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**ibotech 艾伯科技**  
**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)**

**CLARIFICATION ANNOUNCEMENT  
DISCLOSEABLE TRANSACTION  
SUPPLEMENTAL JV INVESTMENT AGREEMENT  
AND FORMATION OF JOINT VENTURE**

References are made to (i) the announcement of IBO Technology Company Limited (the “**Company**”) dated 25 July 2022 in relation to the MOU of the Project; and (ii) the announcement of the Company dated 30 September 2022 in relation to, among others, entering into the Investment Agreements and the formation of joint venture (the “**Announcement**”). Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board would like to provide the following additional information in supplement to the Announcement:

**CLARIFICATION ON LISTING RULES IMPLICATIONS ON THE JV INVESTMENT AGREEMENT**

Upon publication of the Announcement, the Company was advised by the Stock Exchange that the exemption under Rule 14.04(1)(f) does not apply to the formation of the joint venture (i.e. the Project Company) since (i) the activities of the Project Company are expected to generate continuous and recurring income and span over a long duration, therefore it is not a single purpose project/transaction as contemplated under Rule 14.04(1)(f)(i); and (ii) the business process of the Project Company requires investments in plant, machineries and equipment which are capital in nature, as opposed to revenue nature as contemplated under Rule 14.04(1)(f)(i).

As Rule 14.04(1)(f) does not apply to the formation of the Project Company, the Company would like to clarify that the formation of the Project Company contemplated under the JV Investment Agreement constitutes a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

Taking into account of the arrangements as further elaborated in the section headed “Listing Rules Implications” below, as a result of entering into the Supplemental JV Investment Agreement, the formation of the Project Company under the JV Investment Agreement (as supplemented by the Supplemental JV Investment Agreement) constitutes a discloseable transaction of the Company, and is therefore subject to the reporting and announcement requirements but exempted from the Shareholders’ approval requirement under Chapter 14 of the Listing Rules.

## **SUPPLEMENTAL JV INVESTMENT AGREEMENT**

After further discussions, on 19 October 2022 (after trading hours), IBO Holdings entered into the supplemental agreement to the JV Investment Agreement (the “**Supplemental JV Investment Agreement**”) with IBO IT Application Innovation, Fuchuang Development, Mianyang Zhigu Enterprise Incubation Management Co., Ltd.\* (綿陽智谷企業孵化管理有限公司) (“**Mianyang Zhigu**”) and Mianyang IBO Intelligence Company Limited\* (綿陽艾伯智能有限公司) (“**IBO Intelligence**”) as the Project Company, pursuant to which the parties thereto agreed to amend the terms of the JV Investment Agreement.

The principal terms of the Supplemental JV Investment Agreement are set out below:

**Date:** 19 October 2022 (after trading hours)

**Parties:** (i) IBO Holdings;  
(ii) IBO IT Application Innovation;  
(iii) Fuchuang Development;  
(iv) IBO Intelligence; and  
(v) Mianyang Zhigu.

### **Subject Matters**

IBO Intelligence shall perform the relevant obligations and assume relevant responsibilities of the Project Company in accordance with the JV Investment Agreement.

The equity interests of IBO Intelligence (as the Project Company) are held as to 7% by IBO Holdings, 63% by IBO IT Application Innovation and 30% by Mianyang Zhigu.

After execution of the Supplemental JV Investment Agreement, the rights and obligations of IBO Holdings in the JV Investment Agreement (as supplemented by the Supplemental JV Investment Agreement) shall correspond with its 7% equity interest in IBO Intelligence (i.e. the Project Company), as opposed to the 63% equity interest as previously specified under the JV Investment Agreement. Mianyang Zhigu shall succeed all the rights and obligations of Fuchuang Development in the JV Investment Agreement and the Supplemental JV Investment Agreement.

The production business of all ITAI products relating to IBO Holdings shall be engaged by IBO Intelligence. IBO Holdings and IBO IT Application Innovation shall actively contribute and swiftly realise the Project Company's ability to produce and deliver ITAI products.

The Supplemental JV Investment Agreement shall supplement the JV Investment Agreement and in case of inconsistencies, the terms of the Supplemental JV Investment Agreement shall prevail.

As a result thereof, IBO Holdings will be obliged to contribute RMB35 million, which will be allocated as the registered capital of the Project Company. IBO IT Application Innovation and Fuchuang Development will contribute RMB315 million and RMB150 million, which will be allocated as the registered capital of the Project Company. Fuchuang Development will also contribute RMB250 million, which will be allocated as capital reserve of the Project Company. The amount of capital contribution was determined after arm's length negotiations between the parties with reference to, among other things, the current total capital requirement of the Project Company. The Group intends to finance its investment in the Project Company from its internal resources.

After the entering into of the Supplemental JV Investment Agreement, IBO Holdings and IBO IT Application Innovation have issued the written confirmations to the Fucheng District People's Government and Fuchuang Development, thereby confirming that the Investment Agreements have become effective.

#### **FURTHER INFORMATION ON THE INVESTMENT SCALE OF THE PROJECT**

As mentioned in the section headed "Initial Project Investment Agreement — Investment scale of the Project" of the Announcement, the total investment of the Project is projected to be RMB10.5 billion. The said RMB10.5 billion is an estimated total investment of the entire Project and it is not final and conclusive. In particular, the investment of Phase II of RMB2.0 billion and Phase III of RMB7.0 billion are estimated amounts only. As stated in the Initial Project Investment Agreement (which is also disclosed under the section headed "Initial Project Investment Agreement — Timeline for the construction" of the Announcement), after the commencement of production under Phase I, IBO Holdings, IBO IT Application Innovation and Fucheng District People's Government shall discuss and negotiate on the details of the co-operation of Phase II and Phase III. IBO Holdings, IBO IT Application Innovation and Fucheng District People's Government will evaluate various factors, including but not limited to, the construction status of the factories and ancillary facilities and sales of the ITAI products to be manufactured from the Project, to consider and determine the actual investment amounts of the entire Project.

Further, the Project will also be participated by upstream and downstream enterprises, so the total investment of the Project will not be solely contributed by the Project Company.

In the event that funds will be required by the Project Company on top of its registered capital, the balance will be financed by its working capital, capital injection of its shareholders and/or external debt financing.

## **REASONS FOR OF AND BENEFITS OF ENTERING INTO THE INVESTMENT AGREEMENTS AND FORMATION OF THE JOINT VENTURE**

The Board reiterates the reasons for and benefits of entering into the Investment Agreements and the formation of the joint venture as set out in the section headed “Formation of Joint Venture — Reasons and Benefits of entering into the Investment Agreements and Formation of the Joint Venture” of the Announcement. In order to speed up the process of the implementation of the Project at the request of the joint venture partners, the parties to the JV Investment Agreement have agreed to amend the terms of the transaction.

The Board considers that the Investment Agreements (as supplemented by the Supplemental JV Investment Agreement) and the formation of the Project Company are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON IBO IT APPLICATION INNOVATION**

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, based on the information available to the Company, the ultimate beneficial owners of IBO IT Application Innovation are Shenzhen Haiyi Consulting Management Partnership (Limited Partnership)\* (深圳市海逸諮詢管理合夥企業(有限合夥)) (“**Shenzhen Haiyi**”) and Shenzhen Chaoyu Technology Co., Ltd.\* (深圳潮宇科技有限公司) (“**Shenzhen Chaoyu**”), which hold 70% and 30% shareholding in IBO IT Application Innovation, respectively. Shenzhen Haiyi is legally owned as to 99% by Lai Jiapiao\* (賴家飄) and Shenzhen Chaoyu is legally owned as to 99% by Zhang Yuhang\* (張宇航).

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of Shenzhen Haiyi and Zhang Yuhang are third parties independent of the Company and its connected persons.

Shenzhen Chaoyu holds 30% equity interest in Shenzhen IBO Electronics Co., Ltd.\* (深圳市艾伯電子有限公司), which is indirectly owned as to 70% by the Company and is an insignificant subsidiary of the Company pursuant to Rule 14A.09 of the Listing Rules. Therefore, Shenzhen Chaoyu is not considered as a connected person of the Company. Lai Jiapiao is a director of each of Shenzhen IBO Information Technology Co., Ltd.\* (深圳市艾伯信息科技有限公司) and Shenzhen IBO Supply Chain Technology Co., Ltd.\* (深圳市艾伯供應鏈科技有限公司), which are indirectly owned as to 70% and 51% by the Company, respectively, and are together insignificant subsidiaries of the Company pursuant to Rule 14A.09 of the Listing Rules. Therefore, Lai Jiapiao is not considered as a connected person of the Company. Accordingly, IBO IT Application Innovation is not a connected person of the Company under the Listing Rules.

## **INFORMATION ON MIANYANG ZHIGU**

Mianyang Zhigu is a company established in the PRC, which is a wholly-owned subsidiary of Fuchuang Development. It is principally engaged in the provision of commercial services including enterprise headquarters management, enterprise management services, enterprise incubation management and property services.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Mianyang Zhigu is a third party independent of the Company and its connected persons.

## **INFORMATION ON IBO INTELLIGENCE**

IBO Intelligence (i.e. the Project Company) is a company established in the PRC, which is owned by IBO Holdings, IBO IT Application Innovation and Fuchuang Development as to 7%, 63% and 30%, respectively. As disclosed in the Announcement, it shall principally engage in research and development, manufacturing and sales of ITAI products.

## **LISTING RULES IMPLICATIONS**

After entering into the Supplemental JV Investment Agreement, IBO Holdings will be obliged to contribute RMB35 million, which will be allocated as the registered capital of the Project Company. The said amount shall be paid up by end of 2027. Furthermore, as part of the exit mechanism stated in the sections headed "JV Investment agreement — Exit Mechanism" and "JV Investment agreement — Mortgage and other undertakings" in the Announcement and as supplemented by the Supplemental JV Investment Agreement, Mianyang Zhigu is entitled to receive from the Project Company in two instalments all of its capital contribution (i.e. a total of RMB400 million) and the corresponding Investment Return of 7% per annum. If the Project Company fails to perform its obligation to pay, IBO Holdings shall undertake to pay to the Project Company with reference to the ratio of its corresponding 7% equity interest to the total equity interest (i.e. 70%) held by IBO Holdings and IBO IT Application Innovation in the Project Company, which sum shall be used by the Project Company exclusively for immediate repayment to Mianyang Zhigu.

Taking into account of the above arrangements, as a result of entering into the Supplemental JV Investment Agreement, one or more of the applicable percentage ratios under the Listing Rules in respect of the formation of the Project Company under the JV Investment Agreement (as supplemented by the Supplemental JV Investment Agreement) exceed 5% but less than 25%. Therefore, the formation of the Project Company under the Investment Agreements (as supplemented by the Supplemental JV Investment Agreement) constitutes a discloseable transaction of the Company, and is therefore subject to the reporting and announcement requirements but exempted from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

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

Hong Kong, 19 October 2022

*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. Liang Jun; and the independent non-executive Directors are Dr. He Tianxiang, Dr. Wong Kwok Yan, Mr. Hung Muk Ming and Mr. Liu Ping.*

\* *For identification purpose only*