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INTERNATIONAL BUSINESS SETTLEMENT HOLDINGS LIMITED **國際商業結算控股有限公司**

(Incorporated in Bermuda with limited liability)

(Stock Code: 00147)

DISCLOSEABLE TRANSACTION **SHARE SUBSCRIPTION IN BRONZELINK HOLDINGS LIMITED**

Financial Adviser to the Company

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THE SUBSCRIPTION

The Board is pleased to announce that, after trading hours on 19 July 2019, the Subscriber (as the subscriber), the Target Company (as the issuer) and Mr. Yiu entered into the Subscription Agreement, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Target Company has conditionally agreed to allot and issue, the Subscription Shares at the Subscription Price of USD50 million.

LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Subscription is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the Subscription is subject to notice and announcement requirements under the Listing Rules.

The Completion is subject to the fulfilment of the conditions precedent as set out in the Subscription Agreement and the Subscription may or may not proceed. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the Shares.

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THE SUBSCRIPTION AGREEMENT

Date

19 July 2019

Parties

- (i) The Subscriber, as the subscriber;
- (ii) the Target Company, as the issuer; and
- (iii) Mr. Yiu, the ultimate beneficial shareholder of the Target Company as at the date of this announcement.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Mr. Yiu and the Target Company are Independent Third Parties.

Subscription Shares

The 5 Subscription Shares represent (i) approximately 5.56% of the issued share capital of the Target Company; and (ii) approximately 5.26% of the issued share capital of the Target Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Target Company from the date of this announcement to the Completion).

Subscription Price

The Subscription Price of USD50 million will be funded by the internal resources of the Group. The Subscriber shall deliver the Escrow Document to an escrow agent within ten Business Days after signing of the Subscription Agreement, pending for the date of Completion (conditional upon the fulfilment and/or waiver (as the case may be) of the conditions precedent pursuant to the Subscription Agreement as set out below) as payment for the Subscription.

The Subscription Price was determined by the Subscriber and the Target Company after arm's length negotiations taking into account of (i) a previous investment made by an Independent Third Party (and also independent to the Target Group and its beneficial owner at the time the investment was made) on similar basis in April 2019 (as at the date of this announcement, the investment is in pending for completion); (ii) undertaking by the Target Company to all potential investors in the Target Company that any further fundraising of the Target Company shall be conducted at a valuation of the Target Company of not less than USD1.05 billion (please refer to the sub-section headed "Pre-emptive rights" in this announcement); (iii) the potential upside of the Subscription Shares in respect of the future business development of the Target Company upon the commencement of operations of the Satellite; and (iv) the potential economic benefits of the exclusive right to be granted to the Group to sell certain bandwidth of the Satellite. The Board considers that the terms of the Subscription Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions Precedent

The Completion is conditional upon satisfaction of the following:

- (a) Global IP having renewed the Boeing Agreement with Boeing and having provided the Subscriber with a new timetable of production issued by Boeing;
- (b) the due diligence conducted on the Target Company having been completed by the Subscriber and the Subscriber being satisfied with the results of the due diligence process;
- (c) all other requisite consents, authorisations, and approvals (or as the case may be, relevant waiver) in connection with the entering into and performance of the terms of the Subscription Agreement having been obtained by the respective parties to the Subscription Agreement; and
- (d) none of the warranties made by the Target Company and Mr. Yiu under the Subscription Agreement and other provisions of the Subscription Agreement having been breached in any material respect (or, if capable of being remedied, has not been remedied within the period set by the Subscriber) or (in respect of any of the aforementioned warranties) is misleading or untrue in any material respect.

The above conditions (save for conditions (a) and (c) which cannot be waived) can be waived by the Subscriber at any time by notice in writing to the Target Company. If the above conditions are not fulfilled and/or waived (as the case may be) by the Long Stop Date, or such later date as may be agreed in writing between the parties of the Subscription Agreement, the Subscriber, the Target Company and Mr. Yiu shall be automatically be released from all obligations under the Subscription Agreement, save and except any liability for antecedent breaches.

Undertakings

- (a) Mr. Yiu undertakes to the Subscriber that, among other matters, prior to the Completion and so far as it is reasonably able, the business of the Target Company will be carried on in the ordinary course and that no information concerning the Target Company or its business shall be disclosed to third party other than in the ordinary course of business;
- (b) upon Completion, the Target Company shall not issue any shares, options, warrants or other securities convertible into any shares of the Target Company of any type or class to any person unless the Target Company has obtained the prior written consent of the Subscriber and that Mr. Yiu and the Target Company shall procure that the Subscriber shall still hold not less than 5% of the entire issued share capital of the Target Company regardless of any new issue of the shares, options, warrants or other securities convertible into the shares of the Target Company of any type or class; and
- (c) after the Completion, the Target Company shall also procure granting an exclusive right to the Subscriber to sell or to sub-license not less than 50Gbps bandwidth which is around 1/3 of the total bandwidth available from the Satellite to the Subscriber and, in connection with such sale or sub-license, entitle the Subscriber to a payment in the amount of not less than 5% of the gross selling price payable by each of the customers of such 50Gbps bandwidth.

Completion

The Completion shall take place on the third Business Day (or within three Business Days as agreed by Mr. Yiu and the Subscriber) following the date that all the conditions precedent as set out in the Subscription Agreement having been satisfied and/or waived (as the case may be) and the financial results of the Target Company shall not be consolidated with the Group.

In the event of the termination of the Subscription Agreement, the Subscriber shall, within two Business Days upon termination of the Subscription Agreement, instruct the return of the Escrow Document to the Subscriber immediately.

Shareholders' Agreement

Upon Completion, the then shareholders of the Target Company will enter into the Shareholders' Agreement to provide for, among other matters, transferral rights and certain other rights and obligations of the shareholders of the Target Company.

The summary of the principal terms of the Shareholders' Agreement are as follows:

Transfer of shares of the Target Company

Subject to other terms contained in the Shareholders' Agreement, no shareholder may transfer any of the shares in the Target Company (or any interest therein), unless with the prior written consent of the other shareholders, or permitted or required to do so pursuant to the terms of the Shareholders' Agreement.

When any shareholder intends to sell or transfer all or any of its shares in the Target Company (or any interest therein) to a third party (the "**Transferring Shareholder**"), the other shareholders may, in writing within one calendar month from the date of the notice of transfer (i) by giving a notice of purchase to the Transferring Shareholder to require the Transferring Shareholder to sell to him/her/it such number of the shares, as the case may be (as specified in the notice of transfer and where applicable) for the same consideration and on the same terms as those offered by the intended transferee; and (ii) by giving a notice of tag-along to the Transferring Shareholder to include his/her/its shares in the Target Company in the number of shares intended to be sold by the Transferring Shareholder to the intended transferee for the same consideration and on the same terms as those offered by the intended transferee.

Pre-emptive rights

Subject to other terms contained in the Shareholders' Agreement, the Target Company shall not issue any shares, options, warrants or other securities convertible into shares of the Target Company of any type or class to any person unless it has (i) obtained the prior written consent of the Subscriber; and (ii) first offered to its shareholders the right to purchase on a pro rata basis. Moreover, any issue of shares, options, warrants or other securities or rights convertible into shares of the Target Company shall always be made on normal commercial terms taking into account the bona fide interests of the shareholders of the Target Company and with the subscription price determined based on a valuation of the Target Company of not less than USD1.05 billion (unless otherwise agreed in writing by all the shareholders of the Target Company).

The Target Company shall not issue any shares, options, warrants or other securities convertible into shares of the Target Company of any type or class to any person unless the Target Company has obtained the prior written consent of the Subscriber and that Mr. Yiu and the Target Company shall procure that the Subscriber shall still hold not less than 5% of the entire issued share capital of the Target Company regardless of any new issue of shares, options, warrants or other securities convertible into shares of the Target Company of any type or class.

INFORMATION ON THE GROUP

The Group is principally engaged in the development of properties, provision of international business settlement services, provision of financing services and hotel development and management services. The Subscriber is a company incorporated in the BVI with limited liability. As at the date of this announcement, the Subscriber is a wholly-owned subsidiary of the Company and is principally engaged in investment holding.

INFORMATION ON THE TARGET GROUP

The Target Company is a company incorporated in the BVI with limited liability and is principally engaged in investment holding. As at the date of this announcement, Mr. Yiu is the sole beneficial owner of the Target Company.

As at the date of this announcement, Global IP is held as to 25% by three other independent shareholders; and 75% by the Target Company. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the beneficial shareholders of Global IP and their ultimate beneficial owner(s) are Independent Third Parties. Global IP is an innovative satellite communications company incorporated in the Cayman Islands interested in the entire issued share capital of (a) Global IP USA Inc.; (b) Dub Dub Norway AS.; and (c) Global-IP Netherlands B.V.. The Global IP Group is principally engaged in providing high capacity Ka-band satellite-enabled internet network services, exclusively dedicated to the emerging markets in Sub-Saharan Africa. The manufacturing work of the Satellite is expected to be completed and delivered by Boeing to Global IP within 2019.

Financial information on the Target Group

Set out below is a summary of the relevant financial information for the two financial years ended 31 December 2018 of (i) the Target Company; and (ii) the Global IP Group (as at the date of this announcement, save for Global IP USA, Inc., each of Global IP and its other subsidiaries has no substantial assets and liability and operations since its incorporation):

The Target Company	For the years ended 31 December	
	2018	2017
	USD'000	USD'000
	<i>(approximately)</i>	<i>(approximately)</i>
Net (loss) before tax	(26,947)	(24,080)
Net (loss) after tax	(26,947)	(24,080)

The Global IP Group	For the years ended 31 December	
	2018	2017
	USD'000	USD'000
	<i>(approximately)</i>	<i>(approximately)</i>
Net (loss) before tax	(9,653)	(5,098)
Net (loss) after tax	(9,653)	(5,098)

The total asset value and net liability value of the Target Company as at 31 December 2018 were approximately USD194.6 million and approximately USD67.8 million respectively. The total asset value and net asset value of the Global IP Group as at 31 December 2018 were approximately USD242.9 million and approximately USD157.2 million respectively.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

Reference is made to the announcement of the Company dated 10 July 2019, in relation to, among other matters, the change in the use of un-utilised proceeds (the “**Un-utilised Proceeds**”) from the placing of new Shares completed on 22 December 2016. The Group believed that it would be in the interests of the Company and the Shareholders to re-allocate the intended use of the Un-utilised Proceeds to segments where revenue can be generated sooner and that approximately HK\$567.6 million is to be applied for potential investment opportunities in the Fintech industry.

The Group has been aware of new technologies such as block chain, big data and distributed networks that will bring about substantial changes to the society and economy in the future. The Group is strived to enhance its business competitiveness by expanding the variety of services scope and enriching the contents of services for better serving its customers and has been continuously discussing with potential partners on various possible forms of cooperation, including investment and capital contribution.

The Subscription allows the Group to participate in the development of the business of satellite services of the Global IP Group which in return establish the Group's telecommunication infrastructure for its private cloud technology, blockchain, distributed computing and big data analysis as part of the development of the Fintech business segment of the Group. The Target Company shall undertake to procure granting an exclusive right to the Subscriber to sell or to sub-license not less than 50Gbps bandwidth available from its high throughput satellite (i.e. the Satellite) that may deliver streaming media, digital broadcast and other communications services while also providing the Group additional revenue source as mentioned previously under the sub-section headed "Undertakings" in this announcement. Global IP has entered into manufacturing contract with Boeing and the Satellite is expected to be delivered within 2019. The Group believes that the commitment of Global IP to build the high capacity Ka-band satellite-enabled internet network, exclusively dedicated to Sub-Saharan Africa, which can provide broadband network services in 39 countries and coverage for 800 million population, would further help the Group to promote its settlement network to Africa Accordingly, the Subscription represents the Group's participation in the infrastructure construction in Africa through the building of space information highways in the Africa section to (i) develop Africa e-commerce business; and (ii) establish an e-commerce cooperation mechanism which is in line with the local governments' effort of deepening trade and investment cooperation and strengthening infrastructure connectivity.

Having considered the factors above, the Board is of the view that the Subscription is an attractive investment that will fit into the Group's business strategy and bring positive returns to the Group in the long run; thus, the Board considers that the Subscription is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the highest of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Subscription is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the Subscription is subject to notice and announcement requirements under the Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Boeing”	Boeing Satellite Systems International, Inc., a private company incorporated in Delaware that manufactures geo-stationary communications satellites and offers spacecrafts for communications and space exploration as well as weather satellites
“Boeing Agreement”	the satellite contract dated 28 August 2016 entered into between Boeing and Global IP
“Business Day(s)”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“BVI”	the British Virgin Islands
“Company”	International Business Settlement Holdings Limited 國際商業結算控股有限公司, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00147)
“Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“Directors”	the directors of the Company
“Escrow Document”	a cashier’s order in the amount equal to the Subscription Price drawn on a licensed bank in Hong Kong payable to the Target Company
“Gbps”	Gigabit per second
“Global IP”	Global-IP Cayman, an exempted company incorporated in the Cayman Islands

“Global IP Group”	Global IP and its subsidiaries
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Independent Third Party(ies)”	third parties independent of and not connected with the Directors, chief executive and substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2019 or any other date as agreed by the parties to the Subscription Agreement
“Mr. Yiu”	Mr. YIU Hoi Ying, the sole beneficial owner of the Target Company
“Satellite”	GiSAT-1, a high-throughput geo-stationary communications satellite manufactured by Boeing
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into among the then shareholders of the Target Company upon Completion
“Subscriber”	Successtime Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“Subscription”	the subscription of the Subscription Shares pursuant to the terms and conditions of the Subscription Agreement

“Subscription Agreement”	the conditional shares subscription agreement dated 19 July 2019 entered into among the Company, the Target Company and Mr. Yiu in relation to the Subscription
“Subscription Shares”	the 5 new ordinary shares of the Target Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Bronzeline Holdings Limited, a company incorporated in the BVI
“Target Group”	the Target Company and its subsidiaries
“USD”	US dollar, the lawful currency of the United States of America

By order of the Board
International Business Settlement Holdings Limited
Yuen Leong
Executive Director

Hong Kong, 19 July 2019

As at the date of this announcement, the executive Directors are Mr. Yuen Leong, Ms. Luan Li and Mr. Hu Jianjun; and the independent non-executive Directors are Mr. Yap Yung, Mr. Zhang Guangsheng and Mr. Chan Siu Tat.

If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.