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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)

(1) DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF THE TARGET COMPANY; AND (2) CHANGES IN USE OF PROCEEDS

(1) THE ACQUISITION

On 30 October 2026 (after trading hours), the Company entered into the Share Purchase Agreement with the Vendor and the Vendor's Guarantor, pursuant to which the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Share at the Consideration of HK$563 million.

Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the financial statements of the Group.

Listing Rules Implications

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceed 5% but all of them are less than 25%, the entering into of the Share Purchase Agreement and the transactions contemplated thereunder constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and are accordingly subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Completion is subject to the satisfaction or waiver (as the case may be) of the conditions precedent to the Share Purchase Agreement and as such, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

(2) CHANGES IN USE OF PROCEEDS

According to the 2025/2026 Annual Report, as at 31 March 2026, the total amount of unutilised net proceeds from the allotment and issue of new Shares completed on 30 September 2025 was approximately HK$377.0 million. After careful consideration and detailed evaluation of the Company's operations and business strategies, the Board has resolved to change the intended use of the unutilised net proceeds.

(1) THE ACQUISITION

On 30 October 2026 (after trading hours), the Company entered into the Share Purchase Agreement with the Vendor and the Vendor's Guarantor, pursuant to which the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Share at the Consideration of HK$563 million.

THE SHARE PURCHASE AGREEMENT

Date : 30 October 2026 (after trading hours)

Parties : (i) the Company, as purchaser;

(ii) the Vendor; and

(iii) the Vendor's Guarantor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, each of the Vendor and the Vendor's Guarantor is an Independent Third Party.

Assets to be acquired

Pursuant to the Share Purchase Agreement, the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Share, being the entire equity interest in the Target Company.

Consideration

Pursuant to the Share Purchase Agreement, the Consideration is HK$563 million, which shall be payable by the Company to the Vendor in cash on or before the seventh (7th) Business Day after Completion.

The Company intends to fund the Consideration by the internal resources of the Group and, where necessary, external financing to be arranged by the Company.

The Consideration was determined after arm's length negotiations between the Company and the Vendor with reference to (i) the appraised value of the entire equity interest in the Target Group of HK$563 million as at the Valuation Date as appraised by the Valuer using market approach; and (ii) the reasons for and benefits of the Acquisition as set out in the sub-section headed "Reasons for and benefits of the Acquisition" below. Further details of the Valuation are set out in the sub-section headed "Details of the Valuation" below.

Conditions precedent

Completion is conditional upon the fulfilment or waiver (as the case may be) of the following conditions precedent on or before the Long Stop Date:

(i) completion of due diligence in respect of the Target Group (including but not limited to due diligence relating to legal and financial matters) by the Company to the satisfaction of the Company;

(ii) all necessary consents, licences and approvals required to be obtained on the part of the Vendor and members of the Target Group in respect of the Share Purchase Agreement and the transactions contemplated thereunder having been obtained and remained in full force and effect;

(iii) all necessary consents, licences and approvals required to be obtained on the part of the Company in respect of the Share Purchase Agreement and the transactions contemplated thereunder having been obtained and remained in full force and effect;

(iv) the Vendor and the Vendor's Guarantor having demonstrated to the Company that the sale of the Sale Share and the transactions contemplated under the Share Purchase Agreement will not violate any applicable laws and regulations, articles of association, shareholders' agreements, financing documents or other binding arrangements;

(v) the representations and warranties given by the Vendor and the Vendor's Guarantor having remained true and accurate in all respects and not misleading from the date of the Share Purchase Agreement up to Completion;

(vi) the Target Group and its key employees as stipulated in the Share Purchase Agreement having entered into employment contracts and/or relevant similar agreements for a term of three years from the date of the Share Purchase Agreement in the form and substance acceptable to the Company;

(vii) the completion of the Reorganisation (i.e. completion of the relevant filing and registration with the market regulation authority);

(viii) the Company having obtained a valuation report issued by an independent professional valuer appointed by the Company in the form and substance reasonably satisfactory to the Company, showing the appraised value of the entire equity interest of the Target Group of not less than HK$563 million; and

(ix) the Company being reasonably satisfied that there has been no material adverse change in respect of any member of the Target Group since the date of the Share Purchase Agreement, including but not limited to, material undisclosed liabilities, tax liabilities, litigation, regulatory risks, intellectual property disputes, or ownership and control issues.

Save for conditions precedent (i), (iv), (v), (vi) and (ix) above which can be waived by the Company in writing on or before the Long Stop Date, none of the conditions precedent set out above may be waived. In the event that the above conditions precedent are not fulfilled or waived (as the case may be) on or before the Long Stop Date, the Company shall be entitled to terminate the Share Purchase Agreement by serving a written notice to the Vendor, and the Share Purchase Agreement shall terminate on the date of receipt of such notice by the Vendor (save as otherwise specified in such notice). Notwithstanding the foregoing, in the event that the Stock Exchange, regulatory authorities or any government authorities do not approve or object to the transactions contemplated under the Share Purchase Agreement, and such decision is final and non-appealable, the Share Purchase Agreement shall be deemed terminated on the date of such decision.

Upon termination of the Share Purchase Agreement, all rights and obligations of the parties thereunder shall cease and no party shall have any claim against the other parties, save for the liabilities accrued in respect of any antecedent breach.

Completion

Completion shall take place on the date falling within five (5) Business Days following the date on which all the conditions precedent to the Share Purchase Agreement are fulfilled or waived, as the case may be, in accordance with the terms and conditions thereof, or such other date and time as the Company and the Vendor may agree in writing.

Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the financial statements of the Group.

INFORMATION ON THE PARTIES TO THE SHARE PURCHASE AGREEMENT

The Group

The Company is an investment holding company incorporated in Bermuda with limited liability. The Group is principally engaged in (i) property development; (ii) hotel development and provision of hotel management services; (iii) provision of property management services; (iv) the trading of computer equipment and related parts; and (v) cryptocurrency mining through high-performance computing equipment and cloud mining services.

The Vendor

The Vendor is an investment holding company incorporated in the British Virgin Islands with limited liability. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Vendor is wholly owned by the Vendor's Guarantor, and the Vendor and its ultimate beneficial owner are Independent Third Parties.

The Target Group

Structure of the Target Group as at the date of the Share Purchase Agreement

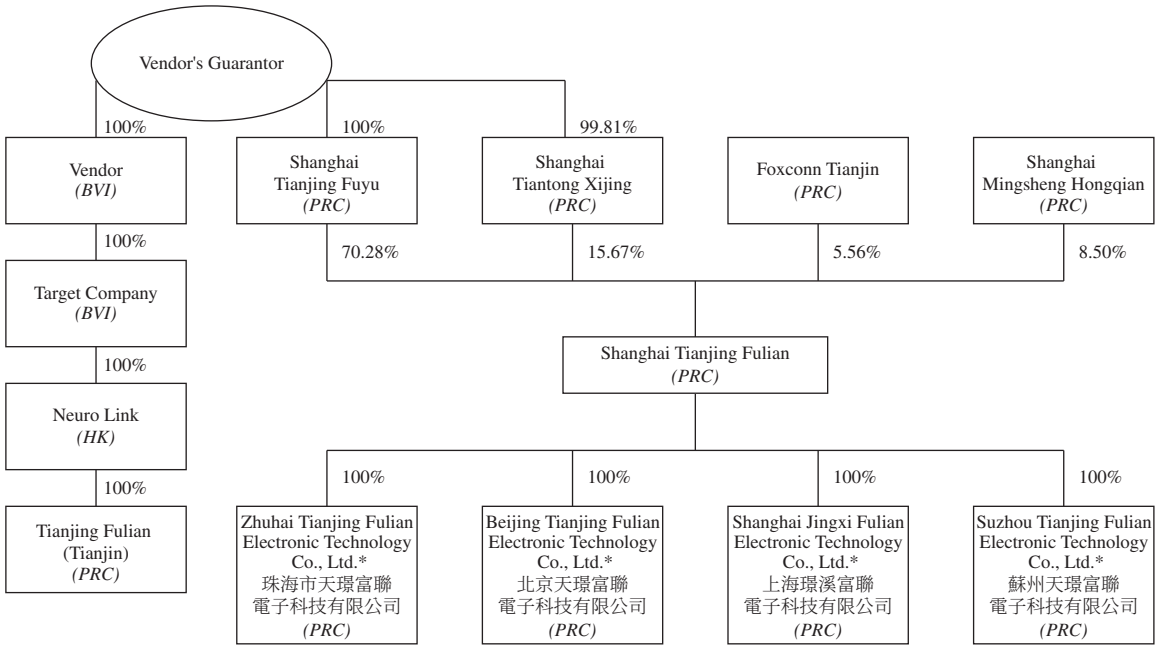
As at the date of this announcement, the Target Company is wholly owned by the Vendor, which is in turn wholly owned by the Vendor's Guarantor.

As at the date of this announcement, the Target Company directly owns the entire equity interest in Neuro Link, which in turn directly owns the entire equity interests in Tianjing Fulian (Tianjin).

In addition, as at the date of this announcement, the Vendor's Guarantor directly owns the entire equity interest in Shanghai Tianjing Fuyu, which in turn directly owns approximately 70.28% of the equity interests in Shanghai Tianjing Fulian, while the remaining equity interests in Shanghai Tianjing Fulian is held as to approximately 15.67% by Shanghai Tiantong Xijing, approximately 8.50% by Shanghai Mingsheng Hongqian and approximately 5.56% by Foxconn Tianjin. As at the date of this announcement, (i) Shanghai Tiantong Xijing is ultimately and beneficially owned as to approximately 99.81% by the Vendor's Guarantor and approximately 0.19% by Liu Xiumin; (ii) Shanghai Mingsheng Hongqian is ultimately and beneficially owned as to approximately 86.18% by Wang Shanshan, approximately 7.27% by Xiang Junmin and approximately 6.55% in aggregate by eight other individuals (each of whom holding less than 5% equity interests); and (iii) Foxconn Tianjin is a wholly-owned subsidiary of Foxconn Industrial Internet, the shares of which are listed on the Shanghai Stock Exchange (stock code: 601138.SH).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, each of the Target Company, Shanghai Tianjing Fuyu, Shanghai Tiantong Xijing, Shanghai Mingsheng Hongqian and Foxconn Tianjin, as well as their respective ultimate beneficial owners, is an Independent Third Party.

Set out below is the group chart of the Target Group as at the date of the Share Purchase Agreement and prior to completion of the Reorganisation:

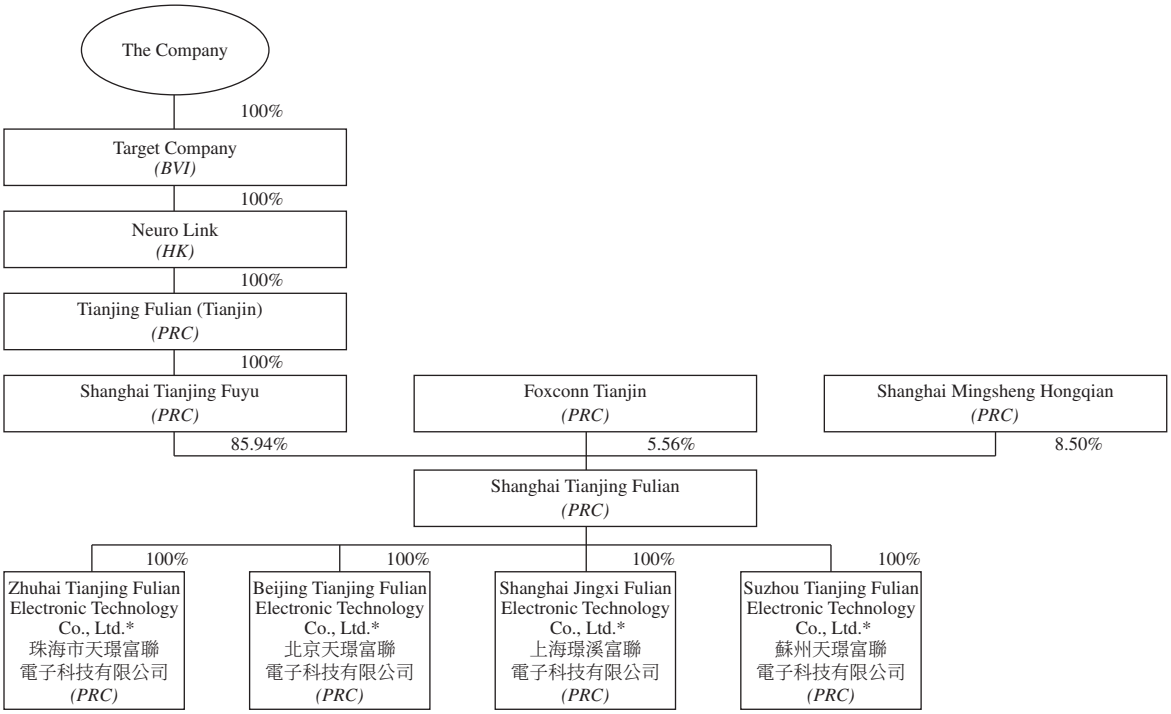


Note: The shareholding percentages presented above are subject to rounding and may not add up to 100%.

Structure of the Target Group immediately after completion of the Reorganisation and upon Completion

As one of the conditions precedent to the Share Purchase Agreement, the Target Group shall implement and complete the Reorganisation. Immediately after completion of the Reorganisation, save for the changes comprising (i) the entire equity interests in Shanghai Tianjing Fuyu will be held by Tianjing Fulian (Tianjin) instead of the Vendor's Guarantor as at the date of the Share Purchase Agreement; and (ii) Shanghai Tianjing Fuyu's equity interests in Shanghai Tianjing Fulian will increase from approximately 70.28% as at the date of the Share Purchase Agreement to approximately 85.94%, the overall structure of the Target Group shall remain unchanged from that as at the date of the Share Purchase Agreement.

Set out below is the group chart of the Target Group immediately after completion of the Reorganisation and upon Completion:



Other information of the Target Group

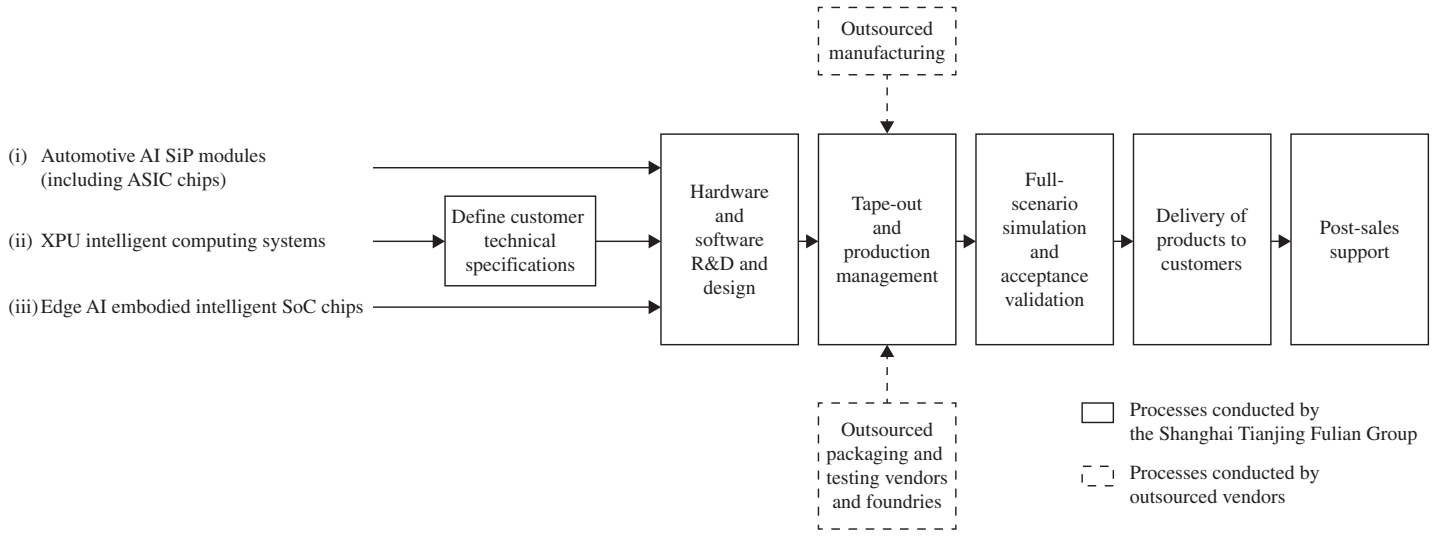
Principal business and core product lines

The Target Company is an investment holding company incorporated in the British Virgin Islands with limited liability on 2 June 2026. Neuro Link is an investment holding company incorporated in Hong Kong with limited liability on 28 July 2026. Tianjing Fulian (Tianjin) is an investment holding company incorporated in the PRC with limited liability on 27 October 2026. Shanghai Tianjing Fuyu was incorporated in the PRC with limited liability on 26 October 2023, and is principally engaged in R&D activities related to AI Chips. As at the date of this announcement, each of the Target Company, Neuro Link and Tianjing Fulian (Tianjin) is an investment holding vehicle with no business operations and Shanghai Tianjing Fuyu is at an early R&D stage without material business operations; Shanghai Tianjing Fulian Group serves as the principal operating arm of the Target Group.

Shanghai Tianjing Fulian was incorporated in the PRC with limited liability on 31 July 2023. The Shanghai Tianjing Fulian Group is principally engaged in providing one-stop AI chip solutions specialising in native AI computing architectures across different business scenarios, with three primary product lines spanning (i) automotive AI SiP modules, which serve autonomous driving and smart cockpit systems, whereby the Shanghai Tianjing Fulian Group is an officially authorised independent chip design house for MediaTek Inc., a leading global semiconductor company; (ii) XPU intelligent computing system, including customised ASIC chips and rack-level computing systems which support large language model training and inference; and (iii) edge AI embodied intelligence SoC chips, which are applicable to robotics and edge intelligent scenarios. By leveraging a unified underlying architecture of the chips, the Shanghai Tianjing Fulian Group achieves synergy across its product lines to deliver end-to-end solutions for its customers.

Business model

Set out below is a diagram illustrating the business model and key operational stages of the Shanghai Tianjing Fulian Group's product lines.



The Shanghai Tianjing Fulian Group operates an end-to-end business model structured across five key operational stages, namely:

(i) in respect of automotive AI SiP modules only, during the customer technical specification (SPEC) definition stage, the Shanghai Tianjing Fulian Group deconstructs the customer's technical specification document and verifies key parameters, including compute throughput, latency, power thresholds, interface protocols, and delivery schedules. It also provides technical feasibility studies and optimises design proposals to establish standardised, mass-producible technical solutions for customers;

(ii) during the hardware and software R&D and design stage, the Shanghai Tianjing Fulian Group executes full-stack custom development. At the hardware level, it performs architecture reconstruction, compute unit array optimisation, high-speed interface design, and multi-round compliance verifications. Concurrently, its software team develops customised underlying drivers, compute scheduling kernels, and compilation stacks to eliminate hardware-algorithm bottlenecks;

(iii) during the tape-out and production management stage, following the finalisation of the design, the Shanghai Tianjing Fulian Group completes pre-tape-out compliance checks in accordance with applicable manufacturing standards, and jointly collaborates with wafer foundries to execute pilot tape-out production runs. The Shanghai Tianjing Fulian Group manages mass production for clients by cooperating with outsourced semiconductor assembly and test (OSAT) vendors and foundries to oversee the complete packaging and testing workflow; specifically, the outsourced vendors and foundries execute physical testing routines and issue preliminary test report detailing performance metrics and anomalies, while the Shanghai Tianjing Fulian Group iteratively refines and adjusts the chip designs based on such findings to ensure consistent commercial-scale deliveries;

(iv) during the full-scenario simulation and acceptance validation stage, the Shanghai Tianjing Fulian Group verifies peak computing performance, inference latency, model compatibility, and continuous high-load stability, issuing formal test reports upon passing multi-scenario stress tests; and

(v) during the deployment integration and post-sales support stage, the Shanghai Tianjing Fulian Group assists customers with cloud deployment, system integration, and debugging by providing ongoing technical maintenance, including software updates, operator library iterations, and optional secondary custom development or capacity expansion.

Customers

The Shanghai Tianjing Fulian Group serves a diverse customer base across its three major product lines. In respect of the automotive AI SiP modules, primary target customers include original equipment manufacturers of vehicles and tier-one automotive suppliers in both the PRC and overseas markets, including Europe and Southeast Asia. In respect of cloud XPU intelligent computing systems, primary target customers include, among others, cloud service providers, data centre operators and the sovereign AI infrastructure developers globally. For the edge AI embodied intelligence SoC chips, its primary target customers include manufacturers of embodied intelligence systems, robotics developers and drone enterprises across the globe. The Shanghai Tianjing Fulian Group secures orders and acquires customers primarily through direct sales, ecosystem referrals, and strategic partnerships with parties such as national computing centres, state-backed research institutes, governments and enterprises.

Revenue stream and recognition

The revenue stream of the Shanghai Tianjing Fulian Group primarily comprises (i) intellectual property licensing fees; (ii) R&D and design service fees; (iii) tape-out and prototype fees; and (iv) product sales revenue. Intellectual property licensing fees are charged upon project initiation during the customer technical specification (SPEC) definition stage to cover the grant of usage rights for the Shanghai Tianjing Fulian Group's proprietary technology and core chip architectures. The R&D and design service fees are charged for engineering and R&D work conducted across the technical specification definition and R&D and design stages, which are recognised over time based on work progress toward key technical deliverables. Tape-out and prototype fees are charged upon reaching specific technical validation milestones during the tape-out management and mass production stage, representing R&D performance milestone payments which are recognised upon the successful completion of chip tape-out, shuttle testing and physical prototype performance satisfying the contractual target metrics. Lastly, product sales revenue is recognised upon full-scenario simulation, customer acceptance and delivery when the ownership of the products are transferred to customers.

Competitive strengths and management experience

The core competitive strengths of the Shanghai Tianjing Fulian Group lie in its self-developed unified native AI computing architecture across cloud, edge and automotive platforms, supported by a one-stop software development toolchain for seamless model compilation, simulation and deployment, which optimises development efficiency and shortens product deployment timelines across segments. As at the date of this announcement, the Shanghai Tianjing Fulian Group maintains a R&D team with key technological highlights including, among others, in-house processing arrays for cloud-based large model inference, heterogeneous edge SoC chips with dedicated hardware engines for millisecond-level embodied robotics response, and automotive AI modules certified under the international functional safety standard ISO 26262 at automotive safety integrity level D (ASIL-D). The Shanghai Tianjing Fulian Group operates three specialised R&D units, being the advanced architecture research institute, the edge intelligence R&D centre and the automotive safety laboratory, and maintains full-life cycle testing facilities featuring electronic design automation software, dedicated robotics testbeds, and an automotive safety laboratory equipped for rigorous electromagnetic compatibility (EMC) and real-time hardware simulation testing.

Complementing its strong technological infrastructure and research facilities, the Shanghai Tianjing Fulian Group is led by a key management team comprising nine key personnel covering corporate management, core chip architecture, R&D strategy, global automotive supply chain operations, mass production quality control, legal compliance, financial management, and human resources. In particular, the core executive and technical leadership team possesses extensive industry track records and cross-disciplinary capital market resources.

Mr. William Guo is the chairman of the board and the chief executive officer of Shanghai Tianjing Fulian. He holds a bachelor's degree in electronic engineering from University College London. He possesses deep expertise in AI and intelligent driving alongside extensive capital market operational experience, having led successful capitalisation and bond issuances of several state-owned and centrally-owned listed companies domestically and overseas, in addition to previously serving as president of a subsidiary of Tus-Holdings Co., Ltd., a Chinese science and technology investment enterprise established by Tsinghua University, overseeing its AI and big data industry sectors.

The vice president and chief technology officer of the Shanghai Tianjing Fulian Group, Mr. Steven Lee, possesses nearly 20 years of cross-industry experience in automotive electronics, high-speed communications, integrated circuits design and embedded systems. He currently also serves as vice president of the cloud enterprise solutions business group (CESBG) and the head of AI server business unit of Foxconn Industrial Internet.

The chief strategic officer of Shanghai Tianjing Fulian, Mr. Steven Yuan, holds a master's degree in communication engineering from National Yang Ming Chiao Tung University (formerly known as "Taiwan Chiao Tung University"). Mr. Yuan possesses extensive experience in building and managing large-scale technical teams across the second-generation (2G) and third-generation (3G) cellular modems, smartphones, Bluetooth, WiFi and computer vision technologies. Prior to joining the Shanghai Tianjing Fulian Group, he served as senior vice president of Spreadtrum Communications, Inc., general manager of the wireless communication division of Mediatek Inc., and chief executive officer of Shending Technology (Nanjing) Co., Ltd.

Financial information

Set out below is the unaudited consolidated financial information of Shanghai Tianjing Fuyu for the two years ended 31 December 2024 and 2025 (adjusted based on Hong Kong accounting standards):

	For the year ended 31 December	
	2024	**2025**
	Approximate RMB'000	*Approximate RMB'000*
Revenue	24,393	42,335
Loss before taxation	27,170	5,344
Loss after taxation	27,170	5,344

As at 31 December 2025, the unaudited consolidated net liabilities of Shanghai Tianjing Fuyu amounted to approximately RMB11,945,000 (equivalent to approximately HK$13,976,000).

REASONS FOR AND BENEFITS OF THE ACQUISITION

As disclosed in the 2025/2026 Annual Report and the announcements of the Company dated 8 August 2025, 11 September 2025, 19 September 2025 and 10 November 2025, 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 related infrastructure projects.

The Shanghai Tianjing Fulian Group is principally engaged in the design and development of AI SoC products and integrated solutions, with a particular focus on low-power, cost-effective AI computing and edge computing applications. Through its chip design capabilities and comprehensive technology solutions, the Shanghai Tianjing Fulian Group has established a solid technological foundation in AI inference and edge-side computing infrastructure.

Following Completion, the Group intends to continue operating the principal businesses of the Target Group as a distinct business operation. The Directors believe that the Acquisition will enable the Group to expand its business scope from its existing fintech and computing power services into AI chip design and edge computing infrastructure, thereby strengthening its technology capabilities and building a comprehensive ecosystem encompassing computer infrastructure, AI chips and AI application solutions. This strategic expansion aligns with strong growth in the AI semiconductor, edge computing, and digital infrastructure sectors, driven by rising demand for low-latency, real-time AI solutions as well as supportive government policies promoting semiconductor innovation and digital infrastructure investment. Given the Target Group's specialised expertise in low-power AI SoC design and integrated solutions, the Board considers the Target Group well-positioned to capitalise on these macro trends, unlocking new growth opportunities and delivering long-term value for the Shareholders.

Upon Completion, the Group expects to foster strategic synergies primarily from an ecosystem and networking perspective. By incorporating the Target Group into the Group's broader corporate footprint, the Group intends to leverage the Target Group's industry networks, strategic relationships and market exposure within the broader digital infrastructure and tech ecosystem. Over time, this expanded network presence is expected to facilitate strategic connections, business referrals and technical exchange between the Target Group's chip technologies and the Group's existing fintech-related businesses, thereby broadening the Group's overall industry presence.

With respect to management experience, the Group has accumulated experience in technology-related businesses, including fintech services, computing power infrastructure and digital infrastructure operations. Further, to strengthen the Group's management expertise in fintech-related businesses, the Group has appointed Dr. Tang Tianshen as the chief strategic consultant of the Group. Dr. Tang holds a doctorate in electronic engineering from Texas A&M University and possesses expertise spanning academic research, advanced chip design, and executive leadership in the semiconductor industry. Among others, Dr. Tang previously served as an assistant professor and tenured associate professor at Texas A&M University-Kingsville; chief engineer at Lanstar; senior design manager at Intel Corporation; chief technology officer at Penstar; vice president of Shanghai Hua Hong NEC Electronics Co., Ltd.; vice president of business development, senior vice president of design services, and executive vice president of Semiconductor Manufacturing International Corporation; president and chief executive officer of Solantro in Canada; and chief executive officer of Guangdong LeapFive Technology Co., Ltd. Currently, Dr. Tang serves as the executive director of Moffett AI (Shenzhen) Co., Ltd. and an independent director of Anji Microelectronics Technology (Shanghai) Co., Ltd. Since joining the Group, Dr. Tang has been giving advice to the development of the Group's fintech-related businesses, such as assessing the business prospects of the Target Group and advising the Board on the Acquisition. Following Completion, Dr. Tang will continue to advise on the strategic development and business operations of the Target Group. Following Completion, the Group will continue to leverage the expertise and industry experience of the Target Group's management and technical teams, supported by the strategic guidance of the Group's management team.

The Board intends to continue the Group's existing businesses following Completion and has no present intention to terminate or materially scale down any of its existing business segments. Instead, the Acquisition is intended to complement and enhance the Group's existing business portfolio in financial technology and digital infrastructure by pivoting toward technology hardware and AI chip design capabilities, thereby building a more resilient, technology-driven business model that reduces reliance on the prevailing cryptocurrency market fluctuations. Moving forward, the Group will actively monitor market trends and flexibly adjust its development strategies to capitalise on emerging opportunities across different business segments, thereby driving sustainable growth and enhance long-term value for the Shareholders. For further details regarding the recent and future development of the Group's existing principal businesses, please refer to the section headed "(2) Changes in use of proceeds" below in this announcement.

The Board considers that the Acquisition represents an opportunity to acquire immediate access to AI chip design capabilities, specialised technical talent, established technology assets and growth opportunities in the AI industry. Compared with developing such capabilities internally, the Acquisition is expected to accelerate the Group's entry into the AI semiconductor and edge computing sectors, shorten development time and strengthen the Group's competitive position in the evolving digital economy.

In the long term, the Acquisition is expected to support the establishment of an ecosystem covering computing infrastructure, AI chips and AI application solutions, creating sustainable growth drivers and delivering long-term value to the Shareholders. In view of the above, the Directors consider that the terms of the Share Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable, and that the Acquisition is in the interests of the Company and the Shareholders as a whole.

DETAILS OF THE VALUATION

The Company has engaged the Valuer to appraise the market value of the entire equity interest of the Target Group as at the Valuation Date using market approach.

According to the Valuation Report, the appraised value of the entire equity interest of the Target Group as at the Valuation Date amounted to HK$563 million.

Qualification and independence of the Valuer

Vincorn Consulting and Appraisal Limited was engaged by the Company as the Valuer. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Valuer is an Independent Third Party. The Valuer's deliverables are prepared and signed off by professionals holding relevant qualifications, including but not limited to the member of the Chartered Financial Analyst Institute, member of Association of Chartered Certified Accountants, Financial Risk Manager, member of the Royal Institution of Chartered Surveyors and Registered Valuer of the Royal Institution of Chartered Surveyors, and possesses over 17 years of experience in the valuation and finance field.

Reasons for adopting the market approach

In arriving at the Valuation, out of the three generally accepted approaches for assessing the equity interests of the Target Group, namely, the asset-based approach, the income approach and the market approach, the Valuer has adopted the guideline public company method under the market approach for the following reasons:

(i) the asset-based approach was considered inappropriate as it relies on the principle that the value of a business entity is represented by the money that has been made available to purchase the business assets needed, thereby valuing the business primarily based on the historical capital outlay while disregarding the future profit potentials of the Target Group;

(ii) the income approach was considered inappropriate as it involves financial forecast information and a substantial number of underlying assumptions, which may not be easily justified or ascertained; and

(iii) the market approach, which values a business entity by comparison of the prices at which other similar business nature companies or interests charged in arm's length transactions, usually involves two primary methods, namely the guideline transaction method and the guideline public company method. Given the lack of a sufficient number of recent and public available comparable transactions, the guideline transaction method was considered inappropriate. Consequently, the Valuer has adopted the guideline public company method under the market approach for the purpose of the Valuation.

According to the Valuation Report, on the basis that the Reorganisation had been completed as at the Valuation Date, the Target Company is an investment holding company which owns the entire equity interests in Shanghai Tianjing Fuyu, with no other assets or liabilities, and Shanghai Tianjing Fuyu owns approximately 85.94% equity interests in Shanghai Tianjing Fulian. Accordingly, the market value of the Target Group as at the Valuation Date was derived from (i) the market value of approximately 85.94% equity interests in Shanghai Tianjing Fulian Group; and (ii) the net liabilities of Shanghai Tianjing Fuyu after excluding its long-term equity investment in Shanghai Tianjing Fulian.

Under the guideline public company method, the Valuer has adopted the EV/Sales Multiple as the valuation multiple, taking into account the sales expansion of the Shanghai Tianjing Fulian Group. As a growth-stage company focusing on AI chip design, the Shanghai Tianjing Fulian Group operates a fabless business model that strategically outsources production to original equipment manufacturer partners. The management of the Company expects the Shanghai Tianjing Fulian Group to be capable of capturing the high growth development trend in the future and hence, the adoption of the EV/Sales Multiple is considered relatively more representative and appropriate in capturing the market value of the equity interests of the Shanghai Tianjing Fulian Group.

Key assumptions

The Valuation was conducted by the Valuer based on the following key assumptions:

(i) there will be no material changes in the existing political, taxation, legal, technological, fiscal, or economic conditions, which might adversely affect the businesses of the Target Group;

(ii) there will be no material changes in the conditions in which the Target Group is operated that would materially affect the revenue and costs of the businesses of the Target Group;

(iii) the existing competent management, key personnel and technical staff of the Target Group will be maintained to support the ongoing operation and development thereof;

(iv) all licenses and permits that are essential for the operations of the Target Group can be obtained and are renewable upon expiry; and

(v) there are no hidden or unexpected conditions associated with the businesses valued that might adversely affect the appraised value of the equity interests of the Target Group.

Valuation model and methodologies

In deriving the EV/Sales Multiple, the Valuer has identified the comparable companies using S&P Capital IQ database and other public available information based on the following selection criteria as at the Valuation Date:

(i) the comparable companies were principally engaged in the same industry as the Shanghai Tianjing Fulian Group, i.e. generated over 50% of their total revenue from AI related, graphics processing unit, computing chips or ASIC related businesses;

(ii) the comparable companies were based and operating in the PRC;

(iii) the comparable companies were listed on the Stock Exchange or stock exchanges in the PRC, and remained actively trading as at the Valuation Date;

(iv) the comparable companies maintained sufficient public disclosure of financial information, including the EV/Sales Multiples, that were accessible through the public filings and/or S&P Capital IQ database; and

(v) the comparable companies operated a fabless business model, i.e. they were principally fabless chip designers which outsourced wafer fabrication and packaging to third-party foundries.

Based on the above selection criteria, the Valuer had, on a best-effort basis, obtained the following exhaustive list of comparable companies as at the Valuation Date:

Company name	Ticker	Unadjusted EV/Sales Multiples	Adjusted EV/Sales Multiples
Axera Semiconductor Co., LTD.	SEHK:600	13.05	8.50
Hygon Information Technology Co., Ltd.	SHSE:688041	26.66	12.19
MetaX Integrated Circuits (Shanghai) Co., Ltd.	SHSE:688802	92.28	18.41
Montage Technology Co., Ltd.	SHSE:688008	37.25	13.96
Moore Threads Technology Co., Ltd.	SHSE:688795	70.63	17.58
Shanghai Biren Technology Co., Ltd.	SEHK:6082	34.75	12.66
Shanghai Iluvatar CoreX Semiconductor Co., Ltd.	SEHK:9903	43.39	14.19
SigmaStar Technology Ltd.	SZSE:301536	11.84	7.97
VeriSilicon Microelectronics (Shanghai) Co., Ltd.	SHSE:688521	22.07	11.68
Cambricon Technologies Corporation Limited	SHSE:688256	65.40	16.54
		Average:	**13.37**

The unadjusted EV/Sales Multiples were calculated by dividing the enterprise value of the comparable companies by their respective last-twelve-month revenues as at the Valuation Date as extracted from S&P Capital IQ, which, as confirmed by the Valuer, is a commonly adopted source of information in comparable valuation practice. The unadjusted EV/Sales Multiple for each comparable company was then adjusted for the difference in size between the Shanghai Tianjing Fulian Group and the relevant comparable company by taking into account their respective size premiums based on the following formula:

$$\textit{Adjusted EV/Sales Multiple} = \frac{1}{\frac{1}{\textit{Unadjusted EV/Sales Multiple}} + A * \frac{B}{C}}$$

where

A = the difference between the size premium of the Shanghai Tianjing Fulian Group and the size premium of the comparable company;

B = equity value of the comparable company; and

C = enterprise value of the comparable company as quoted from S&P Capital IQ.

The adopted size premium of the Shanghai Tianjing Fulian Group was 4.47%, while the adopted size premiums of the comparable companies ranged from -0.01% to 1.19%, which were determined with reference to their respective market capitalisations in accordance to the Kroll Cost of Capital Navigator (2024) (formerly Duff & Phelps), a source and methodology confirmed by the Valuer as commonly adopted in professional comparable valuation practice.

Based on the average of the adjusted EV/Sales Multiples of the comparable companies of approximately 13.37 and the consolidated revenue of the Shanghai Tianjing Fulian Group for the year ended 31 December 2025 of approximately RMB42.3 million, the initial enterprise value of the Shanghai Tianjing Fulian Group amounted to approximately RMB566 million (subject to rounding) as at the Valuation Date.

In arriving at the market value of the entire equity interests in the Shanghai Tianjing Fulian Group from the initial enterprise value above, the Valuer has (i) added cash and cash equivalents as well as non-operating assets, and deducted debts and non-operating liabilities of the Shanghai Tianjing Fulian Group; (ii) applied a discount for lack of marketability of approximately 15.7% to reflect the illiquidity discount associated with private company shares that lack a ready public market compared to their listed peers, which was derived from the commonly adopted industry benchmark of "Stout Restricted Stock Study Companion Guide 2025 Edition", in order to arrive at the marketable value of the Shanghai Tianjing Fulian Group adjusted for the aforesaid discount; and (iii) applied a control premium of approximately 23.8% to reflect the enhanced value attributable to obtaining a controlling equity position in the Shanghai Tianjing Fulian Group, which was derived from the data published by Moore Transaction Services Limited by referencing the historical market transactions involving controlling interests in Hong Kong listed companies.

As a result, the market value of the entire equity interests in Shanghai Tianjing Fulian amounted to approximately RMB578 million, and the proportionate market value of its approximately 85.94% equity interests amounted to approximately RMB497 million as at the Valuation Date. Accordingly, the market value of the entire equity interest in the Target Group (on the basis that the Reorganisation had been completed), comprising the market value of approximately 85.94% equity interests in Shanghai Tianjing Fulian and the net liabilities of Shanghai Tianjing Fuyu after excluding its equity investment in Shanghai Tianjing Fulian of approximately RMB15.9 million, was determined to be HK$563 million as at the Valuation Date.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceed 5% but all of them are less than 25%, the entering into of the Share Purchase Agreement and the transactions contemplated thereunder constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and are accordingly subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Completion is subject to satisfaction or waiver (as the case may be) of the conditions precedent to the Share Purchase Agreement and as such, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

(2) CHANGES IN USE OF PROCEEDS

According to the 2025/2026 Annual Report, as at 31 March 2026, the total amount of unutilised net proceeds from the allotment and issue of new Shares completed on 30 September 2025 was approximately HK$377.0 million. After careful consideration and detailed evaluation of the Company's operations and business strategies, the Board has resolved to change the intended use of the unutilised net proceeds as follows:

Intended use	**Original allocated amounts** *HK$ million*	**Utilised net proceeds as at the date hereof (before proposed reallocation)** *HK$ million*	**Unutilised net proceeds as at the date hereof (before proposed reallocation)** *HK$ million*	**Revised unutilised net proceeds (after proposed reallocation)** *HK$ million*	**Expected timeline for utilisation of the revised unutilised net proceeds**
Cryptocurrency investments and opportunities in Web3.0:					
(i) Investment in joint venture engaged in crypto-asset-related business	400.0	117.0	283.0	–	N/A
(ii) Other cryptocurrency-related business	50.3	–	50.3	–	N/A
General working capital	50.0	6.3	43.7	–	N/A
Potential investment opportunity in the fintech and other industries, including the Acquisition	–	–	–	377.0	By December 2026
Total	500.3	123.3	377.0	377.0	

Reasons for the change in use of proceeds and future prospects

The net proceeds from the allotment and issue of new Shares completed on 30 September 2025 were originally intended to be used for the development of the Group's cryptocurrency-related business (the "**Cryptocurrency Business**"). The Cryptocurrency Business primarily involves cryptocurrency mining for the Group's own account for investment and capital appreciation purposes, through (i) its own mining operations using self-owned supercomputing servers; and (ii) third-party cloud mining service providers. The Group may also use the mined cryptocurrencies for making payments for its operations.

Under the existing strategy for the Cryptocurrency Business, the Group pursues the growth of this segment through risk-controlled expansion. The Group implements a careful, step-by-step strategy and makes phased investments. This approach allows the Company to learn and adapt as it grows over time. The Company actively adjusts the scale of the Cryptocurrency Business operations in response to key factors such as cryptocurrency prices, mining difficulty, regulations, and energy costs.

Due to recent macroeconomic and geopolitical conditions, there is a certain degree of uncertainty in the current investment environment for cryptocurrency and opportunities in Web 3.0. The ongoing US-Iran conflict has led to significant market volatility, with the price of Bitcoin experiencing significant fluctuations. The range of the trading price of Bitcoin reached its record high of US$126,198 on 6 October 2025 and dropped to its bottom of US$57,748 on 1 July 2026. During the most recent three-month period, Bitcoin traded within a range of approximately US$62,000 to US$87,000, reflecting a slight rebound.

In comparison, the Group's current mining operations, which utilise a combination of self-owned servers and procured hash rate, maintain an average cost structure of approximately US$91,000 for each Bitcoin mined. These costs primarily comprise hosting and maintenance fees (including electricity expenses), depreciation for mining servers, salaries and operational staff expenses, and payments for procured hash rate services. The risk of a prolonged closure of the Strait of Hormuz has disrupted global supply chain and caused higher commodity prices and transportation costs, which in turn has fuelled inflationary pressures. Central banks, including the Federal Reserve, may adjust interest rates in response to changing market conditions such as inflationary movements. The current global instability and changing interest rate expectations present uncertainty for investment in the cryptocurrency market and Web 3.0 sectors, which historically thrive in conditions of lower interest rates and higher investor risk appetite.

Having reassessed the significant uncertainties in the macroeconomic and geopolitical conditions, as well as the cryptocurrency market and Web 3.0 sectors as discussed above, the Board takes the prudent view that the current investment environment is not appropriate for further aggressive deployment of funds previously reserved for cryptocurrency and Web 3.0 investments. The Directors consider that reallocating unutilised proceeds toward AI chip design and digital infrastructure opportunities allows the Group to remain anchored in the high-growth fintech-related sector while mitigating direct exposure to the volatile cryptocurrency asset prices.

The Group is also focusing on the operations of the property development business and property management business, which remained as major revenue contributors for the Group for the year ended 31 March 2026. For the property development segment, the Group recognised sales over an aggregate gross floor area of approximately 11,000 square meters during the year ended 31 March 2026, generating segmental revenue of approximately HK$80.2 million. The Group continues to adopt a prudent and conservative approach given the sluggish momentum of the PRC real estate sector. The Group's current core focus remains on completing the sale of the remaining unsold portions of Zhenghe City, a mix-used complex project located in Liuzhou, Guangxi Zhuang Autonomous Region, the PRC, which offers a wide range of properties, including villas, townhouses, commercial buildings, office buildings, hotels and high-rise apartments with a total unsold saleable area of approximately 299,000 square meters as at 31 March 2026. In light of the prevailing market conditions, at this stage, the Group is not actively pursuing investment in new property development projects, as its current strategy remains on capital recovery through the monetisation of the remaining inventory. Meanwhile, the Group will continue cautiously seek and assess potential property development opportunities in Guangxi and other provinces in the PRC on an ongoing basis.

For the property management business, the Group has achieved a substantial growth in business scale with the total gross floor area under management expanding substantially from approximately 511,000 square meters in early 2025 to approximately 2,559,000 square meters across Fuzhou and Lanzhou as at 31 March 2026, providing a stable and recurring revenue stream. Going forward, the Group will continue to actively pursue property management contracts across different provinces in the PRC with the aim of further scaling its operations and supporting the Group's stable earnings in the long term.

Hence, the Directors do not anticipate that any significant additional funding will be required for its property development and management businesses at the current stage. Regarding the Cryptocurrency Business, the Group will continue operating its existing Bitcoin mining activities on an optimised and risk-controlled basis, while adopting a more conservative approach to further investments in the cryptocurrency-related sectors in view of prevailing macroeconomic and geopolitical uncertainties. The Group will continue to actively and prudently identify suitable targets for strategic acquisitions and investments in the fintech industry and/or other potential sectors subject to market conditions and trends.

Having considered the abovementioned factors, the Directors are of the view that the change in use of proceeds (i) will enable a more efficient deployment of the Company's unutilised funds while ensuring the continued development of its core business; and (ii) will not result in any material adverse impact on the existing business and operations of the Group, and is therefore in the interests of the Company and its Shareholders as a whole.

DEFINITIONS

In this announcement, the following terms shall have the meanings set out below, unless the context otherwise requires:

"2025/2026 Annual Report"	the annual report of the Company for the year ended 31 March 2026
"Acquisition"	the acquisition of the Sale Share pursuant to the terms and conditions of the Share Purchase Agreement
"AI"	artificial intelligence
"ASIC"	application-specific integrated circuit
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Day(s)"	a day on which licensed banks in Hong Kong are open for business throughout their normal business hours (other than a Saturday, Sunday, public holiday, and any day on which "extreme conditions" caused by super typhoon is announced by the Government of Hong Kong between 9:00 a.m. and 12:00 noon or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon, or on which a "black" rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon)
"Company"	International Business Settlement Holdings Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 00147)
"Completion"	completion of the Acquisition pursuant to the terms and conditions of the Share Purchase Agreement
"connected person(s)"	has the meaning ascribed to it under the Listing Rules and the word "connected" shall be construed accordingly
"Consideration"	HK$563 million, being the consideration for the Sale Share pursuant to the terms and conditions of the Share Purchase Agreement

"Director(s)"	the director(s) of the Company
"EV/Sales Multiple(s)"	the ratio(s) of enterprise value to last-twelve-month revenue
"Foxconn Industrial Internet"	Foxconn Industrial Internet Co., Ltd.
"Foxconn Tianjin"	Foxconn Precision Electronics (Tianjin) Co., Ltd.* (富聯精密電子(天津)有限公司)
"Group"	collectively, the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	independent third party(ies) who is/are not connected with the Company and its connected person(s)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	31 December 2026, or such later date as the Company and the Vendor may agree in writing
"Neuro Link"	Neuro Link AI Limited
"PRC"	the People's Republic of China excluding, for the purposes of this announcement, Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan
"Reorganisation"	the reorganisation of the Target Group, including (i) the transfer of the entire equity interests in Shanghai Tianjing Fuyu from the Vendor's Guarantor to Tianjing Fulian (Tianjin); and (ii) the transfer of the approximately 15.67% equity interests in Shanghai Tianjing Fulian held by Shanghai Tiantong Xijing to Shanghai Tianjing Fuyu
"RMB"	Renminbi, the lawful currency of the PRC
"R&D"	research and development

"Sale Share"	the entire equity interest in the Target Company
"Shanghai Mingsheng Hongqian"	Shanghai Mingsheng Hongqian Enterprise Management Center (Limited Partnership)* (上海名盛鴻乾企業管理中心(有限合夥))
"Shanghai Tianjing Fulian"	Shanghai Tianjing Fulian Electronic Technology Co., Ltd.* (上海天璟富聯電子科技有限公司)
"Shanghai Tianjing Fulian Group"	collectively, Shanghai Tianjing Fulian and its subsidiaries after completion of the Reorganisation
"Shanghai Tianjing Fuyu"	Shanghai Tianjing Fuyu Technology Co., Ltd.* (上海天璟富域科技有限公司)
"Shanghai Tiantong Xijing"	Shanghai Tiantong Xijing Technology Partnership Enterprise (Limited Partnership)* (上海天瞳溪景科技合夥企業(有限合夥))
"Share Purchase Agreement"	the share purchase agreement dated 30 October 2026 entered into among the Company, the Vendor and the Vendor's Guarantor in relation to the Acquisition
"Share(s)"	ordinary share(s) of a par value of HK$0.001 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"SiP"	system-in-package
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	QuantumCompute Solutions Limited, a company incorporated in the British Virgin Islands with limited liability, being the target company under the Acquisition
"Target Group"	collectively, the Target Company and its subsidiaries after completion of the Reorganisation
"Tianjing Fulian (Tianjin)"	Tianjing Fulian (Tianjin) Intelligent Technology Co., Ltd.* (天璟富聯(天津)智能科技有限公司)
"US$"	United States dollars, the lawful currency of the United States of America

"Valuation"	the valuation of the market value of the entire equity interest of the Target Group
"Valuation Date"	30 September 2026, being the valuation date adopted for the purpose of the Valuation
"Valuation Report"	the valuation report issued by the Valuer in respect of the Valuation
"Valuer"	Vincorn Consulting and Appraisal Limited, an independent professional firm providing valuation and consulting services as engaged by the Company for the purpose of the Valuation
"Vendor"	Brainwave Innovations Limited, a company incorporated in the British Virgin Islands with limited liability, being the vendor under the Acquisition
"Vendor's Guarantor" or "Mr. William Guo"	Mr. Guo Wei, the sole shareholder and a director of the Vendor
"XPU"	cross-processing unit
"%"	per cent

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

Hong Kong, 30 October 2026

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

For the purpose of illustration only, unless otherwise indicated, conversion of RMB into HK$ in this announcement is calculated at the approximate exchange rate of RMB1.00 = HK$1.17.

* *for identification purposes only*