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**IBO TECHNOLOGY COMPANY LIMITED**

**艾伯科技股份有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2708)**

**SUPPLEMENTAL ANNOUNCEMENT  
DISCLOSEABLE TRANSACTION IN RELATION TO  
THE ACQUISITION OF 51.7321% OF THE ISSUED SHARE CAPITAL OF  
THE TARGET COMPANY  
INVOLVING ISSUE OF CONSIDERATION SHARES  
UNDER GENERAL MANDATE**

Reference is made to the announcement dated 13 September 2018 (the “**Announcement**”) of IBO Technology Company Limited (the “**Company**”) in relation to the acquisition of 51.7321% of the issued share capital of the Target Company involving issue of Consideration Shares. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

**SUPPLEMENTAL AGREEMENT**

Upon further arm’s length negotiations, the Board announces that on 20 September 2018 (after trading hours), the Purchaser, Vendor I, the Target Company, Weituo Group and Mr. Ke entered into a supplemental agreement to the First Sale and Purchase Agreement (the “**Supplemental Agreement**”) to revise and clarify certain formula of the adjustment mechanism regarding the Consideration Shares.

Pursuant to the Supplemental Agreement, the adjustment mechanism in respect of the number of Consideration Shares to be issued in relation to the aggregate of the First Year Actual Profit, the Second Year Actual Profit and the Third Year Actual Profit was revised as follows:

“If the aggregate of the net profit/loss set out in the audited accounts of the Target Group in the First Financial Year (the “**First Year Actual Profit/Loss**”), the net profit/loss set out in the audited accounts of the Target Group in the Second Financial Year (the “**Second Year Actual Profit/Loss**”) and the net profit/loss set out in the audited accounts of the Target Group in the Third Financial Year (the “**Third Year Actual Profit/Loss**”) is not less than

the aggregate of the First Year Guaranteed Profit, the Second Year Guaranteed Profit and the Third Year Guaranteed Profit i.e. RMB55,000,000, the Purchaser shall procure the Company to allot and issue the Consideration Shares to Vendor I, the number of which shall be calculated according to the following formula:

$$SD = \frac{(V \times 47\% - CC) \times E}{SP} - SA$$

where

SD means the remainder of Consideration Shares to be issued by the Company

V means the Valuation

CC means the Cash Consideration

SP means the Issue Price

E means the Exchange Rate

SA means the Consideration Shares already issued

If the aggregate of the First Year Actual Profit/Loss, the Second Year Actual Profit/Loss and the Third Year Actual Profit/Loss is less than the aggregate of the First Year Guaranteed Profit, the Second Year Guaranteed Profit and the Third Year Guaranteed Profit i.e. RMB55,000,000, the Purchaser shall procure the Company to allot and issue the Consideration Shares to Vendor I, the number of which shall be calculated according to the following formula:

$$SD = \frac{(V \times 47\% - CC) \times E}{SP} \times \frac{AP}{GP} - SA$$

where

SD means the remainder of Consideration Shares to be issued by the Company, which shall be deemed to be nil in case of the number being negative

V means the Valuation

CC means the Cash Consideration

SP means the Issue Price

E means the Exchange Rate

AP means the aggregate of the First Year Actual Profit/Loss, the Second Year Actual Profit/Loss and the Third Year Actual Profit/Loss, which shall be deemed to be nil in case of the aggregate sum being negative

GP means the aggregate of the First Year Guaranteed Profit, the Second Year Guaranteed Profit and the Third Year Guaranteed Profit

SA means the Consideration Shares already issued”

Save for the above, the formulas for the adjustment mechanism in respect of the number of Consideration Shares to be issued by the Company in each of (i) the First Financial Year; (ii) the Second Financial Year; and (iii) the Third Financial Year shall remain unchanged.

Pursuant to the Supplemental Agreement, for the avoidance of doubt, notwithstanding any terms contained in the First Sale and Purchase Agreement and the Supplemental Agreement, the maximum number of Consideration Shares to be issued by the Company shall not exceed 27,318,773 new Shares.

The Consideration Shares will be allotted and issued under the General Mandate. The Directors were authorised to allot and issue up to 80,000,000 new Shares pursuant to the General Mandate. Up to the date of this announcement, no Shares have been issued under the General Mandate. Accordingly, the issue of the Consideration Shares is within the limit of the General Mandate and is not subject to approval by the Shareholders.

Save for the above, all other terms of the First Sale and Purchase Agreement shall remain in force and legally binding.

Further to the information disclosed in the section headed “REASONS FOR AND BENEFITS OF THE ACQUISITIONS” and information in relation to the Consideration I and Consideration II (collectively, the “**Consideration**”) in the Announcement, the Board wishes to provide Shareholders and potential investors of the Company with the following supplementary information.

#### **BOARD’S ASSESSMENT OF THE CONSIDERATION**

Substantial investments in research and development of technology have been made by Weitu Technology and Yunwei Network and the financial performance of Weitu Group has been improving.

Based on the unaudited management accounts of Weitu Group for the three months ended 30 June 2018 (the “**Period**”), it recorded a net profit after tax of approximately RMB1.3 million for the Period.

Other than the financial performance of the Target Group, in determining the Consideration, the Company has made reference to, among other things, the draft valuation report (the “**Valuation Report**”) prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited by adopting the market approach. Given (i) the characteristics of the business of the Target Group; and (ii) the cost method not being able to directly reflect the economic benefits derived from the business of the Target Group, the Company is of the view that the valuation methodology is appropriate to reflect the true value of the Target Group.

In view of (i) Weitu Group’s significantly improved financials; (ii) the profit guarantee mechanism as set out in the section headed “Profit guarantee” in the Announcement; (iii) the potential business prospects of the Target Group and synergies stated below; (iv) the legal due diligence performed by a third party professional entity; and (v) the Valuation Report, the Board is cautiously optimistic about the potential business prospects of Weitu Group and is of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **POTENTIAL BUSINESS PROSPECTS AND SYNERGIES TO BE DERIVED FROM THE BUSINESS OF THE TARGET GROUP**

Weitu Group has been recognised with numerous awards, including Certificate for Recognised Software Enterprise (軟件企業認定證書) and Certificate for Recognised Software Products (軟件產品認定證書). Weitu Group has also established a large and diversified client base covering government departments, state-owned holding enterprises, state-owned enterprises, listed companies and private enterprises, etc.

The Board considers that the Acquisitions would create cross-selling opportunities as the Company and Weitu Group both target same group of clients serving government departments, enterprises and institutions. It is expected that the Company and Weitu Group could introduce customers to each other with expanded client base and synergistic effects. The Company can also provide ancillary services to the existing clients of Weitu Group to strengthen its client base. Therefore, strengthening and expanding the Company's client base are the benefits that could be brought to the Company from the Acquisitions.

Weitu Group also has a professional team comprising 28 professionals experienced in research and development of geographic information system in over 26 subfields mentioned in the Announcement. The Acquisitions would enable the Company and Weitu Group to provide more comprehensive solutions to their customers as their solutions could be consolidated with increased competitiveness and higher profit margin.

In view of the abovementioned benefits that are expected to be brought to the Company from the Acquisitions, including the business prospects and the business synergies, the Board regards that the Acquisitions are in the interests of the Company and the Shareholders as a whole.

By order of the Board  
**IBO Technology Company Limited**  
**Lai Tse Ming**  
*Chairman*

Hong Kong, 21 September 2018

*As at the date of this announcement, the executive Directors are Mr. Lai Tse Ming, Mr. Gao Weilong, Mr. Teng Feng, Mr. Yu Kin Keung, and Mr. Lyu Huiheng; and the independent non-executive Directors are Dr. He Tianxiang, Dr. Wong Kwok Yan, and Mr. Hung Muk Ming.*