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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)

VOLUNTARY ANNOUNCEMENT FORMATION OF A JOINT VENTURE COMPANY

The Board announces that on 22 March 2024, the Joint Venture Agreement is entered into between New Plan, Wen Deyu and Wen Yichang, pursuant to which the JV Co shall be established in Fuzhou City, the PRC.

The JV Co shall be engaged principally in provision of full range of digital logistics services to logistics companies, cargo owners and drivers with the use of digital intelligence application platform.

Set out below are the principal terms of the JV Agreement.

THE JV AGREEMENT

Date: 22 March 2024

Parties: (a) New Plan

(b) Wen Deyu

(c) Wen Yichang

New Plan is a company incorporated in Hong Kong with limited liability and is a wholly owned subsidiary of the Company.

Each of Wen Deyu and Wen Yichang is a PRC national and a merchant. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Wen Deyu and Wen Yichang are Independent Third Parties.

The parties to the JV Agreement agreed that the JV Co shall be established in Fuzhou City, the PRC. The JV Co shall be engaged principally in provision of full range of digital logistics services to logistics companies, cargo owners and drivers with the use of digital intelligence application platform. Application shall be made to the relevant PRC authorities for the necessary permits and business licences for the establishment of the JV Co.

Establishment of PRC Holdco and VIE structure

Pursuant to the JV Agreement, New plan agreed to establish a PRC company (“**PRC Holdco**”) as the holding entity of the equity interest in the JV Co.

The JV Co shall be owned as to 50% by the PRC Holdco, 40% by Wen Deyu and 10% by Wen Yichang (as the registered owner of the JV Co).

Due to the restrictions on foreign investments under the PRC laws, the Group intends to adopt a VIE structure (namely, the entering into VIE agreements between the PRC Holdco and Wen Yichang which confers the Group 60% of the economic benefits in total and control of JV Co), and upon completion of the transactions under the VIE agreements, JV Co shall become a subsidiary of the Company and its financial results shall be consolidated into the consolidated financial statements of the Group.

The Company shall make further announcement on the VIE structure as and when appropriate and as required by the Listing Rules.

Registered capital

Pursuant to the terms of the JV Agreement, the proposed registered capital of the JV Co shall be RMB1 million. The registered capital of RMB500,000, RMB400,000 and RMB100,000 shall be contributed by the PRC Holdco, Wen Deyu and Wen Yichang in cash, respectively.

The Group intends to finance the capital contribution of the PRC Holdco to the JV Co from its internal resources.

Shareholders’ meeting of the JV Co

The JV Co shall set up shareholders’ meeting to exercise its powers and functions, which include determining the JV Co’s strategic development direction, considering and approving the work reports of the executive directors, and considering and approving the annual financial budget and final accounts of the JV Co.

REASONS FOR ENTERING INTO THE JV AGREEMENT

The PRC possesses the world's largest logistics market, but the logistics market in the PRC also faces long-standing problems, such as low operational efficiency and lack of trust between shippers and truckers for road transportation. The Group intends to tap into the huge logistics market with the use of internet-based technology and digital approaches to improve the operational efficiency of the industry in the PRC and to lead the digital transformation of the industry based on its insights into the trend of technology development.

The Board believes that the digital logistics market has favourable development prospects. With relatively small size of investment, the Board believes that the JV Co provides the Group with a good opportunity to expand its business scope into digital logistics market with relatively low costs and risks, to diversify the revenue stream of the Group and bring stable and sustainable growth in revenue to the Group in the long run. Therefore, the Directors (including the independent non-executive Directors) consider that the formation of the JV Co is a meaningful investment, and the JV Agreement is entered into on normal commercial terms or better and in the ordinary and usual course of business of the Group, and the terms of the JV Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios in respect of the JV Agreement are all less than 5%, the entering into of the JV Agreement and the transactions contemplated thereunder does not constitute a notifiable transaction on the part of the Company under Chapter 14 of the Listing Rules and this announcement is made on a voluntary basis.

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
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third party(ies) independent of the Company and its connected persons in accordance with the Listing Rules
“JV Agreement”	the Joint Venture Agreement dated 22 March 2024 and entered into between New Plan, Wen Deyu and Wen Yichang in relation to the establishment of the JV Co
“JV Co”	the joint venture company to be established in Fuzhou City, the PRC under the JV Agreement
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“New Plan”	New Plan Investment Limited 新志投資有限公司, a company incorporated in Hong Kong with limited liability
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC

“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“VIE”	variable interest entity
“Wen Deyu”	Wen Deyu (溫德禹), a PRC national and a merchant
“Wen Yichang”	Wen Yichang (溫義昌), a PRC national and a merchant
“%”	per cent

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

Hong Kong, 22 March 2024

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

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