steel production for the first half of 2018 accompanied by a decrease in world steel capacity utilization in July 2018 as compared with June 2018, there are uncertainties exist across the steel industry.

Furthermore, the China National Development and Reform Commission (the “**Commission**”) said that the country aims to cut coal capacity by 150 Mt and crude steel capacity by 30 Mt this year. The government will continue to cut outdated and substandard production capacity, and move with efforts to have balance between reducing overcapacity, ensuring supply, and stabilizing prices. The Commission said that the steel industry still has a long way to go to achieve high-quality development; and it is crucial for the industry to update, transform and to have better growth in the competing global market.

Based on the above, the Company remains its view that the overall steel demand in China will fluctuate downwards and overcapacity is likely to persist for a relatively sustained period of time in the future.

RESPONSIBLE ATTITUDE TOWARDS THE DISPOSAL GROUP PRIOR TO COMPLETION OF THE DISPOSAL

The 2018 Interim Results Announcement has mentioned several of the Company’s indicative directions for the Disposal Group, for example: (i) on page 18 of the 2018 Interim Results Announcement, it is stated that “*Going forward, the Group will continue to explore business opportunities with domestic steel manufacturers to drive further business growth.*”; (ii) on page 19 of the 2018 Interim Results Announcement, it is stated that “*The subsidiary Group will enhance its global brand awareness of Sinoref with the view to strive for a position in the industry.*”; and (iii) on page 20 of the 2018 Interim Results Announcement, it is stated that “*Apart from further developing our steel flow control products business and paper converting equipment manufacturing business, the Group has also been seeking potential opportunities in steel-related as well as non-steel related businesses.*” As at the date of this announcement, the Disposal Group remains as operating subsidiaries of the Company. To be responsible and for the sake of exercising due and care towards the business operations of the Disposal Group as well as maintaining positive working atmosphere and morale for its existing staff and workers, the Company will continue to operate the advanced steel flow control products business of the Disposal Group in accordance with the business strategies stated in the 2018 Interim Results Announcement.

Notwithstanding the fact that the Company considered to dispose the Disposal Group, Completion is subject to the fulfillment and/or waiver (as the case may be) of the conditions precedent as set out in the Agreement, the Disposal may or may not proceed in this regard. Given the above, the Company is of the view that it is in the interest of the Company and its shareholders as a whole to be responsible for the existing staff and workers of the Disposal Group to continue to develop the business operations of the Disposal Group during the transitional period of the Disposal.

GENERAL

The above additional information does not affect other information contained in the 2018 Interim Results Announcement and the Disposal Announcement and the contexts of the 2018 Interim Results Announcement and the Disposal Announcement remain correct and unchanged.

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

Hong Kong, 12 September 2018

As at the date of this announcement, the executive Directors are Mr. Zhu Min, Mr. Sin Kwok Wai Ronald, Mr. Lu Yongchao and Mr. Xu Yejun; 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.