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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)

VOLUNTARY ANNOUNCEMENT
ENTERING INTO LETTER OF INTENT IN RELATION TO INVESTMENT IN
SHANDONG XINGANG ELECTRONIC TECHNOLOGY
COMPANY LIMITED* (山東新港電子科技有限公司)

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

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that, on 4 July 2023 (after trading hours), after arm’s length negotiation, the Company and Mr. Teng Da Cheng* (滕大成) (the “**Vendor**”) entered into a letter of intent (the “**LOI**”), pursuant to which the Company and/or its subsidiaries (the “**Purchaser**”) intends to invest in Shandong Xingang Electronic Technology Company Limited* (山東新港電子科技有限公司) (the “**Target Company**”).

Information on the Target Company

The Target Company is a limited liability company established under the laws of the People’s Republic of China (the “**PRC**”). It is mainly engaged in the research and development, production and sales of capacitive/digital switch type airflow sensors, disposable/rechargeable functional airflow sensors, MEMS airflow sensors, electronic cigarette controller “customised” modules, ECM microphones and MEMS sensors. The Target Company is a professional acoustic device and MEMS sensor product total solution provider and a leading high and new technology enterprise in the field of ECM microphone and MEMS sensor in the PRC. The Vendor is the largest shareholder of the Target Company holding 49.9% equity interest.

Valuation and consideration of the Target Company

Subject to the Purchaser conducting financial, legal and business due diligence on the Target Company and being satisfied with the results, the Purchaser intends to acquire equity interest in the Target Company held by the Vendor at a price with reference to valuation of not exceeding 20 times of the annual net profit of the Target Company.

The Target Company intends to establish and complete an offshore red chip structure in which the Vendor will hold an indirect shareholding in the Target Company through an offshore holding company. After the completion of the offshore red chip structure, the Purchaser has the right to choose to issue shares, convertible bonds, promissory note and cash or such other instrument of the Company to satisfy the consideration. The issue price of the consideration shares or conversion price of the convertible bond shall not be higher than HK\$0.75 per share.

The Company may consider to conduct fund raising exercise for satisfying the consideration if the possible acquisition under the LOI materialised.

Exclusivity

The exclusivity period shall be 90 calendar days after the signing of the LOI by the Purchaser, if the formal acquisition agreement or such legal document is signed within 90 calendar days, the cut-off date of the exclusivity period shall be the signing date of the final legal document.

Conditions precedent of the investment

The LOI does not constitute a legally binding commitment to the Purchaser and the obligations of the Purchaser are subject to the fulfilment of the following conditions precedent:

- (a) the Target Company has submitted to the Purchaser all documents required for due diligence on the Target Company, including but not limited to legal, financial and business operating documents, in a truthful and complete manner; and
- (b) the Purchaser agrees the pricing of the investment with the Vendor and the Target Company and a final legally binding formal acquisition agreement is entered into by the Purchaser no later than 90 calendar days.

Miscellaneous

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and the Target Company are 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 are reminded that this announcement is published on a voluntary disclosure basis to keep the public informed of the latest business development of the Company.

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

Hong Kong, 4 July 2023

As at the date of this announcement, the executive Directors are Mr. Lai Tse Ming, Mr. Gao Weilong, Mr. Yu Kin Keung, Mr. Liang Jun and Mr. Li Yang; and the independent non-executive Directors are Dr. He Tianxiang, Dr. Wong Kwok Yan, Mr. Hung Muk Ming and Mr. Jin Zi.

** For identification purpose only*