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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)**

**SUPPLEMENTAL ANNOUNCEMENT  
DISCLOSEABLE TRANSACTION –  
JOINT VENTURE AGREEMENT IN RESPECT OF  
DATA SITE BUSINESS**

Reference is made to the announcement of International Business Settlement Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 28 January 2022 (the “**Previous Announcement**”). Unless otherwise stated herein, capitalised terms in this announcement shall have the same meaning as defined in the Previous Announcement.

The Board would like to clarify that Merak will not be making cash capital contribution to the Joint Venture. As disclosed in the Previous Announcement, Merak, being purely an investment holding entity of Mr. Liu, will be primarily responsible for providing technical and engineering support in the setup and maintenance of the virtual data storage space of the Joint Venture.

As mentioned in the Previous Announcement, the Joint Venture is to engage in the business of leasing of data storage equipment to customers who provide virtual data storage space for end-users. As such, the setup and maintenance of the virtual data storage space is of crucial importance of the on-going business of the Joint Venture. As disclosed in the Previous Announcement, the beneficial owner of Merak, Mr. Liu, has over ten years of experience in database center construction and operation, during such time his duties include but not limited to managing and maintaining database servers, i.e. the expertise and skills necessary for the business of the Joint Venture. Mr. Liu, aged 35, graduated from Hubei University of Technology (湖北工業大學) in 2008 with a bachelor’s degree in civil engineering. Mr. Liu was project manager at a construction company in Hubei from June 2010 to June 2014, responsible for design, construction, and testing of data site centers. For the period from September 2014 to March 2016, Mr. Liu was the controller of cloud servicing department of a technology company in Hangzhou, responsible for daily operation, maintenance, and service management of data site centers. During the period from March 2016 to August 2019, Mr. Liu was a vice manager at a technology company in Shenzhen, responsible for project operation of overseas data site centers. During the period from August 2019 to the present date, Mr. Liu has been the vice general manager at Shenzhen Jumen Technology Group Limited\* (深圳市巨門科技集團有限公司) responsible for database center construction and operation, during such time his duties include but not limited to managing and maintaining database servers. In view of the above, it was decided between the Subsidiary and Merak that Merak, with the support from its sole shareholder Mr. Liu, will be responsible for the technical side of the Joint Venture.

The Joint Venture is to set up the data site in Hong Kong and has recently confirmed the location to be in Tsang Kwan O. The target is to set up approximately 1,000 set of servers with the capacity of 390TB each. The cost of such servers is estimated at around HK\$250 million and the annual operational and maintenance costs is estimated at around HK\$50 million which includes mainly the rental for the data center, staff salaries and other costs and expenses. The set up of the servers will be conducted in two phrases. In the first phrase, the Joint Venture is to purchase 40 sets of servers which will cost approximately HK\$10 million within the first three months of operations of the Joint Venture and will start generating revenue when servers are set up. In the second phrase, the Joint Venture plans to purchase approximately 960 sets of servers which will cost approximately HK\$240 million. It is currently expected that it will take approximately six to nine months to set up the servers in the second phrase. The progress of the second phase will base on the actual demand from its customers and performance of its business during the first phrase. Accordingly, the shareholder's loan of HK\$300 million to be advanced by the Subsidiary will be contributed accordingly to the actual capital requirement of the Joint Venture. It is expected that approximately HK\$20 million is required for the first phrase mentioned above.

As at the date of this announcement, Mr. Liu has been contributing his knowledge and skills to the Joint Venture during the first phase of the setup of the data site center as follows:

- (a) The hardware required for the data site has certain specifications. Mr. Liu, who understands the appropriate specifications required, made enquiries with various suppliers and requested for fee quotes for hardware necessary for the setup of the data site center for the Joint Venture to consider; with the assistance from Mr. Liu, the Joint Venture has placed order to purchase its first 40 sets of servers;
- (b) The physical location of the data site center needs to be suitable for the hardware. It is understood that in order for the servers to run properly, the physical location of the data site center needs to have sufficient cooling system, dust-proof measures and stable power supply. Also, the data site center requires the physical location to meet certain environmental requirements, namely, able to maintain ambient temperature degrees, certain humidity and have specific socket current, stable network connection, and have dust per cubic meter. Mr. Liu, who possess this knowledge from his experience in his previous positions, was able to assist the Joint Venture to find a suitable physical location for the data site center to be set up; with the assistance from Mr. Liu, the Joint Venture located a premises in Tseung Kwan O Industrial Area to set up the data site center;
- (c) Mr. Liu, being in the business of data site centers for over 10 years, has made acquaintances with people in the industry. Mr. Liu has been using his personal network developed over the years to introduce a number of potential customers to the Joint Venture. Mr. Liu has also assisted in negotiating terms and conditions of leasing data site with the customers, and attending to potential customers' enquiries relating to technical matters of the data site of the Joint Venture.

It is expected that in the second phase, Mr. Liu will continue to leverage on his personal network to source customers for the Joint Venture and continue to contribute his knowledge and skills in assisting the Joint Venture in its purchase of further servers to accommodate the demand from more customers. It is also expected that Mr. Liu will be utilizing his technical knowledge to assist the Joint Venture by providing on-time maintenance services of the servers as required by the customers of the Joint Venture from time to time, advising the Joint Venture in dealing with urgent request relating to the data site usage from customers from time to time, and establishing and supervising a technical support team to provide technical support to customers going forward.

While the Company considers that the Joint Venture can help to diversify its investment and revenue streams, the Joint Venture would leverage on the personal network of Merak's owner, Mr. Liu, to source technical staff, suppliers and customers. Therefore, for the success of the Joint Venture, it is crucial that Mr. Liu via Merak contributes his expertise and skills on the technical side of the business of the Joint Venture while the Subsidiary, lacking the technical skills, supports the Joint Venture on capital and administration matters.

Taking into account of the contribution on the technical and operational side of the business of the Joint Venture and the importance thereof, the Board is of the view that the Subsidiary's contribution (i.e. HK\$300 million) to the Joint Venture is fair and reasonable.

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

Hong Kong, 14 March 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.*

\* *For identification purposes only*