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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

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1020)

**CONNECTED TRANSACTION
IN RELATION TO
FINANCIAL ASSISTANCE BY CONNECTED PERSONS**

As at the date of this announcement, Mr. Ng and Mr. Lee, the respective sole shareholder of Win All and Wide Select, are directors of VT Zero, the subsidiary of the Company and therefore the Noteholders are connected persons of the Company at the subsidiary level under Rule 14A.06(9) of the Listing Rules. As (i) the Noteholders are connected persons of the Company at the subsidiary level; (ii) the granting of the financial assistance to the Company by Mr. Ng and Mr. Lee under the New Promissory Notes which are secured by the assets of the Company under the Share Charges are on normal commercial terms; and (iii) the Board (including all the independent non-executive Directors) has approved the Deeds of Amendment and the grant of the Share Charges and confirmed the terms therein are fair and reasonable, and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the Deeds of Amendment and the transactions contemplated thereunder are subject to the reporting and announcement requirements, but are exempt from the circular, independent financial advice and Shareholders' approval requirements by virtue of Rule 14A.101 of the Listing Rules.

None of the Directors had any material interest in the Deeds of Amendment and the Share Charges and the transactions contemplated thereunder and had abstained from voting at the relevant Board resolutions.

INTRODUCTION

Reference is made to the Company's announcements dated 15 May 2015, 15 September 2015, 30 September 2015 and 9 November 2015 and circular dated 15 September 2015 ("**Circular**") relating to the acquisition of the entire issued share capital of Soaring International Holdings Limited.

Upon completion of the Acquisition, the 1st Promissory Notes were issued by the Company in settlement of part of the consideration. Pursuant to the 1st Promissory Notes, the Company shall pay to each of the Noteholders (i) HK\$106,800,000 together with interest thereon after three years from the date of issue of the 1st Promissory Notes, i.e. on 9 November 2018. On 2 November 2018, the Company issued the Existing Promissory Notes with a principal amount of HK\$113,208,000 each to the Noteholders in replacement of the 1st Promissory Notes.

THE DEEDS OF AMENDMENT

The Board announced that on 9 July 2019 (after trading hours), the Company entered into the Deeds of Amendment with the Noteholders, pursuant to which the Company and the Noteholders agreed to amend the terms and conditions of the Existing Promissory Notes and to issue the New Promissory Notes with a principal amount of HK\$113,208,000.00 each to the Noteholders in replacement of the Existing Promissory Notes.

Pursuant to the Deeds of Amendment, the terms of each of the Existing Promissory Notes shall be amended as follows:

- (i) the maturity date of the New Promissory Notes shall be extended by two (2) years from the Issue Date;
- (ii) the interest of the New Promissory Notes shall be reduced from 2% to 1% per annum; and
- (iii) the Existing Promissory Notes shall be cancelled and void and of no effect on the Issue Date and the original of the Existing Promissory Notes should be surrendered to the Company for cancellation.

Save for the amendments mentioned above, the principal terms of the Existing Promissory Notes remain unchanged.

In consideration of the Noteholders agreeing to amend the terms of the Existing Promissory Notes, the Company agrees to execute or to procure its subsidiaries to execute the share charges over (i) 90% of the total issued shares in Time Credit; (ii) 100% of the total issued shares in VT Zero; and (iii) 100% of the total issued shares in Great Select in favour of the Noteholders.

THE NEW PROMISSORY NOTES

The principal terms of each of the New Promissory Notes are summarised as follows:

Principal amount (the “ Principal ”):	HK\$113,208,000.00
Maturity date (the “ Maturity Date ”):	9 July 2021, being the date falling upon the expiry of 2 years from the date of issue of the New Promissory Notes (i.e. 9 July 2019) (the “ Issue Date ”)
Interest rate:	1% per annum for the outstanding Principal
Transferability:	The Noteholders may freely assign, transfer, endorse or in any other way alienate any of their rights under the New Promissory Notes whether in whole or in part to any person other than a connected person of the Company

Repayment and redemption: The Issuer shall repay the New Promissory Notes on the Maturity Date the entire outstanding Principal together with interest accrued thereon.

The Company may redeem in full or in part of the principal amount of the New Promissory Notes at any time together with the interest accrued thereon without penalty.

REASONS FOR AND BENEFITS OF THE DEEDS OF AMENDMENT

The Deeds of Amendment were made at the request of the Company in order to decrease the interest rate from 2% to 1% per annum and to extend the repayment date. Therefore, the Noteholders requested the Company to execute or to procure its subsidiaries to execute the Share Charges over (i) 90% of the total issued shares in Time Credit; (ii) 100% of the total issued shares in VT Zero; and (iii) 100% of the total issued shares in Great Select in favour of the Noteholders.

Time Credit is principally engaged in money lending business under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). VT Zero is principally engaged in the eCommerce industry specializing on B2C retailing through the eBay and Amazon platforms and internet wholesale businesses with a focus on overseas consumers, logistics management and sourcing. Great Select is an investment holding company.

The Board considers that such arrangement can allow the Company to have flexibility in arranging for the repayment of the amount owed under the New Promissory Notes and to reduce interest expenses while optimizing utilization of unleveraged assets of the Group. The terms of the Deeds of Amendment and the Share Charges were determined after arm's length negotiation between the parties. The Board (including all the independent non-executive Directors) has approved the Deeds of Amendment and the Share Charges and confirmed the terms therein are fair and reasonable, and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Group is primarily engaged in the manufacturing of advanced steel flow control products used in the continuous casting steel making process to protect, control and regulate the flow of molten steel, manufacture and sale of paper converting equipment and other relating equipment, e-Commerce, e-Commerce solutions and related support services and selling of information technology products, money lending, as well as, provision of internet education services.

Win All is an investment holding company wholly owned by Mr. Ng.

Wide Select is an investment holding company wholly owned by Mr. Lee.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Ng and Mr. Lee, the respective sole shareholder of Win All and Wide Select, are directors of VT Zero, the subsidiary of the Company and therefore the Noteholders are connected persons of the Company at the subsidiary level under Rule 14A.06(9) of the Listing Rules. As (i) the Noteholders are connected persons of the Company at the subsidiary level; (ii) the granting of the financial assistance to the Company by Mr. Ng and Mr. Lee under the New Promissory Notes which are secured by the assets of the Company under the Share Charges are on normal commercial terms; and (iii) the Board (including all the independent non-executive Directors) has approved the Deeds of Amendment and the grant of the Share Charges and confirmed the terms therein are fair and reasonable, and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the Deeds of Amendment and the transactions contemplated thereunder are subject to the reporting and announcement requirements, but are exempt from the circular, independent financial advice and Shareholders' approval requirements by virtue of Rule 14A.101 of the Listing Rules.

None of the Directors had any material interest in the Deeds of Amendment and the Share Charges and the transactions contemplated thereunder and had abstained from voting at the relevant Board resolutions.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“1st Promissory Note(s)”	the 2% promissory notes dated 9 November 2015 each in the aggregate outstanding principal amount of HK\$106,800,000 issued by the Company to the Noteholders due on 9 November 2018
“Acquisition”	acquisition of the entire issued share capital of Soaring International Holdings Limited as set out in the Circular
“Board”	the board of Directors
“Company”	Cybernaut International Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Deeds of Amendment”	the deeds of amendment entered into by the Company and each of the Noteholders dated 9 July 2019 in relation to the amendment of the Existing Promissory Notes
“Director(s)”	the director(s) of the Company
“Existing Promissory Note(s)”	the existing 2% promissory notes each in the aggregate outstanding principal amount of HK\$113,208,000 issued by the Company to each of the Noteholders due on 9 November 2020

“Great Select”	Great Select Global Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lee”	Mr. Lee Yim, the sole shareholder of Wide Select
“Mr. Ng”	Mr. Ng Hang Fai Calvin, the sole shareholder of Win All
“New Promissory Note(s)”	the 1% promissory notes each in the principal amount of HK\$113,208,000.00, issued by the Company to each of the Noteholders on 9 July 2019
“Noteholder(s)”	Win All and Wide Select
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Share(s)”	ordinary share(s) in the issued share capital of the Company
“Share Charges”	the legal charge granted by the relevant members of the Group as chargors in favour of the Noteholders as chargees on the Group’s 90% interest in Time Credit, 100% interests in Great Select and 100% interest in VT Zero
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Time Credit”	Time Credit Limited, a company incorporated in Hong Kong with limited liability and a 90%-owned subsidiary of the Company
“VT Zero”	VT Zero Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company

“Wide Select”	Wide Select Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“Win All”	Win All Management Limited, a company incorporated in the British Virgin Islands with limited liability
“%”	percent

For and on behalf of the Board
Cybernaut International Holdings Company Limited
Zhu Min
Chairman

Hong Kong, 9 July 2019

As at the date of this announcement, the executive Directors are Mr. Zhu Min, Dr. Chen Huabei, 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. Tong Yiu On, Mr. Li Yik Sang and Mr. Cao Ke.