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ISP GLOBAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8487)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF ENTIRE EQUITY INTEREST IN THE TARGET COMPANY

THE PROPOSED ACQUISITION

The Board wishes to announce that on 5 February 2021 (after trading hours), the Purchaser, being an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendors and the Target Company, pursuant to which the Purchaser agreed to acquire and the Vendors agreed to sell the Sale Shares, which represent the entire equity interest in the Target Company, at the Consideration of RMB2,170,000. Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratios calculated pursuant to Rule 19.06 of the GEM Listing Rules in respect of the Proposed Acquisition exceeds 5% but all of the percentage ratios are less than 25%, the Proposed Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements under the GEM Listing Rules.

SALE AND PURCHASE AGREEMENT

The Board wishes to announce that on 5 February 2021 (after trading hours), the Purchaser, being an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendors and the Target Company, pursuant to which the Purchaser agreed to acquire and the Vendors agreed to sell the Sale Shares at the Consideration of RMB2,170,000.

Set out below are the salient terms of the Sale and Purchase Agreement:

Date

5 February 2021 (after trading hours)

Parties

- (1) **Purchaser:** Haohui (Shenzhen) Business Consulting Co., Ltd.* (灝輝(深圳)商業顧問有限公司), an indirect wholly-owned subsidiary of the Company;
- (2) **Vendors:** Han Bing, Cao Yong, Yu Jian; and
- (3) **Target Company:** Global Sourcing Supply Chain Management (Shanghai) Co., Ltd.* (上海格洛博森供應鏈管理有限公司)

To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, as at the date of the Sale and Purchase Agreement, all Vendors are independent of and not connected with the Company or any of its connected persons.

ASSETS TO BE ACQUIRED

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell the Sale Shares, representing the entire equity interest in the Target Company.

CONSIDERATION

Pursuant to the Sale and Purchase Agreement, the Consideration for the sale and purchase of the Target Company shall be RMB2,170,000 payable in cash by the Purchaser to the Vendors in the following manner:

- (i) a sum of RMB1,400,000 shall be paid upon Completion; and
- (ii) the balance of the Consideration of RMB770,000 shall be paid within 30 business days after Completion.

The Consideration for the Proposed Acquisition was determined after arm's length negotiations between the Vendors and the Purchaser on normal commercial terms with reference to the appraised value of 100% equity interest in the Target Company as at 31 October 2020 of RMB2,400,000.

CONDITIONS PRECEDENT

Completion shall be subject to and conditional upon, among other things, the fulfilment or waiver (as the case may be) of the following conditions:

- (a) the Vendors and the Target Company having obtained all approvals, confirmations or consents from competent local government authority or other relevant third party for the Sale and Purchase Agreement and the transactions contemplated thereunder and which remain in full force and effect;
- (b) the representations and warranties given by the Vendors in the Sale and Purchase Agreement remaining true, accurate, complete and not misleading between the dates of the Sale and Purchase Agreement and Completion;
- (c) the Purchaser having obtained all necessary authorities (including the approval of the Board) approving the Sale and Purchase Agreement and the transactions contemplated thereunder in accordance with its articles of association and the GEM Listing Rules;
- (d) the passing of relevant resolutions by the Vendors at a duly convened general meeting to approve, including but not limited to, the revised articles of association of the Target Company with the format and content in the satisfaction of the Purchaser and the Target Company having obtained and completed all necessary approval, confirmation or registration or filing procedures of its revised articles of association;
- (e) the Purchaser being reasonably satisfied with the results of due diligence on the Target Company (including but not limited to business, financial, legal, technology, intellectual property, management or other aspects the Purchaser may consider necessary);
- (f) there being no events, facts, conditions, changes or other situations that have occurred or have been reasonably foreseen that may have a material adverse effect on the Target Company; and
- (g) the Purchaser and the Vendors having fulfilled their respective obligations and duly performed their respective duties as stipulated in the Sale and Purchase Agreement.

COMPLETION

Completion is expected to take place after the fulfilment (or waiver) of all the conditions precedent and on the date when the registration of the equity transfer under the Proposed Acquisition is completed and the Target Company obtains a new business license. Completion shall take place within 30 business days from the date of the Sale and Purchase Agreement or such later date to be mutually agreed by the Vendors and the Purchaser in writing. Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Group.

SOURCE OF FINANCING

The Purchaser intends to settle the Consideration by way of internal resources of the Group.

INFORMATION OF THE PARTIES

The Purchaser

The Purchaser is a company incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. It is an investment holding company.

The Vendors

As at the date of the Sale and Purchase Agreement, the Target Company comprises of three individual shareholders as the Vendors, namely Mr. Han Bing (韓冰), Mr. Cao Yong (曹邕) and Mr. Yu Jian (俞踐), holding 72%, 20% and 8% of the equity interest in the Target Company, respectively. To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, based on the information available to the Company, each of the Vendors is an individual who is independent and not connected with (within the meaning of the GEM Listing Rules) any of the Directors, chief executive and substantial shareholders of the Group.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company established on 2 November 2018 under the laws of the PRC with limited liability and is principally engaged in providing the one-stop supply chain solutions for global sourcing for domestic new retail companies and for the international small and medium-sized brands entering the PRC market.

The founders and core management team of the Target Company have gained relevant industry and leadership experience from their previous employment with some of the world's top 500 retail companies. Equipped with their diverse long-term multinational work experience and an in-depth understanding of different business cultures, the team continues to strive towards achieving a procurement/supply chain network which spans around the globe. The Target Company is committed to building a long-term and stable global procurement/supply chain network. The Target Company has formed a strategic partnership with a Swedish company and a Thai company, which are responsible for cooperation with local factories and brands in the Nordic and Southeast Asian regions respectively.

Set out below is a summary of the audited financial information of the Target Company for the financial year ended 31 December 2019 and the unaudited financial information of the Target Company for the six months ended 30 June 2020:

	For the year ended 31 December 2019 (audited) (RMB)	For the six months ended 30 June 2020 (unaudited) (RMB)
Profit (loss) before taxation	360,607	(224,508)
Profit (loss) after taxation	345,080	(224,508)
Net assets	3,559,791	1,823,224

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Company is an investment holding company. The Group is principally engaged in (i) sale of sound and communication systems and related services; (ii) integrated services of sound and communication systems, with a focus on customisation and installation of sound and communication systems in buildings; (iii) alert alarm system services for the customers in Singapore; and (iv) provision e-commerce services to external customers.

Due to the impacts of the COVID-19 pandemic as well as various social distancing measures, the Company recorded a loss caused by the decrease in revenue and gross profits. In response to the unprecedented pandemic, the Group has been seeking business opportunities to diversify into the e-commerce operation sector in the Asia Pacific region.

The main business activity of the Target Company is providing one-stop supply chain solutions for the global sourcing of new domestic retailers and for the international small and medium-sized brands entering the PRC market. The Board considers that the Target Company has strong market competitiveness in the PRC with an experienced management team and the Proposed Acquisition will facilitate the Group's rapid acquisition of a more established business in the e-commerce operation sector and enable the Group to diversify the scope of its operations. The Proposed Acquisition is also in line with the Group's strategy to strengthen its financial performance.

The Board is of the view that the terms and conditions of the Sale and Purchase Agreement are on normal commercial terms, which are fair and reasonable and the Proposed Acquisition is in the interest of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratios calculated pursuant to Rule 19.06 of the GEM Listing Rules in respect of the Proposed Acquisition exceeds 5% but all of the percentage ratios are less than 25%, the Proposed Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements under the GEM Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	ISP Global Limited, an exempted company incorporated in the Cayman Islands, the shares of which are listed on GEM of the Stock Exchange
“Completion”	the completion of the Proposed Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement

“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the consideration of RMB2,170,000 payable by the Purchaser to the Vendors for the Proposed Acquisition pursuant to the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Purchaser”	Haohui (Shenzhen) Business Consulting Co., Ltd.* (灝輝(深圳)商業顧問有限公司), an indirect wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan
“Proposed Acquisition”	the proposed acquisition of the Sale Shares by the Purchaser from the Vendors pursuant to the Sale and Purchase Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the Sale and Purchase Agreement dated 5 February 2021 entered into between the Purchaser and the Vendors for the Proposed Acquisition
“Sale Shares”	the entire equity interest in the Target Company proposed to be acquired as stated in the Sale and Purchase Agreement
“Shareholders”	shareholders of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the GEM Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Target Company”	Global Sourcing Supply Chain Management (Shanghai) Co., Ltd.* (上海格洛博森供應鏈管理有限公司)

“Vendors” Mr. Han Bing (韓冰), Mr. Cao Yong (曹邕) and Mr. Yu Jian (俞踐)

“%” per cent.

By order of the Board
ISP Global Limited
Mong Kean Yeow
Chairman and Executive Director

Singapore, 5 February 2021

As at the date of this announcement, the executive Directors are Mr. Mong Kean Yeow, Ms. Choon Shew Lang and Mr. Yuan Jianzhong, the non-executive Director is Mr. Cao Chunmeng and the independent non-executive Directors are Dr. Cai Rongxin, Mr. Tang Chi Wai, Mr. Yan Xiaotian, and Mr. Yuan Shuangshun.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 announcement 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 announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website (www.hkgem.com) for seven days from the day of its posting. This announcement will also be published on the Company’s website at www.ispg.hk.

* *For identification purpose only*