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**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 MEMORANDUM OF UNDERSTANDING  
IN RELATION TO THE FORMATION OF A JOINT VENTURE COMPANY**

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

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 19 February 2020, IBO Telecom Company Limited (“**IBO Telecom**”), a subsidiary of the Company, and Bit One Group Company Limited (“**Bit One**”, a company whose shares are listed on the Second Section of the Tokyo Stock Exchange (Stock Code: 2338)) (“collectively, the “**Parties**”, and each a “**Party**”) has entered into a memorandum of understanding (the “**MOU**”).

**BACKGROUND**

Remote medical service is a breakthrough medical technology. Overcoming distance and other geographical restrictions, the technology allows medical professionals to interact with their peers and patients from different location, which can greatly benefit the medical coverage in remote areas. The invention of 5G technology in China, characterized by its large bandwidth and low latency, allows the remote medical services become commercially possible.

The Group has successfully developed a series of 5G pico base station products based on its self-developed 5G baseband chips and algorithms. The products can cater to a wide range of band frequencies adopted by different telecommunication service providers in different countries, whether the network is based on NSA or SA structure. The 5G base station products have already been under mass-production. One of the principal businesses of the Group is to sell 5G core equipment (i.e., pico base station), provide 5G pico base station network design, communications private network networking services and installation and

maintenance of 5G pico base stations for medical institutions to launch remote medical services in China. The Group also provides remote medical equipment connection for medical institutions (the “**IBO Business**”).

Currently, there are more than 33,000 hospitals in China, each of which can allow installation of 50–100 pico base stations if they would like to connect themselves with the 5G network. It is estimated that overall market for pico base stations in China reach approximately RMB65 billion.

In light of the huge potential market, the Group is considering to introduce Bit One as a strategic shareholder to jointly invest in the IBO Business (the “**Strategic Investment**”).

## **PURPOSE**

In light of the Strategic Investment, IBO Telecom and Bit One intend to form a joint venture company (the “**Potential JV**”) to engage in (i) provision of 5G core equipment, 5G network design and implementation service, 5G smart solutions and services and all relevant network connection, installation, on-going maintenance, technical support and customer services to medical institutions in China; and (ii) distribution of 5G core equipment and provision of all relevant network connection services, installation, on-going maintenance, technical support and customer service in Japan. Detailed terms and conditions of the Strategic Investment shall be subjected to further negotiation of IBO Telecom and Bit One and shall be agreed in a legally binding joint venture agreement (the “**Formal Agreement**”).

## **EXCLUSIVITY**

Each Party agrees to work together with the other Party on an exclusive basis to reach consensus on detail terms and conditions of the Formal Agreement within 60 calendar days after signing the MOU (the “**Exclusivity Period**”). During the Exclusivity Period, each of the Party shall not procure (and shall not cause or permit) any of their affiliates to engage in any discussions or negotiations with any person or take any action has the effect of avoiding the Formal Agreement contemplated in the MOU.

## **OTHER INFORMATION**

The terms of the MOU shall be for a period of 60 calendar days from the date of the MOU, unless extended upon written mutual agreement of both Parties, shall automatically terminated on the date of expiry of the terms of the MOU.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquires, as at the date of this announcement, Bit One and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the Listing of Securities on The Stock Exchange of Hong Kong Limited).

**The Board wishes to emphasise that the formation of the Potential JV may or may not occur and is subject to, among other things, further negotiations among the Parties and entering into of a Formal Agreement in relation to the formation of the Potential JV. Therefore, the Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 19 February 2020

*As at the date of this announcement, the Board of the Company comprises Mr. Lai Tse Ming, Mr. Gao Weilong, Mr. Teng Feng, Mr. Yu Kin Keung, Mr. Lyu Huiheng and Ms. Cheng Yan as executive Directors; and Dr. He Tianxiang, Dr. Wong Kwok Yan and Mr. Hung Muk Ming as independent non-executive Directors.*