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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)

**MAJOR TRANSACTION
IN RELATION TO ACQUISITION OF 100% OF THE ISSUED SHARES IN
THE TARGET COMPANY
INVOLVING THE ISSUE OF CONSIDERATION SHARES
UNDER SPECIFIC MANDATE**

Financial adviser to the Company



**中毅資本有限公司
Grand Moore Capital Limited**

THE ACQUISITION

The Board is pleased to announce that on 9 February 2025, the Company, the Purchaser (a direct wholly-owned subsidiary of the Company) and the Seller entered into the Sale and Purchase Agreement, pursuant to which the Purchaser conditionally agreed to purchase, and the Seller conditionally agreed to sell, 100% of the issued shares in the Target Company at the Consideration of HK\$120,533,400. The Consideration is subject to the Price Adjustment but in any event will not be increased by more than HK\$40,000,000.

The Target Company, by virtue of the execution of the VIE Agreements by the Target WFOE with the PRC Operating Company and the Opco Registered Shareholders, can enjoy the economic benefits of the PRC Operating Company and can control the board and member's voting rights of the PRC Operating Company. Upon Completion, the Group will hold the entire issued share capital of the Target Company, such that the Target Company will become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the Company's financial statements.

The Consideration Shares will be allotted and issued pursuant to the Specific Mandate to be sought for approval by the Shareholders at the EGM. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

IMPLICATIONS OF THE LISTING RULES

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 25% and less than 100%, the Acquisition constitutes a major transaction of the Company under Rule 14.06 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

The EGM will be convened and held to consider and, if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including the granting of specific mandate for the allotment and issue of the Consideration Shares).

A circular containing, among other things, (i) further details of the Sale and Purchase Agreement and the transactions contemplated thereunder; (ii) financial information of the Target Group; (iii) the unaudited pro forma financial information of the Enlarged Group; and (iv) general information, is expected to be despatched by the Company to the Shareholders in accordance with Listing Rules on or before 28 February 2025.

Shareholders and potential investors of the Company should note that the Completion is subject to the satisfaction and/or, where applicable, waiver of the Conditions. As the Acquisition may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that on 9 February 2025, the Company, the Purchaser and the Seller entered into the Sale and Purchase Agreement, pursuant to which the Purchaser conditionally agreed to purchase, and the Seller conditionally agreed to sell, 100% of the issued shares in the Target Company.

THE ACQUISITION

The Sale and Purchase Agreement

<i>Date</i>	9 February 2025
<i>Parties</i>	(1) the Company (2) the Purchaser (a direct wholly-owned subsidiary of the Company) (3) the Seller

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, the Seller and its ultimate beneficial owners are third parties independent of the Company and its Connected Persons.

Asset to be acquired

Pursuant to the Sale and Purchase Agreement, the Purchaser conditionally agreed to purchase, and the Seller conditionally agreed to sell, 100% of the issued shares in the Target Company as at the date of this announcement.

The Consideration

Subject to any adjustment set out in the section headed “Earn-out” below (the “**Price Adjustment**”), the Consideration for the Acquisition is HK\$120,533,400, which would be settled by the allotment and issue of 1,205,334,000 Initial Consideration Shares by the Company at the Issue Price of HK\$0.10 per Initial Consideration Share to the Seller.

Earn-out

The Consideration is subject to the Price Adjustment set out below but shall in any event not be increased by more than HK\$40,000,000 taking into account the earn-out provisions below.

In the event that the audited net profit after tax as shown in the audited financial statements of the Target Group for the financial year ending 31 December 2025 is equal to or exceeds RMB15,000,000 (the “**Earn-out Condition**”), the Consideration shall be increased by HK\$40,000,000 (the “**Earn-out Consideration**”), which shall be satisfied by the further allotment and issue of 400,000,000 new Shares (the “**Earn-out Consideration Shares**”) by the Company to the Seller (or its nominee(s)) at the Issue Price.

In the event that the Earn-out Condition is not satisfied, the Company is not required to issue and allot any Earn-out Consideration Share to any person.

The Consideration (including the Earn-out Consideration) was determined after arm’s length negotiation between the Company and the Seller after considering the following factors: (i) the unaudited consolidated net profits after tax of the PRC Operating Company for the ten-month period ended 31 October 2024 in the amount of approximately RMB7.2 million; (ii) the unaudited consolidated net profits after tax of the PRC Operating Company for the trailing twelve months period ended 31 October 2024, being the period between 1 November 2023 and 31 October 2024, in the amount of approximately RMB8.2 million; (iii) the valuation assessment of 100% of the Target Group of approximately RMB111.6 million as at 31 October 2024 based on the market approach conducted by the Directors, details of which, including details of the assumptions, basis and methodology of the valuation, will be set forth in the circular to be despatched to the Shareholders in connection with, among others, the Acquisition; (iv) the Earn-out Consideration shall align the interest between the Enlarged Group and the Seller, as the Seller, despite not retaining direct ownership or title in the Target Company after Completion, has strong incentives to ensure the smooth and successful development of the Target Group because the Seller’s ability to receive the Earn-out Consideration depends on whether the Target Group could continue serving its existing customers and/or to secure additional or alternative customers, which would enable the Earn-out Condition to be satisfied; and (v) the factors as set out in the section headed “Reasons for and Benefits of the Acquisition”. Based on the above, the Directors are of the view that the Consideration (including the Earn-out Consideration) is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Consideration Shares

The Initial Consideration Shares

Upon Completion, the Company shall allot and issue the Initial Consideration Shares, being 1,205,334,000 new Shares, to the Seller (or its nominee(s)) at the Issue Price.

The Initial Consideration Shares represent (i) approximately 29.5% of the existing issued share capital of the Company as at the date of this announcement; (ii) approximately 22.8% of the issued share capital of the Company as enlarged by the allotment and issue of the Initial Consideration Shares; and (iii) approximately 21.2% of the issued share capital of the Company as enlarged by the allotment and issue of all the Consideration Shares.

The Earn-out Consideration Shares

Subject to the fulfilment of the Earn-out Condition, the Purchaser shall procure the Company to allot and issue the Earn-out Consideration Shares, being 400,000,000 new Shares, to the Seller (or its nominee(s)) at the Issue Price.

The Earn-out Consideration Shares represent (i) approximately 9.8% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 7.0% of the issued share capital of the Company as enlarged by the allotment and issue of all the Consideration Shares.

The Initial Consideration Shares and the Earn-out Consideration Shares will in aggregate represent (i) approximately 39.3% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 28.2% of the issued share capital of the Company as enlarged by the allotment and issue of all the Consideration Shares.

The Initial Consideration Shares and the Earn-out Consideration Shares will be allotted and issued pursuant to the Specific Mandate to be sought for approval by the Shareholders at the EGM, and shall rank *pari passu* in all respects with the Shares in issue on the respective dates of allotment and issue thereof.

The Issue Price

The Issue Price of HK\$0.10 per Consideration Share represents:

- (i) a premium of approximately 14.9% over the closing price of HK\$0.087 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 17.9% over the average closing price of HK\$0.0848 per Share as quoted on the Stock Exchange in the last five (5) consecutive trading days immediately prior to the date of the Sale and Purchase Agreement;

- (iii) a premium of approximately 45.1% over the average closing price of HK\$0.0689 per Share as quoted on the Stock Exchange in the last thirty (30) consecutive trading days immediately prior to the date of the Sale and Purchase Agreement; and
- (iv) a premium of approximately 233.33% over the unaudited consolidated net asset value of approximately HK\$0.03 per Share as at 30 June 2024 (based on the unaudited consolidated net asset value of the Group attributable to the Shareholders as at 30 June 2024 of approximately RMB111,975,000 (equivalent to approximately HK\$120,933,000) and 4,081,448,005 Shares in issue as at the date of this announcement).

The Company considers the Issue Price, which was determined after arm's length negotiation between the Purchaser and the Seller, to be fair and reasonable, having considered, among other things, the reasons for and benefits of the Acquisition as stated in the section headed "Reasons for and benefits of the Acquisition" in this announcement.

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares.

Conditions precedent

The Completion is conditional on, among other things:

- (a) the Purchaser is satisfied, at its sole discretion, with the results of the due diligence regarding the legal status, business, and financial condition of the Target Group;
- (b) the Target Group has obtained all necessary approvals, licenses, business permits, registrations, or filings from relevant government departments (including but not limited to the Licence) required to conduct all business operations (including but not limited to the Business) in accordance with the laws of the applicable jurisdiction, and such approvals, licenses, business permits, registrations, or filings are valid and in effect;
- (c) the Seller has obtained all necessary approvals, licenses, authorizations, registrations, or filings (including but not limited to approvals, licenses, authorizations, registrations, or filings from internal and relevant government departments) required to enter into and perform the Sale and Purchase Agreement and transactions contemplated thereunder, in accordance with the laws of the applicable jurisdiction, and such approvals, licenses, registrations, or filings are valid and in effect;
- (d) the Target Group has completed a corporate restructuring to the satisfaction of the Purchaser, including but not limited to (i) the Target WFOE and PRC Operating Company have entered into legally valid Contractual Arrangement with all Opco Registered Shareholders in accordance with the laws of the applicable jurisdiction to effectively control such licensed businesses and enjoy all economic benefits arising from the Business, and all VIE Agreements remain legal, valid, and binding on their respective parties under PRC law; (ii) the PRC legal advisers to the Purchaser have issued a legal opinion regarding the Contractual Arrangement, satisfactory to the Purchaser, which includes (but is not limited to) all legal opinions, confirmations, and recommendations required by paragraph 16 of the Guidance Letter; and (iii) the Target Group has obtained valid approvals, licenses, registrations, or filings from relevant government or regulatory authorities in any applicable jurisdiction in connection with such corporate restructuring;

- (e) there has not been any material adverse change in the shareholding of each Target Group Company (except for the sale and purchase of the issued shares in the Target Company under the Sale and Purchase Agreement), as well as their operational, financial, and transaction conditions;
- (f) the representations and warranties given by the Seller in the Sale and Purchase Agreement are true, accurate, complete and not misleading all respects, and that the Seller has not breached any of such representations and warranties in any way;
- (g) there are no laws, regulations, or government department rules, injunctions, or orders in any jurisdiction that prohibit (whether temporarily or permanently) or delay any transaction under the Sale and Purchase Agreement;
- (h) the Stock Exchange has not determined that the Sale and Purchase Agreement and the transactions contemplated thereunder constitute a “reverse takeover” (as defined in the Listing Rules);
- (i) the Stock Exchange has issued written approval for the listing of and permission to deal in the Consideration Shares on the Main Board of the Stock Exchange, and such written approval and permission have not been withdrawn;
- (j) the Company has published the announcement and the circular regarding the Sale and Purchase Agreement and the transactions contemplated thereunder in accordance with the requirements of Chapter 14 of the Listing Rules, and the Shareholders have passed a resolution in the EGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder; and
- (k) the Purchaser has obtained all necessary approvals, licenses, authorizations, registrations, or filings required to enter into and perform the Sale and Purchase Agreement and all transactions contemplated thereunder in accordance with the laws of the applicable jurisdiction (including but not limited to approvals, licenses, authorizations, registrations, or filings from internal and relevant government departments, but save as to conditions (i) and (j) above), and such approvals, licenses, registrations, or filings are valid and in effect.

Conditions (g) to (j) above cannot be waived by either party. The Purchaser may waive any of Conditions (a) to (f) above in writing from time to time. The Seller may waive Condition (k) above in writing from time to time. As at the date of this announcement, neither the Seller nor the Purchaser has expressed an intention to waive any of the Conditions.

If any Condition cannot be fulfilled or (if applicable) waived by the Long Stop Date, the Sale and Purchase Agreement shall terminate and neither party shall have any obligations and liabilities under the Sale and Purchase Agreement save for any antecedent breaches of the terms thereof.

Completion

Completion of the Acquisition shall take place on the fifth (5th) Business Day after all the Conditions have been fulfilled or waived or such other date as may be agreed between the Seller and the Purchaser.

Upon Completion, the Target Group will become indirect wholly-owned subsidiaries of the Company and therefore, the financial information of the Target Group will be consolidated into the consolidated financial statements of the Group. The Group, by virtue of the Contractual Arrangement, shall enjoy the economic benefits of the PRC Operating Company and can control the directorship and the voting rights of the registered equity owners of the PRC Operating Company.

Non-competition Undertaking

Pursuant to the terms of the Sale and Purchase Agreement, the Seller, Mr. KONG, CIPRUN Network Technology (Jiangsu) Co., Ltd.* (中細軟網路科技(江蘇)有限公司) (a company established in the PRC of which Mr. Kong is the registered owner of approximately 47.2% equity interest, “**Jiangsu CIPRUN**”), and CIPRUN GROUP CO., LTD.* (中細軟集團有限公司) (a wholly-owned subsidiary of Jiangsu CIPRUN which is also engaged in the provision of intellectual property related services in the PRC, “**CIPRUN Group**”) shall at Completion execute an undertaking to Target WFOE and the PRC Operating Company that each of Mr. Kong, the Seller, Jiangsu CIPRUN, CIPRUN Group and their respective subsidiaries shall:

- (a) refrain from soliciting or engaging with any existing clients served by the PRC Operating Company; and
- (b) direct to the PRC Operating Company:
 - (i) any online customer (whether new or existing) of any of them who enquires for any service covered by the Business to the extent such service relates to patent;
 - (ii) any offline customer (whether new or existing) of any of them who is based outside Guangdong Province and enquires for any service covered by the Business to the extent such service relates to patent; and
 - (iii) any new customer (whether online or offline) of any of them who enquires for any service covered by the Business to the extent such service does not relate to patent,

and the PRC Operating Company shall have the right of first refusal in respect of the provision of such services to such customers.

CONTINUING CONNECTED TRANSACTIONS UPON COMPLETION

Transactions with CIPRUN GROUP

The PRC Operating Company has entered into transactions, which comprised of (i) patent income and interest income from borrowed fund (the “**Services To CIPRUN**”) of approximately RMB544,000 and RMB2,474,000 for the year ended 31 December 2023 and the ten months ended 31 October 2024, respectively; and (ii) selling costs, administrative costs and trademark filing costs (the “**Services From CIPRUN**”) of approximately RMB2,165,000 and RMB4,275,000 for the year ended 31 December 2023 and the ten months ended 31 October 2024, respectively, with various subsidiaries of CIPRUN Group, a company indirectly owned as to approximately 47.2% by Mr. Kong who will become a substantial shareholder of the Company upon Completion and will therefore become a connected person of the Company upon Completion, in the ordinary and usual course of business.

These transactions are expected to continue after the Completion but are anticipated to decrease in volume over time. This reduction aims to facilitate greater operational independence from the connected person, thereby strengthening the PRC Operating Company’s ability to operate autonomously after becoming part of the Enlarged Group.

Upon Completion, these transactions will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As at the date of this announcement, it is expected that the highest of the applicable percentage ratios in respect of the proposed aggregated annual caps for the Services To CIPRUN and the Services From CIPRUN under Rule 14.07 of the Listing Rules will not exceed 25% and the total consideration is less than HK\$10,000,000. Accordingly, the transactions thereunder will be subject to the reporting, annual review, announcement but exempt from the circular and independent Shareholders’ approval requirements under Rule 14A.76(2)(b) of the Listing Rules.

Further announcement(s) will be made by the Company in respect of the Services To CIPRUN and the Services From CIPRUN in compliance with the requirements under Chapter 14A of the Listing Rules as and when appropriate.

INFORMATION ABOUT THE PARTIES

Information of the Group and the Purchaser

The Group is principally engaged in eCommerce, money lending and internet education services.

The Purchaser is an investment holding company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Company.

Information of the Seller

The Seller is an exempted company incorporated in the Cayman Islands with limited liability. The Seller is principally engaged in investment holding, and is directly owned as to approximately 73.4% by CIPRUN International (which is in turn directly owned by Mr. Kong as to approximately 60.6%) and as to approximately 26.6% by other minority shareholders.

CIPRUN Group, a wholly-owned subsidiary of Jiangsu CIPRUN which Mr. Kong is the registered owner of approximately 47.2% equity interest, is recognised as one of the largest IP services providers in the PRC. CIPRUN Group was established in 2002 and specialises in intellectual property (IP) services, with a team of over 1,000 professionals. As an innovative technology service platform connecting the global innovation economy, CIPRUN Group is dedicated to fueling innovation worldwide. CIPRUN Group offers services across four main areas: IP rights confirmation, trading, management, and finance, aiming to provide systematic solutions and information services for global technological innovation through internet technology and other means. CIPRUN Group's vision is to become the largest innovative technology service platform in the world, and its mission is to promote global innovation. CIPRUN Group actively participates in various industry activities, has received numerous accolades, and is committed to providing professional and systematic IP services to its clients.

Information of the Target Group

Principal business of the Target Company

The Target Company is a company incorporated in the British Virgin Islands on 4 November 2024 and is principally engaged in investment holding. As at the date of this announcement, the Target Company is a direct wholly-owned subsidiary of the Seller and the sole legal and beneficial owner of all issued shares in the Target HK Company. The Target Company has not recorded any profits as it has no business operation since its incorporation.

Principal business of the Target HK Company

The Target HK Company is a private company incorporated in Hong Kong on 18 November 2024 and is principally engaged in investment holding. As at the date of this announcement, the Target HK Company is a direct wholly-owned subsidiary of the Target Company and the sole registered owner of the equity interest in the Target WFOE. The Target HK Company has not recorded any profits as it has no business operation since its incorporation.

Principal business of the Target WFOE

The Target WFOE is a wholly foreign-owned enterprise established in the PRC on 29 November 2024 and is principally engaged in investment holding. As at the date of this announcement, the Target WFOE is a direct wholly-owned subsidiary of the Target HK Company and, by virtue of the Contractual Arrangement, enjoys the economic benefits of the PRC Operating Company and can control the directorship and the voting rights of the registered equity owners of the PRC Operating Company. The Target WFOE has not recorded any profits as it has no business operation since its establishment.

Principal business of the PRC Operating Company

As at the date of this announcement, the PRC Operating Company is a limited company established in the PRC on 9 February 2023, holds the Licence and principally operates through its website the Business which covers (i) patent agency services covered by the Licence; (ii) trademark and copyright agency services, including trademark and/or copyright application preparation, filing, IP management and maintenance; and (iii) other IP related services.

Financial information of the PRC Operating Company

Set out below are the unaudited financial information of the PRC Operating Company prepared in accordance with HKFRS from the date of incorporation up to 31 December 2023 and the ten months period ended 31 October 2024:

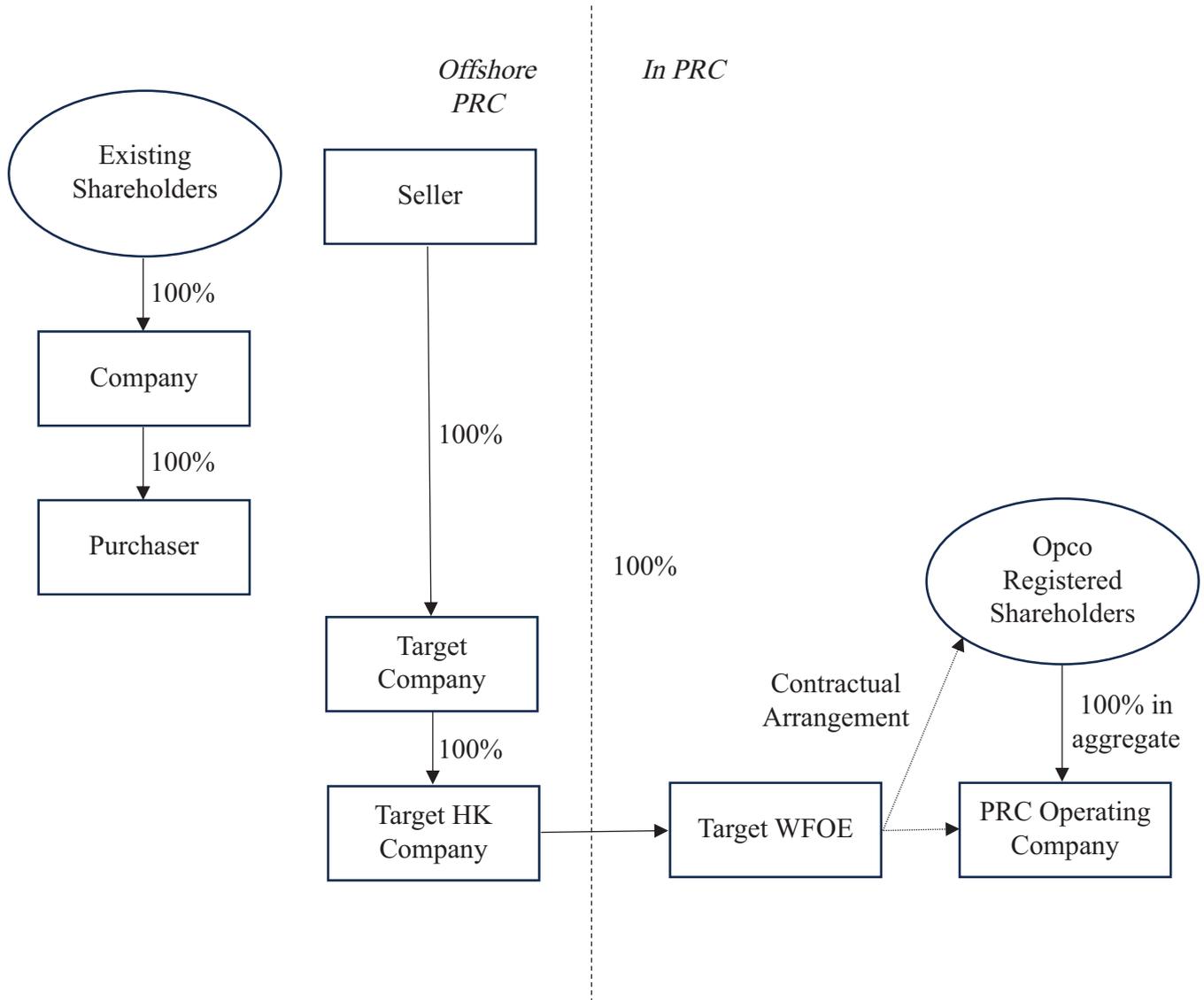
	From the date of incorporation up to 31 December 2023 (unaudited) RMB'000	For the ten months period ended 31 October 2024 (unaudited) RMB'000
Revenue	8,685	22,753
Profit before taxation	852	9,641
Profit after taxation	809	7,231
Net assets as at the year/period end	809	7,512

By virtue of the Contractual Arrangement, the Target Company has indirect control over the PRC Operating Company and enjoys all actual or potential economic interests and benefits of the PRC Operating Company, and the PRC Operating Company will be accounted as subsidiary of the Target Company and the financial results of the PRC Operating Company shall be consolidated into the accounts of the Target Company.

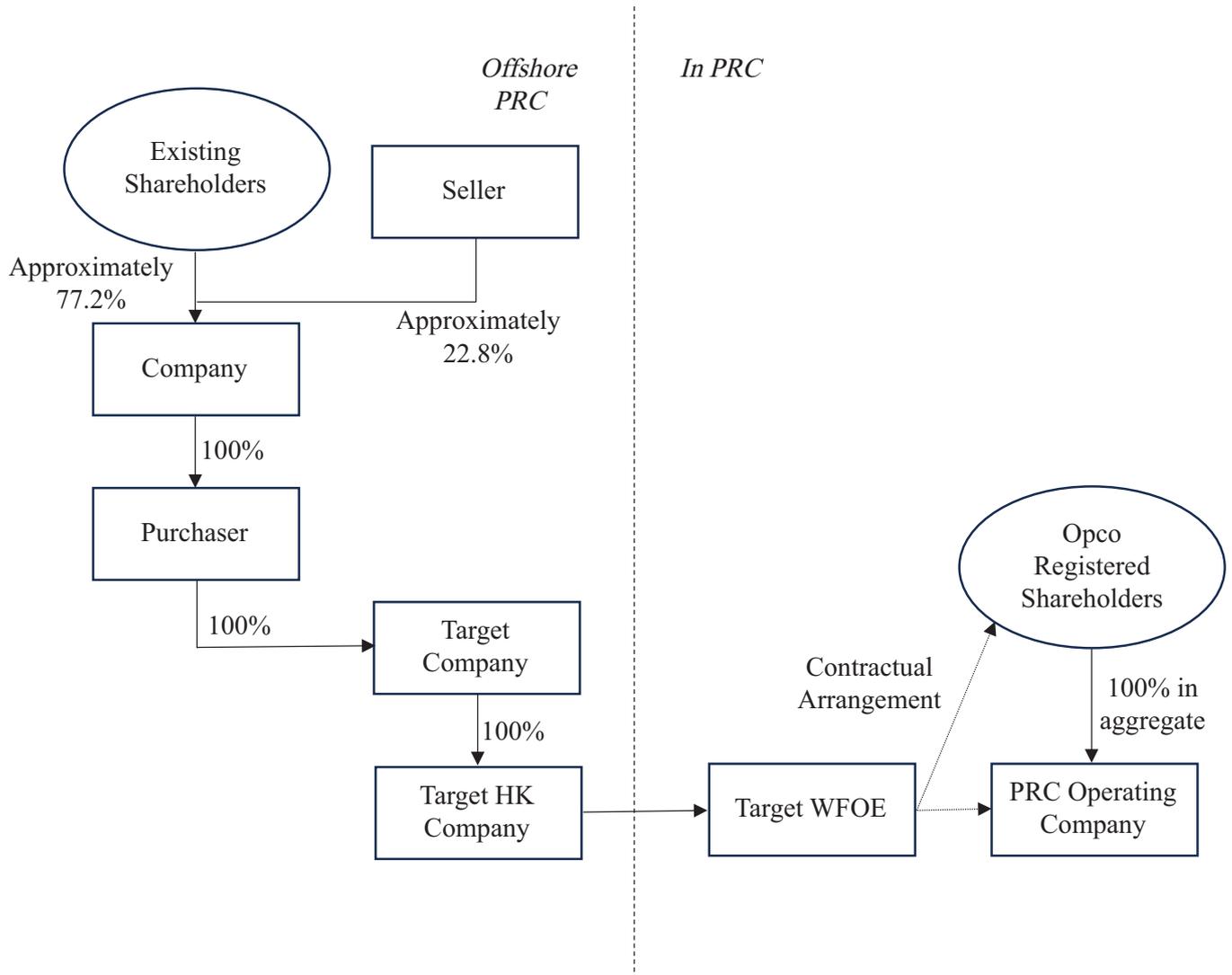
To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Seller and its ultimate beneficial owners (if applicable) are third parties independent of the Company and its Connected Persons.

Shareholding structure of the Target Group

The following diagram sets forth the shareholding structure of the Target Group as at the date of this announcement:



The following diagram sets forth the shareholding structure of the Target Group immediately upon Completion:



REASONS FOR AND BENEFITS OF THE ACQUISITION

The PRC Operating Company is a specialised technology service platform dedicated to enhancing China's innovation ecosystem by providing comprehensive solutions in intellectual property (IP) asset management and maintenance. Established in alignment with national policies of the PRC to strengthen its IP capabilities, the platform integrates "Internet + Big Data + Technological Innovation", prominently featuring the use of artificial intelligence (AI) and metaverse technologies to offer a one-stop service for the creation, transaction, protection, and management of IP assets. It combines business operations focused on IP confirmation, transactions, rights protection, and financial services with advanced technologies including AI and blockchain. The platform is divided into two layers: the upper layer, which involves business processes including intellectual property confirmation, transactions, rights protection, and finance; and the lower layer, which encompasses technology streams including intellectual property technology, artificial intelligence, blockchain, cloud services, and big data.

According to a report by Jazzyear in 2023, the PRC technology service market is experiencing significant growth, with a compound annual growth rate ("CAGR") of 14% anticipated over the next five years commencing 2023. This growth is driven by escalating demand across key sectors such as new-generation information technology, biotechnology, and renewable energy, where companies are increasingly seeking advanced services to enhance efficiency and foster innovation. Currently, approximately 98.9% of technology enterprises express a need for such services, with over 60% being small to medium-sized firms.

According to the National Bureau of Statistics (國家統計局) of the PRC, China's investment in research and development has demonstrated a significant increase, with total expenditure rising from approximately RMB2,214.4 billion in 2019 to approximately RMB3,335.7 billion in 2023, representing a CAGR of approximately 8.5%. Additionally, the number of patent applications has increased significantly from approximately 4.4 million in 2019 to approximately 5.6 million in 2023, representing a CAGR of approximately 4.9%.

According to the 2024 National Intellectual Property Service Industry Statistical Survey Report, published by the China National Intellectual Property Administration (CNIPA) in September 2024, the PRC IP service market has experienced notable quantitative growth, generating approximately RMB285 billion in revenue in 2023, which reflects a 5.6% increase from the previous year. By the end of 2023, there were about 89,000 IP service providers in China, including 5,269 patent agencies and 35,712 trademark agencies, marking a year-on-year increase of 2.9%. The industry employed around 984,000 practitioners, a 1.5% increase from the prior year, with 34,396 registered patent agents, reflecting a 9.7% rise. Geographic coverage of IP service institutions has improved, with services available in 89.6% of prefecture-level administrative areas. Notably, 64.9% of service providers offer at least two types of IP services, and 13.4% provide more than three types. In 2023, the number of patent applications handled by patent agencies accounted for 90.6% of all domestic patent applications, a significant increase of 9.1% over the previous year. The agency rate for invention patent applications reached 94.4%, an increase of 4.7% over the previous year.

The Directors believe that the Acquisition would bring significant strategic advantages for the Group, particularly by enhancing its overall product/service offerings in the rapidly evolving digital landscape in the Group's eCommerce business. By integrating the PRC Operating Company's expertise in IP, the Group can better support its existing and/or potential clients in navigating the complexities of IP management, thereby creating additional value for the Group's customers which would hopefully expand the Group's customer base.

Moreover, by leveraging the expertise of the PRC Operating Company in IP management, the Group could substantially improve its compliance with relevant IP laws and regulations. This not only reduces potential legal risks but also strengthens the overall brand value, and instills greater confidence among consumers and stakeholders.

The Acquisition also presents an opportunity for product/service diversification, enabling the Group to expand its offerings to include a broader range of solutions such as IP consulting, registration services, and strategic advice on IP management. This diversification can attract new clients seeking comprehensive support for their IP needs and create valuable cross-selling opportunities with the Group's existing customer base, thus enhancing overall revenue streams.

Furthermore, integrating IP services into the Group's operations can drive innovation in its eCommerce offerings. By providing robust support for the development of unique products and solutions, the Company can differentiate itself in a crowded marketplace. This focus on innovation not only enhances the product portfolio but also positions the Company for sustainable growth and long-term competitiveness, ensuring it remains flexible and responsive to market trends and consumer demands.

Accordingly, the Directors are of the view that the Acquisition are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 4,081,448,005 Shares in issue. The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the allotment and issue of the Initial Consideration Shares (assuming there is no further change to the share capital and the shareholding structure of the Company between the date of this announcement and the date of Completion; and (iii) immediately after the allotment and issue of the Second Consideration Shares (assuming, other than the issue of the Initial Consideration Shares, there is no further change to the share capital and the shareholding structure of the Company between the date of Completion and the date of the issue of the Earn-out Consideration Shares):

Shareholders	As at the date of this announcement		Immediately after the allotment and issue of the Initial Consideration Shares		Immediately after the allotment and issue of the Earn-out Consideration Shares	
	No. of Shares	% (note 2)	No. of Shares	% (note 2)	No. of Shares	% (note 2)
Zhu Min (note 1) Seller	990,284,000	24.3	990,284,000	18.7	990,284,000	17.4
Other public shareholders	–	–	1,205,334,000	22.8	1,605,334,000	28.2
	3,091,164,005	75.7	3,091,164,005	58.5	3,091,164,005	54.4
Total	4,081,448,005	100.0	5,286,782,005	100.0	5,686,782,005	100.0

Note:

- Mr. Zhu Min is a Director. The Shares are held through his controlled corporation, namely Cybernaut International Limited.
- The percentage figures in this table are subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding it.

Upon Completion, the Seller (or its designated third party) will become a substantial Shareholder, holding approximately 22.8% of the issued share capital of the Company as enlarged by the allotment and issue of the Initial Consideration Shares (assuming there will be no further change in the share capital of the Company prior to the Completion).

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 25% and less than 100%, the Acquisition constitutes a major transaction of the Group under Rule 14.06 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

The EGM will be convened and held to consider and, if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including the granting of specific mandate for the allotment and issue of the Consideration Shares).

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder or any of their respective close associates have a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and is required to abstain from voting at the EGM for approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Sale and Purchase Agreement and the transactions contemplated thereunder; (ii) financial information of the Target Group; (iii) the unaudited pro forma financial information of the Enlarged Group; and (iv) general information, is expected to be despatched by the Company to the Shareholders in accordance with Listing Rules on or before 28 February 2025.

Shareholders and potential investors of the Company should note that Completion is subject to the satisfaction and/or, where applicable, waiver of the Conditions. As the Acquisition may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Acquisition”	the acquisition of 100% of the issued shares in the Target Company by the Purchaser from the Seller, as contemplated under the Sale and Purchase Agreement
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday and other general holidays in Hong Kong) on which licensed banks in Hong Kong are generally open for business
“Business”	the respective scopes of business permitted to operated by the PRC Operating Company in the PRC under its business licence (營業執照) and the Licence
“CIPRUN International”	CIPRUN International Limited, a company incorporated in the British Virgin Islands with limited liability, the shareholder of the Seller as to approximately 73.4%
“Company”	Cybernaut International Holdings Company Limited (stock code: 1020), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“Completion”	completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement
“Conditions”	the conditions precedent to the sale and purchase of the issued shares in the Target Company set out in the Sale and Purchase Agreement
“Connected Person(s)”	has the same meaning as ascribed thereto under the Listing Rules
“Consideration”	the consideration of HK\$120,533,400, which may be increased by the Earn-out Consideration of HK\$40,000,000 if the Earn-out Condition is satisfied, for the Acquisition
“Consideration Shares”	up to 1,605,334,000 new Shares (being the aggregate of the Initial Consideration Shares and the Earn-out Consideration Shares) to be allotted and issued by the Company to satisfy the Consideration in accordance with the Sale and Purchase Agreement
“Contractual Arrangement”	the contractual arrangement among the Target WFOE, the PRC Operating Company and the Opco Registered Shareholders constituted by the VIE Agreements

“Director(s)”	the directors of the Company
“Earn-out Consideration Shares”	a total of 400,000,000 Consideration Shares, subject to the fulfillment of the provisions as mentioned in the paragraph headed “Earn-out”, to be allotted and issued at the Issue Price, credited as fully paid, to the Seller (or its nominee(s)) pursuant to the Sale and Purchase Agreement
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Consideration Shares under the Specific Mandate)
“Enlarged Group”	the enlarged group comprising the Group and the Target Group after Completion
“Equity Pledge Agreement”	the equity pledge agreement dated 7 February 2025 entered into among the Target WFOE, the PRC Operating Company and the Opco Registered Shareholders as part of the VIE Agreements
“Group”	the Company and its subsidiaries
“Guidance Letter”	the Guidance Letter HKEX-GL77-14 issued by the Stock Exchange, as amended and re-issued from time to time
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a third party independent of the Company and its connected persons
“Initial Consideration Shares”	a total of 1,205,334,000 Consideration Shares to be allotted and issued at the Issue Price, credited as fully paid, to the Seller (or its nominee(s)), on the date of Completion, pursuant to the Sale and Purchase Agreement
“IP”	intellectual property
“Irrevocable Option Agreement”	the irrevocable option agreement dated 7 February 2025 entered into among the Target WFOE, the PRC Operating Company and the Opco Registered Shareholders as part of the VIE Agreements
“Issue Price”	HK\$0.10 per Consideration Share

“Last Trading Day”	7 February 2025, being the last full trading day for the Shares prior to the date of the Sale and Purchase Agreement
“Licence”	the patent agency practice license* (專利代理機構執業許可證) granted by China National Intellectual Property Administration to the PRC Operating Company authorising the PRC Operating Company to conduct patent agency services
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the date falling four months after the date of the Sale and Purchase Agreement (i.e. 10 June 2025), or such other date as agreed in writing by the parties to the Sale and Purchase Agreement
“Management Services Agreement”	the management services agreement dated 7 February 2025 entered into among the Target WFOE, the PRC Operating Company and the Opco Registered Shareholders as part of the VIE Agreements
“Mr. Kong”	Mr. KONG Junmin (孔軍民), the shareholder of CIPRUN International as to approximately 60.6% who is also the registered owner of approximately 47.2% equity interest in the registered capital of Jiangsu CIPRUN
“Opco Registered Shareholders”	the registered holders of the equity interest in the PRC Operating Company
“Power of Attorney”	the power of attorney dated 7 February 2025 executed by the directors of the PRC Operating Company, the Opco Registered Shareholders and the legal representative of the PRC Operating Company to appoint the Target WFOE as its/their attorney-in-fact as part of the VIE Agreements
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Operating Company”	Beijing Niu Si Baba Intellectual Property Agency Co., Ltd.* (北京牛思巴巴知識產權代理有限公司), a company incorporated in the PRC with limited liability
“Price Adjustment”	the price adjustment mechanism to the Consideration as further set out in the paragraph headed “Earn-out” of this announcement

“Purchaser”	Cybernaut Technology Development Limited, a company incorporated in the British Virgin Islands with limited liability, and a direct wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the share sale and purchase agreement dated 9 February 2025 entered into by the Company, the Purchaser and the Seller, in relation to the Acquisition
“Seller”	CIPRUN.LTD, an exempted company incorporated in the Cayman Islands with limited liability
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	a specific mandate to be sought from the Shareholders at the EGM to allot and issue the Consideration Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Newsbaba LTD, a BVI business company incorporated in the British Virgin Islands with limited liability, which indirectly controls the PRC Operating Company through the VIE arrangements
“Target HK Company”	Newsbaba Technology Limited (牛思巴巴科技有限公司), a private company incorporated in Hong Kong with limited liability, a direct wholly-owned subsidiary of the Target Company and the sole registered owner of the equity interest in of the Target WFOE
“Target Group”	collectively, the Target Company, the Target HK Company, the Target WFOE and the PRC Operating Company, and “Target Group Company” means any one of them
“Target WFOE”	Suzhou Niu Si Baba Technology Co., Ltd.* (蘇州牛思巴巴科技有限公司), a direct wholly-owned subsidiary of the Target HK Company and a wholly foreign-owned enterprise established in the PRC

“Undertaking Letters”	the undertaking letters each dated 7 February 2025 executed by the directors of the PRC Operating Company, the Opco Registered Shareholders and the legal representative of the PRC Operating Company as part of the VIE Agreements
“VIE”	variable interest entity
“VIE Agreements”	a series of agreements, including but not limited to the Management Services Agreement, the Equity Pledge Agreement, the Irrevocable Option Agreement, the Power of Attorney and the Undertaking Letters, executed for the purpose of establishing the variable interest entity arrangement among the Target WFOE, the PRC Operating Company and the Opco Registered Shareholders
“%”	per cent.

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

Hong Kong, 9 February 2025

* *For Identification purposes only*

For the purpose of this announcement and for illustrative purpose only, unless otherwise indicated, conversions of RMB to HK\$ are based on the exchange rate of RMB1.00 = HK\$1.08. No representation is made that any amounts in HK\$ or RMB can be or could have been converted at the relevant dates at the above rate or at any other rates or at all.

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