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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares of International Business Settlement Holdings Limited, you should at once hand this circular to the purchaser or to the bank or stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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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) PROPOSED GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES**
- (2) PROPOSED RE-ELECTION OF DIRECTORS**
- (3) PROPOSED TERMINATION OF THE EXISTING
SHARE OPTION SCHEME AND
ADOPTION OF THE NEW SHARE OPTION SCHEME**
- (4) CLOSURE OF REGISTER OF MEMBERS
AND**
- (5) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting (“AGM”) of International Business Settlement Holdings Limited (the “Company”) to be held at Unit 3103, 31/F, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong on Friday, 8 September 2023 at 11:00 a.m. (or in the event that a black rainstorm warning signal or a tropical cyclone warning signal no.8 or above is in force in Hong Kong at 8:00 a.m. on that day, at the same time and place on Monday, 11 September 2023) is set out on pages 38 to 44 in this circular. A form of proxy for use at the AGM is enclosed. Whether or not you are able to attend the AGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s principal place of business in Hong Kong at Unit 3103, 31/F, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the AGM should you so wish and in such event, the instrument appointing the proxy shall be deemed to be revoked.

11 August 2023

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“2022/2023 Annual Report”	the audited consolidated financial statements and the reports of the Directors and of the auditor of the Company for the year ended 31 March 2023
“Adoption Date”	being the date on which the New Share Option Scheme becomes unconditional
“AGM”	the annual general meeting of the Company to be convened and held at Unit 3103, 31/F, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong on Friday, 8 September 2023 at 11:00 a.m.
“Board”	the Company’s board of Directors
“Business Day”	a day on which banks in Hong Kong are open for general business other than a Saturday or Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon
“Bye-law(s)”	the bye-law(s) of the Company, as amended or supplemented from time to time
“close associate(s)”	has the meaning as defined under the Listing Rules
“Companies Act”	the Companies Act 1981 of Bermuda
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	International Business Settlement Holdings Limited, a company incorporated in Bermuda with limited liability, with its Shares listed on the main board of the Stock Exchange
“Controlling Shareholder”	has the meaning as defined under the Listing Rules
“core connected person”	has the meaning as defined under the Listing Rules

DEFINITIONS

“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	any Employee Participant and any Related Entity Participant
“Employee Participant(s)”	any director and employee (whether full time or part time) of the Company or the Group
“Existing Share Option Scheme”	the share option scheme adopted by the Company on 5 September 2014
“General Issue Mandate”	the proposed general mandate granted to the Directors to exercise all the powers of the Company to allot, issue and otherwise deal with new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the resolution approving the said mandate
“General Repurchase Mandate”	the proposed general and unconditional mandate granted to the Directors to repurchase shares in the capital of the Company up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution granting such mandate
“Grantee”	any Eligible Participant who accepts the Offer in accordance with the terms of the New Share Option Scheme or (where the context so permits) the person(s) or the personal representatives(s) entitled to any such Option in consequence of the death of the original Grantee
“Group”	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 People’s Republic of China
“Latest Practicable Date”	8 August 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the required standard of dealings as set out in Appendix 10 to the Listing Rules
“New Share Option Scheme”	the new share option scheme of the Company to be proposed for adoption by the Company at the AGM, the principal terms of which are set out in Appendix III to this circular
“Offer”	an offer of the grant of a Share Option made in accordance with the terms of the New Share Option Scheme
“Offer Date”	the date on which an Offer is made to an Eligible Participant, which must be a Business Day
“Related Entity(ies)”	the holding companies, fellow subsidiaries or associated companies of the Company
“Related Entity Participant(s)”	any director and employee (whether full time or part time) of the Related Entity
“Scheme Mandate Limit”	has the same meaning as defined in paragraph 5 of Appendix III of this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Share Option(s)”	a right to subscribe for Shares pursuant to the New Share Option Scheme

DEFINITIONS

“Share Option Period”	a period to be determined and notified by the Board to the Grantee during which the Share Option may be exercised and in any event shall not be more than 10 years commencing on the Offer Date and expiring on the last day of such 10-year period subject to the provisions for early termination in accordance with the terms of the New Share Option Scheme
“Shareholder(s)”	registered holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	a subsidiary(ies) for the time being of the Company within the meaning of the Companies Ordinance, Chapter 622 of the laws of Hong Kong, whether incorporated in Hong Kong or elsewhere
“Substantial Shareholder”	has the meaning as defined in the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Yuen Leong
Mr. Chan Siu Tat

Non-executive Director:

Mr. Liu Yu

Independent non-executive Directors:

Mr. Yap Yung
Ms. Chen Lanran
Mr. Wong Kin Ping

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place
of business in Hong Kong:*

Unit 3103, 31/F,
Sino Plaza,
255-257 Gloucester Road,
Causeway Bay,
Hong Kong

11 August 2023

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES**
(2) PROPOSED RE-ELECTION OF DIRECTORS
**(3) PROPOSED TERMINATION OF THE EXISTING
SHARE OPTION SCHEME AND
ADOPTION OF THE NEW SHARE OPTION SCHEME**
**(4) CLOSURE OF REGISTER OF MEMBERS
AND**
(5) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information in relation to the resolutions to be proposed at the AGM, which include, (i) the grant of the General Issue Mandate, the General Repurchase Mandate and the extension of the General Issue Mandate to include Shares and repurchased pursuant to the General Repurchase Mandate, (ii) the re-election of Directors and (iii) the termination of the Existing Share Option Scheme and adoption of the New Share Option Scheme. These resolutions will be proposed at the AGM and are set out in the notice of AGM as contained in this circular. Your approval of the resolutions relating thereto is therefore sought.

LETTER FROM THE BOARD

GENERAL ISSUE MANDATE

At the annual general meeting of the Company held on 24 August 2022, a general mandate was given to the Directors to issue new Shares and such mandate will lapse at the conclusion of the forthcoming AGM. An ordinary resolution will be proposed at the AGM for the purpose of renewing the existing share issue mandate granted to Directors to allot, issue and otherwise deal with the Shares. The share issue mandate is subject to a limit equal to 20% of the aggregate nominal amount of the issued Shares of the Company at the date of passing such resolution. On the basis that no Shares are issued or repurchased prior to the AGM, the Company would be allowed to allot, issue and deal with a maximum of 4,063,814,464 further new Shares.

GENERAL REPURCHASE MANDATE

At the annual general meeting of the Company held on 24 August 2022, a general mandate was given to the Directors to exercise all the powers of the Company to repurchase its own Shares and such mandate will lapse at the conclusion of the forthcoming AGM. An ordinary resolution will be proposed at the AGM for the purpose of renewing the existing share repurchase mandate granted to the Directors to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued Shares of the Company as at the date of passing such resolution. An explanatory statement containing all relevant information relating to the proposed General Repurchase Mandate is set out in Appendix I to this circular.

EXTENSION OF GENERAL ISSUE MANDATE TO ISSUE SHARES REPURCHASED UNDER THE GENERAL REPURCHASE MANDATE

Subject to the passing at the AGM of the proposed resolutions regarding the General Issue Mandate and the General Repurchase Mandate, an ordinary resolution will be proposed at the AGM to approve the extension of the 20% share issue mandate by adding to the General Issue Mandate the number of shares that may be repurchased under the General Repurchase Mandate.

The General Issue Mandate and General Repurchase Mandate will come into force at the date of passing such resolutions proposed at the AGM and continue in force until whichever is the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Bye-laws to be held; and (iii) the passing of an ordinary resolution of the Company in general meeting revoking or varying the authority set out in the above resolutions. With reference to the General Issue Mandate and the General Repurchase Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any Shares pursuant thereto.

LETTER FROM THE BOARD

For details of the proposed resolutions, Shareholders are referred to the notice of the AGM which is set out on pages 38 to 44 in this circular. With reference to these resolutions, the Board wishes to state that it has no immediate plan to repurchase any Shares or to issue any new Shares pursuant to the relevant mandates.

RE-ELECTION OF DIRECTORS

The Board currently consists of six Directors, namely Mr. Yuen Leong and Mr. Chan Siu Tat being the executive Directors, Mr. Liu Yu being the non-executive Director, and Mr. Yap Yung, Ms. Chen Lanran and Mr. Wong Kin Ping, being the independent non-executive Directors.

Pursuant to Bye-law 84(1) of the Bye-laws, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once in every three years. Accordingly, Ms. Chen Lanran and Mr. Wong Kin Ping will retire by rotation at the forthcoming AGM. Ms. Chen Lanran and Mr. Wong Kin Ping, being eligible, offer themselves for re-election at the forthcoming AGM.

The nomination committee of the Company (“Nomination Committee”) has reviewed structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company’s board diversity policy and nomination policy and the Company’s corporate strategy, and the independence of all independent non-executive Directors. The Nomination Committee also considered the entrepreneur insights, management experience, business connections, skills and knowledge and other perspectives of the retiring Directors as set out in Appendix II to this circular and had come to the view that the retiring Directors can continue to bring contributions to the Board and its diversity. Holding not more than seven listed company directorship, each of Ms. Chen and Mr. Wong is able to devote sufficient time and attention to perform the duties as an independent non-executive Director.

The Nomination Committee has also assessed the independence of each of Ms. Chen Lanran and Mr. Wong Kin Ping based on reviewing their annual written confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules and confirmed that they remain independent. Accordingly, with the recommendation of the Nomination Committee, the Board has proposed that the above retiring Directors, namely Ms. Chen Lanran and Mr. Wong Kin Ping, stand for re-election as Directors at the AGM. As a good corporate governance practice, each of the above retiring Directors abstained from voting at the relevant Board meeting on the respective propositions of his or her recommendations for re-election by the Shareholders at the AGM.

The biographical details and interests in the Shares of the Directors proposed for re-election are set out in Appendix II to this circular.

LETTER FROM THE BOARD

TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND ADOPTION OF NEW SHARE OPTION SCHEME

The Existing Share Option Scheme

The Company has adopted the Existing Share Option Scheme on 5 September 2014, which will expire on 4 September 2024. Considering that the Existing Share Option Scheme will soon expire, and in view of the recent amendments to Chapter 17 of the Listing Rules which came into effect on 1 January 2023, the Board proposes to terminate the Existing Share Option Scheme and adopt the New Share Option Scheme.

Pursuant to the terms of the Existing Share Option Scheme, the Company may by ordinary resolution in general meeting terminate the Existing Share Option Scheme and in such event no further options will be granted but in all other respects the provisions of the Existing Share Option Scheme in relation to any outstanding options shall remain in full force and effect. All options granted and accepted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the New Share Option Scheme. Since its adoption date and as at the Latest Practicable Date, no share option has been granted under the Existing Share Option Scheme.

The New Share Option Scheme

The purpose of the New Share Option Scheme is to enable the Company to grant Share Options to the selected Eligible Participants as incentives or rewards for their contribution or potential contribution to the development and long-term growth of the Group.

Equity compensation, including provision of long-term share-based incentives to participants, is in line with modern commercial practice for public companies to adopt parallel share-based incentive schemes to offer them with discretion to link the value of the companies with the interests of the participants thereunder, enabling those participants and the companies to develop together and promote the corporate culture of the companies. The Directors believe the New Share Option Scheme will provide the Board with flexibility in determining the applicable performance targets and any other conditions to which the specific grant of Share Options may be subject on a case-by-case basis, and thus will place the Group in a better position to attract human resources that are valuable to the long-term growth and development of the Group. There are no businesses or interests of the Directors that compete or may compete with the business of the Group.

LETTER FROM THE BOARD

Conditions precedent of the New Share Option Scheme

The proposed adoption of the New Share Option Scheme is subject to:

- (a) the passing of ordinary resolution(s) by the Shareholders at a general meeting of the Company to (1) approve and adopt the New Share Option Scheme; (2) authorize the Board to grant Share Options under the New Share Option Scheme; and (3) authorize the Board to allot and issue Shares in respect of any Share Options to be granted pursuant to the New Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Share on the Stock Exchange which may be issued in respect of all Share Options to be granted in accordance with the terms and conditions of the New Share Option Scheme.

Scope of Eligible Participants

The Board considers that the New Share Option Scheme will motivate more people to contribute to the Group's development. The New Share Option Scheme, which will be in the form of Share Options, will enable the Group to recruit, incentivize and retain high-calibre staff, and as such, it is in the interests of the Group as a whole that more categories of people be eligible for the New Share Option Scheme so as to give incentives to them to contribute to the Group's growth and development. Furthermore, the Board considers that the Eligible Participants will share the same interests and objectives with the Group upon the grant of Share Options. This is beneficial to the long-term development of the Group. In addition, the adoption of the New Share Option Scheme is in line with modern commercial practice that full-time or part-time employees, directors, members of the management, advisors and consultants of the Group and the Shareholders be given incentives to work towards the goal of enhancing the enterprise value and attaining the long-term objectives of the Company for the benefit of the Group as a whole.

In assessing the eligibility of Employee Participants, the Board will consider, among others, their general working performance, time commitment (full-time or part-time), length of their service within the Group, working experience, responsibilities and/or employment conditions with reference to the prevailing market practice and industry standard.

In assessing the eligibility of Related Entity Participants, the Board will consider, among others, their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group.

LETTER FROM THE BOARD

Considering the Company's hiring practices and organisational structures and that Related Entity Participants have contributed to the long-term growth of the Company's businesses, the Board is of the view that it would be in the Company's interest to also have the flexibility to grant Share Options to the Related Entity Participants in recognition of their contribution to the Company. The Directors (including the independent non-executive Directors) also consider that it is beneficial to include the Related Entity Participants since a sustainable and stable relationship with them is essential to the business development of the Group, and that the grant of Share Options to these participants will align their interests with the Group's, incentivizing them to provide better services to, create more opportunities for and/or contribute to the success of the Group in the long run.

More specifically, the Board (including the independent non-executive Directors) is of the view that the Company and the Related Entity Participants have a close working relationship. Despite that Related Entity Participants may not be directly appointed and employed by the members of the Group, such Related Entity Participants are valuable to the Group given their close corporate and collaborative relationships, they may be involved in business engagements relating to the Group's businesses. As such, certain Related Entity Participants have joint involvement in work projects from time to time. In particular, for those Related Entities in which the Group has significant interest, their growth and development would contribute to the financial performance of the Group, thereby allowing the Group to share and benefit from the positive results of these companies. It is therefore in the interest of the Company and the Shareholders, and is in line with the objectives of the New Share Option Scheme to include the Related Entity Participants, who the Company can incentivize with the grant of Share Options in order to strengthen their loyalty with the Group even though they may not be directly employed by the Group, and to in turn facilitate a higher degree of collaboration and closer business relationships and ties between the Related Entities and the Group; while the Related Entities may consider granting share options to those employees, given that the same employees may be utilized by the Company to assist with its projects, they would also provide service to the Company despite not being directly employed by the Group, and hence the Board is of the view that it would be in the Company's interest to also grant Share Options to those Related Entity Participants in recognition of their contribution to the Company.

LETTER FROM THE BOARD

Therefore, the Board (including independent non-executive Directors) consider that the proposed categories of Eligible Participants are in line with the Company's business needs and the industry norm, desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group. Through the grant of the Share Options, such Eligible Participants and the Group will have a common goal in the growth and development of the Group's business, and they could participate in the future prospect of the Group and share the additional reward through their sustainable contribution.

Scheme Mandate Limit

As at the Latest Practicable Date, there were 20,319,072,320 Shares in issue. Assuming that no further Shares will be allotted, issued, repurchased or cancelled prior to the AGM and after the resolutions regarding the proposed adoption of the New Share Option Scheme are passed at the AGM, the total number of Shares which may be issued in respect of all options and awards under the New Share Option Scheme and any other schemes of the Company would be no more than 2,031,907,232 Shares, representing no more than approximately 10% of the total number of Shares in issue as at the Adoption Date.

Vesting Period

To ensure the practicability in fully attaining the purpose of the New Share Option Scheme, the Board and the remuneration committee of the Company are of the view that (i) a strict 12-month vesting requirement would not always work or would not be fair to the holders of the Share Options, such as those set out in the paragraph headed "7. Vesting of Share Options" in the Appendix III to this circular; (ii) there is a need for the Company to retain flexibility in certain cases to provide a competitive remuneration package to attract and retain individuals to provide services to the Group, to provide for succession planning and the effective transition of employee responsibilities and to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (iii) the Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances.

The abovementioned instances set out in the paragraph headed "7. Vesting of Share Options" in Appendix III to this circular align with the examples listed in the Stock Exchange's FAQ No. 092-2022, and represent an exhaustive list of circumstances that warrant a shorter vesting period of the Share Options.

LETTER FROM THE BOARD

Hence, the Board and the remuneration committee of the Company are of the view that the shorter vesting period prescribed in the paragraph headed “7. Vesting of Share Options” in the Appendix III to this circular is in line with the market practice and is appropriate and aligns with the purpose of the New Share Option Scheme.

Basis of determining the exercise price of Share Options

Grantees to whom Share Options shall be granted, are entitled to subscribe for the number of Shares at the exercise price as determined on the Offer Date. The basis for determining the exercise price is also specified precisely in the rules of the New Share Option Scheme, which is summarized under paragraph headed “4. Exercise Price of Share Options” in the Appendix III to this circular. The Directors consider that such basis will serve to preserve the value of the Company and encourage the Eligible Participants to acquire proprietary interests in the Company.

Performance target and clawback mechanism

The Board may at its discretion specify any conditions (including performance targets (if any)) which must be satisfied before the Share Options may be vested in the offer letter. Such performance targets may include financial targets and management targets which shall be determined based on the (i) individual performance, (ii) performance of the Group and/or (iii) performance of business groups, business units, business lines, functional departments, projects and/or geographical area managed by the Grantees.

While the performance targets will be imposed on a case-by-case basis to ensure the Share Options vested would be beneficial to the Group, general factors to be taken into account include but not limited to (i) aggregate amount of revenue or business generated by the specific Grantee during a financial year; (ii) annual results of the Company, annual growth on the revenue of the Group as compared to the immediately preceding financial year and performance of the Group; and (iii) any measurable performance benchmark which the Board considers relevant to the Grantee, including key performance indicators of respective department(s) and/or business unit(s) that the Grantee belongs, individual position, annual appraisal result and performance of the Grantee, and contributions made by the Grantee to the Group.

LETTER FROM THE BOARD

The New Share Option Scheme will give the Board discretion (but not obligation) to impose that any Share Option shall be subject to a clawback under certain circumstances. Upon occurrence of such circumstances, the Board may (but is not obliged to) claw back such number of Share Options granted (to the extent not already exercised) as the Board may consider appropriate. For details of the clawback mechanism of the New Share Option Scheme, please refer to paragraph headed “26. CLAWBACK” in Appendix III to this circular.

The Board (and the Remuneration Committee in respect of grants of Share Options to the Directors and/or senior management) is of the view that the clawback mechanism in the New Share Option Scheme provides a choice for the Board to claw back the equity incentives granted to Eligible Participants culpable of misconduct and provides the Board with more flexibility in setting the terms and conditions of the Share Options under particular circumstances of each grant, which would facilitate the objective to offer meaningful incentives to attract and retain quality personnel that are valuable to the development of the Group, and is in line with the purpose of the New Share Option Scheme and in the interests of the Company and the Shareholders as a whole.

General

The Directors consider that it is not appropriate to state the value of all the Share Options that can be granted under the New Share Option Scheme as if they had been granted as at the Latest Practicable Date prior to the approval of the New Share Option Scheme given that the variables which are critical for the calculation of the value of such Share Options cannot be determined. These variables include but not limited to, the exercise price of Share Options, whether or not Share Options will be granted under the New Share Option Scheme and the timing of the granting of such Share Options, the period during which the Share Options may be exercised, the discretion of the Board to impose any performance target that has to be achieved before the Share Options can be exercised and any other conditions that the Board may impose with respect to the Share Options and whether or not such Share Options, if granted, will be exercised. The exercise price of Share Options depends on the price of the Shares as quoted on the Stock Exchange, which in turn depends on when the Board is to grant Share Options under the New Share Option Scheme. With a scheme life of ten years, the Board is of the view that it is too premature to state whether or not Share Options will be granted under the New Share Option Scheme and, if so, the number of Share Options that may be granted. It is also difficult to ascertain with accuracy the exercise price of Share Options given the volatility to which the price of Shares may be subject to during the ten-year life span of the New Share Option Scheme. The Directors are of the view that the value of the Share Options depends on a number of variables which are either difficult to ascertain or can only be ascertained subject to a number of theoretical bases and speculative assumptions. Accordingly, the Directors believe that any calculation of the value of the Share Options will not be meaningful and may be misleading to Shareholders in the circumstances.

LETTER FROM THE BOARD

The Company is not required to appoint any trustee for the purpose of administering the New Share Option Scheme. The New Share Option Scheme will be subject to administration of the Board. None of the Directors is or will be a trustee of the New Share Option Scheme or have a direct or indirect interest in any such trustee.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder had any material interest in the adoption of the New Share Option Scheme. Accordingly, no Shareholder is required to abstain from voting on relevant resolution at the AGM.

Application for listing

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any Share Options that may be granted under the New Share Option Scheme up to the Scheme Mandate Limit.

Documents available for display and inspection

A summary of the main terms of the New Share Option Scheme is set out in Appendix III of this circular.

A copy of the New Share Option Scheme will be published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.ibsettlement.com) for display for a period of not less than 14 days before the date of the AGM and the New Share Option Scheme will be made available for inspection at the AGM.

ANNUAL GENERAL MEETING

For the purpose of compliance with Rule 13.39(4) of the Listing Rules, the Company will procure the Chairman of the AGM to demand for a poll for the resolutions put to the vote of the AGM in accordance with the Bye-laws, and the results of the poll will be published on the websites of the Company and the Stock Exchange after the AGM. The AGM Notice is set out on pages 38 to 44 of this circular.

LETTER FROM THE BOARD

A form of proxy for use at the AGM is also enclosed. Whether or not you are able to attend and vote at the AGM, you are requested to read the notice and to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's principal place of business in Hong Kong located at Unit 3103, 31/F, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong as soon as possible and in any event not less than forty eight (48) hours before the time appointed for holding the AGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 5 September 2023 to Friday, 8 September 2023 (both days inclusive), during which period no transfer of Shares can be registered. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 4 September 2023.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that the resolutions referred in this circular and the AGM Notice are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend Shareholders to vote in favour of all the resolutions set out in the AGM Notice.

Yours faithfully,

For and on behalf of the Board

International Business Settlement Holdings Limited

Yuen Leong

Executive Director

This is an explanatory statement given to all Shareholders relating to ordinary resolutions to be proposed at the AGM authorising the General Repurchase Mandate.

This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) of the Listing Rules which is set out as follows:

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued and fully paid up share capital of the Company comprised 20,319,072,320 Shares.

Should the General Repurchase Mandate be approved and granted, and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the approval of the General Repurchase Mandate, the Company would be allowed under the repurchase resolution to repurchase a maximum of 2,031,907,232 Shares during the period from the date on which such resolution is passed until the date of (i) conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any application laws to be held; or (iii) the revocation, variation or removal of the General Repurchase Mandate by an ordinary resolution of the Shareholders in general meeting, whichever occurs first, representing not more than 10% of the issued Shares of the Company as at the Latest Practicable Date.

2. REASONS FOR THE REPURCHASE

Although the Directors have no present intention of repurchasing any Shares, they believe that the flexibility afforded by the repurchase proposal would be beneficial to the Company and Shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share of the Company and will only be made when the Directors believe that such a purchase will benefit the Company and its Shareholders.

3. FUNDING OF REPURCHASES

Repurchases must be funded out of funds which are legally available for the purpose in accordance with the Company's constitutional documents and the laws of the jurisdiction in which the Company is incorporated.

Repurchase of Shares will be funded from the Company's available cash flow or working capital facilities, and will, in any event, be made out of funds legally available for such purposes in accordance with the Bye-laws, the Listing Rules and the laws of Bermuda. The Company is empowered by its Bye-laws to purchase its Shares. The laws of Bermuda provide that the amount of capital repaid in connection with a share repurchase may only be paid out of the capital paid up on the relevant Shares, or from the profits that would otherwise be available for distribution by way of dividend, or from the proceeds of a new issue of shares made for the purpose. The amount of premium payable on redemption may only be paid out of either the profits that would otherwise be available for distribution by way of dividend or out of the Company's share premium account or contributed surplus account.

On the basis of the current financial position of the Group as disclosed in the 2022/2023 Annual Report and taking into account the current working capital position of the Group, the Directors consider that, if the General Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Group as compared with the position disclosed in the 2022/2023 Annual Report. However, the Directors do not propose to exercise the General Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Group or the gearing level which in the opinion of the Directors are from time to time appropriate for the Group.

4. SHARE PRICES

The highest and lowest prices at which the Shares had been traded on the Stock Exchange during each of the previous twelve months prior to the Latest Practicable Date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
August	0.119	0.090
September	0.105	0.075
October	0.090	0.073
November	0.093	0.070
December	0.100	0.070
2023		
January	0.092	0.067
February	0.074	0.060
March	0.081	0.055
April	0.071	0.056
May	0.070	0.054
June	0.060	0.053
July	0.077	0.055
August (up to Latest Practicable Date)	0.072	0.069

5. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make purchases of the Shares pursuant to the General Repurchase Mandate only in accordance with the Listing Rules, the Bye-law(s) and the applicable laws of Bermuda.

6. DIRECTORS' DEALINGS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) have any present intention, in the event that the General Repurchase Mandate is approved by the Shareholders, to sell any securities to the Company or its subsidiaries.

7. CORE CONNECTED PERSONS

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell securities to the Company nor has undertaken not to do so, in the event that the Company is authorised to make purchases of Shares upon General Repurchase Mandate is approved by the Shareholders.

8. TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the General Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and, depending on the level of increase of the Shareholder's interest, may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, so far as is known to any Director of the Company, the following persons were interested in 5% or more of the issued ordinary share capital of the Company, according to the register of interests required to be kept under Section 336 of the SFO:

Name	Number of Shares interested	Approximate percentage to the issued ordinary share capital of the Company as at the Latest Practicable Date	Approximate percentage to the issued ordinary share capital of the Company if the General Repurchase Mandate is exercised in full
Long Grand Limited (<i>Note 1</i>)	10,347,283,880	50.92%	56.58%
Yam Yu (<i>Note 1</i>)	10,347,283,880	50.92%	56.58%
Power Trend Asset Holdings Ltd. (<i>Note 2</i>)	2,540,190,000	12.50%	13.89%
Luo Feng (<i>Note 2</i>)	2,540,190,000	12.50%	13.89%

Notes:

- (1) Long Grand Limited is legally and beneficially owned as to 70% by Mr. Yam Yu and as to 30% by Mr. Yuen Leong. By virtue of Mr. Yam Yu's 70% direct interest in Long Grand Limited, Mr. Yam Yu is deemed or taken to be interested in the 10,347,283,880 shares held by Long Grand Limited for the purposes of the SFO.
- (2) Power Trend Asset Holdings Ltd. is legally and beneficially wholly owned by Mr. Luo Feng. By virtue of Mr. Luo Feng's 100% direct interest in Power Trend Asset Holdings Ltd., Mr. Luo Feng is deemed or taken to be interested in the 2,540,190,000 shares held by Power Trend Asset Holdings Ltd. for the purposes of the SFO.

In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, and assuming that no further Shares are issued or repurchased prior to the AGM, the total interests of the above Shareholders would be increased to the approximately percentages shown in the last column of the above table and such increase of interest will not give rise to an obligation to make a mandatory general offer under Rules 26 of the Takeovers Code and would not reduce the number of Shares held by the public to less than 25% of the issued share capital of the Company. The Directors have no present intention to repurchase Shares if the proposed General Repurchase Mandate is approved at the AGM.

The Directors will exercise the powers conferred by the General Repurchase Mandate to repurchase Shares in circumstances, which they deem appropriate for the benefits of the Company and the Shareholders as a whole.

9. SHARE PURCHASE MADE BY THE COMPANY

No purchase has been made by the Company of its Shares (whether on the Stock Exchange or otherwise) in the six months prior to the Latest Practicable Date.

The particulars of the Directors proposed for re-election at the AGM are set out below:

MS. CHEN LANRAN (“MS. CHEN”)

Ms. Chen Lanran, aged 42, was appointed as an independent non-executive Director of the Company on 1 August 2019. Ms. Chen graduated with a bachelor’s degree in finance from Fuzhou University in July 2002, and graduated in marketing from School of Journalism and Communication, Peking University in July 2011. Ms. Chen has over 15 years of experience in the marketing industry. Upon graduation, Ms. Chen worked as a brand manager from 2002 to 2005 in Fujian Mobile Communications Co., Ltd.. From 2005 to 2017, Ms. Chen worked as a brand manager in China Mobile Communications Group Co., Ltd.. From February 2017 to present, Ms. Chen is the principal of Fujian Yuyue Education Training Centre, and is in charge of the overall planning, promotion and development of the campus, and its expansion.

Save as disclosed in this circular, Ms. Chen did not have any directorship in any other listed public companies in the last three years.

As at the Latest Practicable Date, Ms. Chen did not have any relationship with any director, senior management or substantial or controlling shareholders of the Company and does not have any interest in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Ms. Chen has entered into a letter of appointment with the Company pursuant to which her term of appointment is for one year commencing from 1 August 2019 and is to be automatically renewed every year for another year on the same terms unless terminated with one month’s notice in writing served by either party. Ms. Chen’s directorship is also subject to retirement by rotation and re-election pursuant to the Bye-laws, the Listing Rules and other applicable laws. Ms. Chen receives a director’s fee of HK\$200,000 per annum which is determined by the Board with reference to her experience, duties and responsibilities, and to prevailing market conditions. Ms. Chen shall also be entitled to share options under the share option scheme of the Company as determined by the remuneration committee of the Company from time to time with reference to the remuneration policy of the Company.

Save as disclosed above, Ms. Chen has confirmed that there is no other matter that needs to be brought to the attention of the Shareholders in connection with her re-election and there is no other information that should be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

MR. WONG KIN PING (“MR. WONG”)

Mr. Wong Kin Ping, aged 69, was appointed as an independent non-executive Director of the Company on 1 September 2020. Mr. Wong has substantial experience in the business of trading and merchandising. Prior to joining the Company, Mr. Wong was a founder of a trading company which was principally engaged in general trading business in Hong Kong. He was also the executive director of Jinchuan Group International Resources Co. Ltd (formerly known as Goldigit Atom-Tech Holdings Limited) (stock code: 2362) listed on the Main Board of the Stock Exchange from 2003 to 2005.

Save as disclosed in this circular, Mr. Wong did not have any directorship in any other listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Wong did not have any relationship with any director, senior management or substantial or controlling shareholders of the Company and does not have any interest in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Mr. Wong has entered into a letter of appointment with the Company pursuant to which his term of appointment is for one year commencing from 1 September 2020 and is to be automatically renewed every year for another year on the same terms unless terminated with one month’s notice in writing served by either party. Mr. Wong’s directorship is also subject to retirement by rotation and re-election pursuant to the Bye-laws, the Listing Rules and other applicable laws. Mr. Wong receives a director’s fee of HK\$200,000 per annum which is determined by the Board with reference to his experience, duties and responsibilities, and to prevailing market conditions. Mr. Wong shall also be entitled to share options under the share option scheme of the Company as determined by the remuneration committee of the Company from time to time with reference to the remuneration policy of the Company.

Save as disclosed above, Mr. Wong has confirmed that there is no other matter that needs to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

The following is a summary of the principal terms of the Share Option Scheme but does not form part of, nor was it intended to be, part of the Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the Share Option Scheme:

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to provide incentive and/or reward to Eligible Participants for their contribution to, and continuing efforts to promote the interests of, the Group.

2. ADMINISTRATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall be subject to the administration of the Board (or if the Board so resolves by a committee of the Board) whose decision (save as otherwise provided in the New Share Option Scheme) shall be final and binding on all parties subject to the prior receipt of a statement in writing from the auditors or the independent financial adviser of the Company if and as required by the New Share Option Scheme.

3. ELIGIBLE PARTICIPANTS

Subject to the provisions in the New Share Option Scheme, the Board shall be entitled at any time within the period of ten (10) years after the Adoption Date to make an Offer to any Eligible Participant as the Board may in its absolute discretion select to subscribe for such number of Shares as the Board may determine at the exercise price. In particular, the eligibility of each of the Eligible Participants shall be determined by the Board or a committee of the Board from time to time and on a case-by-case basis. Generally:

- (a) with respect to Employee Participants, the Board will consider, among others, their general working performance, time commitment (full-time or part-time), length of their service within the Group, working experience, responsibilities and/or employment conditions with reference to the prevailing market practice and industry standard; and
- (b) with respect to Related Entity Participants, the Board will consider, among others, their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group.

4. EXERCISE PRICE OF SHARE OPTIONS

The exercise price of any particular Share Option granted under the New Share Option Scheme shall be a price determined by the Board and notified to an Eligible Participant, and shall be at least the higher of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a Business Day; and
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the Offer Date.

Where a Share Option is to be granted, the date of the Board meeting at which the grant was proposed shall be taken to be the Offer Date for such Share Option.

5. MAXIMUM NUMBER OF SHARES

The total number of Shares which may be issued in respect of all options and awards to be granted under the New Share Option Scheme and any other schemes of the Company (the "Scheme Mandate Limit") must not in aggregate exceed 10% (or such other percentage which may be specified by the Stock Exchange from time to time) of the total number of Shares in issue as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit.

For the purposes of calculating the Scheme Mandate Limit, Shares which are the subject matter of any options or awards that have already lapsed in accordance with the terms of the relevant share scheme(s) of the Company will not be regarded as utilized.

The Scheme Mandate Limit may be refreshed by ordinary resolution of the Shareholders in general meeting every three years from the date of the Shareholders' approval for the last refreshment (or the Adoption Date), provided that:

- (a) the Scheme Mandate Limit so refreshed shall not exceed 10% (or such other percentage which may be specified by the Stock Exchange from time to time) of the total number of issued Shares as at the date of such Shareholders' approval of the refreshment of the Scheme Mandate Limit;
- (b) for the purpose of calculating the Scheme Mandate Limit, options or awards lapsed will not be regarded as utilized and options or awards cancelled will be regarded as utilized; and

- (c) a circular regarding the proposed refreshment of the Scheme Mandate Limit has been dispatched to the Shareholders in a manner complying with, and containing the matters specified in, Chapter 17 of the Listing Rules.

Further to the requirements set out above, any refreshment of the Scheme Mandate Limit within three years from the date of the Shareholders' approval for the last refreshment (or the Adoption Date) must be approved by the Shareholders in general meeting subject to the following provisions:

- (a) any Controlling Shareholder and their associates (or if there is no Controlling Shareholder, Directors (excluding independent non-executive Directors) and chief executive(s) of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting;
- (b) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules; and
- (c) the requirements under sub-paragraphs (a) and (b) above do not apply if the refreshment is made immediately after an issue of Shares by the Company to its Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of the Shares, rounded to the nearest whole Share.

The Company may seek separate approval from the Shareholders in general meeting for granting options or awards which will result in the Scheme Mandate Limit being exceeded, provided that:

- (a) the grant is only to Eligible Participants specifically identified by the Company before the approval is sought; and
- (b) a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules and any other applicable laws and rules.

If the Company conducts any share consolidation or subdivision after the Scheme Mandate Limit has been approved in the general meeting, the maximum number of Shares that may be issued by the Company pursuant to the New Share Option Scheme of the Company under the unutilized Scheme Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

6. GRANT OF SHARE OPTIONS

- (a) An Offer shall be made to an Eligible Participant in writing in such form as the Board may from time to time determine requiring the Eligible Participant to undertake to hold the Share Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme and shall remain open for acceptance by the Eligible Participant to whom an Offer is made for a period as specified in the letter of Offer, by which the Eligible Participant must accept the Offer or be deemed to have declined it, provided that no such Offer shall be opened for acceptance after the Share Option Period or after the New Share Option Scheme has been terminated in accordance with the provisions of the New Share Option Scheme or after the Eligible Participant to whom the Offer is made has ceased to be an Eligible Participant.
- (b) The Board may in its absolute discretion specify such conditions as it thinks fit when making an Offer to an Eligible Participant (including, without limitation, as to any performance criteria which must be satisfied by the Eligible Participant and/or the Company and/or its subsidiaries before a Share Option may be exercised), provided that such conditions shall not be inconsistent with any other terms and conditions of the New Share Option Scheme or the relevant requirements under applicable laws or the Listing Rules.
- (c) The Board shall not grant any Share Option under the New Share Option Scheme after inside information has come to the Company's knowledge until (and including) the trading day on which it has announced the information. In particular, no Offer shall be made to any Eligible Participant (a) during the period commencing one month immediately preceding the earlier of (1) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (2) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, no Share Option shall be granted; or (b) who is subject to the Model Code during the periods or times in which such Eligible Participant is prohibited from dealing in the Shares pursuant to the Model Code.

- (d) An Offer shall be deemed to have been accepted and the Share Option to which the Offer relates shall be deemed to have been granted and to have taken effect when the Company receives the duplicate of the offer letter comprising acceptance of the Offer duly signed by the Grantee with the number of Shares in respect of which the Offer is accepted clearly stated therein no option price will be payable upon the acceptance of the Offer. Any Offer may be accepted in respect of all or less than the number of Shares in respect of which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. To the extent that an Offer is not accepted within the time stated in the Offer for that purpose, it will be deemed to have been irrevocably declined and upon which, the subject Share Options with respect to the declined Offer will be lapsed and will not be utilized for the purpose of calculating the Scheme Mandate Limit.

7. VESTING OF SHARE OPTIONS

The Share Options to be granted under the New Share Option Scheme shall be subject to a minimum vesting period of 12 months during which unvested Share Options shall not become vested and exercisable. Any shorter vesting period in respect of Share Options granted to Employees Participants must be approved by the Board and/or the remuneration committee of the Company (for Share Options granted to the Directors or senior managers) at the Directors' discretion, provided that such Grantee(s) has been specifically identified by the Board before granting such approval. The exhaustive circumstances giving rise to a shorter vesting period are as follows:

- (a) grants of "make whole" Share Options to new Employee Participants to replace share options such Employee Participants forfeited when leaving their previous employers;
- (b) grants to an Employee Participant whose employment is terminated due to death or disability or event of force majeure;
- (c) grants of Share Options which are subject to the fulfilment of performance targets;

- (d) grants of Share Options that are made in batches during a year due to administrative or compliance requirements which may be subject to any changes made to the applicable laws, regulations and rules in the jurisdictions which the Employee Participants and the Group are subject to and not connected with the performance of the relevant Employee Participant, which include Share Options that should have been granted earlier if not for such administrative or compliance requirements but had to wait for subsequent batch, in which case the vesting date may be adjusted to take account of the time from which the Share Options would have been granted if not for such administrative or compliance requirements, which allows flexibility for the Company to reward Employee Participants in case of delays due to administrative or compliance requirements. In the event of any administrative or compliance requirements which give rise to a shorter vesting period of the Share Options granted to any Employee Participant, the Company will make further announcement as and when appropriate;
- (e) grants of Share Options with a mixed vesting schedule such that the Share Options vest evenly over a period of 12 months; or
- (f) grants of Share Options with a total vesting and holding period of more than 12 months.

For the avoidance of doubt, all Share Options to be granted under the New Share Option Scheme would still be subject to the minimum 12-month vesting requirements in the circumstances contemplated in paragraphs 12, 13, 16-19 below.

8. PERFORMANCE TARGETS

The Offer shall specify the performance target(s), if any, that must be duly fulfilled by the Grantee(s) before any of the Share Options may be vested in such Grantee(s) under such Offer. The Board or a committee of the Board may in respect of each Offer and subject to all applicable laws, rules and regulations determine such performance targets for vesting of Share Options in its sole and absolute discretion, such performance targets shall include, among others, financial targets and management targets which shall be determined based on the (i) individual performance, (ii) performance of the Group and/or (iii) performance of business groups, business units, business lines, functional department, projects and/or geographical area managed by the Grantees. For the avoidance of doubt, a Share Option shall not be subject to any performance targets, criteria or conditions if none is set out in the relevant Offer.

9. MAXIMUM ENTITLEMENTS TO EACH ELIGIBLE PARTICIPANT AND SHARE OPTIONS GRANTED TO CERTAIN CONNECTED PERSONS

- (a) Sub-paragraphs (a), (b) and (c) under this paragraph 9 are subject to any waiver or ruling granted by the Stock Exchange, and may be amended by the Board to reflect any amendments made by the Stock Exchange after the Adoption Date to the relevant provisions of the Listing Rules, which paragraphs have been drafted to reflect as at the Adoption Date. Share Options that have already lapsed in accordance with the New Share Option Scheme shall not be counted. For the purpose of sub-paragraphs (a), (b) and (c) under this paragraph 9, “Relevant Shares” means Shares issued and to be issued in respect of all options granted (excluding any options lapsed) under all share schemes of the Company to the relevant Grantee in the 12-month period (or such other time period as may be specified by the Stock Exchange from time to time) up to and including the Offer Date of the relevant Share Option referred hereto.
- (b) No Share Option shall be granted to any Eligible Participant (“Relevant Eligible Participant”), if it would result in the number of Relevant Shares exceeding 1% (or such other percentage which may be specified by the Stock Exchange from time to time) of the total number of Shares in issue at the relevant time of grant, unless (1) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by resolution of the Shareholders in general meeting, at which the Relevant Eligible Participant and his/her close associates (or his/her associates if the Relevant Eligible Participant is a connected person) shall abstain from voting; (2) a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and (3) the number and terms of such Share Option are fixed before the general meeting of the Company at which the same are approved.

- (c) The grant of Share Options to a Director, chief executive or substantial shareholder of the Company (or any of their respective associates) requires the approval of the independent non-executive Directors (excluding any independent non-executive Director who is a prospective Grantee of the Share Option). Where a Share Option is to be granted to a substantial shareholder or an independent non-executive Director (or any of their respective associates), and the grant will result in the number of the Relevant Shares exceeding 0.1% (or such other percentage which may be specified by the Stock Exchange from time to time) of the total number of Shares in issue at the relevant time of grant and such grant shall not be valid unless (1) a circular containing the details of the grant has been despatched to the Shareholders in a manner complying with, and containing the information as required under the Listing Rules (including in particular a recommendation from the independent non-executive Directors (excluding the independent non-executive Director who is the prospective Grantee of the Share Option) to the independent Shareholders as to voting); and (2) the grant has been approved by the Shareholders in general meeting (taken on a poll) in accordance with the relevant provisions of the Listing Rules, in particular, the relevant Grantee, his/her associates and all core connected persons shall abstain from voting (except that a connected person may vote against the resolution if his/her intention to do so has been stated in the circular required to be issued pursuant to the Listing Rules). The Company must comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.
- (d) Independent Shareholders' approval and the circular described in paragraph 9(c) above are also required for any change in the terms of Share Options granted to a Grantee who is a Director, chief executive or substantial shareholder of the Company or any of their respective associates.

10. EXERCISE OF SHARE OPTION

A Share Option may be exercised in whole or in part by the Grantee (or his/her personal representatives) before the expiry of the Share Option Period by delivering to the Company a notice in writing in a form approved by the Board stating that the Share Option is to be exercised and the number of Shares in respect of which it is exercised.

11. RIGHTS ARE PERSONAL TO GRANTEE

A Share Option shall be personal to the Grantee. Unless a waiver is granted by the Stock Exchange, a Share Option shall not be assignable nor transferable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (whether legal or beneficial) in favor of any third party over or in relation to any Share Option.

The Stock Exchange may consider granting a waiver to allow a transfer of a Share Option to a vehicle (such as trust or private company) for the benefit of the Grantee and any family members of such Grantee (e.g. for estate planning or tax planning purposes) that would continue to meet purpose of the New Share Option Scheme and comply with the requirements of the Listing Rules. When such waiver is granted, the Stock Exchange shall require the Company to disclose the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle.

12. RIGHTS ON CESSATION OF EMPLOYMENT BY DEATH

Where the Grantee of an outstanding Share Option dies before exercising the Share Option in full or at all, the Share Option may be exercised up to the entitlement of such Grantee or, if appropriate, an election made pursuant to a general offer, scheme of arrangement, scheme for the reconstruction or amalgamation or voluntary winding up of the Company by his/her personal representatives within 12 months of the date of death.

13. RIGHTS ON CESSATION OF EMPLOYMENT OR RETIREMENT

Where the holder of an outstanding Share Option ceases to be an Eligible Participant for any reason other than (i) death, (ii) re-employed after retirement or has changed in position but still be an Eligible Participant before exercising the Share Option in full or at all or (iii) by reason of summary dismissal or being dismissed for misconduct or other breach of the terms of his/her employment contract or other contract constituting him an Eligible Participant, the Share Option shall lapse on the date of cessation of such employment and not be exercisable unless the Board otherwise determines in which event the Share Option shall be exercisable to the extent and within such period as the Board may determine. The date of such cessation shall be (i) if he is an employee of the Company, any subsidiary or any Related Entity, his/her last actual working day at his/her work place with the Company, any subsidiary or any Related Entity whether salary is paid in lieu of notice or not; or (ii) if he is not an employee of the Company, any subsidiary or any Related Entity the date on which the relationship with the Group which has constituted him an Eligible Participant ceases.

Where the Grantee of an outstanding Share Option is re-employed after retirement or has changed in position(s) but still be an Eligible Participant before exercising the Share Option in full or at all, the Share Option may continue to be exercised by the Grantee.

Where the Grantee of an outstanding Share Option ceases to be an Eligible Participant by reason of summary dismissal or being dismissed for misconduct or other breach of the terms of his/her employment contract or other contract constituting him an Eligible Participant, or the date on which he begins to appear to be unable to pay or has no reasonable prospect of being able to pay his/her debts or has become insolvent or has made any arrangements or composition with his/her creditors generally or on which he has been convicted of any criminal offence involving his/her integrity or honesty, the Share Option shall lapse on the date of his/her dismissal.

14. CANCELLATION OF SHARE OPTIONS

The Board at its sole discretion may cancel a Share Option granted but not exercised with the approval of the grantee of such Share Option in certain circumstances, including where it is necessary to comply with the laws in the jurisdictions in which the Eligible Participants and the Company are subject to, or in order to comply with the requirements of any securities exchange. Share Options may be granted to an Eligible Participant in place of his/her cancelled Share Options provided that there are available Scheme Mandate Limit approved by the Shareholders as referred to in Rule 17.03B or Rule 17.03C of the Listing Rules. The Share Options cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

15. ALTERATION OF CAPITAL STRUCTURE

In the event of any alteration in the capital structure of the Company by way of capitalization issue, rights issue, Subdivision or consolidation of the Shares or reduction of the share capital of the Company (other than an issue of the Shares as consideration in respect of a transaction while any Share Option remains exercisable), such corresponding alterations (if any) will be made in (i) the numbers of the Shares subject to any outstanding Share Options and/or (ii) the exercise price per Share as the independent financial adviser of the Company for the time being or the auditors shall at the request of the Company or any Grantee certify in writing to be in their opinion fair and reasonable, provided that any such alterations shall be made on the basis that the Grantee shall have the same proportion of the total number of Shares in issue, rounded to the nearest whole Share, to which he was entitled before such alteration and no such adjustment shall be made to the extent that a Share would be issued at less than its nominal value. Save in the case of a capitalization issue, an independent financial adviser of the Company for the time being or the auditors must confirm to the Directors in writing that such adjustment(s) satisfy the aforesaid requirements and/or such other requirement prescribed under the Listing Rules from time to time.

16. RIGHTS ON A GENERAL OFFER

If a general offer by way of take-over is made to all the Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional, the Company shall give notice thereof to the Grantee in the event that the Grantee of an Option is an employee or a director of the Group and such Grantee (or his/her personal representatives) may, exercise the Share Option to its full extent or to the extent specified in such notice.

17. RIGHTS ON SCHEME OF ARRANGEMENT

If a general offer, by way of a scheme of arrangement, is made to all the Shareholders and the New Share Option Scheme has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall give notice thereof to the Grantee in the event that the Grantee of an Option is an employee or a director of the Group and such Grantee (or his/her personal representatives) may, by delivering a notice in writing to the Company within seven days of such shareholders' approval, exercise the Share Option to its full extent or to the extent specified in such notice.

18. RIGHTS ON VOLUNTARY WINDING UP

In the event a notice is given by the Company to its members to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees who are employees or directors of the Group (together with a notice of the existence of the provisions) and thereupon, each such Grantee (or his/her legal personal representatives) shall be entitled to exercise all or any of his/her Share Options at any time not later than seven days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate exercise price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, issue and allot the relevant Shares to the Grantee credited as fully paid.

19. RIGHTS ON RECONSTRUCTION OR AMALGAMATION

In the event of a compromise or arrangement, other than a scheme of arrangement contemplated in paragraph 17 above between the Company and its members or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees who are employees or directors of the Group on the same day as it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement and such Grantee (or his/her personal representatives) may at any time thereafter, but before such time as shall be notified by the Company, exercise all or any of his/her Share Options, and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed meeting, allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such Share Options. In the event that the Grantees do not exercise all or any of his/her Share Options before the specified timing, and provided that the then market price of the Share Option is higher than the exercise price of the Share Option, the Board may in its sole discretion, sell the Share Option on behalf of the Grantee, whereby the Grantee will be entitled to receive the cash equivalent from such sale (less any costs incurred by the Company (if any)). In the event that the market price of the Share Option is lower than the exercise price of the Share Option or the Board in its sole discretion decides not to sell the Share Option on the market, the Share Option will automatically lapse.

20. PERIOD OF THE NEW SHARE OPTION SCHEME

Subject to earlier termination by the Company in general meeting or by the Board, the New Share Option Scheme shall be valid and effective for a period to be determined and notified by the Board to the Grantee during which the Share Option may be exercised and in any event shall not be more than 10 years commencing on the date on which the Offer in relation to such Share Option is deemed to have been accepted in accordance with the terms of the New Share Option Scheme and expiring on the last day of the 10-year-period.

21. TERMINATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall be terminated on the earlier of:

- (a) the tenth (10) anniversary date of the Adoption Date; and
- (b) such date of early termination as determined by the Board by a resolution of the Board,

provided that such termination shall not affect any subsisting rights of any Grantee hereunder, following which no further grant of Share Options shall be offered but in all other respects the New Share Option Scheme shall continue in full force and effect to the extent necessary to give effect to the exercise of any Share Option granted prior to the termination or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. Any Share Options granted prior to such termination, including Share Options exercised or outstanding under the New Share Option Scheme, shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

22. RANKING OF SHARES

Holders of the Share Options are not entitled to voting, dividend, transfer and other rights of the holders of the Shares, including those arising on a liquidation of the Company, save as otherwise provided herein or under the relevant laws or the Bye-laws in effect from time to time. The Shares to be issued and allotted upon the exercise of a Share Option shall be subject to the Company's constitutional documents for the time being in force and shall rank *pari passu* in all respects with the Shares in issue as at the date of allotment and will entitle the holders to participate in all dividends or other distributions declared or recommended or resolved to be paid or made in respect of a record date falling on or after the date of allotment. A Share allotted and issued upon the exercise of a Share Option shall not carry voting rights until the name of the Grantee has been duly entered on the register of members of the Company as a holder thereof.

23. ALTERATIONS TO THE NEW SHARE OPTION SCHEME

The Directors may from time to time in their absolute discretion alter the definition of “Eligible Participants”, “Grantee” and “Share Option Period” and the provisions in paragraphs 1, 3, 4, 5, 6(d), 7 to 23 of this appendix which are of a material nature or provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Grantees or prospective Grantees provided that approval from the Shareholders in general meeting (with Grantees and their associates abstaining from voting) has been obtained. Save for the above, the Board or a committee of the Board may alter the terms of the New Share Option Scheme without the approval of the Shareholders in a general meeting. No such alteration shall operate to affect adversely the terms of issue of any Share Option granted or agreed to be granted prior to such alteration except with the consent or sanction in writing of such majority of the Grantees as would be required of the Shareholders under the constitutional documents for the time being of the Company for a variation of the rights attached to the Shares.

Any change to the authority of the Board to alter the terms of the New Share Option Scheme shall not be valid unless approved by the Shareholders in general meeting.

Any change to the terms of Share Options granted to a Grantee must be approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders in general meeting (as the case may be) if the initial grant of the Share Options requires such approval (except where the alterations take effect automatically under the existing provisions of the New Share Option Scheme).

The amended terms of the New Share Option Scheme or the Share Options must comply with Chapter 17 of the Listing Rules.

24. CONDITIONS OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme is conditional upon the passing of ordinary resolution(s) by the Shareholders at a general meeting of the Company to (1) approve and adopt the New Share Option Scheme; (2) authorise the Board to grant Share Options under the New Share Option Scheme; (3) authorise the Board to allot and issue Shares in respect of any Share Options to be granted pursuant to the New Share Option Scheme; and (4) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Shares on the Stock Exchange which may be issued by the Company in respect of all Share Options to be granted in accordance with the terms and conditions of the New Share Option Scheme.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Shares which may fall to be allotted and issued in respect of the Share Options to be granted under the New Share Option Scheme.

25. RESTRICTION ON THE TIME OF GRANT OF SHARE OPTIONS

The Board shall not grant any Share Options after inside information has come to the Company's knowledge until (and including) the trading day after the Company has announced the information pursuant to the requirements under the Listing Rules. In particular, the Company may not grant any Share Options during the period commencing one (1) month immediately before the earlier of:

- (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to publish its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcements (and during any period of delay in publishing results announcements (if applicable)).

Without prejudice to the provisions in the preceding paragraph, the Board may not make any grant to an Eligible Participant who is a Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company; in particular, no Share Options shall be granted to the Directors:

- (i) 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

26. CLAWBACK

Notwithstanding the terms and conditions of the New Share Option Scheme, the Board has the authority to provide that any Share Option shall be subject to a clawback if any of the following events occurs:

- (a) if the Grantee of an outstanding Share Option ceases to be an Eligible Participant by reason of the termination of his or her employment or engagement on the grounds that he or she has been guilty of fraud or dishonesty or persistent or serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts or has become bankrupt or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment summarily;
- (b) if the Grantee joins a company which the Board believes in its sole and reasonable opinion to be a competitor of the Company; and
- (c) if any other clawback event implicitly or explicitly characterized in the offer letter occurs.

Upon occurrence of any of the above events (and whether an event is to be regarded as having occurred for the purpose of this paragraph is subject to the sole determination of the Board) in relation to a Grantee, the Board may (but is not obliged to) by notice in writing to the relevant Grantee claw back such number of Share Options granted (to the extent not already vested) as the Board may consider appropriate. The Share Options that are clawed back shall be regarded as cancelled and the Share Options so cancelled shall be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

27. MISCELLANEOUS

Should there be any discrepancy between English and Chinese versions of the New Share Option Scheme, the English version shall prevail.

NOTICE OF ANNUAL GENERAL MEETING

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)

NOTICE IS HEREBY GIVEN that the annual general meeting of International Business Settlement Holdings Limited (the “Company”) will be held at Unit 3103, 31/F, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong on Friday, 8 September 2023 at 11:00 a.m. (or in the event that a black rainstorm warning signal or a tropical cyclone warning signal no.8 or above is in force in Hong Kong at 8:00 a.m. on that day, at the same time and place on Monday, 11 September 2023) for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the audited consolidated financial statements and the reports of the directors and the independent auditors of the Company for the year ended 31 March 2023;
2.
 - (a) To re-elect Ms. Chen Lanran as an independent non-executive director of the Company;
 - (b) To re-elect Mr. Wong Kin Ping as an independent non-executive director of the Company; and
 - (c) To authorize the board of directors of the Company to fix the directors’ remuneration;
3. To re-appoint CL Partners CPA Limited as the independent auditors of the Company and to authorize the board of directors of the Company to fix their remuneration;

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

4. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“THAT:

- (i) subject to sub-paragraph (iii) of this resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period of all the powers of the Company to issue, allot and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (ii) the approval in (i) above shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval contained in sub-paragraph (i) of this resolution, otherwise than pursuant to (a) a Rights Issue (as defined below); (b) an issue of shares as scrip dividends pursuant to the bye-laws of the Company from time to time; or (c) an issue of shares under any share option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries, shall not exceed 20 per cent. of the nominal amount of the issued share capital of the Company on the date of this resolution and this approval shall be limited accordingly; and
- (iv) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required, by the bye-laws of the Company or any applicable laws, to be held; and
- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

NOTICE OF ANNUAL GENERAL MEETING

“Rights Issue” means an offer of share open for a period fixed by the Directors to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

5. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT:**

- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period of all the powers of the Company to repurchase issued shares in the capital of the Company subject to and in accordance with all applicable laws and the bye-laws of the Company, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of the share capital which the Company is authorized to repurchase pursuant to the approval in paragraph (i) above shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of this resolution and the said approval shall be limited accordingly; and
- (iii) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required, by the bye-laws of the Company or any applicable laws, to be held; and
- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

6. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions numbered 4 and 5 as set out in this notice, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with the Shares pursuant to resolution 4 above be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted by the directors of the Company pursuant to such general mandate, of an amount representing the aggregate nominal amount of the share capital of the Company which are repurchased by the Company under the authority granted pursuant to resolution numbered 5 above, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution.”

7. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT:**

- (i) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the approval of the listing of, and permission to deal in, the shares of the Company to be issued and allotted pursuant to the exercise of options granted under the new share option scheme of the Company (the “New Share Option Scheme”), the rules of which are contained in the document marked “A” produced to the Meeting and for the purposes of identification signed by the Chairman thereof, the New Share Option Scheme be and is hereby approved and adopted and with effect from the date of the New Share Option Scheme becoming unconditional and coming into effect, and the directors of the Company be and are hereby authorised to do all acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme, including without limitation:
- (a) to administer the New Share Option Scheme under which options will be granted to participants eligible under the New Share Option Scheme to subscribe for the shares of the Company, including but not limited to determining and granting the options in accordance with the terms of the New Share Option Scheme;

NOTICE OF ANNUAL GENERAL MEETING

- (b) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”);
 - (c) to grant share options under the New Share Option Scheme and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be allotted and issued in respect of the share options to be granted under the New Share Option Scheme and subject to the Listing Rules and the Companies Act 1981 of Bermuda, as amended from time to time (the “Companies Act”);
 - (d) to make application at appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued Shares may for the time being be listed, for listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued in respect of the share options to be granted under the New Share Option Scheme and subject to Listing Rules and the Companies Act; and
 - (e) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme and subject to the Listing Rules and the Companies Act.
- (ii) the total number of Shares which may be issued in respect of all options and awards to be granted under the New Share Option Scheme and any other schemes of the Company must not in aggregate exceed 10% (or such other percentage which may be specified by the Stock Exchange from time to time) of the total number of Shares in issue as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit.

NOTICE OF ANNUAL GENERAL MEETING

8. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT** the Company’s existing share option scheme adopted on 5 September 2014 (the “Existing Share Option Scheme”) be and is hereby terminated upon the New Share Option Scheme becoming unconditional and effective such that thereafter no further options shall be offered under the Existing Share Option Scheme (without prejudice to the rights and benefits of and attached to any outstanding options which have been granted under the Existing Share Option Scheme prior to the date of the passing of this resolution).”

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

Hong Kong, 11 August 2023

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place
of business in Hong Kong:*
Unit 3103, 31/F,
Sino Plaza,
255-257 Gloucester Road,
Causeway Bay,
Hong Kong

Notes:

- (i) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy or, if he is a holder of more than one share, more than one proxy in respect of the whole or any part of his holding of shares to attend and vote in his stead. A proxy need not be a member of the Company.
- (ii) In order to be valid, the form of proxy, together with any power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or other authority, must be deposited at the principal place of business of the Company located at Unit 3103, 31/F, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong, not less than 48 hours before the time for holding of the meeting or adjourned meeting thereof.
- (iii) Where there are joint registered holders of any ordinary share of the Company, any one of such holders may vote at the meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such holders be present at the meeting personally or by proxy, that one of such holders so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.

NOTICE OF ANNUAL GENERAL MEETING

- (iv) The register of members of the Company will be closed from Tuesday, 5 September 2023 to Friday, 8 September 2023, both days inclusive, during which period no transfer of shares will be effected. In order to ascertain the right to attend and vote at the meeting, all share transfers, accompanied by the relevant share certificates must be lodged with the Company's branch registrar, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than on 4:30 p.m. on Monday, 4 September 2023.
- (v) If tropical cyclone warning signal no. 8 or above is hoisted or a black rainstorm warning signal is in force at 8:00 a.m. on Friday, 8 September 2023, the meeting will be postponed and the meeting will be held at 11:00 a.m. on Monday, 11 September 2023. You may call the Company at (852) 2549 9988 during business hours from 9:00 a.m. to 6:00 p.m. on Monday to Friday, excluding public holidays for details of alternative meeting arrangements. The meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force.

You should make your own decision as to whether you would attend the meeting under bad weather conditions bearing in mind your own situation and if you should choose to do so, you are advised to exercise care and caution.

As at the date hereof, 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.