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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)

INSIDE INFORMATION UPDATE ON BUSINESS OPERATIONS

This announcement is made by Cybernaut International Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Online education subsidiary business

Reference is made to the announcement of the Company dated 27 July 2021 in relation to the Opinions issued in July by the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council of the People’s Republic of China (PRC), on Further Reducing the Burden of Compulsory Education Students’ Homework and Off-campus Training* (《關於進一步減輕義務教育階段學生作業負擔和校外培訓負擔的意見》) (the “**Opinions**”), which regulates institutions offering tutoring on the school curriculum; and the Beijing Municipality’s Measures to Further Reduce the Burden of Homework and After-School Tutoring on Students in Compulsory Education in Beijing issued in August by the Beijing Municipality Government and the Beijing Municipal Committee of the Communist Party of China (together with the Opinion, as the “**New Regulations**”).

In light of the New Regulations and after seeking legal advice, the Company’s board (the “**Board**”) of directors (the “**Directors**”) has decided to make appropriate strategic adjustments to reallocate the resources in this business segment to ensure the compliance with the new policies under the Opinions and to cease the online after-school tutoring services for academic subjects included in China’s compulsory education system offered to Kindergarten to Year Nine (“**K-9**” or “**Compulsory Education**”) students in PRC by 京師沃學(北京)教育科技有限公司 Capital Wowxue (Beijing) Education Technology Limited (沃學 “**Wowxue**”). And Wowxue is under the arrangement of the VIE Agreements with 湖州公司 Huzhou Company, the wholly-owned subsidiary of IT online education business of the Company in China.

The Board expects that the cessation of the current online education services by Wowxue will have a material adverse impact on the Group's revenues for the financial year ending 31 December 2021 and the subsequent periods. It is expected that there might be significant impairment loss written off on the goodwill of the online education segment. In the meantime, the Group sees the opportunities in extracurricular tutoring for subjects such as arts, sports and coding programming as well as vocational education, as the society is giving more value to all-round development of the next generation. As at the date of this announcement, the Company have yet to identify any potential projects, but would continue to search for such business opportunities. The Company will make further announcement in accordance with the Listing Rules if any such investment project is identified.

eCommerce subsidiary business

Additionally, the Group's eCommerce business was also adversely affected in revenue, due to various reasons, including the continual absence of flights, health preventive measures etc. in different countries and customer behaviour change on preference of brand new smartphone purchase than the second-handed refurbished ones etc., higher costs for arrangements for containers and unexpected continual shortage for local logistic arrangements for delivery to the overseas customers during the Covid-19 pandemic in 2021.

The unexpected situations mentioned above, and the spread of the Covid-19 still continue affecting the globe economic activities and have posed higher downside risks of uncertainty to our Group. Based on the management accounts for the past nine months ended in September 2021, it is expected that the Group has dropped its overall revenue of approximately 55 per cent in comparison to that of last year. The Board would like to draw the attention of all stakeholders on our Group performance that the information contained in this announcement is only based on the Board's preliminary assessment of the subsidiaries' management accounts and the management accounts have not been reviewed by the Company's auditor. The annual results of the Group for the year ended 31 December 2021 is expected to be published in March 2022. Shareholders and potential investors of the Company are advised to read carefully the annual results announcement of the Company upon its publication.

Despite the foregoing, the Board considers that the overall financial position of the Group remains steady and healthy, and the Board will continue to adjust its business strategy to improve sales and reduce costs in the above segment business and to looking for business opportunities to broaden the source of income of the Group and enhance value to the shareholders. And the Board remains cautiously optimistic about the long-term prospects of the Group.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 28 December 2021

As at the date of this announcement, the executive Directors are Mr. Zhu Min, Dr. Chen Huabei, Mr. Lu Yongchao and Ms. Yip Sum Yu and the independent non-executive Directors are Mr. Cao Ke, Mr. Tong Yiu On and Mr. Li Yik Sang.