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International Business Digital Technology Limited

國際商業數字技術有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1782)

CHANGE IN USE OF PROCEEDS AND SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE 2022 ANNUAL REPORT

References are made to (i) the annual report (the “**2022 Annual Report**”) of International Business Digital Technology Limited (formerly known as Vixtel Technologies Holdings Limited 飛思達科技控股有限公司) (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2022 (the “**Year**”); (ii) the prospectus of the Company dated 26 May 2022 in relation to the rights issue (the “**Rights Issue**”) on the basis of one new share (“**Rights Share**”) for every two existing ordinary shares of the Company (the “**Shares**”) at a subscription price of HK\$0.55 per Rights Share; and (iii) the announcement of the Company dated 17 June 2022 in relation to the results of the Rights Issue. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the 2022 Annual Report.

CHANGE IN USE OF PROCEEDS

As disclosed in the Right Issue Prospectus, the Company initially intended to apply approximately HK\$117.7 million (equivalent to approximately RMB100.6 million) of the net proceeds towards the investment in and upgrade of big data and AI analysis technologies to expand its existing APM business (the “**Initial Intended Use**”). For reasons set out in the paragraph headed “Reasons for and benefits of the change in use of proceeds” below, on the date of this announcement, the Board of the Company has resolved that the Initial Intended Use shall be changed to the investment in or upgrade of digital technologies (including but not limited to Central Bank Digital Currency (“**CBDC**”), big data, AI and their related technologies) to expand the businesses of all its existing business segments (the “**Change in Use of Proceeds**”).

Reasons for and Benefits of the Change in Use of Proceeds

The Board considers that the Initial Intended Use will not be sufficiently profitable to the Group. After due and careful consideration of the current business and development needs of the Group, the Board is of the view that the Change in Use of Proceeds is to provide with the Group with more flexibility, including to develop cutting-edge digital technologies such as smart contract and privacy computing in new business market of the CBDC network system. Save for the aforementioned changes, there is no change in other intended use of net proceeds from the Rights Issue.

The Board considers that the Change in Use of Proceeds (i) will not have any material adverse impact on the existing business and operations of the Group; (ii) is fair and reasonable as this will allow the Group to deploy its financial resources more effectively to better enhance the profitability of the Group; (iii) is in line with the business strategies of the Group; and (iv) is in the interests of the Group and the Shareholders as whole.

SUPPLEMENTAL INFORMATION ON 2022 ANNUAL REPORT

In addition to the information disclosed in the section headed “Management Discussion and Analysis – Use of Proceeds” in the 2022 Annual Report, the Board would like to provide additional information pursuant to paragraph 11(8) of Appendix 16 to the Listing Rules in relation to the use of the net proceeds raised in the Rights Issue.

The following table sets out the details of the said net proceeds of approximately HK\$138.0 million (equivalent to approximately RMB118.0 million) from the Rights Issue that were utilised and unutilised as of 31 December 2022 and 30 June 2023 and the revised allocation of unutilised net proceeds as a result of the Change in Use of Proceeds:

Intended use of proceeds	Net proceeds from the Rights Issue <i>RMB million</i>	Net proceeds utilised	Unutilised net proceeds	Net proceeds utilised	Unutilised net proceeds	Revised allocation of unutilised net proceeds <i>RMB million</i>	Expected timeline for utilising unutilised net proceeds ^(Note 1)
		up to 31 December 2022 <i>RMB million</i>	as at 31 December 2022 <i>RMB million</i>	up to 30 June 2023 <i>RMB million</i>	as at 30 June 2023 <i>RMB million</i>		
(a) Investment in and upgrade of big data and AI analysis technologies to expand its existing APM business	100.6	–	100.6	17.4	83.2	– ^(Note 2)	– ^(Note 2)

Intended use of proceeds	Net proceeds	Net proceeds	Unutilised	Unutilised	Revised	Expected timeline for utilising unutilised net proceeds ^(Note 1)	
	from the Rights Issue	utilised up to 31 December 2022	net proceeds as at 31 December 2022	net proceeds utilised up to 30 June 2023	net proceeds as at 30 June 2023		allocation of unutilised net proceeds
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	
(b) General corporate and working capital purposes	17.4	-	17.4	3.0	14.4	14.4	Approximately RMB5.0 million and RMB9.4 million of which will be utilised during the six months ending 31 December 2023 and the year ending 31 December 2024, respectively
(c) Investment in or upgrade of digital technologies (including but not limited to CBDC, big data, AI and their related technologies) to expand the businesses of all its existing business segments	-	-	-	-	-	83.2	Approximately RMB32.6 million and RMB50.6 million of which will be utilised during the six months ending 31 December 2023 and the year ending 31 December 2024, respectively
Total:	<u>118.0</u>	<u>-</u>	<u>118.0</u>	<u>20.4</u>	<u>97.6</u>	<u>97.6</u>	

Note 1: The expected timeline for utilising the unutilised net proceeds is based on the best estimation of the Board assuming there are not any unforeseeable circumstances. It may be subject to change based on the current and future development of market conditions.

Note 2: Due to the Change in Use of Proceeds, unutilised net proceeds for item (a) shall be reallocated to item (c) in this table.

The supplemental information provided in this announcement does not affect any other information contained in the 2022 Annual Report. Save as disclosed above, the contents of the 2022 Annual Report remain unchanged.

By Order of the Board
International Business Digital Technology Limited
Shi Zhimin
Chairman, Chief Executive Officer and executive Director

Hong Kong, 16 August 2023

As at the date of this announcement, the Board comprises Mr. Shi Zhimin as executive Director; Mr. Guan Haiqing as non-executive Director and Mr. Yeung Man Simon, Mr. Hu Jianjun and Ms. Ru Tingting as independent non-executive Directors.