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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)

INSIDE INFORMATION LITIGATION AND INJUNCTION ORDER AGAINST SUBSTANTIAL SHAREHOLDERS

This announcement is made by International Business Settlement Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement issued by the Company dated 20 October 2016 in relation to sale and purchase agreement (the “**Agreement**”) entered into between Long Grand Limited (“**Long Grand**”) (as vendor), the controlling shareholder of the Company, and Power Trend Assets Holdings Ltd. (“**Power Trend**”) (as purchaser), a company incorporated in the British Virgin Islands which is wholly-owned by Mr. Luo Feng, a former executive director and former chairman of the Company, for the transfer of 2,540,190,000 shares of the Company (the “**Transfer Share(s)**”) at the consideration of HK\$1.04 per Transfer Share (the “**Transfer**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders and potential investors of the Company that on the date of this announcement, the Company was informed by Long Grand that it (as plaintiff) commenced a legal action based on the Transfer and the Agreement in the High Court of the Hong Kong Special Administrative Region (HCA 1318/2018) (the “**Proceedings**”) against Power Trend (as first defendant) and Mr. Luo Feng (as second defendant) on 31 July 2018. Power Trend and Mr. Luo Feng are the substantial shareholders of the Company, holding approximately 12.50% of the entire issued share capital of the Company as at the date of this announcement.

The Company was further informed that the Court in HCA1318/2018 granted the injunction order on 14 December 2018 which, among other things, Power Trend, whether through his agents, employees or otherwise, shall not sell, encumber or otherwise dispose of the Transfer Shares vested in the name of Power Trend or any part thereof, or alternatively cause or procure the same to be sold, encumbered or otherwise disposed of, until trial or further order.

The Board considered that the Proceedings would not have a material adverse impact on the operations and financial position of the Company and its subsidiaries as a whole in view of the followings:

- (i) the Company and its subsidiaries are not parties to the Proceedings;
- (ii) Mr. Luo Feng retired from his appointment as executive director and the chairman of the Company on 22 September 2017 and has not been a director or senior management of the Company since then; and
- (iii) the Transfer Shares are subject to a three years lock-up period up to 19 October 2019 pursuant to the Agreement of which Power Trend shall not offer, sell, contract to sell, transfer, pledge, create any encumbrance over or otherwise dispose of, directly or indirectly, the Transfer Shares, enter into transaction(s) which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of the ownership of the Transfer Shares.

The Company will make further announcement(s) in relation to this matter as and when appropriate in accordance with the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 24 January 2019

As at the date of this announcement, the Board comprises Mr. Yuen Leong, Ms. Luan Li and Mr. Hu Jianjun as executive directors; and Mr. Yap Yung, Mr. Zhang Guangsheng and Mr. Chan Siu Tat as independent non-executive directors.