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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)

**VOLUNTARY ANNOUNCEMENT —
THE ACQUISITION OF 15% OF THE ISSUED SHARE CAPITAL OF
THE TARGET COMPANY**

This is a voluntary announcement made by the Company.

The Board is pleased to announce that on 17 April 2019 (after trading hours), Wonderful Splendor (as the Purchaser), a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with Assemble Bliss (as the Vendor) and Mr. Li (as the Guarantor), pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing 15% of the issued share capital of the Target Company.

This is a voluntary announcement made by the Company.

Reference is made to the Company's announcement dated 5 March 2019 in relation to a non-legally binding letter of intent entered into between the Company and the Vendor regarding a possible acquisition of non-controlling interest in the Target Company.

The Board is pleased to announce that on 17 April 2019 (after trading hours), Wonderful Splendor (as the Purchaser), a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with Assemble Bliss (as the Vendor) and Mr. Li (as the Guarantor), pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing 15% of the issued share capital of the Target Company.

Major terms of the Sale and Purchase Agreement are set out below.

SALE AND PURCHASE AGREEMENT

Date

17 April 2019 (after trading hours)

Parties

Vendor : Assemble Bliss

Purchaser : Wonderful Splendor

Guarantor : Mr. Li

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor and its ultimate beneficial owners and the Guarantor are Independent Third Parties.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase 15% of the issued share capital of the Target Company.

Consideration

The Consideration shall be RMB22,470,000 (equivalent to approximately HK\$26,265,183) and will be paid in cash by the Purchaser to the Vendor.

The Consideration will be funded by the internal resources of the Group.

Board's Assessment of the Consideration

The Consideration for the Sale Shares was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms after taking into account, among other things, (i) the potential business prospects of the Target Group with anticipating growing customer needs as indicated by the outlook of PRC education market; (ii) the preliminary valuation of the PRC Target Company held by the Target Group, as conducted by an independent valuer, being RMB149,800,000; and (iii) the reasons for and benefits of the Acquisition as set out in the below section headed "the Reasons for and Benefits of the Acquisition".

In view of the above factors, the Board is cautiously optimistic about the potential business prospects of the Target 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.

Payment and completion schedule

Pursuant to the terms of the Sale and Purchase Agreement, the Consideration will be paid in the following manner:

- (1) the Purchaser shall pay the Vendor a cash deposit of RMB17,976,000 (equivalent to approximately HK\$21,012,146) (the “**Deposit**”) on the date of the Sale and Purchase Agreement and the Deposit shall be considered as part of the payment of the Consideration upon completion of the Acquisition; and
- (2) the Purchaser shall pay the Vendor the remaining balance of RMB4,494,000 (equivalent to approximately HK\$5,253,037) of the Consideration in cash on the Completion Date, being the fifth Business Day after fulfilment or wavier of all the Conditions Precedent or such later date as the parties thereto may otherwise agree in writing.

Conditions Precedent

The payment of the Consideration to the Vendor by the Purchaser is conditional upon satisfaction and/or waiver by the Purchaser of the following conditions:

- (a) the Purchaser, its agents or professional advisers having performed the due diligence review (in relation to legal, accounting, finance, business, operation or any other matters, which in the Purchaser’s opinion are important) of the Target Group and the results of which being satisfactory to the Purchaser;
- (b) the independent valuer appointed by the Purchaser having issued the valuation report of the PRC Target Company and the valuation of which stated therein being not less than RMB 149,800,000;
- (c) the corporate reorganisation, which is approved by the shareholders of the PRC Target Company and the Purchaser, having been completed by the Target Group (the “**Reorganisation**”);
- (d) the PRC Target Company having successfully transferred its business under restricted and prohibited categories of the Guidance Catalogue of Industries for Foreign Investment to the Chinese-funded Enterprise;
- (e) the Vendor having obtained all necessary permissions and approvals (including but not limited to the ICP License) relating to the transactions contemplated under the Sale and Purchase Agreement, and completed relevant registration procedures in accordance with all applicable laws and regulations;
- (f) the Vendor having obtained all consents from the relevant third parties for the transactions contemplated under the Sale and Purchase Agreement (if necessary); and
- (g) upon the completion of the Acquisition, the representations, warranties and undertakings by the Vendor under the Sale and Purchase Agreement remaining true, accurate, complete and not misleading or having been violated, and there having been no event or situations leading to any material adverse changes.

The Purchaser may from time to time waive the above Conditions Precedent in writing (except for (e) & (f)). If any of the above Conditions Precedent cannot be satisfied or waived by the Long Stop Date or any later date as the Purchaser, the Vendor and the Target Group may agree in writing, and without affecting the liabilities of any party to another party to the Sale and Purchase Agreement for any antecedent breach of any terms thereof, the Sale and Purchase Agreement and any matters contained therein and the rights and obligations of the parties thereto shall be of no effect from the date following the Long Stop Date (except for the clauses regarding confidentiality, effectiveness and governing law and jurisdiction). Under this circumstance, the Vendor shall forthwith refund the Deposit in full to the Purchaser.

INFORMATION ON THE GROUP, THE VENDOR AND THE TARGET GROUP

The Company

The Group, including Wonderful Splendor, is principally engaged in the provision of comprehensive IoT intelligent terminal product applications and solutions services in the PRC. The Group's businesses can be categorised into four segments, namely (i) system integration; (ii) intelligent terminal products sales; (iii) software development; and (iv) system maintenance services.

The Vendor

The Vendor is an investment holding company incorporated in the BVI with limited liability, which is wholly-owned by Mr. Li.

The Target Group

The Target Company is an investment holding company incorporated in the BVI on 9 November 2018. The PRC Target Company is a company established in the PRC on 25 July 2018 and is mainly engaged in the provision of technological services, focusing on the operation of a one-stop educational technology services platform.

Upon the Reorganisation but prior to the Completion Date, the Target Company will hold 100% of the issued share capital of an investment holding company incorporated in Hong Kong, while such investment holding company will hold 96.7742% of the issued share capital of the PRC Target Company. The PRC Target Company will enter into a VIE agreement with the Chinese-funded Enterprise as required by the corporate reorganization stated in the Conditions Precedent.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each member of the Target Group and its ultimate beneficial owner(s) is an Independent Third Party.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The PRC Target Company owns and operates a one-stop education technology service platform in PRC, which utilises technology such as cloud computing, IoT, big data research results and artificial intelligence etc. to provide more comprehensive solutions for its customers, such as education institutions and/or individual education service providers to

achieve precise matching between its customers and its online platform user, mainly the parents in PRC, with demand of education services for their children. The PRC Target Company has served over 600 education institutions and/or individual education service providers customers spanning over 6 segments in education including dancing, art, calligraphy, music, sport and kid-level computer programming. As at 31 March 2019, the online education platform of the PRC Target Company had over 500,000 subscribers and over 100,000 average monthly active users.

The PRC government has promulgated a series of stimulus policies and regulations to promote the education industry for the recent years, such as the 13th Five Year Plan for Education Technology* (《教育信息化「十三五」規劃》) issued by the Ministry of Education of the PRC which emphasises the need to promote quality education and accelerate the development in education technology. According to study of the independent internet consultancy iiMedia Research Group, the online education market in the PRC has achieved total sales revenue of RMB281 billion in 2017 and is expected to exceed RMB433 billion by 2020, representing a compound annual growth rate of approximately 15.5%; while the number of online education users is expected to reach 296 million in 2020, representing a compound annual growth rate of approximately 25.2% comparing to the number of online education users of 151 million in 2017.

The Directors believe the Acquisition could provide synergy effect in technology to the Group as well as the Target Group. Considering the extensive experience of the Group in technology development such as IoT, artificial intelligence, big data, cloud computing, etc., the appliance of such technology in the education industry could captured huge revenue from the market. Also, the management team of the Target Group has extensive experience in providing technology services in the education industry, and has developed a business model with great development potential.

The Group, by investing in Target Group, could leverage on its advantages in the technology development and provide relevant technical support to the Target Group, which in turn further enhance its research and development in technological capabilities and thereby improving its market competitiveness and realising the rapid development in business as well as the expansion in market coverage.

The Directors also believe the Acquisition could enable the Group to enter the education industry in a more efficient way in order to achieve expansion of business, and at the same time achieve investment gain through the rapid growing trend of the Target Group.

The terms of the Sale and Purchase Agreement, including the Consideration, were determined after arm's length negotiation between the Group and the Vendor. In view of the above, and after considering the benefits of the Acquisition as stated above, the Directors consider that the terms of the Sale and Purchase Agreement are on normal commercial terms and fair and reasonable and in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

This announcement is voluntarily made by the Company. None of the applicable percentage ratio(s) as set out in Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5%; the Acquisition therefore does not constitute notifiable transaction of the Company.

DEFINITIONS

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

“Acquisition”	the acquisition of Sale Shares at the Consideration, pursuant to the Sale and Purchase Agreement
“Assemble Bliss” or “Vendor”	Assemble Bliss Limited, an investment holding company incorporated in the BVI with limited liability, which is wholly-owned by Mr. Li
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, any day on which a tropical cyclone warning no. 8 or above is hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon and any day on which a black rainstorm warning is hoisted before 12:00 noon and is not lowered at or before 12:00 noon) on which licensed banks in Hong Kong or in the PRC are generally open for business
“BVI”	the British Virgin Islands
“Chinese-funded Enterprise”	a limited liability company to be incorporated in PRC with its incorporation funded by assets held by mainland Chinese investor(s)
“Company”	IBO Technology Company Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2708)
“Completion Date”	the fifth Business Day after fulfillment or waiver of all the Conditions Precedent set out in the Sale and Purchase Agreement or such later date as the parties thereto may otherwise agree in writing
“Conditions Precedent”	the conditions as set out in the paragraph headed “Conditions Precedent” under the section headed “Sales and Purchase Agreement” of this announcement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the Acquisition, being the aggregate amount of RMB22,470,000 (equivalent to approximately HK\$26,265,183), to be satisfied by cash
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“ICP License”	a license for value-added telecommunication services obtained from China telecommunications administrative authorities;
“Independent Third Party(ies)”	third party(ies) independent of the Group and its connected persons (as defined under the Listing Rules)
“IoT”	a type of network that realises intelligent identification, positioning, tracking, monitoring and management of targeted objects achieved by exchange of information and communication between such targets and internet via intelligent terminal products under pre-determined protocol
“Long Stop Date”	30 September 2019
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Li” or “Guarantor”	Mr. Li Yanghao (黎揚好先生)
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“PRC Target Company”	深圳市童天慧科技有限公司 (Shenzhen Tongtianhui Technology Company Limited*), sino-foreign equity joint venture incorporated in the PRC, indirectly held by the Target Company with 96.7742% of its issued share capital through an investment holding company incorporated in Hong Kong
“Purchaser” or “Wonderful Splendor”	Wonderful Splendor Limited, an investment holding company incorporated in the BVI and a wholly-owned subsidiary of the Company
“Reorganisation”	the corporate reorganisation of the Target Group as set out in the paragraph headed “The Target Group” under the section headed “Information on the Group, the Vendor and the Target Group”
“Sale and Purchase Agreement”	the sale and purchase agreement dated 17 April 2019 entered into between, among others, Wonderful Splendor, Assemble Bliss and Mr. Li in relation to the Acquisition
“Sale Shares”	7,500 ordinary shares of the Target Company, representing 15% of the issued share capital of the Target Company

“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Good Cheer Ventures Limited, an investment holding company incorporated in the BVI with limited liability, which is wholly-owned by Assemble Bliss
“Target Group”	the Target Company and its subsidiaries, including the Chinese-funded Enterprise entering into the VIE agreement with the Target Company or its subsidiaries
“VIE”	Variable Interest Entity
“%”	per cent
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

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

Hong Kong, 17 April 2019

For the purpose of this announcement, unless otherwise indicated, conversions of RMB into HK\$ is calculated at the approximate exchange rate of RMB1 to HK\$1.1689. This exchange rate is adopted for the purpose of illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rates at all.

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.

If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.

* *For identification purposes only*