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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)**

**SUPPLEMENTAL ANNOUNCEMENT  
IN RELATION TO THE PETITION AND  
PLACING OF NEW SHARES UNDER GENERAL MANDATE**

References are made to (i) the announcements of IBO Technology Company Limited (the “**Company**”) dated 27 July 2023 and 31 August 2023 in relation to the Petition filed by the Petitioner (the “**Petition Announcement(s)**”) and (ii) the announcement of the Company dated 12 September 2023 in relation to the placing of a maximum of 85,000,000 new Shares under the General Mandate (the “**Placing Announcement**”), in which part of the net proceeds shall be used for debt restructuring (the “**Debt Restructuring**”) related expenses. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Petition Announcements and the Placing Announcement.

The purpose of this announcement is to provide further information on the Petition and the Placing.

**Background and events leading to the Petition and the need for the Debt Restructuring**

As stated in the Petition Announcements, the Petitioner’s revised alleged claim is HK\$5,503,616, which represent net amount of the outstanding principal of the bonds issued by the Company and the interest. The claimed amount of the Petition is part of a series of non-convertible bonds issued by the Company between 2018 and 2023, with principal of approximately HK\$200 million, in aggregate (the “**Non-Convertible Bonds**”).

Over the years, the Company fulfilled its payment obligations in respect of the principals and interests of the Non-Convertible Bonds from time to time. As at 31 March 2023, being the date of the latest audited accounts of the Company, the outstanding principal of the Non-Convertible Bonds was reduced to approximately RMB106.6 million only with maturity dates ranging from within one year to more than one year. The Group also have various bank loans of approximately RMB117.3 million in aggregate as at 31 March 2023 with repayment dates ranging from within one year to more than one year. The Group have fulfilled its repayment obligations in respect of the bank loans from time to time.

On 21 July 2023, the former chief financial officer of the Company (the “**Chief Financial Officer**”) and executive Director resigned from the Company suddenly with immediate effect (the “**Former Director**”). The Former Director had also acted as the Chief Financial Officer prior to the Company’s listing on the Stock Exchange at late 2017 and the Company had been relying on the Former Director in its communication with the holders of the Non-Convertible Bonds. The Company believes that the sudden resignation of the Former Director might have broken the confidence of the Petitioner upon the Company and resulted in communication breakdown between the Company and the holders of the Non-Convertible Bonds, including the Petitioner. It was against this background that the Petitioner filed the Petition on the third day after the resignation of the Former Director on 24 July 2023.

The Board was not aware of the seriousness of the matter until receipt of the Petition. In view of the Petition, the holders of the remaining Non-Convertible Bonds allege that the Petition triggers a cross-default of the Company on the Non-Convertible Bonds held by them. They have requested immediate full repayment of the Non-Convertible Bonds by the Company, irrespective of the original maturity dates. On the other hand, although the Group have fulfilled its repayment obligations of the bank loans and interests from time to time, certain banks have exercised their overriding rights in requesting early repayment of the bank loans in full even if such loans are not yet due for repayment or long term in nature. Worse still, debtors of the Group slow down their repayments to the Group in view of the Petition. The aforesaid is similar to credit squeeze, which exert tremendous pressure on the liquidity of the Group. The Debt Restructuring becomes indispensable to the Group.

### **Establishment of the Debt Restructuring Committee**

To resolve the matter, the Board has established a special committee for the Debt Restructuring (the “**Debt Restructuring Committee**”), with the following executive Directors as members:

- Mr. Li Yang (*chairman of the Debt Restructuring Committee*)
- Mr. Zhang Yaoliang
- Mr. Lai Tse Ming

Mr. Li Yang and Mr. Zhang Yaoliang are new comers of the Company joining the Board on 21 March 2023 and 9 August 2023, respectively. They, together with Mr. Lai Tse Ming, the executive Director and the chairman of the Company, are conducting review of the Company's indebtedness and financing arrangements so that a global solution can be worked out to resolve the indebtedness of the Group as the ultimate goal.

The Placing as announced by the Company on 12 September 2023 is an important step showing the confidence and support of the Placing Agent and the placees on the Company. The Placing also facilitates the Debt Restructuring as part of the net proceeds will be used for settling the Debt Restructuring related expenses, which include but not limited to professional fees and printing costs, and to strengthen the liquidity position of the Group.

### **Appointment of professionals in respect of the Petition**

The Company has appointed legal advisers and two barristers in respect of the Petition. The Company and its legal team are contacting the Company's creditors and/or their legal advisers for the Debt Restructuring which may involve: capitalisation of debt into new Shares, immediate cash repayment with discount, extension of repayment deadline for settlement in full, or other alternatives that they may propose. For the avoidance of doubt, the terms of the Debt Restructuring have not been fixed and the Debt Restructuring shall be subject to the High Court's approval, if applicable, and the Company shall comply with the applicable Listing Rules as and when appropriate.

### **Striving for adjournment of the hearing date of the Petition**

Hearing of the Petition has been fixed on 27 September 2023 at 10:00 a.m. but the Company and its legal team is striving for an adjournment of the hearing to a later date so that the Company can have sufficient time to negotiate with its creditors for the terms of the Debt Restructuring and to implement the plan for the Debt Restructuring.

### **Progress in applying for an validation order**

As stated in the Petition Announcement dated 31 August 2023, the Company has instructed its legal team to apply for a validation order from the High Court. As the hearing of the Petition (the "**Hearing**") is imminent, the Company's legal team is focusing on the preparation of the Hearing currently and thus, the work for applying a validation order has been delayed. Further announcement shall be made by the Company if there is any material progress in this application.

**Possible fund raising via rights issue and/or placing of new Shares to raise HK\$180 million to HK\$200 million**

To improve the liquidity of the Group and to finance the Debt Restructuring, the Company is considering to conduct an additional fund raising exercise by way of rights issue and/or placing of new Shares to raise funds in the region of HK\$180 million to HK\$200 million. While the Company is negotiating with securities companies to act as underwriter(s) of the right issue or placing agent(s) of the placing, terms of the fund raising exercise have not been fixed as at the date of this announcement, and the Company shall comply with the applicable Listing Rules if the fund raising exercise becomes materialised.

**As the Debt Restructuring and the additional fund raising exercise of the Company may or may not be materialised, Shareholders and potential investors should exercise with caution when dealing in the Shares.**

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

Hong Kong, 19 September 2023

*As at the date of this announcement, the executive Directors are Mr. Lai Tse Ming, Mr. Gao Weilong, Mr. Liang Jun, Mr. Li Yang and Mr. Zhang Yaoliang; and the independent non-executive Directors are Dr. He Tianxiang, Mr. Hung Muk Ming and Mr. Jin Zi.*