

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**VOLUNTARY ANNOUNCEMENT
LETTER OF INTENT
IN RESPECT OF A PROPOSED ACQUISITION**

This announcement is a voluntary announcement made by Cybernaut International Holdings Company Limited (the “**Company**”).

THE LOI

The Board is pleased to announce that on 24 February 2020 (after trading hours), the Company as potential purchaser and Mr. Xiao as potential vendor entered into the LOI which sets out the principal terms and conditions of the Proposed Acquisition of not less than 51% interest in the Target Company to be set up. As a condition precedent of the Proposed Acquisition, Mr. Xiao shall procure that Hangzhou Xuhang will be wholly-owned by the Target Company.

As at the date of this announcement, Hangzhou Xuhang was held as to approximately 68.53% by two limited partnerships which are controlled by Mr. Xiao, as to approximately 1.88% by a fund company in which Mr. Zhu has indirect minority interest and the remaining equity interests are held by Independent Third Parties. To the best knowledge information and belief of the Board after making all reasonable enquiries, Mr. Xiao is third party independent of the Company and its connected persons (as defined under the Listing Rules).

PRINCIPAL TERMS OF THE LOI

Restructuring

As a condition precedent of the Proposed Acquisition, Mr. Xiao shall undergo a corporate restructuring by setting up the Target Company and procuring all the equity holders of Hangzhou Xuhang to transfer all their respective equity interests in Hangzhou Xuhang to the Target Company such that each of Hangzhou Xuhang and its subsidiaries will become a wholly-owned subsidiary of the Target Company upon completion of the restructuring.

Consideration

The consideration for the Proposed Acquisition will be determined based on the valuation on the Target Group to be valued by an independent valuer. The consideration and the payment method shall be further negotiated between the Company and Mr. Xiao and be determined in the Formal SPA.

Due diligence

Pursuant to the LOI, the Company may conduct due diligence review on, including but without limitation, the financial, legal affairs and business of the Target Group upon signing of the LOI. Mr. Xiao shall use his best endeavours to procure the Target Group and its agent to provide such assistance and information as is necessary for the Company to complete its due diligence on the Target Group.

Exclusivity period

During the Exclusivity Period, Mr. Xiao shall not directly or indirectly negotiate or agree with any other party with respect to the disposal of the Target Group.

Formal SPA

The Company and Mr. Xiao shall use their best endeavours to procure a legally binding formal sale and purchase agreement in relation to the Proposed Acquisition, i.e. the Formal SPA, within six months from the date of the LOI (or such other date as agreed between the Company and Mr. Xiao)

Termination

The LOI shall be terminated at the earlier of (i) the date of execution of the Formal SPA; or (ii) the expiry of the Exclusivity Period.

Binding effect

Save for clauses relating to the Exclusivity Period, confidentiality, damages, expenses, notice and governing law and jurisdiction, the LOI is not legally binding.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Group is primarily engaged in e-Commerce, e-Commerce solutions and related support services and selling of information technology products, provision of internet education services, money lending and sale of paper converting equipment and other relating equipment.

The main business scope of the Target Group includes new media marketing services, overseas DSP advertising promotion, cross-border e-commerce and domestic advertising promotion business. With over 100 contracted key opinion leaders on various platform such as Wechat public account, Toutiao, Tik Tok and Xiaohongshu etc, Hangzhou Xuhang's customer base includes PRC leading search engine companies, social media platforms, mobile advertising providers, PRC local government and plenty of well-established app developers. As at 31 December 2019, the Target Group have more than 130 million followers on various platform's accounts.

In order to maximise return to the Company and the Shareholders in the long run, the Directors consider that it is in the interest of the Company to enter into the LOI to explore the possibility of diversification of the business of the Group.

The Board is of the view that the Proposed Acquisition, if materialised, will enhance the business development of the Group in the e-commerce business and information technology industry given the business nature of the Target Group, which will be in the best interests of the Company and its shareholders as a whole.

GENERAL

The Proposed Acquisition contemplated under the LOI are subject to the parties entering into the Formal SPA and the relevant terms and conditions have not yet finalised and therefore may or may not materialise. Further announcement(s) will be made pursuant to the Listing Rules if and when necessary.

As the Proposed Acquisition may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Board”	the board of directors of the Company
“Exclusivity Period”	Twelve (12) months from the date of the LOI (or such other date as agreed between the Company and Mr. Xiao)
“Formal SPA”	the legally binding formal sale and purchase agreement to be entered into between the Company and Mr. Xiao
“Group”	the Company and its subsidiaries
“Hangzhou Xuhang”	杭州旭航網絡科技有限公司, a company incorporated in PRC with registered capital of RMB5 million
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and the connected persons of the Company in accordance with the Listing Rules

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LOI”	the non-legally binding letter of intent dated 24 February 2020 entered into between the Company and Mr. Xiao in respect of the Proposed Acquisition
“Mr. Xiao”	Mr. Xiao Tianhang, an executive director and an ultimate beneficial owner of Hangzhou Xuhang
“Mr. Zhu”	Mr. Zhu Min, the chairman of the Board and an executive Director
“PRC”	the People’s Republic of China which, for the purposes of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Acquisition”	the proposed acquisition of not less than 51% interest in the Target Company
“RMB”	Renminbi, the lawful currency of PRC
“Shares”	ordinary shares of nominal value of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	an offshore entity to be set up as an investment holding vehicle
“Target Group”	Hangzhou Xuhang and its subsidiaries

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

Hong Kong, 24 February 2020

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