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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

RESULTS HIGHLIGHTS

— Revenue for the six months ended 30 September 2023 was approximately RMB199.02 million, representing a decrease of 45.6% as compared with approximately RMB366.15 million for the six months ended 30 September 2022.

— Gross profit for the six months ended 30 September 2023 was approximately RMB7.18 million, representing a decrease of 90.6% as compared with approximately RMB76.33 million for the six months ended 30 September 2022. Gross profit margin for the six months ended 30 September 2023 was 3.6%, representing a decrease of 17.2 percentage points as compared with 20.8% for the six months ended 30 September 2022.

— Loss attributable to owners of the Company for the six months ended 30 September 2023 was approximately RMB135.39 million, as compared to profit attributable to owners of the Company of approximately RMB7.39 million for the six months ended 30 September 2022.

— Basic loss per Share for the six months ended 30 September 2023 was approximately RMB19.59 cents, as compared to basic earnings per Share of approximately RMB1.17 cents for the six months ended 30 September 2022.

UNAUDITED INTERIM RESULTS

The Board is pleased to announce the unaudited interim results of the Group for the six months ended 30 September 2023 (the "**Period**"), together with the comparative figures for the six months ended 30 September 2022 as below:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2023

	Notes	**Six months ended 30 September**	
		2023	2022
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**199,016**	366,154
Cost of sales and services rendered		**(191,840)**	(289,826)
Gross profit		**7,176**	76,328
Other income		**866**	4,234
Other losses, net	*5*	**(4,561)**	(17,946)
Share of results of associates		**–**	(5)
Impairment losses under expected credit loss model, net of reversal		**(111,757)**	(2,652)
Distribution and selling expenses		**(2,202)**	(3,356)
Administrative expenses		**(24,528)**	(37,483)
Finance costs		**(12,123)**	(9,084)
Research and development expenses		**(13,102)**	(3,613)
(Loss) profit before taxation		**(160,231)**	6,423
Income tax credit (expense)	*6*	**10,242**	(7,348)
Loss and total comprehensive expense for the period	*7*	**(149,989)**	(925)
(Loss) profit and total comprehensive (expense) income for the period attributable to			
— Owners of the Company		**(135,394)**	7,390
— Non-controlling interests		**(14,595)**	(8,315)
		(149,989)	(925)
(Loss) earnings per share			
— Basic (RMB cents)	*9*	**(19.59)**	1.17
— Diluted (RMB cents)	*9*	**(19.59)**	1.17

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2023

	Notes	30 September 2023 RMB'000 (Unaudited)	31 March 2023 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		**5,927**	6,754
Right-of-use assets		**5,933**	3,369
Investment properties		**20,520**	20,520
Goodwill		**20,032**	20,032
Intangible assets		**28,733**	31,524
Interests in associates		**212,998**	212,998
Rental deposits		**246**	272
		294,389	295,469
Current assets			
Inventories		**26,807**	44,731
Trade and other receivables	*10*	**1,289,856**	1,497,208
Amounts due from non-controlling interests		**468**	35
Financial assets at fair value through profit or loss		**33,132**	71,181
Pledged bank deposits		**–**	14,000
Bank balances and cash		**846**	206,719
		1,351,109	1,833,874
Current liabilities			
Trade and other payables	*11*	**850,391**	1,253,954
Lease liabilities		**1,433**	723
Amounts due to non-controlling interests		**14,263**	9,203
Bank and other borrowings		**100,585**	97,213
Bonds payables		**116,243**	95,134
Tax payables		**53,587**	53,859
		1,136,502	1,510,086
Net current assets		**214,607**	323,788
Total assets less current liabilities		**508,996**	619,257

	Note	30 September 2023 RMB'000 (Unaudited)	31 March 2023 RMB'000 (Audited)
Non-current liabilities			
Bank and other borrowings		**20,037**	20,108
Bonds payables		**–**	11,505
Convertible bonds		**1,884**	–
Lease liabilities		**4,554**	2,614
Deferred tax liabilities		**7,552**	17,794
		34,027	52,021
Net Assets		**474,969**	567,236
Capital and reserves			
Share capital	*12*	**5,991**	5,616
Reserves		**430,194**	508,241
Equity attributable to owners of the Company		**436,185**	513,857
Non-controlling interests		**38,784**	53,379
Total Equity		**474,969**	567,236

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Going concern basis

For the six months ended 30 September 2023, the Group incurred a loss of approximately RMB149,989,000 and as at 30 September 2023, the Group had bank and other borrowings of approximately RMB100,585,000 and bonds payable of approximately RMB116,243,000 due for repayment within the next twelve months and bank balances and cash of approximately RMB846,000. In addition, the Company received a petition for the winding up of the Company, details as disclosed in note 13 to the condensed consolidated financial statements. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

In order to improve the Group's financial position, the Directors are implementing various plans and measures, as follows:

(i) to restructure and capitalise certain of the Group's liabilities into new shares as stated in note 13 to the condensed consolidated financial statements;

(ii) the proposed rights issue of shares in Company as detailed in note 14(a) to the condensed consolidated financial statements;

(iii) possible disposal of a significant business as detailed in note 14(b) to the condensed consolidated financial statements; and

(iv) the Group is considering to raise new capital by carrying out fund raising activities including but not limited to rights issue, open offer, placing of new shares and issuance of convertible bonds.

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the successful implementation and outcome of the abovementioned plans and measures to be undertaken by the Group. The directors of the Company are of the opinion that, taking into account the above plans and measures, the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the next twelve months from 30 September 2023. The directors of the Company are therefore of the opinion that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, at the end of each reporting period, as appropriate.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**"), the accounting policies and the methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2023 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2023.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs and an interpretation issued by the HKICPA which are mandatorily effective for the annual period beginning on or after 1 April 2023 for the preparation of the Group's condensed consolidated financial statements.

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The application of the amendments to HKFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE

Disaggregation of revenue

Types of goods or services

	Six months ended 30 September	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Intelligent terminal products sales	**193,503**	313,866
Provision of coordination, management and installation services	**–**	264
Software development	**625**	46,162
System maintenance services	**4,888**	5,862
	199,016	366,154

Timing of revenue recognition

Six months ended 30 September 2023 (Unaudited)

	Intelligent terminal products sales	**Provision of coordination, management and installation services**	**Software development**	**System maintenance services**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
A point in time	**193,503**	**–**	**–**	**–**	**193,503**
Over time	**–**	**–**	**625**	**4,888**	**5,513**
	193,503	**–**	**625**	**4,888**	**199,016**

Six months ended 30 September 2022 (Unaudited)

	Intelligent terminal products sales	Provision of coordination, management and installation services	Software development	System maintenance services	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
A point in time	313,866	–	–	–	313,866
Over time	–	264	46,162	5,862	52,288
	313,866	264	46,162	5,862	366,154

4. SEGMENT INFORMATION

The Group's operating segments are determined based on information reported to Mr. Lai Tse Ming ("**Mr. Lai**"), being the chief operating decision maker ("**CODM**") of the Group for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group. The Group's reportable and operating segments are as follow:

(i) Intelligent terminal products sales segment – sales of intelligent terminal products;

(ii) System integration segment – provision of tailor-made system solutions applying internet of things ("**IoT**") technologies of smart cities by provision of coordination, management and installation services, sale of intelligent terminal products as well as development of customised softwares;

(iii) Software development segment – development of customised softwares; and

(iv) System maintenance services segment – provision of system maintenance services.

The CODM considers the Group has four reportable and operating segments which are based on the internal organisation and reporting structure. This is the basis upon which the Group is organised.

The following is an analysis of the Group's revenue and results by reportable and operating segment:

For the six months ended 30 September 2023 (Unaudited)

	Intelligent terminal products sales *RMB'000*	**System integration** *RMB'000*	**Software development** *RMB'000*	**System maintenance services** *RMB'000*	**Total** *RMB'000*
REVENUE					
External sales	**193,503**	**–**	**625**	**4,888**	**199,016**
SEGMENT (LOSS) PROFIT	**(71,567)**	**(16,610)**	**(18,478)**	**1,654**	**(105,001)**
Unallocated income					**866**
Unallocated expenses					**(14,884)**
Administrative expenses					**(24,528)**
Finance costs					**(12,123)**
Unallocated other losses, net					**(4,561)**
Loss before taxation					**(160,231)**

For the six months ended 30 September 2022 (Unaudited)

	Intelligent terminal products sales *RMB'000*	System integration *RMB'000*	Software development *RMB'000*	System maintenance services *RMB'000*	Total *RMB'000*
REVENUE					
External sales	313,866	264	46,162	5,862	366,154
SEGMENT PROFIT	56,270	225	13,072	1,883	71,450
Unallocated income					4,234
Unallocated expenses					(4,748)
Administrative expenses					(37,483)
Finance costs					(9,084)
Unallocated other losses, net					(17,946)
Profit before taxation					6,423

Segment profit (loss) represents the profit (loss) before taxation earned by each segment without allocation of other income, other expenses, other losses, net, distribution and selling expenses, administrative expenses, finance costs, impairment losses, research and development expenses and share of results of associates. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Segment assets and liabilities

No segment assets and liabilities information is provided as no such information is regularly provided to the CODM of the Group on making decision for resources allocation and performance assessment.

Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's non-financial non-current assets (the "**specified non-current assets**"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset.

	Revenue		**Specified non-current assets**	
	Six months ended 30 September		**At 30 September**	At 31 March
	2023	2022	**2023**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
The PRC	**199,016**	366,154	**292,729**	294,303
Hong Kong	**–**	–	**1,414**	894
	199,016	366,154	**294,143**	295,197

5. OTHER LOSSES, NET

	Six months ended 30 September	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net exchange loss	**(7,366)**	(9,722)
Gain (loss) on change in fair value of financial assets at fair value through profit or loss	**2,232**	(7,640)
Loss on change in fair value of investment properties	**–**	(280)
Recognition of deferred loss from initial recognition of convertible bonds	**(91)**	(287)
Gain on change in fair value of the derivative component of the convertible bonds	**761**	–
Others	**(97)**	(17)
	(4,561)	(17,946)

6. INCOME TAX (CREDIT) EXPENSE

	Six months ended 30 September	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax:		
PRC Enterprise Income Tax ("**EIT**")	**–**	6,484
Deferred tax	**(10,242)**	864
	(10,242)	7,348

Hong Kong

Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%.

During the current interim period, no provision for taxation in Hong Kong has been made as the Group has no assessable profit for the interim period (2022: nil).

PRC

Pursuant to the Enterprise Income Tax Law and Implementation Regulations of the Law of the PRC (the "**PRC EIT Law**"), the statutory tax rate of PRC subsidiaries is 25% during the current interim period.

In December 2022, IBO Information renewed the qualification of High and New Technology Enterprise ("**HNTE**") granted by Shenzhen Finance Bureau, Administrator of Local Taxation of Shenzhen Municipality (the "**Shenzhen Local Taxation Administrator**") and Shenzhen Municipal office of the State Administration of Taxation and therefore is entitled to preferential tax rate of 15% up to December 2025 in accordance with the PRC EIT Law.

In December 2022, Weitu Technology was qualified as a HNTE granted by the Shenzhen Local Taxation Administrator and Shenzhen Municipal office of the State Administration of Taxation and is therefore entitled to preferential tax rate of 15% up to December 2025 in accordance with the PRC EIT Law.

Certain subsidiaries other than IBO Information and Weitu Technology located in PRC are qualified with the standard of small and low profit enterprises and are therefore entitled to preferential tax rate of 20%.

No provision for EIT for other subsidiaries have been made as other subsidiaries have no assessable profit for both interim periods.

7. LOSS AND TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD

Loss and total comprehensive expense for the period has been arrived at after charging (crediting):

	Six months ended 30 September	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	**1,909**	1,573
Depreciation of right-of-use assets	**745**	2,893
Amortisation of intangible assets (included in cost of sales and services rendered and administrative expenses)	**795**	5,095
Cost of inventories recognised as an expense (included in cost of sales and services rendered)	**191,840**	289,826
Impairment loss recognised in respect of trade receivables	**112,177**	4,877
Impairment loss recognised in respect of contract assets	**–**	5
Impairment loss reversed in respect of other receivables	**(420)**	(2,204)
Impairment loss reversed in respect of rental deposits	**–**	(18)
Impairment loss reversed in respect of amounts due from non-controlling interests	**–**	(8)

8. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the current interim period (2022: nil), nor had any dividend been proposed since the end of the reporting period.

9. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 September	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
(Loss) earnings:		
(Loss) earnings for the purpose of calculating basic and diluted (loss) earnings per share	**(135,394)**	7,390

	Six months ended 30 September	
	2023	2022
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted (loss) earnings per share	**691,040**	631,718

For the six months ended 30 September 2023, diluted loss per share attributable to owners of the Company were the same as the basic loss per share because the computation of diluted loss per share does not assume the exercise of the Company's share options and conversion of the outstanding convertible bonds as the exercise price or conversion price of those share options and convertible bonds were higher than the average market price of the Company's share for the six months ended 30 September 2023.

For the six months ended 30 September 2022, as the Company's outstanding convertible bonds and share options had an anti-dilutive effect to the basic earnings per share calculation, the conversion of the above potential shares is not assumed in the computation of diluted earnings per share. Therefore, the basic and diluted earnings per share for the six months ended 30 September 2022 is equal.

10. TRADE AND OTHER RECEIVABLES

	30 September 2023	31 March 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**1,092,144**	1,429,048
Less: allowance for ECL	**(296,009)**	(183,832)
	796,135	1,245,216
Other receivables, net of ECL	**36,148**	16,842
Value-added tax recoverable	**597**	240
Prepayments for purchase of inventories	**456,156**	233,633
Rental deposit, net of ECL	**820**	1,277
Total trade and other receivables	**1,289,856**	1,497,208

The Group allows credit period ranging from 30 days to 270 days which are agreed with each of its trade customers.

The following is an aged analysis of trade receivables presented based on date of delivering of goods/ payment certificates/invoice dates at the end of the reporting period:

	30 September 2023	31 March 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0-30 days	**995**	299,785
31-90 days	**67,463**	283,111
91-180 days	**33,955**	97,744
181-365 days	**205,654**	299,943
Over 365 days	**488,068**	264,633
	796,135	1,245,216

11. TRADE AND OTHER PAYABLES

	30 September 2023 *RMB'000* **(Unaudited)**	31 March 2023 *RMB'000* (Audited)
Trade payables *(note a)*	**605,031**	862,434
Bills payables	**–**	14,000
Contract liabilities *(note b)*	**411**	37,423
Other payables	**32,058**	46,413
Other tax payables	**145,536**	174,123
Accrued expenses	**28,072**	14,875
Accrued payroll expenses	**36,928**	25,359
Deposits received for issue of convertible bonds	**–**	44,547
Investment cost payables	**1,219**	34,780
Interest payables	**1,136**	–
Total trade and other payables	**850,391**	1,253,954

Notes:

(a) The credit period on trade payables ranged from 30 days to 60 days.

The following is an aged analysis of trade payables presented based on the receipts of goods or services/payment certificates/invoice dates at the end of the reporting period:

	30 September 2023 *RMB'000* **(Unaudited)**	31 March 2023 *RMB'000* (Audited)
0-90 days	**130,123**	373,431
91-180 days	**9,076**	110,013
181-365 days	**34,510**	33,524
1-2 years	**385,942**	307,158
Over 2 years	**45,380**	38,308
	605,031	862,434

(b) The contract liabilities primarily relate to the advance consideration received from customers for sales of intelligent terminal products, for which revenue is recognised at point in time. This will be recognised as revenue when control of the goods has transferred, being when the goods have been delivered to the customers' specific location.

12. SHARE CAPITAL

	Number of shares	Share capital *HK$'000*
Ordinary shares of HK$0.01 each		
Authorised:		
At 31 March 2023, 1 April 2023 and 30 September 2023	1,000,000,000	10,000

	Number of shares	Share capital HK$'000 *HK$'000*	Shown in the consolidated statement of financial position *RMB'000*
Issued and fully paid:			
At 31 March 2023 and 1 April 2023 (audited)	**667,318,773**	**6,673**	**5,616**
Issue of shares under General Mandate *(Note)*	**8,148,000**	**82**	**75**
Issue of shares arising from conversion of convertible bonds	**33,000,000**	**330**	**300**
At 30 September 2023 (unaudited)	**708,466,773**	**7,085**	**5,991**

Note:

Pursuant to a placing agreement dated 19 June 2023 (as supplemented by a supplemental placing agreement dated 3 July 2023) between the Company and a placing agent, the placing agent agreed to place a maximum of 8,148,000 new ordinary shares of HK$0.01 each at a price of HK$1.14 per share to independent parties. The proceeds would be used for subscription, supplement cash flow of the Group and, as well as its working capital and other general corporate purposes.

On 5 July 2023, the placing was completed and 8,148,000 new Shares were issued by the Company to not less than six placees at the placing price of HK$1.14 per placing share pursuant to the terms and conditions of the placing agreement (as supplemented by a supplemental placing agreement dated 3 July 2023).

Details of the share placement were contained in the Company's announcements dated 19 June 2023, 3 July 2023 and 5 July 2023.

13. LITIGATION

On 24 July 2023, a winding-up petition (the "**Petition**") was filed by Ms. WEI Qianqian (魏倩倩)(the "**Petitioner**") with the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (the "**High Court of Hong Kong**") for the winding up of the Company under the provision of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (the "**C(WUMP)O**"), in relation to the Petitioner's claim for outstanding debts in relation to bonds (the "**Bonds**") in the principal amount of HK$1,500,000.00 and as at 24 July 2023, the Company is allegedly indebted to the Petitioner in the aggregate sum of HK$1,697,547, with HK$1,500,000.00 being the outstanding principal under the Bonds and HK$197,547 being the unpaid accrued interest thereunder.

On 3 November 2023, the validation order in respect of the Petition was granted by the High Court approving that all sales and purchases of the issued Shares which are listed on the Stock Exchange, whether or not through the CCASS operated by the HKSCC, and whether on or off the Stock Exchange, and the corresponding alteration in the status of the members of the Company shall not be void by virtue of the Petition under section 182 of the C(WUMP)O.

In view of the Petition and the indebtedness of the Company, on 28 November 2023, the Company announced its proposal to raise up to HK$254,497,539.78 before expenses, by way of the rights issue, by issuing up to 2,313,613,998 rights shares, assuming full conversion of the convertible bonds and all share options are exercised in full, but otherwise no other Shares are issued and no repurchase of Shares ("**Rights Issue**"). Please refer to note 14 below for further details of the Rights Issue.

The Company is also considering and evaluating the existing operation and business of the Group with a view to restructure and/or streamline the same so as to further improve the financial position of the Group. Negotiations are underway for the possible disposal of a significant business. The Company and its legal team are contacting the Company's creditors and/or their legal advisers for debt capitalisation. The aim of the Company is, in addition to the Rights Issue, to effectuate debt capitalisation to swap the outstanding indebtedness or such relevant part thereof into new Shares to be issued and allotted by the Company therefor so as to reduce the amount of the outstanding indebtedness as much as possible. Assuming full subscription under the rights issue, the Company expects that it will obtain sufficient financial resources to settle the outstanding indebtedness upon completion of the Rights Issue and/or the debt capitalisation.

Details and progress of the Petition are set out in the announcements of the Company dated 27 July 2023, 31 August 2023, 19 September 2023, 27 September 2023, 18 October 2023, 1 November 2023, 3 November 2023 and 29 November 2023.

14. EVENTS AFTER THE REPORTING PERIOD

a) Rights Issue

On 28 November 2023, the Company announced its proposal to raise up to HK$254,497,539.78 before expenses, by way of the Rights Issue, by issuing up to 2,313,613,998 rights shares (assuming full conversion of the convertible bonds and all share options are exercised in full, but otherwise no other Shares are issued and no repurchase of Shares) at the subscription price of HK$0.11 per rights share on the basis of three (3) rights shares for every one (1) existing Share held on the record date.

The estimated net proceeds from the Possible Rights Issue will not be more than approximately HK$249 million and the Company will apply the proceeds for repayment of outstanding indebtedness and general working capital of the Group. On 28 November 2023, the Company entered into an underwriting agreement with VC Brokerage Limited whereby VC Brokerage Limited agrees to underwrite the Rights Issue on a best effort basis. Details of the Rights Issue were set out in the announcement of the Company dated 28 November 2023.

b) Possible disposal of a significant business

Pursuant to the announcement of the Company dated 29 November 2023, the Company is considering and evaluating the existing operation and business of the Group with a view to restructure and/or streamline the same so as to further improve the financial position of the Group. Negotiations are underway for the possible disposal of a significant business.

MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

The Group is a national high-tech enterprise that designs, develops and provides customers with information technology application innovative ("**ITAI**") electronic terminals, 5G communication network and artificial intelligence ("**AI**") Internet of Things ("**IoT**") products, as well as industrial digital solutions. The Group's three main businesses are ITAI Information Technology (terminal products and industry solutions), 5G (communication equipment and private network solutions) and IoT (products and solutions), and is committed to providing services for customers in public and private sectors.

In addition to its principal businesses, the Group has been exploring suitable opportunities to expand its business presence in recent years. The Group intends to invest in Hangzhou Yixin Microtech Co., Ltd.*（杭州一芯微科技有限公司）("**Hangzhou Yixin**") and Shandong Xingang Electronic Science and Technology Co., Ltd.*（山東新港電子科技有限公司）to expand its business into the electronic cigarette market in China in order to capitalise on the growth potential of the relevant business areas and to form a complete business model and industry eco-system with its existing businesses, thereby creating a unique core advantage.

MARKET REVIEW

Consumer Confidence is being Undermined as China's External Economic Growth Continues to Face Severe Challenges

During the Period, the overall business environment remained difficult due to the dual impact of sluggish global economic development and the slow pace of China's recovery. In China, according to the data released by the National Bureau of Statistics of China, although the country's gross domestic product ("**GDP**") expanded 5.5% in the first half of 2023, it has been adversely affected by factors such as declining exports, sluggish investment, delayed consumption recovery, and the intensifying real estate crisis. These factors have led to a rapid decline in business confidence among Chinese enterprises and a low consumer confidence, resulting in a continued slowdown in China's economic recovery, posing more obstacles to the Group's business.

On the international front, the report of the International Monetary Fund indicated that the recovery of the global economy was slowing down as interest rate hikes by central banks to combat inflation continued to weigh on economic activities. The World Bank also stated that the global economy was experiencing instability mainly due to the cumulative impact of tightening monetary policies, the lingering COVID-19 pandemic (the "**Pandemic**") and the Russia-Ukraine war.

Against such backdrop, China's external demands remained severely unstable. Meanwhile, the Group's operating costs remained high during the Period due to the increasing difficulties in the production and operation of small and medium-sized enterprises (SMEs) and the obstruction of the industry and supply chain, placing the Group under the dual pressure of internal and external challenges.

Thriving Growth in the Electronic Cigarette Market

According to the study published by Zion Market Research, the size of the global electronic automisation market amounted to approximately USD18.32 billion in 2022, and is expected to grow at a compound annual growth rate ("**CAGR**") of 12.5% in the future and reach USD46.98 billion in 2030. As the world's largest electronic cigarette manufacturer and exporter, China possesses significant advantages in its industrial chain. Products of many leading overseas electronic cigarette brands are manufactured by Chinese enterprises. According to the recent announcement of Shenzhen Customs, it was predicted that China's electronic cigarette export value in the first five months of 2023 reached approximately RMB31.4 billion in aggregate, representing a year-on-year increase of approximately 48%, demonstrating a robust growth momentum for the electronic cigarette export industry.

BUSINESS REVIEW

During the Period, the business of the Group was mainly categorised into four main sectors, including (i) intelligent terminal products sales; (ii) system integration; (iii) software development; and (iv) system maintenance services.

During the Period, the Group received a winding-up petition (the "**Petition**") filed by Ms. WEI Qianqian（魏倩倩）(the "**Petitioner**") with the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (the "**High Court of Hong Kong**"). Please refer to the section headed "WINDING UP PETITION" in this announcement below for details. In addition, the Petition has triggered a series of claims demanded by creditors against the Group for undue outstanding net principal of bonds ("**Bonds**") issued and the interest thereon, which, together with the tightened borrowing policy of banks and delayed payments by the Group's clients, leading to severe liquidity crisis and therefore jeopardizing the normal operation of the Group.

Moreover, the Group's four major businesses were inevitably affected by the turbulent environment during the Period, as China's economy continued to weaken, resulting in numerous close-down of SMEs in various industries.

Revenue breakdown by business segments is set out below:

	For the six months ended 30 September			
	2023 (unaudited)		2022 (unaudited)	
	RMB'000	*%*	*RMB'000*	*%*
Intelligent terminal products sales	**193,503**	**97.2**	313,866	85.7
System integration	**–**	**0.0**	264	0.1
Software development	**625**	**0.3**	46,162	12.6
System maintenance services	**4,888**	**2.5**	5,862	1.6
Total	**199,016**	**100.0**	366,154	100.0

Intelligent terminal products sales

During the Period, the Group continuously focused on the development, production and sales of customised IoT smart terminals to customers. Revenue from the intelligent terminal products sales business recorded a year-on-year decrease of approximately 38.3% to approximately RMB193.5 million (corresponding period of 2022: approximately RMB313.87 million). This business continued to be the largest contributor to the Group's revenue, accounting for 97.2% of its total revenue.

System integration

Based on the analysis and assessment of customers' needs, the Group provides customers with integrated and customised system solutions based on IoT and related technologies, including overall system planning, development and design, system equipment procurement, system software and hardware equipment integration, system implementation, pilot runs, as well as system management and maintenance. The Group's revenue from the system integration business is derived from one-off projects with fluctuating revenue as compared to other segments. During the Period, the Group's system integration business did not record any revenue.

Software development

The Group plans and designs the software system frameworks and function lists for customers and provides customised software application development services based on their business and management needs. Leveraging on its strong software development capabilities, the Group has been providing quality software application development services to serve customers in different industries for many years. The Group's software development business recorded a revenue of approximately RMB0.63 million for the Period (corresponding period of 2022: approximately RMB46.16 million), accounting for 0.3% of the Group's total revenue.

System maintenance services

The Group provides software and hardware system maintenance services for information systems, including system equipment maintenance and management, database maintenance, daily system monitoring and system upgrade, etc. Thanks to the little impact from external factors and the customers' sound loyalty, the business of this segment maintained steady growth during the Period, with revenue of approximately RMB4.89 million (corresponding period of 2022: approximately RMB5.86 million), accounting for 2.5% of the Group's total revenue.

FINANCIAL REVIEW

Revenue

The Group's revenue for the Period decreased year-on-year by 45.6% to approximately RMB199.02 million (corresponding period of 2022: approximately RMB366.15 million), which was mainly due to the year-on-year decrease of the Group's revenue from the intelligent terminal products sales business, software development business and system maintenance services business of approximately 38.3%, 98.6% and 16.6% respectively during the Period and the absence of revenue from the system integration business of the Group during the Period.

Gross profit and gross profit margin

During the Period, the Group's gross profit decreased by 90.6% to approximately RMB7.18 million (corresponding period of 2022: approximately RMB76.33 million), which was mainly due to the year-on-year decrease of the Group's revenue from the intelligent terminal products sales business, software development business and system maintenance services business of approximately 38.3%, 98.6% and 16.6% respectively during the Period and the absence of revenue from the system integration business of the Group during the Period. Gross profit margin decreased year-on-year by 17.2 percentage points to 3.6% (corresponding period of 2022: 20.8%), mainly due to the decrease of sales price.

Impairment losses under expected credit loss model, net of reversal

The Group's impairment losses under expected credit loss ("**ECL**") model, net of reversal for the Period included changes in ECLs during the Period for financial assets, such as rental deposits, trade receivables and other receivables. During the Period, the impairment losses under ECL model, net of reversal increased substantially to approximately RMB111.76 million (corresponding period of 2022: approximately RMB2.65 million). This was mainly due to an increase in the ageing of the Group's trade receivables as at 30 September 2023.

Subsequent settlement in respect of trade receivables

There were subsequent settlements of the trade receivables that amounted to approximately RMB61.09 million, which represented approximately 5.6% of the total balance of trade receivables as at 30 September 2023. All of the subsequent settlements were in cash.

Loss attributable to owners of the Company

As a result of the above factors, the Group recorded loss attributable to owners of the Company of approximately RMB135.39 million for the Period (corresponding period of 2022: profit attributable to owners of the Company of approximately RMB7.39 million), which was mainly due to (i) the impairment losses under ECL model, net of reversal for the Period, increased substantially as compared with corresponding period of 2022; and (ii) gross profit for the Period decreased significantly as compared with corresponding period of 2022.

Capital structure, liquidity and financial resources

As at 30 September 2023, the Group's net current assets were approximately RMB214.61 million (31 March 2023: approximately RMB323.79 million).

As at 30 September 2023, the Group's bank balances and cash were approximately RMB0.85 million (31 March 2023: approximately RMB206.72 million). The current ratio (a ratio of current assets to current liabilities) was approximately 1.2 times (31 March 2023: approximately 1.2 times).

As at 30 September 2023, the Group's total bank and other borrowings were approximately RMB120.62 million (31 March 2023: approximately RMB117.32 million).

During the Period, the Group issued by way of placing (i) convertible bonds in a total principal amount of HK$53,592,000 and (ii) 8,148,000 new shares under 2022 General Mandate. Details are set out in the sections headed "USE OF NET PROCEEDS — Placing of Convertible Bonds in a Total Principal Amount of HK$53,592,000 under 2022 General Mandate" and "USE OF NET PROCEEDS — Placing of 8,148,000 New Shares under 2022 General Mandate" in this announcement below.

As at 30 September 2023, the authorised share capital of the Company was HK$10 million divided into 1,000,000,000 Shares of HK$0.01 each, and the issued share capital of the Company was approximately HK$7.0847 million divided into 708,466,773 Shares of HK$0.01 each.

Material acquisition and disposal of subsidiaries and associates

During the Period, the Group did not have any material acquisition or disposal of subsidiaries or associates.

WINDING UP PETITION

On 24 July 2023, a Petition was filed by the Petitioner with the High Court of Hong Kong for the winding-up of the Company under the provision of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), in relation to the Petitioner's claim for outstanding debts in relation to the Bonds in the principal amount of HK$1,500,000.00 and as at 24 July 2023, the Company is allegedly indebted to the Petitioner in the aggregate sum of HK$1,697,547, with HK$1,500,000.00 being the outstanding principal under the Bonds and HK$197,547 being the unpaid accrued interest thereunder. The Petitioner later amended the Petition with a revised alleged claim of HK$5,503,616, which represent net amount of the outstanding principal of the Bonds issued by the Company and the interest. In addition, a few alleged creditors of the Company have filed Notice of Intention to Appear on the Petition. On 3 November 2023, the validation order in respect of the Petition was granted by the High Court. On 29 November 2023, hearing of the Petition was further adjourned to 4 December 2023.

In view of the Petition and the indebtedness of the Company, on 28 November 2023, the Company announced its proposal to raise up to HK$254,497,539.78 before expenses, by way of the Rights Issue, by issuing up to 2,313,613,998 rights shares (assuming full conversion of the convertible bonds and all share options are exercised in full, but otherwise no other Shares are issued and no repurchase of Shares) at the subscription price of HK$0.11 per rights share on the basis of three (3) rights shares for every one (1) existing Share held on the record date.

The estimated net proceeds from the Possible Rights Issue will not be more than approximately HK$249 million and the Company will apply the proceeds for repayment of outstanding indebtedness and general working capital of the Group. On 28 November 2023, the Company entered into an underwriting agreement with VC Brokerage Limited whereby VC Brokerage Limited agrees to underwrite the Rights Issue on a best effort basis. Details of the Rights Issue were set out in the announcement of the Company dated 28 November 2023.

The Company is also considering and evaluating the existing operation and business of the Group with a view to restructure and/or streamline the same so as to further improve the financial position of the Group. Negotiations are underway for the possible disposal of a significant business. The Company and its legal team are contacting the Company's creditors and/or their legal advisers for debt capitalisation. The aim of the Company is, in addition to the Rights Issue, to effectuate debt capitalisation to swap the outstanding indebtedness or such relevant part thereof into new Shares to be issued and allotted by the Company therefor so as to reduce the amount of the outstanding indebtedness as much as possible.

Assuming full subscription under the Rights Issue, the Company expects that it will obtain sufficient financial resources to settle the outstanding indebtedness upon completion of the Rights Issue and/or the debt capitalisation.

Further details of the Petition are set out in the announcements of the Company dated 27 July 2023, 31 August 2023, 19 September 2023, 27 September 2023, 18 October 2023, 1 November 2023, 3 November 2023 and 29 November 2023, respectively.

MAJOR COOPERATION PROJECTS ENTERED INTO FOR THE PERIOD

Entering into Investment and Acquisition Agreement with Hangzhou Yixin

On 29 May 2023, the Company, IBO Intelligent, the Original Yixin Shareholders (as defined in the announcement of the Company dated 29 May 2023) and Hangzhou Yixin entered into the investment and acquisition agreement, pursuant to which (i) IBO Intelligent conditionally agreed to invest an amount in RMB which is equal to HK$40,000,000 (equivalent to RMB36,035,600) in Hangzhou Yixin in order to hold 5.00% of the share capital of Hangzhou Yixin upon the completion; and (ii) after the completion and the completion of the Restructuring (as defined in the announcement of the Company dated 29 May 2023), the Company shall have the Right (as defined in the announcement of the Company dated 29 May 2023) to proceed with the Further Investment (as defined in the announcement of the Company dated 29 May 2023) such that the Group will hold an aggregate of 35% to 46% of the share capital of Hangzhou Yixin.

Hangzhou Yixin is a company established under the laws of and continued in the PRC with limited liability. Hangzhou Yixin is a high-tech company principally engaged in the design and development of constant pressure and constant power airflow sensing chips, as well as the production and sales of modules.

The Directors believe that the subscription and the right of the further investment, with the current economic environment recovery and the growth potential in the business sector of Hangzhou Yixin, is an opportunity for the Company's hardware business to tape into chips manufacturing business, particularly the "airflow sensing chips". The Directors consider that the terms and conditions of the investment and acquisition agreement are fair and reasonable and on normal commercial terms, accordingly, the entering into of the investment and acquisition agreement is in the interests of the Company and the Shareholders as a whole.

Further details are set out in the announcements of the Company dated 29 May 2023, 2 June 2023 and 7 July 2023.

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)

On 4 July 2023, the Company and Mr. Teng Da Cheng* (滕大成) entered into a letter of intent, pursuant to which the Company and/or its subsidiaries intends to invest in Shandong Xingang Electronic Technology Company Limited* (山東新港電子科技有限公司).

Shandong Xingang Electronic Technology Company Limited*（山東新港電子科技有限公司）is a limited liability company established under the laws of 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. Shandong Xingang Electronic Technology Company Limited*（山東新港電子科技有限公司）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. Mr. Teng Da Cheng*（滕大成）is the largest shareholder of Shandong Xingang Electronic Technology Company Limited*（山東新港電子科技有限公司）holding 49.9% equity interest.

Further details are set out in the announcement of the Company dated 4 July 2023.

BUSINESS OUTLOOK AND STRATEGIES

During the Period, the Group suffered multiple setbacks, such as the sluggish external business environment and the Petitions. However, the management has formulated various strategic initiatives, aiming to overcome these challenges. To optimise the operation and forge ahead with perseverance and resilience, the Group will adopt a raft of measures for business restructuring, such as termination of underperformed businesses and allocation of resources to those with bright prospects, for improving operational efficiency and profitability.

The electronic cigarette market will be one of the Group's core focuses in the future. With the continuous tightening of global smoking control policies, the acceptance of electronic atomisation terminals is constantly increasing. At the same time, the industry is benefiting from the maturing product technology and the increasing investment by industry giants, new types of tobacco products represented by electronic atomisation terminals, will have unlimited growth potential in the future. The Group plans to formally tape into the airflow sensing chip market in the PRC by investing in Hangzhou Yixin and Shandong Xingang Electronic Science and Technology Co., Ltd.*（山東新港電子科技有限公司）. with an aim to proactively capture the market opportunities arising from the rapid development of the electronic cigarette market. By leveraging on the significant growth potential of Hangzhou Yixin and Shandong Xingang Electronic Science and Technology Co., Ltd.*（山東新港電子科技有限公司）. in their respective business areas, the Group expects to concentrate resources to address the strong demand of electronic cigarette market in the PRC, thereby contributing steady revenue to the Group.

Despite the headwinds, the Group believes that business will be back on track subsequent to the conclusion of the Petition and business reorganisation. On 28 November 2023, the Company entered into an underwriting agreement with VC Brokerage Limited for a rights issue on the basis of three (3) rights shares for every one (1) existing share at the proposed subscription price of HK$0.11 per rights shares. The estimated net proceeds from the Rights Issue will be not more than approximately HK$249 million and the Company will apply the proceeds for repayment of outstanding indebts and general working capital of the Group. The Company is considering and evaluating the existing operation and business of the Group with a view to restructure and/or streamline the same so as to further improve the financial position of the Group. Negotiations are underway for the possible disposal of a significant business. In addition, upon initial negotiations, the Group's determination to reorganize its business has received strong support from its shareholders. The Group remains optimistic about its future business development. At the same time, it will continue to take prudent measures to further develop its existing business while strengthening its foundation so as to maintain its profitability and market competitiveness.

USE OF NET PROCEEDS

Placing of Convertible Bonds in a Total Principal Amount of HK$53,592,000 under 2022 General Mandate

On 28 March 2023, the Company and Yuet Sheung International Securities Limited (as the placing agent) entered into the placing agreement for the placing of convertible bonds in the aggregate principal amount of up to HK$92,400,000 at the initial conversion price of HK$1.54 per conversion share (subject to adjustments) under the general mandate granted at the annual general meeting of the Company held on 20 September 2022 ("**2022 General Mandate**"). The last day of the two-year period from the issue date is the maturity date. The outstanding principal amount of the convertible bonds bears interests at 8% per annum and shall be payable on the maturity date.

On 2 May 2023, convertible bonds in an aggregate principal amount of HK$53,592,000 were successfully placed. During the Period and as at 30 September 2023, the conversion rights attached to the convertible bonds with an principal amount of HK$50,820,000 have been exercised at the initial conversion price of HK$1.54 per conversion share, and 33,000,000 conversion shares with an aggregate nominal value of HK$330,000 have been allotted and issued to the convertible bond holders.

As at 30 September 2023, the outstanding aggregate principal amount of convertible bonds was HK$2,772,000. Assuming full conversion of the aforesaid convertible bonds into conversion shares based on the initial conversion price of HK$1.54 per conversion share, 1,800,000 conversion shares with aggregate nominal value of HK$18,000 will be allotted and issued by the Company.

The gross proceeds of the placing were HK$53,592,000. The net proceeds of the placing after deducting the placing commission and other expenses) were approximately HK$51,900,000 (equivalent to approximately RMB45,800,000). The net conversion price, after deduction of relevant expenses, was approximately HK$1.49 per conversion share. Further details are set out in the announcements of the Company dated 28 March 2023, 3 April 2023 and 2 May 2023.

As of 30 September 2023, the Group has fully utilised the net proceeds, and net proceeds have been used in the manner set out in the announcement of the Company dated 2 May 2023. The utilisation of net proceeds was summarised as below:

	Original allocation of net proceeds from placing of convertible bonds		**Actually utilised amount as of 30 September 2023**	**Unutilised amount as of 30 September 2023**
	%	*RMB million*	*RMB million*	*RMB million*
Purchase of inventories for the intelligent terminal products sales	48.0	22.0	22.0	–
Sales and services rendering related business expenses	12.0	5.5	5.5	–
General working capital including staff cost, rental expenses, legal and professional fees, other office overhead and general corporate purposes of the Group	40.0	18.3	18.3	–
	100.0	45.8	45.8	–

Placing of 8,148,000 New Shares under 2022 General Mandate

On 19 June 2023, the Company and Yuet Sheung International Securities Limited (as the placing agent) entered into a placing agreement for the placing of up to 30,000,000 new Shares. On 3 July 2023, the Company and the Placing Agent entered into a supplemental agreement to reduce the maximum number of placing Shares to be placed by the placing agent to 8,148,000 new Shares.

On 5 July 2023, all of the 8,148,000 placing Shares with aggregate nominal value of HK$81,480 were successfully placed by the placing agent.

The gross proceeds and net proceeds (after deducting the commission paid to the placing agent, professional fee and other related costs and expenses in relation to the placing) from the placing were approximately HK$9.29 million and approximately HK$9.03 million (equivalent to approximately RMB8.3 million), respectively. The net placing price after deducting related expenses was approximately HK$1.108 per Share.

Further details are set out in the announcements of the Company dated 19 June 2023, 3 July 2023 and 5 July 2023.

As of 30 September 2023, the Group has used up all of the net proceeds. The utilisation of net proceeds was summarised as below:

	Planned allocation of the net proceeds from the placing of new Shares		**Actually utilised amount as of 30 September 2023**	**Unutilised amount as of 30 September 2023**
	%	*RMB million*	*RMB million*	*RMB million*
Subscription (as defined in the announcement of the Company dated 29 May 2023)	40.0	3.32	– (Note)	– (Note)
Purchase inventories for the intelligent terminal products sales	32.0	2.66	2.66	–
Sales and services rendering related business expense	8.0	0.66	0.66	–
General working capital including but not limited to staff cost, rental expenses, legal and professional fees, other office overhead and general corporate purposes of the Group	20.0	1.66	4.98	–
	100.0	8.30	8.30	–

Note:

As the Subscription (as defined in the announcement of the Company dated 29 May 2023) has not yet been implemented, the net proceeds has been applied for general working capital including staff cost, rental expenses, legal and professional fees, other office overhead and general corporate purposes of the Group.

PURCHASE, SALE OR REDEMPTION OF SHARES

For the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The audit committee of the Board (the "**Audit Committee**") includes three independent non-executive Directors, namely Mr. Hung Muk Ming (Chairman), Dr. He Tianxiang and Mr. Jin Zi. The Company's unaudited interim results for the Period have been reviewed by the Audit Committee. The Audit Committee considers that the Company has complied with the applicable accounting standards and requirements and has made appropriate disclosure.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the Corporate Governance Code as stated in Appendix 14 of the Listing Rules for the Period. The Board and the management of the Group consider that maintaining a well-established corporate governance practices and procedures is the key to success.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Company's Code on terms no less exacting than the required standards set out in the Model Code. After specific enquiry made by the Company, all of the Directors confirmed that they have complied with the required standards set out in the Model Code and the Company's Code for the Period.

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the Period (for the six months ended 30 September 2022: nil).

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is published on the Company's website (www.ibotech.hk) and the website of the Stock Exchange (www.hkexnews.hk). The interim report of the Company for the Period containing all the information required by the Listing Rules will be despatched to the Shareholders and published on the above websites in due course.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

"Board"	The board of Directors
"Company", "IBO" or "IBO Technology"	IBO Technology Company Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board (Stock Code: 2708)
"Company's Code"	a code of conduct regarding Directors' transactions in securities of the Company
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IBO Information"	IBO Information (Shenzhen) Limited*（艾伯資訊（深圳）有限公司）, a company established in the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company
"IBO Intelligent"	IBO Intelligent (Shenzhen) Limited*（艾伯智能（深圳）有限公司）, a company established in the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Main Board

"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
"PRC"	the People's Republic of China which, for the purposes of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan Region
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	holder(s) of the Share(s)
"Share(s)"	ordinary share(s) of HK$0.01 each in the issued share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Weitu Technology"	Shenzhen Weitu Technology Development Co., Ltd.* (深圳市偉圖科技開發有限公司), a company established in the PRC with limited liability, which is a non wholly-owned subsidiary of the Company
"%"	per cent

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

Hong Kong, 30 November 2023

As at the date of this announcement, the executive Directors are Mr. Lai Tse Ming, 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.

* *For identification purpose only*