

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

**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 –  
ACQUISITION OF DATA STORAGE EQUIPMENT**

**ACQUISITION OF DATA STORAGE EQUIPMENT**

The Board is pleased to announce that on 11 April 2022, 20 June 2022 and 17 March 2023 (after trading hours), the Purchaser, an indirect non-wholly owned subsidiary of the Company, entered into the (i) SPA I for the acquisition of Equipment I at a total consideration of HK\$114,846,200; (ii) SPA II for the acquisition of Equipment II at a total consideration of HK\$109,200,000 and (iii) SPA III for the acquisition of Equipment III at a total consideration of HK\$80,100,000, with the Vendor respectively.

**LISTING RULES IMPLICATIONS**

During approval of the acquisition of Equipment I and Equipment II by the Company at the relevant time, the participating Directors considered that the acquisition was part of the Group's ordinary and usual course of business and was therefore exempt from compliance with the requirements under Chapter 14 of the Listing Rules. Subsequently during the approval of the acquisition of Equipment III by the Company in considering further investment in the leasing of computer equipment business at the relevant time, the Company consulted its legal adviser and understood that the above transactions constitute notifiable transactions under Chapter 14 of the Listing Rules.

The Company admits its delay in compliance with the said requirements under the Listing Rules due to the above reasons. The Company understands that it should have published an announcement as soon as possible and regrettably admitted that it had unintentionally breached Rules 14.34 of the Listing Rules.

## **SPA I and SPA II**

As the highest of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transaction under each of SPA I and SPA II, on a standalone basis, is less than 5%, the acquisitions for each of Equipment I and Equipment II, on a standalone basis, does not constitute a discloseable transaction of the Company under the Listing Rules.

Nevertheless, as SPA I and SPA II have the same counterparty and are of similar transaction nature and product structure, and the transactions thereunder are carried out within 12 months prior to the transaction time of SPA II (i.e. 20 June 2022), such transactions are required to be aggregated pursuant to Rules 14.22 and 14.23 of the Listing Rules. As the highest of the applicable percentage ratios in respect of the transactions under SPA I and SPA II, when aggregated, is more than 5% but less than 25%, the acquisitions for Equipment I and Equipment II on an aggregated basis constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under the Listing Rules.

## **SPA III**

Regarding SPA III, as the highest of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transaction under SPA III, on a standalone basis, is more than 5% but less than 25%, the acquisition for Equipment III, on a standalone basis, constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under the Listing Rules.

As SPA I, SPA II and SPA III have the same counterparty and are of similar transaction nature and product structure, and the transactions thereunder are carried out within 12 months prior to the transaction time of SPA III (i.e. 17 March 2023), such transactions are required to be aggregated pursuant to Rules 14.22 and 14.23 of the Listing Rules. As the highest of the applicable percentage ratios in respect of the transactions under SPA I, SPA II and SPA III, when aggregated, is more than 5% but less than 25%, the acquisitions for Equipment I, Equipment II and Equipment III on an aggregated basis constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under the Listing Rules.

## ACQUISITION OF DATA STORAGE EQUIPMENT

The Board is pleased to announce that on 11 April 2022, 20 June 2022 and 17 March 2023 (after trading hours), the Purchaser, an indirect non-wholly owned subsidiary of the Company, entered into the (i) SPA I for the acquisition of Equipment I at a total consideration of HK\$114,846,200; (ii) SPA II for the acquisition of Equipment II at a total consideration of HK\$109,200,000 and (iii) SPA III for the acquisition of Equipment III at a total consideration of HK\$80,100,000, with the Vendor respectively.

The principal terms of the SPAs are summarized as below:

Date: 11 April 2022, 20 June 2022 and 17 March 2023

Parties: (a) the Purchaser, an indirect non-wholly owned subsidiary of the Company  
(b) the Vendor, an Independent Third Party

The Vendor is a company incorporated in Hong Kong with limited liability and is principally engaged in business of selling distributed data storage hardware devices. As at the date of this announcement, the Vendor is wholly owned by AGM Group Holdings Inc., a company incorporated in the British Virgin Islands with limited liability, the shares of which are listed on NASDAQ (stock code: AGMH). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are Independent Third Parties.

### Assets to be acquired

SPA I: 400 sets of Equipment I

SPA II: 520 sets of Equipment II

SPA III: 450 sets of Equipment III

### Delivery terms

SPA I: The Vendor shall deliver the Equipment I under the agreement within 30 workings days after receiving the advance payment.

SPA II: The Vendor shall deliver the Equipment II under the agreement within 30 workings days after receiving the advance payment.

SPA III: The Vendor shall deliver the Equipment III under the agreement within 120 workings days after signing the agreement.

## Consideration

SPA I: The total consideration is HK\$114,846,200, which shall be paid in cash in the following manner:

- (a) 60% advance payment (HK\$68,907,720) within 10 working days after the signing of the agreement; and
- (b) remaining 40% of the payment (HK\$45,938,480) within 5 working days after the delivery of the Equipment I under the agreement to Purchaser's designated place.

SPA II: The total consideration is HK\$109,200,000, which shall be paid in cash in the following manner:

- (a) 60% advance payment (HK\$65,520,000) within 10 working days after the signing of the agreement; and
- (b) remaining 40% of the payment (HK\$43,680,000) within 5 working days after the delivery of the Equipment II under the agreement to Purchaser's designated place and acceptance is completed.

SPA III: The total consideration is HK\$80,100,000, which shall be paid in cash in the following manner:

- (a) HK\$20,000,000 within 5 working days after the signing of the agreement;
- (b) HK\$30,000,000 within 30 working days after the signing of the agreement;
- (c) HK\$26,100,000 within 90 working days after the signing of the agreement; and
- (d) remaining amount of HK\$4,000,000 after acceptance.

The consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor after taking into account (i) the price of similar equipment in the market; and (ii) reasons for and benefits of entering into the SPAs for the Group in respect thereof as described under the paragraph headed "Reasons for and benefits of entering into the SPAs" below.

The acquisition under the SPAs were and will be financed by the internal resources of the Group.

## **Warranty**

SPA I: The warranty period commences from the warranty start date to the 365th day after the warranty start date. The warranty start date means the date the Equipment I is delivered to Purchaser's designated place.

SPA II: The warranty period commences from the warranty start date to the 365th day after the warranty start date. The warranty start date means the date the Equipment II is delivered to Purchaser's designated place and acceptance is completed.

SPA III: The warranty period commences from the warranty start date to the 365th day after the warranty start date. The warranty start date means the date the Equipment III is delivered to Purchaser's designated place and acceptance is completed.

## **Liability for breach**

SPA I: Breach of any obligation under the agreement by either party constitutes a breach of the agreement. The party in breach shall be liable for continuing to perform, taking remedial measures, paying liquidated damages, and compensating for losses. The scope of compensation for losses should also include attorney fees, litigation fees, investigation fees, notarization fees, travel expenses and other right protection expenses.

SPA II: Breach of any obligation under the agreement by either party constitutes a breach of the agreement. The party in breach shall be liable for continuing to perform, taking remedial measures, paying liquidated damages, and compensating for losses. The scope of compensation for losses should also include attorney fees, litigation fees, investigation fees, notarization fees, travel expenses and other right protection expenses.

SPA III: Breach of any obligation under the agreement by either party constitutes a breach of the agreement. The party in breach shall be liable for continuing to perform, taking remedial measures, paying liquidated damages, and compensating for losses. The scope of compensation for losses should also include attorney fees, litigation fees, investigation fees, notarization fees, travel expenses and other right protection expenses.

## **INFORMATION OF THE GROUP, THE PURCHASER AND THE VENDOR**

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, manufacturing and sales of contact lens and leasing and trading of computer equipment.

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

The Vendor is a company incorporated in Hong Kong with limited liability and is principally engaged in business of selling distributed data storage hardware devices. As at the date of this announcement, the Vendor is wholly owned by AGM Group Holdings Inc., a company incorporated in the British Virgin Islands with limited liability, the shares of which are listed on NASDAQ (stock code: AGMH). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are Independent Third Parties.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SPAS**

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. 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 a secured and reliable cloud storage space is an important infrastructure for the virtual world development. In 2022, the Group decided to start a business of leasing of data storage equipment to customers who provide virtual data storage space for end-users and trading of computer equipment.

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 SPAs represents a good opportunity for the Group to further develop and strengthen the Purchaser's business of leasing of data storage equipment, and will expect to bring positive impact on the performance of the relevant business segment of the Company.

All equipment under SPA I and SPA II are leased out with a fixed rental plus a variable rent with reference to the market price of Filecoin. Assuming lessees pay the fixed rental on a timely basis in accordance with the terms and conditions of the lease agreements, it is expected that the Purchaser would be able to recover the cost of each set of Equipment within 14-30 months. The acquisition of Equipment III is financed by the rental received from leasing of Equipment I and Equipment II. The Board believes that re-investing the rental generated is a good strategy to utilise the resources of the Group. This will contribute to the steady revenue stream of the Group and help to maximize the return of the Shareholders. The terms of the SPAs, including the consideration, have been arrived at after arm's length negotiations between the parties. The Directors are of the view that the terms of the SPAs 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**

During approval of the acquisition of Equipment I and Equipment II by the Company at the relevant time, the participating Directors considered that the acquisition was part of the Group's ordinary and usual course of business and was therefore exempt from compliance with the requirements under Chapter 14 of the Listing Rules. Subsequently during the approval of the acquisition of Equipment III by the Company in considering further investment in the leasing of computer equipment business at the relevant time, the Company consulted its legal adviser and understood that the above transactions constitute notifiable transactions under Chapter 14 of the Listing Rules.

The Company admits its delay in compliance with the said requirements under the Listing Rules due to the above reasons. The Company understands that it should have published an announcement as soon as possible and regrettably admitted that it had unintentionally breached Rules 14.34 of the Listing Rules.

### **SPA I and SPA II**

As the highest of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transaction under each of SPA I and SPA II, on a standalone basis, is less than 5%, the acquisitions for each of Equipment I and Equipment II, on a standalone basis, does not constitute a discloseable transaction of the Company under the Listing Rules.

Nevertheless, as SPA I and SPA II have the same counterparty and are of similar transaction nature and product structure, and the transactions thereunder are carried out within 12 months prior to the transaction time of SPA II (i.e. 20 June 2022), such transactions are required to be aggregated pursuant to Rules 14.22 and 14.23 of the Listing Rules. As the highest of the applicable percentage ratios in respect of the transactions under SPA I and SPA II, when aggregated, is more than 5% but less than 25%, the acquisitions for Equipment I and Equipment II on an aggregated basis constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under the Listing Rules.

## **SPA III**

Regarding SPA III, as the highest of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transaction under SPA III, on a standalone basis, is more than 5% but less than 25%, the acquisition for Equipment III, on a standalone basis, constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under the Listing Rules.

As SPA I, SPA II and SPA III have the same counterparty and are of similar transaction nature and product structure, and the transactions thereunder are carried out within 12 months prior to the transaction time of SPA III (i.e. 17 March 2023), such transactions are required to be aggregated pursuant to Rules 14.22 and 14.23 of the Listing Rules. As the highest of the applicable percentage ratios in respect of the transactions under SPA I, SPA II and SPA III, when aggregated, is more than 5% but less than 25%, the acquisitions for Equipment I, Equipment II and Equipment III on an aggregated basis constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under the Listing Rules.

## **REMEDIAL MEASURES**

The Company deeply regrets its non-compliance with the Listing Rules but the Company would like to stress that the non-compliance of the Listing Rules was inadvertent and unintentional. To prevent the re-occurrence of similar incidents in the future, the Company has implemented the following remedial actions:

1. the Company shall enhance the training provided to the Directors, the senior management and staff of the Group, including inviting external legal advisors of the Company to give seminars on the compliance requirements and practical knowledge of notifiable transactions to its staff on a regular basis;
2. the Company shall also remind its management and the respective person-in-charge of the Group's business units to report those transactions which may constitute potential notifiable transactions to the office of the Board for approval and assessment of the disclosure obligations prior to the entering into of those transactions; and
3. the Company shall maintain closer cooperation with the professional advisers of the Company in relation to regulatory compliance.

The Group shall continue to enhance its internal control management and strictly control the audit regarding compliance and risk control matters of its businesses, thereby avoiding the re-occurrence of similar incidents.

## DEFINITIONS

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

“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)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equipment”	Equipment I, Equipment II and Equipment III
“Equipment I”	sets of the server equipment and auxiliary parts with specific specifications and configuration to connect to IPFS system, purchased under SPA I
“Equipment II”	sets of the server equipment and auxiliary parts with specific specifications and configuration to connect to IPFS system, purchased under SPA II
“Equipment III”	sets of the server equipment and auxiliary parts with specific specifications and configuration to connect to IPFS system, purchased under SPA III
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Purchaser”	Day Technology (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and an indirect non-wholly owned subsidiary of the Company
“Vendor”	AGM Technology Limited, a company incorporated in Hong Kong with limited liability
“Shareholder(s)”	shareholders of the Company
“SPAs”	SPA I, SPA II and SPA III
“SPA I”	the sales and purchase agreement dated 11 April 2022 and entered into between the Purchaser and the Vendor in relation to the acquisition of the Equipment I
“SPA II”	the sales and purchase agreement dated 20 June 2022 and entered into between the Purchaser and the Vendor in relation to the acquisition of the Equipment II
“SPA III”	the sales and purchase agreement dated 17 March 2023 and entered into between the Purchaser and the Vendor in relation to the acquisition of the Equipment III
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 17 March 2023

*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.*