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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 – JOINT VENTURE AGREEMENT IN RESPECT OF LEASING OF DATA STORAGE EQUIPMENT BUSINESS AND CHANGE IN USE OF UN-UTILISED PROCEEDS**

### **JOINT VENTURE AGREEMENT**

Reference is made to the announcement of the Company dated 17 January 2022. Further to the Previous Announcement, the Board is pleased to announce that on 28 January 2022 (after trading hours), the Subsidiary has entered into the Joint Venture Agreement with Merak pursuant to which the Subsidiary is to hold 51% of the Joint Venture and Merak is to hold 49% of the Joint Venture and that the Joint Venture shall engage mainly in the business of leasing of data storage equipment to customers who provide virtual data storage space for end-users.

According to the Joint Venture Agreement, the Subsidiary is to contribute a non-interest bearing shareholder's loan in the principal amount of not more than HK\$300 million to the Joint Venture to develop and operate its business.

### **LISTING RULES IMPLICATIONS**

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

### **JOINT VENTURE AGREEMENT**

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The principal terms of the Joint Venture Agreement are set out below:

Date: 28 January 2022

Parties: (a) The Subsidiary, a wholly-owned subsidiary of the Company; and  
(b) Merak, a company incorporated in the British Virgin Islands and is ultimately and beneficially owned by Mr. Liu.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Merak and Mr. Liu, being its ultimate beneficial owner, are Independent Third Parties.

### **Capital Contribution**

According to the Joint Venture Agreement, the Subsidiary is to contribute a non-interest bearing shareholder's loan in the principal amount of not more than HK\$300 million to the Joint Venture to develop and operate its business.

### **The Basis of Consideration**

The amount of shareholder's loan that the Subsidiary is to contribute was determined after arm's length negotiation with Merak and with reference to the capital requirement of the proposed business of the Joint Venture and the costs of maintaining the data site. The shareholder's loan amount will be funded by the Group's internal resources.

## **THE JOINT VENTURE BUSINESS**

The virtual world has been generating more and more amount of data every day and every minute. A secured and reliable cloud storage space is an important infrastructure for the virtual world development. The Board believes that the need for secured and encrypted and reliable cloud distributed storage space will increase sharply in the near future. The ultimate purpose of the Joint Venture is to maintain an online data storage space and to provide encrypted distributed storage space to end-users.

The Subsidiary will be primarily responsible for the administrative and regulatory matters of the Joint Venture; and Merak will be primarily responsible for providing technical and engineering support in the setup and maintenance of the virtual data storage space.

### **Management of the Joint Venture**

The respective directors of the Joint Venture nominated by the Subsidiary and Merak shall be in the ratio of 3:2.

Save and except as otherwise provided by applicable laws, matters presented to the board of directors and the general meeting of the Joint Venture are to be decided by simple majority vote of the directors and the shareholders, respectively.

### **Profit Distribution Arrangement**

The Subsidiary and Merak shall share the profits of the Joint Venture in proportion to their respective shareholdings in the Joint Venture after the board of directors' and shareholders' approval.

### **FINANCIAL IMPACT**

The Joint Venture Agreement is expected to have insignificant effect on the net tangible assets or earnings per share of the Group for the financial year ending 31 March 2022.

Since the Subsidiary has the right to appoint a majority of the board of directors of the Joint Venture and has control over the voting rights in the shareholder's meeting of the Joint Venture, the Joint Venture is a subsidiary of the Company. As a result, the financial results, assets and liabilities of the Joint Venture shall be consolidated into the accounts of the Group.

### **REASONS FOR AND BENEFITS OF THE JOINT VENTURE AGREEMENT**

The Group is principally engaged in deploying financial settlement and clearing network and building strategic core financial infrastructure, property development, hotel development and management services, financing services and manufacturing and sales of contact lens.

As mentioned in this announcement, due to the fast pace development of the virtual world and the ever-increasing amount of data being generated online every minute of the day, the Board believes that the need for secured, encrypted and reliable cloud distributed storage space is not only an important element of the infrastructure of the healthy development of the virtual world and will also increase sharply in the near future. The Group consider that the Joint Venture can help to diversify its investment and revenue streams.

The terms of the Joint Venture Agreement has been arrived at after arm's length negotiations between the parties. The Directors have confirmed that the terms of the Joint Venture Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole.

Having considered the factors above, the Board is of the view that the Joint Venture Agreement 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 Joint Venture Agreement is in the interests of the Company and the Shareholders as a whole.

## INFORMATION OF THE PARTIES INVOLVED

Merak, a company incorporated in the British Virgin Islands with limited liability, is principally engaged in investment holding. As at the date of this announcement, Mr. Liu Peng (劉鵬) is the sole beneficial owner of Merak.

Mr. Liu Peng (劉鵬), has over 10 years of experience of working at database centre construction and operation, managing and maintaining database servers. Mr. Liu has been a member of senior management of various high-tech companies and his responsibilities include operation and management of database centres. He has led the construction of more than ten data centres, built up the project teams, overseen operation of the database centres.

## LISTING RULES IMPLICATIONS

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

## CHANGE IN USE OF UN-UTILISED PROCEEDS

Reference is made to the announcement of the Company dated 10 July 2019, in relation to 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, of which USD50 million (equivalent to approximately HK\$390 million) is to be applied to the subscription of shares in Bronzelink Holdings Limited (the “**Bronzelink Subscription**”). The Bronzelink Subscription has lapsed (please refer to announcements of the Company dated 19 July 2019 and 30 December 2020 for details). After the lapse of the Bronzelink Subscription, the Board has re-allocated approximately HK\$163.8 million to contact lenses business (please refer to announcement of the Company dated 4 October 2019 for details). Approximately HK\$211.4 million was applied towards the contact lens business of the Group up to the date of this announcement.

The Board considered that it is important to further diversify its investment and revenue streams and decided to further re-allocate HK\$300 million out of the abovementioned HK\$567.6 million to the Joint Venture.

Having considered the factors above, the Board is of the view that the Joint Venture Agreement 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 Joint Venture Agreement is in the interests of the Company and the Shareholders as a whole.

## DEFINITIONS

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

“associates”	Has the meaning ascribed in the Listing Rules
“Board”	The board of Directors
“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, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 00147)
“Joint Venture Agreement”	The joint venture agreement dated 28 January 2022 entered into between the Subsidiary and Merak mainly for the purpose to maintain an online data storage space and to provide encrypted distributed storage space to end-users through the Joint Venture
“Directors”	The directors of the Company
“Group”	The Company and its subsidiaries
“Independent Third Party(ies)”	An independent third party not connected with the Company and its subsidiaries, their respective directors, chief executives and substantial shareholders and any of their associates within the meaning of the Listing Rules
“Joint Venture”	Day Technology (Hong Kong) Limited 大也科技(香港)有限公司, a limited liability company incorporated in Hong Kong, which is held as to 51% by the Subsidiary and 49% by Merak, in accordance with the Joint Venture Agreement
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange

“Merak”	Merak Technology Limited, a limited liability company incorporated in the British Virgin Islands and is wholly owned by Mr. Liu
“Mr. Liu”	Mr. Liu Peng (劉鵬), the shareholder of Merak
“Previous Announcement”	The announcement of the Company dated 17 January 2022
“Share(s)”	The ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	Shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	Pride Delight Limited, a limited liability company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company

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

Hong Kong, 28 January 2022

*As at the date of this announcement, the Board comprises Mr. Yuen Leong and Mr. Chan Siu Tat as executive directors; Mr. Liu Yu as non-executive director; Mr. Yap Yung, Ms. Chen Lanran and Mr. Wong Kin Ping as independent non-executive directors.*