

ISP Global Limited

An abstract graphic composed of various blue geometric shapes, including rectangles and lines, some of which are semi-transparent. The shapes are arranged in a dynamic, overlapping manner, creating a sense of depth and movement. Scattered throughout the blue areas are numerous small white dots, resembling stars or data points. The overall aesthetic is clean, modern, and tech-oriented.

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8487

First Quarterly Report 2019/2020

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This report, for which the directors (the “**Directors**”) of ISP Global Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM 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 report 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 report misleading.*



CONTENTS

| | |
|---|----|
| Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income | 3 |
| Unaudited Condensed Consolidated Statement of Changes in Equity | 5 |
| Notes to the Unaudited Condensed Consolidated Financial Statements | 7 |
| Management Discussion and Analysis | 15 |
| Disclosure of Interests and Other Information | 24 |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 September 2019

UNAUDITED FIRST QUARTERLY RESULTS

The unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the three months ended 30 September 2019 (the “**Relevant Period**”), together with the unaudited comparative figures for the corresponding periods in 2018 are as follows:

| | | Three months ended | |
|-------------------------------|-------|--------------------|-------------|
| | | 30 September | |
| | Notes | 2019 | 2018 |
| | | S\$ | S\$ |
| | | (Unaudited) | (Unaudited) |
| Revenue | 3 | 2,110,216 | 1,622,891 |
| Costs of sales/services | | (1,400,585) | (1,122,707) |
| Gross profit | | 709,631 | 500,184 |
| Other income | | 24,500 | 19,743 |
| Administrative expenses | | (597,379) | (498,533) |
| Other gains and losses | 4 | 108,100 | 25,660 |
| Finance costs | 5 | (9,255) | (11,783) |
| Profit before taxation | 6 | 235,597 | 35,271 |
| Income tax expense | 7 | (5,926) | (7,927) |
| Profit for the period | | 229,671 | 27,344 |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 September 2019

| | Three months ended | |
|--|--------------------|---------------|
| | 30 September | |
| Notes | 2019 | 2018 |
| | S\$ | S\$ |
| | (Unaudited) | (Unaudited) |
| <hr/> | | |
| Other comprehensive loss, after tax | | |
| <i>Items that may be reclassified</i> | | |
| <i>subsequently to profit and loss</i> | | |
| Exchange differences on translation | | |
| of foreign operations | <u>(37)</u> | – |
| Total comprehensive income for | | |
| the period, net of tax | <u>229,634</u> | <u>27,344</u> |
| Basic and diluted earnings | | |
| per share (S\$ cents) | 8 <u>0.03</u> | <u>0.003</u> |

Details of dividends of the Company are set out in note 9.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 September 2019

| | Attributable to equity shareholders of the Company | | | | | |
|--|--|------------------|-------------------|-------------------------|------------------------|------------|
| | Share capital | Share premium | Merger reserve | Translation reserves | Accumulated profits | Total |
| | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ |
| Balance at 1 July 2019 (Audited) | 1,372,630 | 8,593,078 | 524,983 | 97 | 4,131,042 | 14,621,830 |
| Total comprehensive income for the period: | | | | | | |
| Profit for the period | - | - | - | - | 229,671 | 229,671 |
| Other comprehensive loss for the period | - | - | - | (37) | - | (37) |
| Balance at 30 September 2019 (Unaudited) | 1,372,630 | 8,593,078 | 524,983 | 60 | 4,360,713 | 14,851,464 |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 September 2019

For the three months ended 30 September 2018

| | Attributable to equity shareholders of the Company | | | | |
|------------------------------|--|-----------|---------|-------------|------------|
| | Share | Share | Merger | Accumulated | Total |
| | capital | premium | reserve | profits | |
| | S\$ | S\$ | S\$ | S\$ | S\$ |
| Balance at 1 July 2018 | | | | | |
| (Audited) | 1,372,630 | 8,593,078 | 524,983 | 4,183,552 | 14,674,243 |
| Total comprehensive income | | | | | |
| for the period: | | | | | |
| Profit for the period | - | - | - | 27,344 | 27,344 |
| Balance at 30 September 2018 | | | | | |
| (Unaudited) | 1,372,630 | 8,593,078 | 524,983 | 4,210,896 | 14,701,587 |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

ISP Global Limited (the “**Company**”) was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 21 July 2017 and its registered office is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Companies Ordinance**”) on 8 September 2017 and the principal place of business in Hong Kong registered is Suites 1801-3, 18th Floor, One Taikoo Place, 979 King’s Road, Quarry Bay, Hong Kong. The head office and principal place of business of the Group is at No. 3 Ang Mo Kio Street 62, #01-39, LINK@AMK, Singapore 569139. The shares of the Company (the “**Shares**”) have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 16 January 2018.

The Company is a subsidiary of Express Ventures Global Limited (“**Express Ventures**”), incorporated in the British Virgin Islands (“**BVI**”), which is also the Company’s ultimate holding company. Mr. Mong Kean Yeow and his spouse Ms. Choon Shew Lang jointly control the ultimate holding company and are the controlling shareholders of ISP Global Limited and its subsidiaries (the “**Group**”) (together referred to as the “**Controlling Shareholders**”).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION (cont'd)

The Company is an investment holding company and the principal activities of its operating subsidiaries are sale of sound and communication systems and related services, provision of integrated services of sound and communication systems, and provision of alert alarm system services in Singapore.

The unaudited condensed consolidated financial statements are presented in Singapore Dollars (“**S\$**”), which is also the functional currency of the Company.

The unaudited condensed consolidated financial statements are approved by the board of directors (“**Board**”) of the Company on 1 November 2019.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

For the purpose of preparing and presenting the unaudited condensed consolidated financial statement for the reporting period, the Group has consistently applied IFRSs that are effective for the financial year beginning on 1 July 2019 throughout the reporting period. At the date of issuance of this report, the Group has not applied the following new IFRSs, amendments to IFRSs, amendments to International Accounting Standards (“IASs”), and the new interpretations that have been issued but are not yet effective:

Amendments to References to the Conceptual Framework in IFRSs¹

Amendments to IFRS 103: Definition of a Business¹

Amendments to IFRS 1 and IFRS 8: Definition of Material¹

IFRS 17: Insurance Contracts²

1. Effective for annual periods beginning on or after 1 January 2020, with early application permitted.
2. Effective for annual periods beginning on or after 1 January 2021, with early application permitted.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from (1) sale of sound and communication systems and related services (“**Sale of Sound and Communication Systems and Related Services**”), (2) provision of integrated services of sound and communication systems, which includes installation and customisation of sound and communication systems in buildings in Singapore (“**Integrated Services of Sound and Communication Systems**”), and (3) provision of alert alarm system services (“**Alert Alarm System Services**”) to external customers. The Group’s operations are solely derived from Singapore during the Relevant Period.

An analysis of the Group’s revenue is as follows:

| | Three months ended | |
|----------------------------------|--------------------|-------------|
| | 30 September | |
| | 2019 | 2018 |
| | S\$ | S\$ |
| | (Unaudited) | (Unaudited) |
| <i>Revenue from:</i> | | |
| Sale of Sound and Communication | | |
| Systems and Related Services | 1,676,268 | 986,651 |
| Integrated Services of Sound and | | |
| Communication Systems | 215,062 | 417,354 |
| Alert Alarm System Services | 218,886 | 218,886 |
| | 2,110,216 | 1,622,891 |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. REVENUE AND SEGMENT INFORMATION (cont'd)

Geographical information

The Group principally operates in Singapore, which is also the place of domicile. All revenue are derived from Singapore based on the location where products and services are delivered and 99.99% (2018: 100%) of the Group's property, plant and equipment are located in Singapore.

4. OTHER GAINS AND LOSSES

Other gains and losses are mainly made up of net foreign exchange gains amounting to S\$97,206 for the Relevant Period (period ended 30 September 2018: foreign exchange gains of S\$25,660).

5. FINANCE COSTS

Finance costs relate to interest accrued on bank borrowings amounting to S\$9,255 for the Relevant Period (period ended 30 September 2018: S\$11,783).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging:

| | Three months ended | |
|--|---------------------------|-------------|
| | 30 September | |
| | 2019 | 2018 |
| | S\$ | S\$ |
| | (Unaudited) | (Unaudited) |
| Depreciation of property, plant and equipment (<i>Note a</i>) | 130,978 | 131,834 |
| Directors' remuneration | 232,057 | 121,620 |
| <i>Other staff costs</i> | | |
| – Salaries, wages and other benefit | 524,653 | 553,687 |
| – Defined contribution plans, including retirement benefits | 18,334 | 22,963 |
| – Foreign worker levy and skill development levy | 69,969 | 66,213 |
| Total staff costs (inclusive of Directors' remuneration) (<i>Note b</i>) | 845,013 | 764,483 |
| Cost of materials recognised as costs of sales/services | 711,877 | 609,415 |
| Subcontractor costs recognised as costs of sales/services | 106,116 | 13,110 |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. PROFIT BEFORE TAXATION (cont'd)

Notes:

- a. For the Relevant Period, depreciation of S\$99,074 (period ended 30 September 2018: S\$99,074) is included in costs of sales/services.
- b. For the Relevant Period, staff costs of S\$483,518 (period ended 30 September 2018: S\$401,108) are included in costs of sales/services.

7. INCOME TAX EXPENSE

For the Relevant Period, Singapore corporate income tax has been provided at the rate of 17% (period ended 30 September 2018: 17%). A breakdown of the income tax expenses is as follows:

| | Three months ended | |
|--|--------------------|--------------|
| | 30 September | |
| | 2019 | 2018 |
| | S\$ | S\$ |
| | (Unaudited) | (Unaudited) |
| <i>Tax expense comprises:</i> | | |
| Current tax | | |
| – Singapore corporate income tax ("CIT") | 24,035 | 7,927 |
| Deferred tax | (18,109) | – |
| | <u>5,926</u> | <u>7,927</u> |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. EARNINGS PER SHARE

| | Three months ended | |
|--|--------------------|-------------|
| | 30 September | |
| | 2019 | 2018 |
| | S\$ | S\$ |
| | (Unaudited) | (Unaudited) |
| Profit attributable to owners of the Company (S\$) | 229,671 | 27,344 |
| Weighted average number of ordinary shares <i>(Note (a))</i> | 800,000,000 | 800,000,000 |
| Basic and diluted earnings per share (S\$ cents per share) | 0.03 | 0.003 |

Note:

- (a) *The calculation of basic earnings per share is based on the profit for the period attributable to owners of the Company and the weighted average number of shares in issue.*

Diluted earnings per share is the same as the basic earnings per share because the Group has no dilutive securities that are convertible into shares during the periods ended 30 September 2019 and 2018.

9. DIVIDENDS

No dividends have been proposed or paid by the Company or any of its subsidiaries during the Relevant Period (period ended 30 September 2018: S\$ nil).

MANAGEMENT DISCUSSION AND ANALYSIS

DEVELOPMENT OF BUSINESS AND PROSPECTS

The Group is principally engaged in the sales, installation and maintenance of sound and communication system solutions, and alert alarm systems in Singapore.

For the Relevant Period, the Group recorded a net profit of approximately S\$229.7 thousand as compared to a net profit of approximately S\$27.3 thousand for the same period in 2018. The Directors are of the view that the net profit was primarily due to the increase in completed sales of sound and communication systems and related services projects resulting in an increase in the gross profit of approximately S\$209.4 thousand during the Relevant Period when compared to the gross profit for the three months ended 30 September 2018.

OUTLOOK

The Shares were listed on GEM on 16 January 2018 (the “**Listing Date**”) by way of share offer (the “**Share Offer**”). The Group always strives to improve its operation efficiency and profitability of its business. The Group plans to expand its manpower capabilities, and fleet of machinery and equipment, which will enhance its resources to bid for future projects. The Group will also proactively seek opportunities to expand its customer base and its market share and undertake more sound and communication system projects which will enhance value to its shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

The net proceeds from the Share Offer will thereby provide financial resources to the Group to meet and achieve its business objectives and strategies which will further strengthen the Group's market position in the sound and communication system services sector.

The Group is currently assessing the viability of business expansion opportunities in the geographical territories of Malaysia and China. For the avoidance of doubt, in alignment with the use of proceeds as disclosed in the prospectus issued by the Company on 29 December 2017 (the "**Prospectus**"), the Group will not apply funds obtained from the Share Offer in connection with the abovementioned business expansion. Instead, the Group will expect to apply funds generated from operating cash flows in operating subsidiary ISPL Pte Ltd ("**ISPL**").

Being a sound and communication systems solution provider in Singapore, the Group is well-placed to respond to these changing needs with effective communication through its stakeholder channels. Looking forward, the Group will remain cautiously optimistic of its business and expansion opportunities in Singapore and the Asia Pacific region.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Our revenue increased to approximately S\$2.1 million for the Relevant Period by approximately S\$0.5 million or 30.0%, from approximately S\$1.6 million for the period ended 30 September 2018. This was principally due to increased completion in our sales of sound and communication systems and related services projects during the Relevant Period. Revenue growth was slowed down by fewer projects being performed by the Group in the integrated services of sound and communication systems segment.

Costs of sales/services

Our costs of sales/services increased to approximately S\$1.4 million for the Relevant Period by approximately S\$0.3 million or 24.8%, from approximately S\$1.1 million for the period ended 30 September 2018. The increase in costs was substantially due to the increases in materials purchased and subcontractors engaged which were in line with the increase in revenue during the Relevant Period.

Gross profit and gross profit margin

Our gross profit increased to approximately S\$0.7 million for the Relevant Period by approximately S\$0.2 million or 41.9% from approximately S\$0.5 million for the period ended 30 September 2018. The Group's gross profit margin increased from 30.8% for the period ended 30 September 2018 to 33.7% for the Relevant Period. The increase in gross profit was in line with the increase in revenue. The gross profit margin increase was mainly due to the usage of internal manpower, which is more cost-effective than hiring subcontractors, to complete the increase in sales of sound and communication and related services projects.

MANAGEMENT DISCUSSION AND ANALYSIS

Other income, gains and losses

Our other income, gains and losses increased to approximately S\$132.6 thousand for the Relevant Period, by approximately S\$87.2 thousand or 192%, from approximately S\$45.4 thousand for the period ended 30 September 2018. This increase was mainly due to the foreign exchange gains of monetary assets held in currencies other than S\$, such as US\$ and HK\$, which had appreciated against the S\$. We also recorded an increase in interest income from fixed deposits which further contributed to the increase in other income.

Administrative expenses

Our administrative expenses increased to approximately S\$597.4 thousand for the Relevant Period, by approximately S\$98.9 thousand or 19.8%, from approximately S\$498.5 thousand for the period ended 30 September 2018. The increase was mainly due to the increased payroll costs, which were in line with the increased headcount and annual salary increments.

Finance costs

Our finance costs decreased to approximately S\$9.3 thousand for the Relevant Period, by approximately S\$2.5 thousand or 21.4%, from approximately S\$11.8 thousand for the period ended 30 September 2018. The decrease was mainly due to the repayment of mortgage loan principal during the Relevant Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Income tax expense

Our income tax expense decreased to approximately S\$5.9 thousand for the Relevant Period, by approximately S\$2.0 thousand or 25.2%, from approximately S\$7.9 thousand for the period ended 30 September 2018. The decrease was substantially due to the prior year's overprovision of income tax expenses in Singapore subsidiary ISPL, and was slightly offset by the increase in tax expenses which was in line with the increase in our profits before taxation.

Profit for the period

The Group recorded a profit for the period of approximately S\$229.7 thousand for the Relevant Period. Compared to profit for the period ended 30 September 2018 which was approximately S\$27.3 thousand, the increase is principally caused by the increase in gross profits for the sales of sound and communication systems and related services segment.

Dividends

The Directors do not recommend the payment of dividend for the Relevant Period (period ended 30 September 2018: S\$ nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Use of proceeds from Share Offer and Comparison of Business Objectives with Actual Business Progress

Up to 30 September 2019, the net proceeds raised from the Share Offer were utilised in accordance with the designated uses set out in the Prospectus as follows:

| Description | Amount designated in the Prospectus HK\$M | Planned use of proceeds from Listing Date to 30 September 2019 | Actual use of proceeds from Listing Date to 30 September 2019 | Approximate % utilised |
|--|--|--|---|------------------------|
| | | HK\$M | HK\$M | |
| Strengthen our marketing efforts in the sound and communication industry in Singapore | 1.4 | 1.2 | 0.2 | 14.3% |
| Expand and train our sales and marketing, technical and support workforce | 11.6 | 6.5 | 2.2 | 19.0% |
| Purchase transportation vehicles | 3.0 | 1.8 | 0.5 | 16.7% |
| Setting up of a new sales office in Singapore | 10.0 | 10.0 | – | 0.0% |
| Partial repayment of bank loan | 10.0 | 10.0 | 10.0 | 100.0% |
| Resources for the provision of performance bonds | 2.0 | 2.0 | – | 0.0% |
| Take steps to obtain higher grade level under our current mechanical and electrical workhead | 2.5 | 2.5 | – | 0.0% |
| General working capital and general corporate purposes | 3.5 | 3.5 | 3.5 | 100.0% |
| Grand total | 44.0 | 37.5 | 16.4 | 37.3% |

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the designated and actual implementation plan up to 30 September 2019:

| Purpose | Implementation Plan | Actual implementation activities |
|---|--|--|
| Strengthen our marketing efforts in the sound and communication industry in Singapore | <ul style="list-style-type: none"> • Implement corporate branding and identity for our sound and communication services solution operations in Singapore which includes printing of marketing materials and advertisement • Maintain and improve our corporate websites by the external consultant for customised website development • Participate in industry trade show(s) | <ul style="list-style-type: none"> • Maintained and improved our corporate websites, which included appointing an external consultant for customised website development |
| Expand and train our sales and marketing, technical and support workforce | <ul style="list-style-type: none"> • Staff costs for retaining the approximately one project manager, two engineers and 10 technicians to be recruited by February 2018, and the associated staff accommodation costs • Staff costs for retaining the approximately one sales manager, two sales and marketing executives and 10 technicians to be recruited by July 2018, and the associated staff accommodation costs • To provide internal and external trainings and workshops to our sales and technical staff | <ul style="list-style-type: none"> • New headcount of approximately 8 technicians were recruited by June 2018 • New headcount of approximately two engineers and 9 technicians were recruited by June 2019 • New headcount of approximately two sales and marketing executives were recruited by June 2019 • Provided internal and external trainings and workshops to our technical staff |

MANAGEMENT DISCUSSION AND ANALYSIS

| Purpose | Implementation Plan | Actual implementation activities |
|--|---|---|
| Purchase transportation vehicles | <ul style="list-style-type: none"> • Purchase of one van for maintenance operations and, transportation of relevant equipment and/or labour • Purchase of one lorry for delivery and transportation of larger equipment and/or labour | <ul style="list-style-type: none"> • Purchased one van for maintenance operations and transportation of relevant equipment and/or labour • Considered and monitored the Group's current project portfolio but postponed the purchase of lorry due to current different project requirements |
| Setting up a new sales office in Singapore | <ul style="list-style-type: none"> • Purchase of one new property to be used by our sales and contract department and act as a demonstration facility for our sound and communication systems | <ul style="list-style-type: none"> • Considered and monitored the Group's project tenders and plan was postponed due to current observed industry customers' requirements |
| Partial repayment of bank loan | <ul style="list-style-type: none"> • Partial repayment for the bank loan in relation to the mortgage loan secured for the purchase of our head office in Singapore | <ul style="list-style-type: none"> • The mortgage loan was partially repaid on 11 July 2018 |
| Expansion of our sound and communication services solution business | <ul style="list-style-type: none"> • To explore, evaluate and tender for potential integrated services of sound and communication systems projects in Singapore, particularly larger scale projects which may be required for the provision of performance bonds | <ul style="list-style-type: none"> • Postponed due to performance bond not required in recent awarded tenders to the Group • In the process of exploring large scale potential projects which requires the provision of performance bonds |
| Take steps to obtain higher grade level under our current mechanical and electrical workhead | <ul style="list-style-type: none"> • Satisfy the minimum financial requirements for "L6" grade under our current mechanical and electrical workhead | <ul style="list-style-type: none"> • Considered and monitored the Group's project portfolio and postponed to April 2020 |

MANAGEMENT DISCUSSION AND ANALYSIS

The net proceeds from the Share Offer, after deducting the related expenses, were approximately HK\$44.0 million. After the Share Offer, a part of these proceeds has been applied in accordance with the future plans and use of proceeds as set out in the Prospectus. The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group's business and the industry.

Events after Reporting Period

The Group has no significant events which were subsequent to the end of the reporting period to the date of this report.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 30 September 2019, the interests and short positions of the Directors and chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) (the “SFO”) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he/she is taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

Long position in ordinary shares of the Company

| Name | Capacity/Nature | Number of Shares held/ interested | Approximate percentage of shareholding |
|-------------------------------|---|-----------------------------------|--|
| Mr. Mong Kean Yeow (Note) | Interest in a controlled corporation; interest held jointly with another person | 407,700,000 | 50.96% |
| Ms. Choon Shew Lang (Note) | Interest in a controlled corporation; interest held jointly with another person | 407,700,000 | 50.96% |

Note: Express Ventures is beneficially owned as to 97.14% by Mr. Mong Kean Yeow and 2.86% by Ms. Choon Shew Lang. On 22 August 2017, Mr. Mong Kean Yeow and Ms. Choon Shew Lang entered into an acting in concert confirmation to acknowledge and confirm, among other things, that they are parties acting in concert within the meaning of the Hong Kong Code on Takeovers and Mergers. By virtue of the SFO, Mr. Mong Kean Yeow and Ms. Choon Shew Lang are deemed to be interested in the Shares held by Express Ventures.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

Long position in ordinary shares of associated corporation – Express Ventures

| Name | Name of associated corporation | Capacity/Nature | Number of Shares held/ interested | Approximate percentage of shareholding |
|-----------|--------------------------------|------------------|-----------------------------------|--|
| Mr. Mong | | | | |
| Kean Yeow | Express Ventures | Beneficial owner | 510 | 97.14% |
| Ms. Choon | | | | |
| Shew Lang | Express Ventures | Beneficial owner | 15 | 2.86% |

Save as disclosed above, as at 30 September 2019, none of the Directors and chief executive of the Company had an interest or short position in the Shares, underlying shares and debentures of the Company or any of its associated corporations that was notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or was recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 September 2019, so far as is known to the Directors, the following persons (other than Directors or chief executive of the Company) had or were deemed or taken to have interests and short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO was as follows:

Long position in ordinary shares of the Company

| Name | Capacity/Nature | Number of Shares held/ interested | Approximate percentage of shareholding |
|------------------|------------------|-----------------------------------|--|
| Express Ventures | Beneficial owner | 407,700,000 | 50.96% |
| Peng Xiaomin | Beneficial owner | 50,000,000 | 6.25% |
| Cai Linzhou | Beneficial owner | 41,400,000 | 5.18% |

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

Save as disclosed above, as at 30 September 2019, so far as is known to the Directors or chief executive of the Company, no other persons, other than the Directors and chief executive of the Company whose interests are set out in the section “**DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS**” above, had any interest or a short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

INTEREST OF THE COMPLIANCE ADVISER

As notified by the compliance adviser of the Company, Kingsway Capital Limited, as at 30 September 2019, save for the compliance adviser agreement dated 21 August 2017 entered into between the Company and Kingsway Capital Limited, neither Kingsway Capital Limited nor its directors, employees and close associates had any interest in relation to the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealing, as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the Shares. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard of dealing and the code of conduct for securities transactions by the Directors during the Relevant Period and up to the date of this report.

NO CHANGE IN INFORMATION OF DIRECTORS

There was no change in the information of Directors required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the best knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient amount of public float for its Shares as required under the GEM Listing Rules during the Relevant Period.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, the Controlling Shareholders or substantial shareholders of the Company or any of their respective close associates (as defined in the GEM Listing Rules) has engaged in any business or interest that competes or may compete, either directly or indirectly, with the businesses of the Group, or has any other conflict of interests with the Group as required to be disclosed pursuant to Rule 11.04 of the GEM Listing Rules during the Relevant Period.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Board confirms that during the Relevant Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Share Option Scheme**") on 14 December 2017. No share option has been granted under the Share Option Scheme since its adoption.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to achieving a high standard of corporate governance practices in enhancing the confidence of shareholders, investors, employees, creditors and business partners and also the growth of its business. The Board has and will continue to review and improve the Company's corporate governance practices from time to time in order to increase its transparency and accountability to shareholders. The Company has adopted the code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 15 of the GEM Listing Rules as its own corporate governance code since the Listing Date. The Company has, so far as applicable, principally complied with the CG Code throughout the Relevant Period.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules on 14 December 2017 (the “**Audit Committee**”). The primary duties of the Audit Committee include, among others, (a) making recommendations to our Board on the appointment, re-appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor; (b) reviewing our financial statements, our annual report and accounts, our half-year report, and quarterly report and significant financial reporting judgements contained therein; and (c) reviewing our financial controls, internal control and risk management systems. As at the date of this report, the Audit Committee comprises three independent non-executive Directors, namely Mr. Tang Chi Wai, Mr. Lim Loo Kit and Mr. Lim Meng Yi. Mr. Tang Chi Wai is the chairman of the Audit Committee.

The unaudited first quarterly results of the Company for the Relevant Period have not been audited by the Company’s independent auditors, but have been reviewed by the Audit Committee members who have provided advice and comments thereon.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

Unless otherwise specified in this report and for the purpose of illustration only, S\$ is translated into HK\$ at the rate of S\$1 = HK\$5.85. No representation is made that any amounts in S\$ have been or could be converted at the above rate or at any other rates or at all.

By order of the Board

ISP Global Limited

Mong Kean Yeow

Chairman and executive Director

Hong Kong, 1 November 2019

As at the date of this report, the executive Directors are Mr. Mong Kean Yeow and Ms. Choon Shew Lang, and the independent non-executive Directors are Mr. Lim Meng Yi, Mr. Lim Loo Kit and Mr. Tang Chi Wai.

This report will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting. This report will also be published on the Company's website at www.ispg.hk.