

*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.*



**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  
ESTABLISHING STRATEGIC COOPERATION RELATIONSHIP AND  
ENTERING INTO AGREEMENT FOR CONSTRUCTION OF  
DIGITALISATION PROJECT OF SMART LIVESTOCK INDUSTRY  
IN TONGLIAO WITH THE TONGLIAO AGRICULTURE AND  
LIVESTOCK BUREAU**

This announcement is voluntarily made by IBO Technology Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to update the shareholders of the Company and potential investors of the Company on the latest business development of the Group.

The board of directors (the “**Board**”) of the Company is pleased to announce that on 10 June 2019, the Company and the Tongliao Agriculture and Livestock Bureau (通遼市農牧局), competent department for agriculture and livestock industry of the Tongliao government. On the principle of “equal and mutual benefit, complementary advantages, mutual support, long-term cooperation, joint development” and with a view to fully utilise their respective advantageous resources and capability, facilitate continuous healthy growth of agriculture and livestock industry in Tongliao, speed up construction of “digitalised ecology of smart agriculture and livestock industry in Tongliao”, which includes connecting and consolidating each section along the chain ranging from breeding, fattening, feeds, veterinary medication, training for breeding techniques, slaughtering and processing, e-commerce, cold chain logistics to end consumption of beef cattle by way of digitalisation (such as the application of advanced technologies including Internet of Things, artificial intelligence, cloud computing, 5G, edge computing, etc.), as well as to invest and construct “Digitalisation project of smart agriculture and livestock industry in Tongliao” in agriculture and livestock industry in the counties of Tongliao City (the same below) (the “**Project**”), the Company and the Tongliao Agriculture and Livestock Bureau mutually decided to established strategic cooperative relationship after comprehensive negotiation and has entered into a legally binding agreement (the “**Agreement**”) in respect of construction of the Project to realise digitalisation of livestock industry in Tongliao through providing comprehensive support on related matters including implementation, operation and service provision. The Company will become a long-term, stable and prioritized (within the period

of the Agreement) strategic partner of Tongliao Agriculture and Livestock Bureau, and Tongliao Agriculture and Livestock Bureau will become a long-term, stable and prioritized (within the period of the Agreement) strategic partner of the Company in Tongliao district.

### **Information of Tongliao Agriculture and Livestock Bureau**

Tongliao Agriculture and Livestock Bureau is a department responsible for the agricultural and livestock industry under the municipal government of Tongliao. It is an integration of the management duties of the former Municipal Party Committee Agriculture and Livestock Area Department, the Municipal Agriculture and Livestock Industry Bureau, the agricultural investment project of the Municipal Commission of Development and Reform, the Agricultural Comprehensive Development Project of the Municipal Finance Bureau, the farmland remediation project of the Municipal Land and Resources Bureau, and the farmland water conservancy construction project of the Municipal Water Affairs Bureau.

### **SUBSTANCE OF THE PROJECT**

The Project includes digitalisation projects for beef cattle industry, meat sheep industry and other livestock industries. As beef cattle industry is currently the leading industry in Tongliao, the parties will focus on cooperating to commence digitalisation project for beef cattle industry at the first stage of the Project. Digitalisation projects for the meat sheep industry and other livestock industries will be covered later based on modes of construction, implementation, operation and service provision of and experience in digitalisation project for beef cattle industry.

The Company will introduce technologies, funding and external resources for joint construction under the assistance and support of the Tongliao Agriculture and Livestock Bureau. The Company will also realise and undertake the digitalisation of each section of all livestock industries in Tongliao and relevant operation and services.

The Project will be proceeded in two stages: In the first stage, construction, implementation, operation and service provision of digitalisation project for beef cattle industry will be conducted; in the second stage, construction, implementation, operation and service provision of digitalisation projects for the meat sheep industry and other livestock industries will be conducted.

First stage of the Project will take three to five years to complete in full the construction, implementation, operation and service provision of digitalisation project for beef cattle, providing support in increasing output values of the Tongliao government, farmers and herders and relevant corporates. Added values of peripheral industries of beef cattle breeding through consolidating breeding technologies and equipment and smart development, including beef cattle trade, standardised slaughtering and processing, e-commerce and cold chain logistics. The Project includes, among others, the following nine sub-projects:

- (1) Establishment and implementation of project of big data service platform for smart livestock industry in Tongliao;
- (2) Establishment and implementation of project of big data operation platform for smart livestock industry in Tongliao;

- (3) Establishment and implementation of project of big data command platform for smart livestock industry in Tongliao;
- (4) Establishment and implementation of digitalisation project for beef cattle portfolio in Tongliao;
- (5) Establishment and implementation of demonstration of basic smart monitoring of estrus of female cattle and relevant promotion;
- (6) Establishment and implementation of demonstration of collaborative breeding of beef cattle for concise poverty relief and relevant promotion;
- (7) Establishment and implementation of demonstration of establishment of smart housing for beef cattle and relevant promotion;
- (8) Establishment and implementation of demonstration of standardised slaughtering and processing of beef cattle and relevant promotion; and
- (9) Promotion of the platform and establishment of service team.

Second stage of the Project is proposed to take three to five years to fully realise the targets of digitalisation project of smart livestock industry in Tongliao through progressively realising the construction, implementation, operation and service provision of digitalisation projects for the meat sheep industry and other livestock industries.

### **CONSTRUCTION SCALE OF THE PROJECT**

The Company will fully utilise technical edge in smart livestock industry as well as its advantages and capability in consolidating financing and resources based on the requirement of construction of the Project. The Company plans to invest or procure investment of RMB 1 billion or above in the next five to ten years to complete the construction of digitalised ecology of smart livestock industry in Tongliao in order to realise the target of the Project. Accordingly, at the first stage of the Project of two to three years, the Company plans to contribute approximately RMB 90 million for the establishment and implementation of the nine sub-projects of the Project, among which, approximately RMB 50 million, approximately RMB 35 million and approximately RMB 5 million will be used on research and development, construction and implementation as well as project promotion and establishment of localised maintenance team respectively.

### **RIGHTS AND OBLIGATION OF THE TONGLIAO AGRICULTURE AND LIVESTOCK BUREAU**

- (1) Providing effective support to the Company in respect of the government policy, production guidance and regulation and business environment for the construction, execution, operation and service provision of the Project in a timely manner;
- (2) Actively recommending the Company as a business partner for the government investment projects and government key construction projects relevant to the beef cattle industry, and giving its support and cooperation in dealing with project approval and investment planning;

- (3) Establishing a project team to follow-up and provide service on the construction and implementation of the Project and the performance of the agreement, and assigning organization and personnel to communicate and coordinate with the Company for the progress of daily items of the Project;
- (4) Assisting the Company for the connection with the flagship county and the relevant department in Tongliao to procure the successful implementation of the Project, and providing support, cooperation and assistant for the acquisition of the local industrial resources;
- (5) Providing convenient job and living environment for the staffs of the Company stationed in the location of Tongliao Agriculture and Livestock Bureau; and
- (6) Providing support to the Company in different areas of the industry chain in the digitalisation of livestock industry during the implementation, operation and service provision process of the Project, to obtain reasonable revenue by implementing different business models and profitability models that are reasonable, legal and efficient.

#### **RIGHTS AND OBLIGATION OF THE COMPANY**

- (1) Responsible for the planning, research and development, construction and implementation of the Project, and the subsequent management operation, promotion and service provision of the Project;
- (2) Assuming the integration of the local industry resources and introduction of external resources for the whole industrial and ecological chain of beef cattle in Tongliao, providing assistance to enhance the efficiency of different segments in the whole industrial chain of beef cattle in Tongliao;
- (3) Responsible for invest or pull in capital as planned and carry out effective risk control;
- (4) Establishing a project team to follow-up and provide service on the construction and implementation of the Project and the performance of the agreement, and assigning personnel to communicate and coordinate with Tongliao Agriculture and Livestock Bureau for the progress of the daily items of the Project;
- (5) Take advantage of the priority and favourable policies offered by the local government on areas such as investment promotion during the procedures of investment, construction, implementation, operation and service provision, production and operation activities of the Project;
- (6) Making appropriate adjustment on the construction schedule and progress of the Project based on the actual condition in the course of planning and construction, implementation, operation and service provision of the Project, and reporting the construction and implementation status of the Project in a timely manner upon request on the project team of Tongliao Agriculture and Livestock Bureau;

- (7) Determining in its absolute discretion on the business models and profitability models that are reasonable, legal and efficient to be adopted in different areas of the industry chain in the digitalisation of livestock industry during the implementation, operation and service provision process of the Project, to obtain reasonable revenue.

## **VALIDITY AND OTHER INFORMATION OF THE AGREEMENT**

The Agreement is valid for ten years, commencing from 10 June 2019 and ending 10 June 2029. The Tongliao Agriculture and Livestock Bureau confirmed that, within valid period of the Agreement and cooperation scope agreed in the Agreement, the Company is assured to be the sole partner. The Tongliao Agriculture and Livestock Bureau is obliged to protect legal interest of the Company. To the best knowledge, information and belief of the directors of the Company having made all reasonable enquiries, the Tongliao Agriculture and Livestock Bureau is independent of the Company and its connected persons(as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

**Shareholders of the Company and/or investors of the Company should note that this announcement is published as a voluntary disclosure aimed to inform the public of the latest business development of the Company.**

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

Hong Kong, 10 June 2019

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