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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 – LEASE AGREEMENT**

### **LEASE AGREEMENT**

The Board is pleased to announce that on 24 March 2022 (after trading hours), the Lessor, an indirect non-wholly owned subsidiary of the Company, entered into the Lease Agreement with the Lessee, pursuant to which, among other things, the Lessor agreed to lease the Equipment to the Lessee for a term of one year.

### **LISTING RULES IMPLICATIONS**

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

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The principal terms of the Lease Agreement are summarized as below:

Date: 24 March 2022

Parties: the Lessor, an indirect non-wholly owned subsidiary of the Company, as lessor

the Lessee, an Independent Third Party, as lessee

The Lessee is a company incorporated in Hong Kong with limited liability and is principally engaged in electronic commerce business and its main activity is to provide cloud distributed storage services to end-users in return for Filecoin as rewards. As at the date of this announcement, Mr. Luo Yanfei (羅延飛) is the sole beneficial owner of the Lessee. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Lessee and its ultimate beneficial owner are Independent Third Parties.

### **Subject matter**

The Lessor agreed to lease the Equipment to the Lessee for a period of one year commencing from the date following the date of written notice from the Lessee to the Lessor acknowledging the normal operation of the Equipment which shall be given without unreasonable delay by the Lessee who shall inspect the Equipment at the time of delivery.

### **Ownership of the Equipment**

The Lessor owns the legal title of the Equipment at all times. The Lessee has no rights to the Equipment other than as a lessee to use the Equipment.

### **Leasing Fees**

The Lessee shall provide the calculation of the amount of the Leasing Fees for the relevant quarter/period to the Lessor for its confirmation within 3 Business Days after each Settlement Date and the Lessee shall pay the Leasing Fees to the Lessor's designated account within 5 days after the Lessor and the Lessee have agreed on the amount of the Leasing Fees for the relevant quarter/period.

The Leasing Fees payable by the Lessee to the Lessor consist of two parts: (1) fixed rent: HK\$20,000 per each set of Equipment per month (or in the case of an incomplete month, HK\$20,000 divided by the number of days in the corresponding calendar month and then multiply by the actual number of days the Equipment is leased to the Lessee in that month); and (2) variable rent, which is payable only if the market price of Filecoin on the relevant Settlement Date is higher than US\$18.

The variable rent shall be calculated based on the following formula:

Variable rent per each set of Equipment per quarter/period payable in HK dollars = (the market price of Filecoin on the relevant Settlement Date in US dollars – US\$18) x number of days in the relevant quarter/period x 6 (representing the agreed number of daily output of Filecoin per each set of Equipment) x 7.8 (representing the exchange rate of US dollar to HK dollar) x 85%

The market price of Filecoin on the relevant Settlement Date shall be determined with reference to the average price of Filecoin as quoted by Coinbase, Bitfinex, Bittrex, Gate, all of which are cryptocurrency exchanges, at 11:59 p.m. (Hong Kong time) on the relevant Settlement Date.

The variable rent payable by the Lessee to the Lessor per each set of Equipment per month shall be capped at a maximum amount of HK\$20,000.

The Leasing Fees were agreed between the Lessor and the Lessee after arm's length negotiation with reference to the value of each set of the Equipment of approximately HK\$280,000 at the date of entering the Lease Agreement.

### **Renewal upon expiration of term**

The Lessee has the priority to renew the lease of the Equipment and either party can request to renew the Lease Agreement within 30 Business Days prior to its expiry and the Lease Agreement can be renewed upon mutual consent of the parties.

## **INFORMATION OF THE EQUIPMENT**

The Equipment consist of 40 sets of server equipment and auxiliary parts with specific specifications and configuration to connect to IPFS system for the Lessee's purpose of providing cloud data storage services. The Equipment was purchased in March 2022 with total consideration of approximately HK\$11,500,000.

## **INFORMATION OF THE GROUP AND THE LESSOR**

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.

The Lessor is a company incorporated in Hong Kong with limited liability and is indirectly owned as to 51% by the Company. The Lessor is engaged mainly in the business of leasing of data storage equipment to customers who provide virtual data storage space for end-users.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENT**

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 Board considers that the entering into of the Lease Agreement represents a good opportunity for the Group to establish and develop its data storage services business.

Assuming the Lessee pays the fixed rental on a timely basis in accordance with the terms and conditions of the Lease Agreement, it is expected that the Group would be able to recover the cost of each set of Equipment in or around 14 months. The Lease Agreement also creates a new revenue stream for the Group and helps to maximise the return of the Shareholders.

The terms of the Lease Agreement, including the Leasing Fees, have been arrived at after arm's length negotiations between the parties. The Directors are of the view that the terms of the Lease Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the highest of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Lease Agreement is more than 5% but less than 25%, the transaction contemplated under the Lease Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the Lease Agreement is subject to notification 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
“Business Day”	a day on which commercial banks in Hong Kong are generally open for business (other than a Saturday, Sunday, public holiday or a day on which commercial banks do not open for business owing to a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal being in force in Hong Kong)
“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)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equipment”	40 sets of server equipment and auxiliary parts with specific specifications and configuration to connect to IPFS system
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Lease Agreement”	the lease agreement dated 24 March 2022 and entered into between the Lessor and the Lessee in relation to the leasing of the Equipment by the Lessor to the Lessee
“Leasing Fees”	the leasing fees payable by the Lessee to the Lessor under the Lease Agreement, details of which are set forth in the subsection headed “Leasing Fees” in this announcement

“Lessee”	GOP ELECTRONICS LIMITED, a company incorporated in Hong Kong with limited liability
“Lessor”	Day Technology (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and an indirect non-wholly owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Settlement Date”	the last date of each quarter (i.e., the last date of March, June, September and December) or the end date of the Lease Agreement (if the Lease Agreement is not renewed)
“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$” or “US dollars”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 24 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.*