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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**

### **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

Reference is made to the announcement of International Business Settlement Holdings Limited (the “**Company**”) dated 29 August 2025 (the “**Announcement**”) in relation to the Subscription. Unless the context otherwise requires, capitalised terms used herein shall have the same meaning as those defined in the Announcement.

In addition to the information provided in the Announcement, the Company would like to provide the following additional information.

### **BUSINESS PLAN OF THE CRYPTOCURRENCY-RELATED BUSINESS**

#### **Business model and development plan of the cryptocurrency-related business**

As disclosed in the annual report of the Company for the year ended 31 March 2025, the Group believes that the emerging Fintech industry is one of the innovative factors that will improve the delivery of global financial services in the future. The Group continues to explore various opportunities in the Fintech sector, including, but not limited to, Fintech-related upstream and downstream services, as well as infrastructure projects connected to Fintech. In line with the development strategy, on 8 August 2025, the Company announced the formation of a joint venture company (the “**JV**”) to develop its cryptocurrency-related business.

The JV plans to engage in the cryptocurrency business through Bitcoin mining. The JV has identified a supplier (the “**Supplier**”) for cryptocurrency mining hardware and intends to purchase supercomputing servers from the Supplier within the coming 12 months. The Supplier is the world’s leading manufacturer of digital currency mining servers, which has long maintained a global market share and leading position in technology, serving customers across over 100 countries and regions. It has presence across the globe, including but not limited to Hong Kong, the United States, Malaysia, the United Arab Emirates, Lithuania, and Paraguay.

Subject to finalisation of the terms of the purchase contracts, the JV shall be entitled to fulfil its payment obligations for the servers using one of the following methods: (i) entirely in cash; (ii) entirely through a Bitcoin pledge; or (iii) a combination of cash and Bitcoin pledge. If a Bitcoin pledge is adopted, the JV shall, within an agreed period following the shipment of the servers, redeem all the pledged Bitcoin by cash. The Supplier or its group companies will also provide hosting and maintenance services for holding the servers at their data centre facilities in the United States and Paraguay, for fixed monthly service fees.

On the other hand, the JV's cryptocurrency experts will be responsible for the daily operation of the mining business, including regularly monitoring the performance of the mining operation, such as hash rates and energy consumption, and optimising results by adjusting settings and configurations to optimise performance and profitability. The JV's cryptocurrency experts will also be responsible for ensuring the security of the mined coins and staying abreast with news and developments in the cryptocurrency space, such as regulations and technologies.

The JV will generate revenue and profits by various strategies, including selling mined coins on exchanges from time to time depending on market conditions, renting out hash power through joining mining pools, and reselling mining hardware.

### **Management of the cryptocurrency-related business**

It is planned that the JV will be operated by a team of around 10 experts led by two proposed general managers, who have extensive experience in cryptocurrency-related businesses. One proposed general manager has over 10 years of experience in the operations and management of blockchain and digital currency-related businesses. Since March 2021, he has embarked on entrepreneurship in the digital currency mining sector, actively promoting innovation and business expansion. Whereas the other proposed general manager is a senior network engineer with over 20 years of experience in internet product development, focusing on the blockchain and Web 3.0 sectors over the past five years. He possesses extensive experience in blockchain protocol design, smart contract development, and decentralised application (dApp) architecture. He specialises in the DeFi and NFT sectors, having led and participated in the development and security audits of multiple smart contract projects.

### **Reasons for investing in the cryptocurrency-related business**

The Company considers the cryptocurrency-related business to be an extension of the Group's existing Fintech-related businesses. The Group has been developing its Fintech-related businesses as early as 2017. In recent years, the Group began its computer equipment business in February 2022, leasing data storage equipment to customers who provide virtual data storage space for end-users in exchange for Filecoin, and the trading of data storage equipment. Throughout the years, aligned with the Hong Kong Government's policy to foster the development of the digital asset ecosystem, the Group has been actively exploring Fintech-related investment opportunities to capitalise on the fast-growing industry.

The Group believes that cryptocurrencies, as a means of preserving value, are backed by strong public, open-source architecture, and therefore have the potential to resist inflation in the long run and appreciate the value stored, maintaining long-term value. The Group also notes that cryptocurrency prices may be highly volatile. Therefore, the Group intends to invest in Bitcoin, which is more mature, has wider recognition, desirable market liquidity, a relatively large market value, and a relatively long-term holding value. The Board believes that the cryptocurrency market, especially Bitcoin, has favourable development prospects. The formation of the JV closely aligns with the Group's aforementioned business development strategy of developing Fintech-related businesses, which provides a good opportunity for the Group to diversify its revenue stream and is conducive to the Group's future business development. Hence, the Directors consider that the expansion into the cryptocurrency-related business is in the interest of the Company and its shareholders as a whole.

### **Use of proceeds from the Subscription and investment in the JV**

As disclosed in the annual report of the Company for the year ended 31 March 2025, the Company had unutilised net proceeds of approximately HK\$201.2 million from a placing of new Shares completed in December 2016 (the “**2016 Placing**”). It is intended that approximately HK\$82.1 million will be used for the Group's general working capital, and approximately HK\$119.1 million will be used for potential investment opportunities in Fintech and other industries. A portion of the net proceeds from the 2016 Placing remained unutilised for almost nine years, mainly due to subsequent changes in development plans resulting from unforeseen changes in market circumstances.

The Group conducted the 2016 Placing in late-2016 to fund the development of the Next Generation Settlement Network (“**NGSN**”). However, due to numerous unfavourable factors, including changes in the global trade environment, shifts in financial regulatory trends, ongoing military conflicts between countries, and changes in the political climate towards China-based companies, the progress on developing the settlement platform was minimal. Throughout the past nine years, the Group has reallocated the unutilised proceeds originally intended for the development of NGSN to other businesses within the Group, including the development of Fintech-related businesses. The Board considered that the change of use of the unutilised proceeds allowed the Group to deploy its financial resources more effectively and is in the interests of the Company and its shareholders as a whole.

Out of the approximately HK\$119.1 million unutilised proceeds from the 2016 Placing as at 31 March 2025 designated for potential investment opportunities in Fintech and other industries, HK\$70.0 million was subsequently used as initial investment into the JV pursuant to the terms of the joint venture agreement as detailed in the Company's announcement dated 8 August 2025. The remaining HK\$49.1 million of net proceeds from the 2016 Placing, designated for potential investment opportunities in Fintech and other industries, is expected to be fully utilised by September 2026.

In addition to the aforementioned investment in the JV, the Company intends to further invest a total of approximately HK\$450.0 million on cryptocurrency-related businesses, to be financed by the proceeds of the Subscription.

The Company intends to apply the net proceeds from the Subscription in the following manner:

- (a) Up to approximately HK\$50.3 million, representing approximately 10% of the aggregate net proceeds, will be used as general working capital, including payroll-related expenses, rental expenses, professional fees, travel expenses, administrative fees, and other corporate expenses. Such proceeds are expected to be fully utilised by September 2026; and
- (b) Up to approximately HK\$450.0 million, representing approximately 90% of the aggregate net proceeds, will be used as to approximately HK\$400.0 million for further investment in the JV and approximately HK\$50.0 million for other cryptocurrency-related businesses. The HK\$450.0 million proceeds is expected to be used as to 40% (i.e. HK\$180.0 million) for the purchase of supercomputer servers and 60% (i.e. HK\$270.0 million) for (i) hosting service provided by the Supplier or its group companies which included the physical space with controlled environment, sufficient server rooms, server positions, and racks, power load and facilities, network facilities, heat dissipation equipment, dust prevention equipment, security monitoring and other facilities which are required for the operation under normal conditions, and (ii) maintenance costs, including electricity costs. Such proceeds are expected to be fully utilised by September 2026.

For the avoidance of doubt, for any investment made by the Company to the JV, the JV partner will contribute an equivalent equity share.

### **Investment plan of the Group**

As part of the Group's development strategy, it will continue to actively identify investment opportunities in the Fintech space, such as cryptocurrency mining infrastructure and related upstream and downstream Fintech services, including cryptocurrency trading and mining, renting or trading of cryptocurrency mining computational power and mining hardware, and Web 3.0. The investment objectives of the Group are to diversify the Group's revenue stream, improve the Group's profitability, and achieve capital appreciation through strategic investments, thereby adding value to the Shareholders.

All investments shall be approved by the Board and comply with the relevant requirements for shareholder approval under the Listing Rules. The Group will set up an investment committee comprising Mr. Yuen Leong (executive Director), Mr. Chan Siu Tat (executive Director), Mr. Liu Yu (non-executive Director), and the proposed general managers of the JV. The investment committee will be responsible for conducting preliminary analysis and due diligence on any proposed Fintech and cryptocurrency-related investments, continue monitoring and reviewing of such investments. All investment proposals must then be submitted to the Board for final approval. Mr. Yuen Leong has over 10 years of experience in corporate management and operations. Mr. Chan Siu Tat possesses over 20 years of experience in corporate restructuring, financial capital planning, and corporate management. Mr. Chan is also a Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants. Mr. Liu Yu has years of experience in big data analysis and information systems. Mr. Liu presided over the research and development of several provincial-level big data intelligence systems and has in-depth industry knowledge in the application of artificial intelligence, big data and blockchain technology in various fields, including industrial, finance, securities, investment, and financing. Mr. Liu also has about three years of experience in cryptocurrency trading. Further, the Directors have accumulated around nine years of experience in assessing Fintech-related projects since the Group ventured into the industry in 2017. The relevant experience and expertise of the proposed general managers of the JV are set out in the paragraph headed “Management of the cryptocurrency-related business” hereinabove. Based on the fact that the investment committee members possess all-rounded experience and expertise in areas such as corporate management, financial management, artificial intelligence, big data and blockchain technologies, and digital-currency business investments, the Company considers that the investment committee collectively has the experience, skill and expertise to oversee the Group’s cryptocurrency-related business.

The investment committee reports to the Board and is responsible for conducting periodic reviews of investment objectives and policy, evaluating investment opportunities, conducting due diligence on investment targets, making recommendations regarding significant investments and divestments, and regularly reviewing and assessing the performance of the investment portfolio against benchmarks and predetermined criteria. The investment committee is also responsible for identifying and managing potential risks associated with investments, ensuring compliance with risk management practices, and maintaining adherence to relevant regulations. The investment committee will also stay informed about market trends, economic conditions, and investment strategies.

The Board, based on the recommendations of the investment committee, holds the ultimate responsibility for defining investment objectives and policy, establishing and upholding the Group’s risk control system, determining the appropriate risk parameters, and continuously monitoring the compliance of the Group’s investments with the investment objectives and policies. The Board shall safeguard that an investment aligns with the Group’s development strategies and assess the risk level of the investment to ensure that it matches the Group’s risk tolerance level, in terms of investment costs and expected return on investment, while ensuring prudence, compliance, and alignment with Shareholders’ interests.

In order to mitigate the political risks, the Group will avoid potential investment projects or assets located in countries that are politically unstable. To further control the investment risks, the Group will focus on more mature cryptocurrencies, that have wider recognition, desirable market liquidity, a relatively large market value, and long-term holding value. Permitted digital currencies include Bitcoin, Ethereum and other top five market value cryptocurrency. Unregulated or high risk virtual asset derivatives are prohibited. The investment committee shall conduct thorough due diligence on the investment targets and counterparties, including their creditworthiness, track record, financial stability, and historical performance and review the list of permitted digital currencies from time to time. The Group will only work with reputable and established service providers in order to control counterparty risks. The investment committee will also regularly monitor the Group's business partners and service providers, including tracking their performances, conducting updated due diligence to check their regulatory compliance and financial status. The investment committee will also report regularly to the Board on the performance of the Group's investments, and where necessary, recommend actions to improve investment performances. Further, to control liquidity risks, the investment committee will conduct feasibility studies to evaluate how an investment would perform under different market conditions, including scenarios of reduced liquidity. The Group shall perform cash flow forecast analysis regularly to ensure that it has sufficient cash flow to meet its working capital requirements and debt obligations for at least the following 18 months. The Board shall also evaluate the liquidity requirements of a potential investment, including expected cash flows, and monitor the overall liquidity ratios of the Group.

## **BUSINESS PLANS OF OTHER EXISTING BUSINESSES**

The Directors confirm that the Group has not entered, nor proposed to enter, into any agreement or arrangement, and has no plans to dispose of or downsize its existing businesses as of the date of this announcement. The Group intends to continue its existing businesses, subject to changes in the relevant business environment from time to time.

For the property development business, the Group will continue to develop Phase II of Zhenghe City. The Group is also actively seeking other property development opportunities in Guangxi and other provinces in the PRC. The Group will also continue to actively market and sell the remaining saleable area of the Zhenghe City. The property management business has seen satisfactory progress since its inception in early 2025, with a total gross floor area under management encompassing 2,463,000 square meters of residential space and 82,000 square meters of commercial space in Fuzhou and Lanzhou as of the date of this announcement. Moving forward, the Group plans to allocate more resources to expand this segment to obtain more property management services contracts to provide a steady revenue stream to the Group.



For the computer equipment business, due to the downward trend in the price of Filecoin since 2024, the Group will focus on maintaining good business relationships with existing customers and recovering outstanding rental amounts from its customers. Meanwhile, the Group will strive to attract potential new customers by adjusting the fixed and variable rental rates. The management will also explore other opportunities by selling the idle data storage equipment to reduce costs.

## INFORMATION OF THE SUBSCRIBERS

Set out below is further background of the Subscribers:

Identity	Background	Number of Subscription Shares subscribed	Approximate percentage of issued share capital of the Company upon Completion (%)
Lin Liqin	Individual investor familiar with the energy sector in the PRC	833,330,000	3.61
Chen Jiachun	Entrepreneur in the real estate industry in the PRC	333,000,000	1.44
Chan Hong Fong	Individual investor in the PRC	278,000,000	1.20
Wei Mingzhou	Entrepreneur in the commercial real estate and building materials industry in the PRC	278,000,000	1.20
Yu Wenping	Individual investor familiar with the energy sector in the PRC	278,000,000	1.20
Chen Zhong	Entrepreneur in the food and beverage industry in the PRC	167,000,000	0.72
He Zongjian	Entrepreneur in the real estate industry in the PRC	167,000,000	0.72
Chen Bin	Entrepreneur in the property industry in the PRC	112,000,000	0.49
Wu Jinping	Entrepreneur in the investment management industry in the PRC	112,000,000	0.49
Yuan Huiping	Individual investor in the PRC	112,000,000	0.49
Zhang Gaolu	Entrepreneur in the food and beverage industry in the PRC	56,000,000	0.24
Zhang Zhiyuan	Entrepreneur in the investment management industry in the PRC	56,000,000	0.24

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, there are no relationships among the Subscribers, nor any relationships between the Subscribers, the Supplier and Mr. Chen Sanming, being the JV partner.

Save for the additional information in this announcement, all other information contained in the Announcement remain unchanged.

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

Hong Kong, 11 September 2025

*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; and Mr. Yap Yung, Ms. Chen Lanran and Mr. Wong Kin Ping as independent non-executive Directors.*