ISP GLOBAL LIMITED

(Incorporated in Cayman Islands with limited liability)
(Stock Code: 8487)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2021

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 announcement, for which the directors (the "**Directors**") of ISP Global Limited (the "**Company**", together with its subsidiaries, the "**Group**" or "**We**") 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 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.*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2021

	Notes	2021 S$	2020 S$
Revenue	3	**10,129,704**	6,695,314
Costs of sales/services		**(6,317,258)**	(4,037,116)
Gross profit		**3,812,446**	2,658,198
Other income	4	**430,856**	261,782
Other gains and losses	4	**(29,804)**	137,946
Administrative expenses		**(1,883,300)**	(965,960)
Reversal of/(provision for) allowance for expected credit loss of trade receivables		**34,970**	(31,670)
Staff cost for administration		**(2,454,659)**	(1,570,282)
Finance costs	5	**(226,028)**	(35,427)
(Loss)/profit before taxation		**(315,519)**	454,587
Income tax expense	6	**(123,543)**	(170,365)
(Loss)/profit for the year	7	**(439,062)**	284,222
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(248)**	419
Other comprehensive (loss)/income for the year, net of income tax		**(248)**	419
Total comprehensive (loss)/income for the year		**(439,310)**	284,641
(Loss)/profit for the year attributable to:			
– Owners of the Company		**(445,968)**	284,222
– Non-controlling interest		**6,906**	–
		(439,062)	284,222
Total comprehensive (loss)/income for the year attributable to:			
– Owners of the Company		**(448,699)**	284,641
– Non-controlling interest		**9,389**	–
		(439,310)	284,641
Basic and diluted (losses)/earnings per share (Singapore cents)	8	**(0.06)**	0.04

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2021

	Notes	2021 S$	2020 S$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*9*	**6,785,823**	4,817,053
Goodwill	*10*	**187,342**	–
Deposits	*12*	**261,512**	–
Pledged bank deposits	*14*	**–**	206,947
		7,234,677	5,024,000
Current assets			
Inventories	*11*	**1,542,102**	547,592
Trade receivables	*12*	**3,772,946**	1,434,658
Other receivables, deposits and prepayments	*12*	**2,536,785**	181,631
Contract assets	*13*	**32,319**	40,415
Bank balances and cash	*14*	**11,176,664**	10,022,877
		19,060,816	12,227,173
Current liabilities			
Trade and other payables	*15*	**7,759,143**	548,673
Contract liabilities	*13*	**221,158**	55,012
Lease liabilities	*9*	**647,596**	–
Borrowings	*16*	**167,815**	169,453
Income tax payable		**199,605**	277,919
		8,995,317	1,051,057
Net current assets		**10,065,499**	11,176,116
Total assets less current liabilities		**17,300,176**	16,200,116
Non-current liabilities			
Lease liabilities	*9*	**1,655,520**	–
Borrowings	*16*	**1,068,272**	1,231,318
Deferred tax liabilities	*17*	**9,664**	62,327
		2,733,456	1,293,645
Net assets		**14,566,720**	14,906,471
EQUITY			
Capital and reserves			
Share capital	*18*	**1,372,630**	1,372,630
Reserves		**13,085,142**	13,533,841
Equity attributable to owners of the Company		**14,457,772**	14,906,471
Non-controlling interest		**108,948**	–
		14,566,720	14,906,471

See accompanying notes to consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

1. GENERAL

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. The head office and principal place of business of the Group is at Room 2607, 26th Floor, The Center, 99 Queen's Road, Central, Hong Kong. The principal place of business in Singapore is at No.3 Ang Mo Kio Street 62, #01-39, LINK@AMK, Singapore 569139. The shares of the Company 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 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, and sale of consumers products online and offline in the People's Republic of China (the "**PRC**").

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

The consolidated financial statements are approved by the Board of Directors of the Company on 24 September 2021.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

The Group has applied the following amendments to IFRSs issued by the IASB, for the first time, in the current year:

Amendments to IAS1 and IAS 8	Definition of Material
Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting

The application of the amendments to IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the consideration to which the Group expects to be entitled to 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, includes installation and customisation of sound and communication systems in buildings in Singapore ("**Integrated Services of Sound and Communication Systems**"), (3) provision of alert alarm system services ("**Alert Alarm System Services**") to external customers, and (4) sale of consumer products. The Group's operations are mainly derived from Singapore and the PRC during the financial year.

Information is reported to the executive directors of the Company, being the chief operating decision maker ("**CODM**") of the Group, for the purposes of resource allocation and performance assessment. The CODM reviews revenue by nature of revenue, i.e. Sale of Sound and Communication Systems and Related Services, Integrated Services of Sound and Communication Systems and Alert Alarm System Services and Sale of Consumer Products. The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other operating segments. The Group currently has two operating segments:

a) Sale and services of sound and communication systems, which including the Sale of Sound and Communication Systems and Related Services, Integrated Services of Sound and Communication Systems and Alert Alarm System Services;

b) Sales of consumer products mainly includes sales of consumer products on e-commerce platforms with individual customers and through offline trading channels with corporate customers and sales of network systems with corporate customers operating in the PRC. Sales of consumer products is a new segment which commenced in the current financial year.

The CODM assess the performance of the operating segments based on a measure of segment results. This measurement basis excludes the effects of other income, other gain and losses, finance costs and of corporate expenses from the operating segments. Other information provided to the CODM is measured in a manner consistent with that in the consolidated financial statements.

Segment revenue and results

For the year ended 30 June 2021

	Sale and services of sound and communication systems *S$*	Sale of consumer products *S$*	Total *S$*
Gross segment revenue	**6,637,401**	**3,492,303**	**10,129,704**
Inter-segment revenue	**–**	**–**	**–**
Revenue	**6,637,401**	**3,492,303**	**10,129,704**
Timing of revenue recognition			
At a point in time	**5,735,467**	**3,492,303**	**9,227,770**
Over time	**901,934**	**–**	**901,934**
	6,637,401	**3,492,303**	**10,129,704**
Segment results	**837,046**	**(373,537)**	**463,509**
Other income			**430,856**
Other gains and losses			**(29,804)**
Depreciation			**(92,688)**
Unallocated expenses			**(861,364)**
Finance costs			**(226,028)**
Income tax expense			**(123,543)**
Loss for the year			**(439,062)**
Segment results include:			
Reversal of allowance for expected credit loss of trade receivables	**34,970**	**–**	**34,970**
Depreciation	**(428,831)**	**(73,032)**	**(501,863)**

For the year ended 30 June 2020

	Sale and services of sound and communication systems
	S$
Gross segment revenue	6,695,314
Inter-segment revenue	–
Revenue	6,695,314
Timing of revenue recognition	
At a point in time	5,105,094
Over time	1,590,220
	6,695,314
Segment results	650,971
Other income	261,782
Other gains and losses	137,946
Unallocated expenses	(560,685)
Finance costs	(35,427)
Income tax expense	(170,365)
Profit for the year	284,222
Segment results include:	
Impairment allowance for expected credit loss of trade receivables	(31,670)
Depreciation	(528,230)

An analysis of the Group's revenue for the year is as follows:

	2021	2020
	S$	*S$*
At a point in time:		
Sale of Sound and Communication Systems and Related Services	**5,735,467**	5,105,094
Sale of consumer products	**3,492,303**	–
Over time:		
Integrated Services of Sound and Communication Systems	**232,249**	714,676
Alert Alarm System Services	**669,685**	875,544
	10,129,704	6,695,314

The Group's customer base is diversified and during the year, there was one (2020: two) customer which contributed over 10% of total revenue of the Group as below:

	2021	2020
	S$	*S$*
Customer I	**1,868,914**	N/A
Customer II	**N/A**	876,944
Customer III	**N/A**	729,489

Segment assets and liabilities

	2021	2020
	S$	*S$*
Segment assets		
Sale and services of sound and communication systems	**17,136,790**	15,859,750
Sale of consumer products	**8,349,136**	–
Total segment assets	**25,485,926**	15,859,750
Unallocated corporate assets		
– Property, plant and equipment	**452,601**	5,684
– Deposits and other receivables	**157,440**	28,144
– Bank balance and cash	**199,526**	1,357,595
Total assets	**26,295,493**	17,251,173
Segment liabilities		
Sale and services of sound and communication systems	**2,636,599**	2,198,202
Sale of consumer products	**8,465,342**	–
Total segment liabilities	**11,101,941**	2,198,202
Unallocated corporate liabilities		
– Other payables	**196,804**	146,500
– Lease liabilities	**430,028**	–
Total liabilities	**11,728,773**	2,344,702

These assets and liabilities are allocated based on the operations of the segment.

Geographical information

Information by geographical location on the Group's revenue from customers and non-current assets, comprising property, plant and equipment, goodwill, and pledged bank deposits, are detailed below:

		2021	2020
		S$	*S$*
(a)	Revenue from external customers		
	Singapore	**6,637,401**	6,695,314
	PRC	**3,492,303**	–
		10,129,704	6,695,314
(b)	Non-current assets		
	Singapore	**4,438,331**	5,024,000
	PRC	**2,216,043**	–
	Others	**580,303**	–
		7,234,677	5,024,000

4. OTHER INCOME, OTHER GAINS AND LOSS

	2021	2020
	S$	*S$*
Government grants *(Note a)*	**415,193**	153,385
Interest income	**9,588**	97,836
Others	**6,075**	10,561
	430,856	261,782
Net foreign exchange (loss)/gain	**(26,900)**	137,946
Other losses	**(2,904)**	–
	(29,804)	137,946

Note:

(a) Included in the amounts are (i) an amount of S$290,603 (2020: S$83,498), representing grants under the Jobs Support Scheme ("**JSS**") for the year ended 30 June 2021. The JSS was introduced in February 2020 by the Singapore government, pursuant to which and co-funded between 25% to 75% of the first S$4,600 of gross monthly wages paid to each local employee in a 10-month period (up to August 2020) and 10% to 50% of the same in the subsequent 7-month period (September 2020 to March 2021), which the first payout of approximately S$83,498 was made on April 2020 for wages paid before December 2019 and the rest payouts with the aggregate amounts of S$290,603 were made in July 2020, October 2020, March 2021 and June 2021 for those wages paid after December 2019; and (ii) an amount of S$88,975 (2020: S$59,250), representing the foreign worker levy rebate from the Singapore government, for which the government has granted a flat rate of S$750 for each S Pass or Work permit holder in employment as at 1 May 2020. These incentives were granted in the form of cash payout and there were no unfulfilled conditions or contingencies relating to these grants, and recognised as other income upon incentive amounts confirmed by the Singapore government and cash received.

5. FINANCE COSTS

	2021	2020
	S$	*S$*
Interest on bank borrowings	**23,043**	35,427
Interest on lease liabilities	**20,932**	–
Interest on other payable *(Note 15(a))*	**182,053**	–
	226,028	35,427

6. INCOME TAX EXPENSE

	2021	2020
	S$	*S$*
Tax expense comprises:		
Current tax:		
– Singapore corporate income tax (“**CIT**”)	**248,501**	251,209
– PRC enterprise income tax (“**EIT**”)	**11,789**	–
– Over provision of prior years	**(84,084)**	(9,736)
	176,206	241,473
Deferred tax *(Note 17)*	**(52,663)**	(71,108)
	123,543	170,365

Singapore CIT is calculated at 17% of the estimated assessable profit. There are no rebates available for the Years of Assessment 2020 and 2021. Singapore incorporated companies can also enjoy 75% tax exemption on the first S$10,000 of normal chargeable income and a further 50% tax exemption on the next S$190,000 of normal chargeable income for the Years of Assessment 2020 and 2021.

The general enterprise income tax rate applicable to the PRC entities is 25% according to the Enterprise Income Tax Law of the PRC effective on 1 January 2008. Under the tax reduction measures introduced by the State Council of PRC, from 1 January 2018 to 31 December 2020, the qualifying small enterprises whose assessable profit falls under RMB1,000,000 will be qualified for a reduced 5% effective tax rate, and those assessable profit falls under RMB3,000,000 but above RMB1,000,000 will be qualified for a reduced 10% effective tax rate.

The income tax expense for the year can be reconciled to the (loss)/profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2021	2020
	S$	*S$*
(Loss)/profit before taxation	**(315,519)**	454,587
Tax at applicable tax rate of 17%	**(53,638)**	77,280
Effect of different tax rate of the Company operating in other jurisdiction	**(35,739)**	–
Tax effect of expenses not deductible for tax purpose	**244,727**	134,600
Tax effect of tax losses not recognised	**124,526**	–
Effect of tax concessions and partial tax exemptions	**(72,249)**	(31,779)
Over-provision in prior years	**(84,084)**	(9,736)
Taxation for the year	**123,543**	170,365

7. (LOSS)/PROFIT FOR THE YEAR

(Loss)/profit for the year has been arrived at after charging:

	2021	2020
	S$	*S$*
Expense relating to short-term leases	**115,112**	45,420
Depreciation of property, plant and equipment *(Note a)*	**594,551**	528,230
Annual audit fees	**138,619**	115,000
Directors' remuneration	**1,093,147**	955,132
Other staff costs:		
– Salaries, wages and other benefit	**2,436,199**	1,914,234
– Defined contribution plans, including retirement benefits	**130,130**	75,491
– Foreign worker levy and skill development levy	**141,220**	200,810
Total staff costs *(Note b)*	**3,800,696**	3,145,667
Cost of materials recognised as costs of sales/services	**4,534,471**	1,819,261
Subcontractor costs recognised as costs of sales/services	**139,530**	246,713

Notes:

a. Depreciation of S$297,220 (2020: S$396,297) are included in costs of sales/services.

b. Staff costs of S$1,346,037 (2020: S$1,575,385) is included in costs of sales/services

8. (LOSSES)/EARNINGS PER SHARE

	2021	2020
	S$	*S$*
(Loss)/Profit attributable to the owners of the Company *(S$)*	**(445,968)**	284,222
Weighted average number of ordinary shares in issue	**800,000,000**	800,000,000
Basic and diluted (losses)/earnings per share *(Singapore cents)*	**(0.06)**	0.04

The calculation of basic (losses)/earnings per share is based on the (loss)/profit for the year attributable to owners of the Company and the weighted average number of shares in issue.

Diluted (losses)/earnings per share is the same as the basic (losses) earnings per share because the Group has no dilutive securities that are convertible into shares during the years ended 30 June 2021 and 2020.

9. PROPERTY, PLANT AND EQUIPMENT

	Computers	**Office equipment**	**Furniture, fixtures and fittings**	**Motor vehicles**	**Leasehold land and property**	**Alert alarm systems**	**Right-of-use assets**	**Total**
	S$	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*
Cost:								
At 1 July 2019	32,876	56,481	168,264	134,962	4,938,600	2,752,307	–	8,083,490
Additions	20,420	7,432	–	–	–	–	–	27,852
At 30 June 2020	53,296	63,913	168,264	134,962	4,938,600	2,752,307	–	8,111,342
Acquisition of subsidiaries	18,188	–	–	–	–	–	–	18,188
Additions	12,172	5,682	–	39,499	–	–	2,488,579	2,545,932
At 30 June 2021	83,656	69,595	168,264	174,461	4,938,600	2,752,307	2,488,579	10,675,462
Accumulated depreciation:								
At 1 July 2019	27,587	56,481	162,384	54,736	406,708	2,058,790	–	2,766,686
Depreciation for the year	17,820	2,033	2,433	22,494	87,152	396,298	–	528,230
Exchange differences	(633)	6	–	–	–	–	–	(627)
At 30 June 2020	44,774	58,520	164,817	77,230	493,860	2,455,088	–	3,294,289
Depreciation for the year	22,064	2,611	2,433	26,883	87,152	297,219	156,189	594,551
Exchange differences	(937)	1,124	–	–	–	–	612	799
At 30 June 2021	65,901	62,255	167,250	104,113	581,012	2,752,307	156,801	3,889,639
Carrying amount:								
At 30 June 2021	17,755	7,340	1,014	70,348	4,357,588	–	2,331,778	6,785,823
At 30 June 2020	8,522	5,393	3,447	57,732	4,444,740	297,219	–	4,817,053

The above items of property, plant and equipment are depreciated on a straight-line basis at the following useful lives after taking into account the residual values:

Computers	–	1 year
Office equipment	–	3 years
Furniture, fixtures and fittings	–	3 years
Motor vehicles	–	6 years
Leasehold land and property	–	Over the remaining lease term, which is 680 months
Alert alarm systems	–	Over the remaining service contract term, which ranges from 72 to 94 months
Right-Of-Use Assets	–	Over the remaining contract term, which ranges from 22 to 58 months

At 30 June 2021, the leasehold land and property was pledged to a bank for a mortgage loan raised by the Group (Note 16).

The Group as a lessee

The Group has entered into lease contracts for various office premises used in its operations. Leases of office premises generally have lease terms between 2 and 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include termination options which the directors of the Company considered reasonably certain not to exercise.

The Group has also entered into certain leases of office premises with lease terms of 12 months or less and leases of office equipment and dormitories with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

	S$
Lease liabilities	
As at 1 July 2020	
Amortised cost	
Additions – Right-of-use-assets	2,488,579
Accretion of interest	20,932
Payments during the year	(206,395)
As at 30 June 2021	2,303,116
Current	647,596
Non-current	1,655,520
Total lease liabilities	2,303,116

The followings are the amounts recognised in the consolidated profit or loss:

	2021
	S$
Depreciation expense of right-of-use assets	**156,189**
Interest expenses on lease liabilities	**20,932**
Expense relating to short-term leases (included in administrative expenses)	**97,887**
Expenses relating to leases of low-value assets (included in administrative expenses)	**17,225**
Total	**292,233**

The Group had total cash outflows for leases of S$206,395, and non-cash addition to right-to-use assets and lease liabilities of S$2,488,579 during the year ended 30 June 2021.

10. GOODWILL

	Goodwill
	S$
At 1 July 2020	–
Acquisition of subsidiaries	187,342
At 30 June 2021	187,342

Goodwill arose from the acquisition of during the year ended 30 June 2021, which has been allocated to sale of consumer products business. The goodwill recognised is not expected to be deductible for the income tax purpose.

Sale of consumer products CGU

The recoverable amount of the sale of consumer products CGU as at 30 June 2021 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a three-year period. The projected cash flows have been updated to reflect the demand for products and services. The pre-tax discount rate applied to cash flow projections is 13.27% and cash flows beyond the three-year period are extrapolated using a 0.3% growth rate that is the same as the long-term average growth rate for the sale of consumer products industry in the PRC. Management has calculated that the value in use of the operating subsidiaries located in the PRC and concluded that the recoverable amount is greater than their total carrying amount of the assets of the sale of consumer products CGU including allocated goodwill. As a result of this analysis, management does not believe an impairment charge of in the current year is required.

11. INVENTORIES

	2021	2020
	S$	*S$*
Finished goods	**1,542,102**	547,592

12. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2021	2020
	S$	*S$*
Trade receivables	**3,805,740**	1,502,422
Less: Allowance for credit losses	**(32,794)**	(67,764)
	3,772,946	1,434,658
Deposits *(Note a)*	**492,239**	43,131
Prepayment *(Note b)*	**2,194,321**	122,486
Advances to staff	**58,630**	16,014
Other receivables	**53,107**	–
	2,798,297	181,631
Less: amount classified as non-current		
– rental deposits on lease agreement expiring after one year *(Note a)*	**(261,512)**	–
Current portion	**2,536,785**	181,631

Notes:

a. As at 30 June 2021, deposits mainly included deposits paid for lease agreement in the PRC and Hong Kong, deposits paid to suppliers of consumer products and deposits paid to online platform or e-commerce channel for operating eshop or channel membership.

b. Prepayment mainly included payment in advance to the major suppliers of sale of consumer products business, which including two well-known distilleries in the PRC, for the purpose of prepayment of purchase orders and to be settle with purchase amount with these suppliers in future. Up to the date of this announcement, amount to approximately S$1,400,000 of prepayments has been utilised with subsequent purchases by the Group.

The Group grants credit terms to customers in the segment of sale and services of sound and communication systems typically between 30 to 60 days (2020: 30 to 60 days) from the invoice date for trade receivables. For the segment of sale of customer products, no credit terms is granted to individual customers and relevant trading or settlement platform for online sale, the Group generally grants credit terms of 180 days from the invoice date to those corporate customers with solid financial ability and good credit records. The Group does not charge interest nor hold any collateral over these balances.

The loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The following table details the risk profile of trade receivables and unbilled revenue with customers based on the Group's provision matrix which is derived from the aging based on due dates.

	Group Trade receivables						
	Not yet past due *S$*	**Less than 30 days** *S$*	**31 – 90 days** *S$*	**91 – 180 days** *S$*	**181 – 365 Days** *S$*	**Over 365 days** *S$*	**Total** *S$*
30 June 2021							
Expected credit loss rate		**–**	**–**	**–**	**21%**	**100%**	
Estimated total gross carrying amount at default	**2,445,498**	**766,702**	**443,890**	**75,724**	**52,039**	**21,887**	**3,805,740**
Lifetime ECL		**–**	**–**	**–**	**(10,907)**	**(21,887)**	**(32,794)**
							3,772,946
30 June 2020							
Expected credit loss rate		–	–	–	45%	82%	
Estimated total gross carrying amount at default	462,129	179,846	514,488	207,259	124,243	14,457	1,502,422
Lifetime ECL		–	–	–	(55,909)	(11,855)	(67,764)
							1,434,658

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9.

	2021	2020
	S$	*S$*
Group		
At beginning of the reporting period	**67,764**	36,094
Change in loss allowance	**(34,970)**	31,670
At reporting date	**32,794**	67,764

13. CONTRACT ASSET AND CONTRACT LIABILITIES

	2021	2020
	S$	*S$*
Contract assets		
Retention receivables	**32,319**	40,415
Contract liabilities		
Advance billing to customer	**221,158**	55,012

Contract assets

The contract assets include retention receivables which represent monies withheld by customers of contract works that will be released after the end of warranty period of the relevant contracts, and are classified as current as they are expected to be received within the Group's normal operating cycle. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it becomes unconditional and is invoiced to the customer.

Contract liabilities

The contract liabilities represent the Group's obligation to transfer services to customers for which the Group has received consideration (or an amount of consideration is due) from the customers and remains as contract liabilities until the Group has transferred the control of the services to the customers.

The Group recognised revenue of S$55,012 (2020: S$57,723) which was included in the contract liability balance at the beginning of the period. There was no revenue recognised in the current reporting period relating to performance obligations which were satisfied in a prior year.

14. PLEDGED BANK DEPOSITS, BANK BALANCES AND CASH

	2021	2020
	S$	*S$*
Pledged bank deposits *(Note a)*	**206,947**	206,947
Bank balances and cash *(Note b)*	**10,969,717**	10,022,877
	11,176,664	10,229,824
Less: amount classified as non-current	**–**	(206,947)
Current	**11,176,664**	10,022,877

Notes:

a. The balances represent deposits placed to a bank for corresponding amounts of performance guarantee granted to the Group in favour of a customer with a maturity term of 36 months ending in April 2022. The balances carry interest rate of 0.65% (2020: 0.65%) per annum at 30 June 2021.

b. Amount of S$1,098,000 (2020: S$5,813,000) included in bank balances carry interest rate ranging from 0.01% to 0.65% (2020: 0.05% to 2.75%) per annum at 30 June 2021. The remaining bank balances and cash are interest free.

15. TRADE AND OTHER PAYABLES

	2021	2020
	S$	*S$*
Trade payables	**664,762**	91,311
Retention payables	**26,500**	26,500
Goods and Services Tax ("**GST**") payable	**91,009**	60,449
Accrued operating expenses	**491,825**	324,142
Accrued payroll costs	**195,954**	42,056
Amounts due to a third party *(Note a)*	**4,802,280**	–
Amount due to a director *(Note b)*	**416,500**	–
Others *(Note c)*	**1,070,313**	4,215
	7,759,143	548,673

Notes:

a. Amount due to a third party represented short-term advances from an independent third party in the PRC for financing the initial working capital of sale of consumer products business before the Group reallocated foreign financial resource into the PRC. The advances were drawn by the Group during November 2020 to January 2021 with interest charges at 6% per annum payable on maturity date and repayable within one year from the drawdown date. Up to the date when these consolidated financial statements are authorised for issue, S$1,800,000 of the amount due has been repaid by the Group with internal financial resource and no outstanding balance were overdue.

b. The amount was advanced from a director of the Company, Cao Chunmeng, which is repayable on demand and non-interest bearing.

c. The balances included other payables and short-term advances from independent third parties for initial cost of new segment in the PRC, which are repayable on demand and non-interest bearing, all these amounts has been settled as the date when these consolidated financial statements are authorised for issue.

The following is an aged analysis of trade payables presented based on the invoice date at the reporting date:

	2021	2020
	S$	*S$*
Within 30 days	**309,332**	26,012
31 days to 90 days	**351,480**	27,666
91 days to 180 days	**–**	33,851
Over 180 days	**3,950**	3,782
	664,762	91,311

The credit period on purchases from suppliers and subcontractors is between 30 to 60 days (2020: 30 to 60 days) or payable upon delivery.

16. BORROWINGS

	2021	2020
	S$	*S$*
Bank loans – Secured	**1,236,087**	1,400,771
Carrying amount repayable within 1 year	**167,815**	169,453
Carrying amount repayable more than 1 year, but not exceeding 2 years	**152,144**	173,108
Carrying amount repayable more than 2 years, but not exceeding 5 years	**708,393**	479,113
Carrying amount repayable more than 5 years	**207,735**	579,097
	1,236,087	1,400,771
Less: Amount due within 1 year (shown under current liabilities)	**(167,815)**	(169,453)
Amount shown under non-current liabilities	**1,068,272**	1,231,318

The loans were secured by the legal mortgage over the Group's leasehold land and property (Note 9) with corporate guarantee provided by the Company. The loans bear floating interest rates with weighted average effective interest rate at 1.68% (2020: 2.38%) per annum as at 30 June 2021. The loan is repaid by installment and the final maturity date of the loan is 15 years from the date of first disbursement, which will be on 11 June 2028.

17. DEFERRED TAX LIABILITIES

	2021	2020
	S$	*S$*
At beginning of the reporting period	**62,327**	133,435
Credited to profit or loss for the year:		
– Accelerated tax depreciation *(Note 6)*	**(52,663)**	(71,108)
At reporting date	**9,664**	62,327

The deferred tax liabilities resulted from temporary taxable differences arising from accelerated depreciation in relation to capital allowance claims on qualified assets in accordance with prevailing tax laws in Singapore.

18. SHARE CAPITAL

	Company					
	Number of shares		**Par value**		**Share capital**	
	2021	2020	**2021**	2020	**2021**	2020
	'000,000	*'000,000*	***HK$***	*HK$*	***HK$'000***	*HK$'000*
Authorised share capital of the Company:						
At the beginning of the year and as at end of the year	**1,500**	1,500	**0.01**	0.01	**15,000**	15,000

	Company			
	Number of shares		**Share capital**	
	2021	2020	**2021**	2020
			S$	*S$*
Issued and paid up:				
At the beginning of the year and as at end of the year	**800,000,000**	800,000,000	**1,372,630**	1,372,630

Fully paid ordinary shares carry one vote per share and a right to dividends as and when declared by the Company.

Subsequent to the reporting period, the Company has completed the placing of 80,000,000 new shares.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OUTLOOK

Maintain dual focus on new public tenders and maintenance contracts in Singapore

Reeling from COVID-19 induced movement controls, industries around the world continued to experience reductions in overall demand which led to economic slowdowns and is one of the main factors contributing to a 1.7% contraction in the overall Singaporean economy in 2020, measured using Gross Domestic Product ("**GDP**"). However, the impact of COVID-19 induced movement controls on the construction sub-sector is accentuated as worksites tend to be effort and labour-intensive in closed-quartered areas which may promote the spread of infection.

The Singapore's construction industry contracted by 13.3% during the preceding 12 months ended 30 June 2020, and a further 17.7% during the Year. The contractions in the construction industry and the Group can be attributed to 1) strict site manpower controls slowing down completion of contract obligations and 2) the delayed restarting of worksites which hampered recognition of revenues in our project pipeline. As part of essential services operations, we continued to work tirelessly to deliver top-of-the-class preventive and reactive maintenance service and round-the-clock support to our public, private, and non-for-profit customers in the healthcare and education sectors. In the near term, we continue to look forward to the stability of cash flow receipts from our existing and newly clinched maintenance contracts in the healthcare sector.

Furthermore, Singapore's construction sub-sector faced an unprecedented profit squeeze, not only recording consecutive annual contractions for two years, but also incurring increased compliance operating costs as a prerequisite to curb the spread of COVID-19 at worksites. Some of the measures include hiring more employees to ensure workforce are following social distancing guidelines, and getting tested for infection every two weeks. Some of these costs were subsidised with government grants received during the Year as part of the S$1.36 billion Construction Support Package announced in Singapore's Fortitude Budget in 2020.

We continue to optimise our cost structures taking heightened precautionary measures to safeguard employees' health and have adopted a series of measures. One of these measures is maximising employee efficiency and engagement through the implementation of cloud-enabled work collaborations and video meeting solutions in order to enable employees to be able to work safely with social distancing.

Sound and communications system solutions industry outlook in Singapore

In line with the expected injection of new public tenders for sound and communication systems in Singapore, we stand ready and are committed to serve our clients in the public healthcare and housing sectors. Through iterative and constructive feedback from our stakeholders, we continue to create value for our clients through constant innovation and integration with existing or new systems to formulate the relevant solution to address the end-users' needs.

As the world moves towards treating COVID-19 as an endemic, we expect to gradually resume sales and installation delivery to project sites in existing contracts whilst complying with all existing social distancing measures and regulations. We believe that with our healthy level of project and maintenance pipeline, we are poised to continue to build rapport and mutually beneficial relationships with all our stakeholders in order to create and share values among industry chain.

Outlook of E-commerce in the PRC

Overview of China's Brand E-commerce Service Market

China's online retail market has experienced a rapid growth over the past few years. According to the Ministry of Commerce, the gross merchandise volume ("**GMV**") of China's online retail market increased from RMB2,821.1 billion in 2014 to RMB10,632.4 billion in 2019 at a compound annual growth rate ("**CAGR**") of 30.4%, and is expected to reach RMB16,069.3 billion in 2024, representing a CAGR of 8.6%.

Brand e-commerce services refers to third-party services provided by brand e-commerce service providers to brand owners, mainly including brand market analysis, online store operations, content e-commerce (including live broadcast/short video e-commerce), digital branding, logistics management and customer service.

With professional operating experience, brand e-commerce operators can help brand clients to promote brand culture and improve customer experience, carry out promotional activities through diversified online distribution channels to expand customer base, and constantly optimise marketing strategies based on accurate consumer analysis, so as to ultimately enhance their brand influence.

According to iResearch, Business to Customer ("**B2C**") accounted for 78% of e-commerce GMV in 2019, up 15.2 percentage points from 2018. This percentage has been rising in recent years. Based on B2C e-commerce business, the brand e-commerce service market has been growing rapidly. In 2019, the transaction volume of the market reached RMB563.5 billion, representing a CAGR of 39.19% from 2016 to 2019 and a penetration rate of 10.50%. According to iResearch, the brand e-commerce service market is expected to reach RMB2.04 trillion in 2025 with an increased penetration rate of 13.7%. In 2020, the global spread of COVID-19 intensified the replacement of offline channels by online channels and prompted brands to accelerate digital transformation and improve online channels, laying a foundation for the expansion of the brand e-commerce service market.

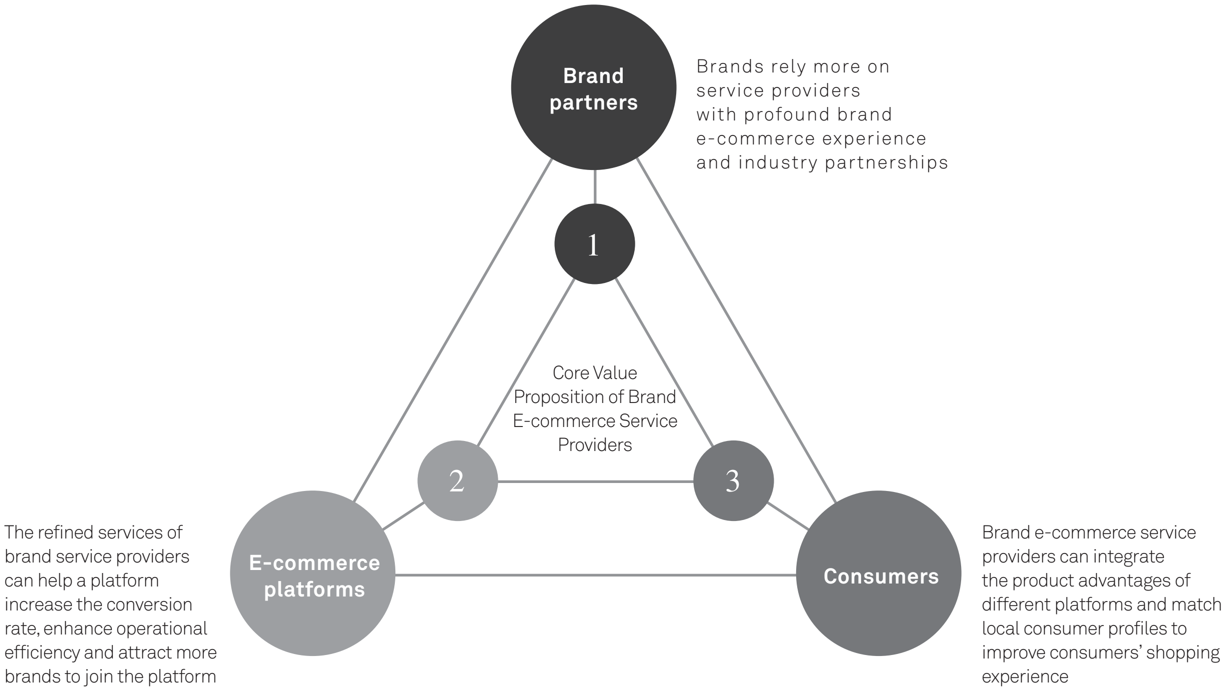
The core value proposition of brand e-commerce service providers is to connect e-commerce platforms, brands and consumers to create value for all stakeholders.

Brand partners: Given the rapid development of China's e-commerce market, brands rely more on service providers with profound brand e-commerce experience and industry partnerships to avoid the investment risks related to an in-house e-commerce team. The service providers can help brand partners quickly establish online retail channels, strengthen brand positioning, improve marketing efficiency, and expand customer base in the process of product sales.

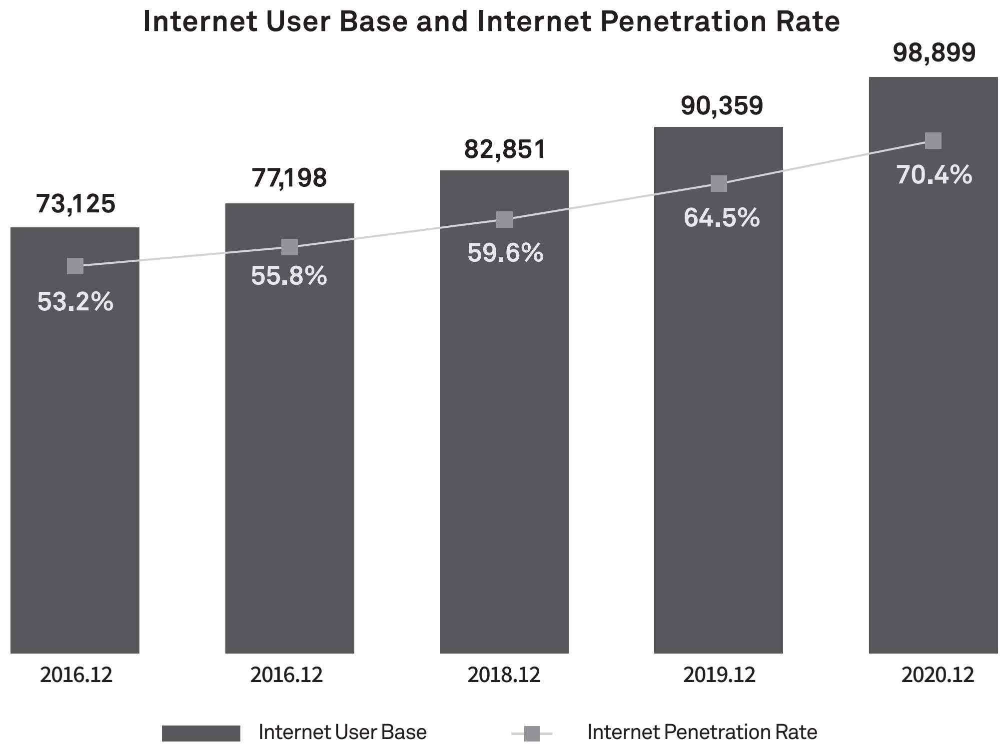
E-commerce platforms: For an e-commerce platform, introducing more brands will attract more user traffic, which will eventually improve the sales conversion rate and increase the number of e-commerce consumers in order to help increasing the GMV of the platform. In addition, the refined services of brand service providers can also help the platform increasing the conversion rate, enhancing operational efficiency and attracting more brands to join the platform.

Consumers: Brand e-commerce service providers can integrate the product advantages of different platforms and match local consumer profiles to improve consumers' shopping experience. In addition, they can enable consumers to understand and access more emerging brands, thus enriching their purchasing choices, reducing shopping decision-making difficulty, and fostering new consumer needs.

There are two e-commerce service models: operation agency and distribution. Under the operation agency model, an operation service provider only provides operation services for brands, which means that it is engaged in "service" business; under the distribution model, an operation service provider need to buy products and sell them directly, which means that it is engaged in "trade" business. The distribution model is divided into Business to Business ("**B2B**") distribution and B2C distribution.



Outlook of China's Brand E-commerce Service Market

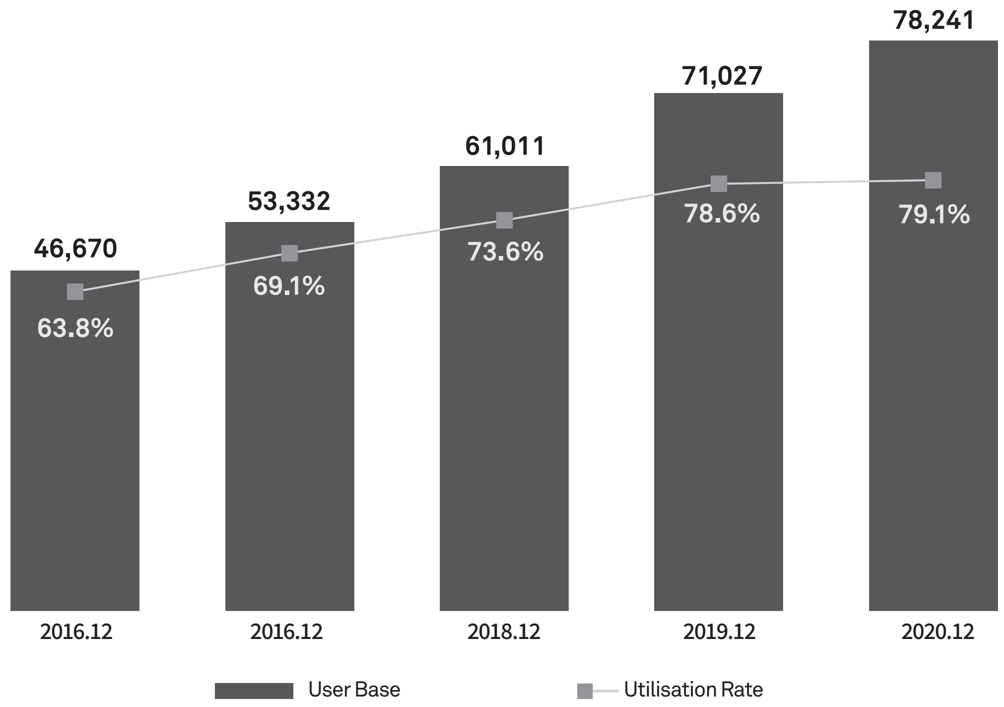


Unit: 0'000 persons

Source: CNNIC Statistical Survey on the Internet Development in China (December 2020)

China's online shopping user base is expanding in tandem with the continuous growth of online retail sales and the popularisation of online shopping habits, which will promote the rapid development of China's e-commerce market and e-commerce service industry. According to the 47th Statistical Report on China's Internet Development released by China Internet Network Information Center (CNNIC), as of December 2020, the number of internet users in China had reached 990 million with an internet penetration rate of 70.40%, and the number of online shoppers in China had reached 780 million. Chinese consumers' demand for online shopping continues to grow, and the differences of online and offline shopping operations would drive online brands to continuously improve their operational capabilities.

Online Shopping User Base and Utilization Rate from December 2016 to December 2020



Unit: 0'000 persons

Source: CNNIC Statistical Survey on the Internet Development in China (December 2020)

The report also shows that from January to December 2020, China's online retail sales of physical goods amounted to RMB9.8 trillion, an increase of more than 15% from RMB8.5 trillion in 2019.

According to the statistics of the National Bureau of Statistics, under the impact of COVID-19, China's total retail sales in 2020 decreased by 3.9% compared with 2019, while online sales of physical goods increased by 14.8%. As such, online shopping has become the main driving force for consumption growth.

The boom of cross-border e-commerce has prompted more international brands to renew e-commerce services. In addition, factors such as complicated operation rules, large differences between online and offline markets, limited operational capacity, and low cost efficiency of self-operation increase the willingness of brands to purchase e-commerce services.

According to the statistics of China Customs, China's cross-border e-commerce imports totaled RMB570 billion in 2020, a year-on-year increase of 16.5%. The Chinese market is increasingly attractive to international brands of which lack a thorough understanding of the Chinese market. So, their demand for e-commerce services is more urgent. There is no doubt that the development of cross-border e-commerce will drive the growth of the e-commerce service market.

Complicated online rules, large differences between online and offline markets, limited operational capacity and low cost efficiency of self-operation are the four challenges of which any brands wishing to enter the e-commerce market on their own are facing. E-commerce has disrupted the traditional operating model of numerous companies. Nevertheless, the rapid growth of online retail market is prompting companies to accelerate e-commerce business development. With limited e-commerce capabilities and capacity, businesses are generally willing to purchase e-commerce services which can help them quickly get access to the online market. This is an important factor driving the growth of China's e-commerce service industry.

Under the growing influence of emerging channels such as mobile video and social media platforms, brands have a strong demand for entry into diverse channels, which drives e-commerce service providers to enhance capabilities in the operation of diverse channels. According to WJS (www.100EC.cn), the live streaming e-commerce GMV targets of Douyin and Kuaishou for 2020 are RMB200 billion and RMB250 billion, respectively.

The penetration of brands into diverse channels brings new opportunities for brand service providers to develop business on multiple platforms. In addition, new e-commerce retail models such as "Internet celebrities promoting sales", "live streaming e-commerce" and "private domain traffic operation" have increased the complexity of e-commerce operations. For example, brand owners need to engage with a number of content platforms, key opinion leaders, multi channel networks and any other organisations with the use of subscribed tools of platforms in order to accurately reach target customers, capture consumers' demand preferences and changes, and conduct rapid identification and profiling of consumers, which poses great challenges to brand owners. In this context, e-commerce service providers are increasingly important.

Under the new traffic pattern and new e-commerce retail models, the demand for brand operation services is expected to grow further, thus bringing growth opportunities to the e-commerce service industry.

Review of Progress in E-commerce Operations

In response to the impact of COVID-19 on the Company's business, the Company commenced to develop e-commerce services in Mainland China in November 2020, and in about half year period an operation team there has been established there that its e-commerce business has reached a certain scale.

Operation team building: From October 2020 to June 2021, the Company established an operation team covering supply chain services, digital marketing, e-commerce operations and live broadcast operations through mergers and acquisitions and self-building. It has formed an ecosystem of omni-channel brand management services covering brand building, digital marketing, live streaming & short video marketing, content management, e-commerce operations, warehousing & logistics, customer relationship management, etc.

Partner development: As of this Year, the Company had cooperated with many domestic and foreign brands on their products, including Maotai Group's Moutai Chun Maotai-flavor liquor series, Changyu's Cabernet domestic wine series, Swiss-based Chantegrive's wine series, Sweden-based LightAir's purifier series, Sweden-based Ren Logik's household cleaning product series, Australia-based Treasury Wine Estates' Rawson's Retreat wine series, Miiow's underwear series, FILA's watch series, UNIFON's skin care product series, and Xinhua Winshare's book products. Specifically, the Company serves as the online general agent for Changyu's domestic wine series, an agent in Mainland China for Sweden-based LightAir's purifier series, and the exclusive general agent for both Swiss-based Chantegrive's wine series and Sweden-based Ren Logik's household cleaning product series.

E-commerce channel operation: The Company's online distribution business consists of B2B and B2C operations. As to B2B operations, we mainly cooperate with companies with online distribution channels to achieve online distribution; as to B2C operations, we mainly open stores on mainstream e-commerce platforms and public/private domain traffic platforms, and directly sell to and serve end consumers through our in-house team.

As of now, the Company has opened various types of stores on JD.com, Tmall, Pinduoduo, Douyin and Kuaishou, including brand flagship stores, specialty stores, single-category stores, live streaming direct-sales stores and direct-sales stores with private domain traffic established through SaaS tools for e-commerce, etc.

User operations: After nearly half a year's efforts, the Company has initially established its own private domain traffic by gradually acquiring and retaining users through WeChat operations, SaaS tools for e-commerce, content marketing on public/private domain platforms, etc.

Outlook of E-commerce Operations

Partner development: The Company will uphold the basic principles of "Health, Value, Quality and Sustainability" for partner development. On this basis, leveraging its mature overseas business development capabilities, the Company will focus on partnering with companies that provide food, health products, household products and personal care products. In particular, Northern Europe and Western Europe will be the regions of focus for brand partner development.

Channel development: Based on the development of partners to be signed up and existing business needs, the Company will continue to open stores and look for cooperation opportunities on mainstream e-commerce platforms, live streaming e-commerce platforms, and private domain traffic channels. Specifically, JD.com, JD International, Tmall, Tmall International, Pinduoduo and Douyin will be the key channels for store opening. In addition, considering the sales needs of some partners and certain products, the Company will expand its business through new retail channels based on the combination of online and offline channels.

As the cost of public domain traffic is getting higher and higher, the Company will focus on developing private domain e-commerce business. On the one hand, we will provide brands with a full range of private domain traffic operation services; on the other hand, we will cooperate with organisations with private domain traffic to monetise their user traffic via e-commerce operations and enhance the commercial value of their private domain traffic.

User operations: The Company will further expand its service offerings and user base through the model of "WeChat and SaaS tools for e-commerce", and increase user activity, repeat purchase rate and per customer transaction through public/private domain content marketing.

Digital marketing: The Company will further strengthen team building and enhance service capabilities for digital branding, and focus on channel and product system development for live streaming e-commerce. Live streaming e-commerce services will include three parts: live streaming value-added services, self-owned store live broadcast, and live streaming agency services.

The Company is committed to serving premium brands around the world. Leveraging its e-commerce service capabilities, the Company helps promote premium brands and distribute quality products to Chinese consumers, in an effort to continuously improve the quality of life of Chinese consumers.

OUTLOOK OF NETWORK SYSTEM INTEGRATION SERVICES

Network system integration services mainly involve network system integration solutions, IT technical services and maintenance services provided to customers in Mainland China, mainly including government departments, financial institutions, railway and aviation operators and other state-owned enterprises.

Key customers of our network system integration services include China Railway Beijing Group Co., Ltd. and its affiliated local railway companies, the Institute of Computing Technology of China Academy of Railway Sciences Corporation Limited (CARS), Postal Savings Bank of China, Hengfeng Bank Co., Ltd., Chongqing Three Gorges Bank Co., Ltd., Dalian Rural Commercial Bank, BOB-Cardif Life Insurance Co., Ltd., National Grand Theater of China, SINOPEC Research Institute of Petroleum Processing, China International Intellectech Group Co., Ltd. and other large- and medium-sized state-owned enterprises.

We will take the following business measures to develop the network system integration services business:

Strengthen teambuilding: We expect to introduce outstanding IT engineers, invest more in training technicians, and enhance our technical service capacity and project management capability.

Expand our service system: Based on key customers, we will continue to expand the scope of products and services, ranging from technical services to system integration, and further to mainstream domestic security and database products.

Grow our customer base across industries by seeking breakthroughs in key customers: On the basis of key customers such as CARS in the railway and aviation industries, we expect to develop other customers in the railway system. In the financial service sector, we will deliver proven technical services to Hengfeng Bank and Chongqing Rural Commercial Bank, to play an exemplary role in developing other customers in the sector.

Step up cooperation with industry resources: Based on an increasing cohort of high-quality customers, we will establish more stable and trustable cooperation with upstream hardware, security and data suppliers, e.g. seeking supplier exclusive agency, industry exclusive agency, gold medal agency and regional gold medal agency with more partners.

Expand our regional sales teams: We plan to set up offices at selected locations in East, South and Southwest China, to better serve customers in the new regions.

Looking ahead, the network system integration services segment will focus on railway and aviation industries to ramp up the system integration and core IT service portfolio. We will leverage key customers to engage the upstream supplier fleet and deepen cooperation with brand suppliers, ultimately building ourselves into an integrated system integration service provider centering on IT services.

BUSINESS REVIEW

We have more than 19 years of experience in the provision of sound and communication systems services solution for various building systems in Singapore. We primarily provide (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 ("**AAS**") services for our customers in Singapore; and (iv) sale of consumer products, including E-commerce services, to external customers in the PRC ("**E-commerce operation services**").

For the Year, the Group recorded revenue of approximately S$10.1 million representing a 51.3% increase in revenue from approximately S$6.7 million earned in the year ended 30 June 2020, driven by pursuing a sector and geographically diversified E-commerce revenue source. The Group recorded a total comprehensive loss attributable to the owners of the company of approximately S$0.4 million, representing a S$0.7 million decrease from earning a total comprehensive income attributable to the owners of the company of approximately S$0.3 million in the year ended 30 June 2020. The following table sets forth the breakdown of our revenue by segment for the years indicated:

	For year ended 30 June	
	2021	2020
	S$	*S$*
Revenue from:		
Sale of sound and communication systems and related services	**5,735,467**	5,105,094
E-commerce operation services	**3,492,303**	–
Integrated services of sound and communication systems	**232,249**	714,676
AAS services	**669,685**	875,544
	10,129,704	6,695,314

Sale of sound and communication systems and related services

Our revenue generated from the sale of sound and communicated systems and related services was approximately S$5.7 million and S$5.1 million for the years ended 30 June 2021 and 2020, respectively, which represent approximately 56.7% and 76.2% of our total revenue for the same period. The revenue increase was in line with an increase in contracts completed during the Year, to 103 from 92 for the years ended 30 June 2021 and 2020 respectively. The increase in contracts completed during the Year was in line with the gradual restart of the construction sector in Singapore.

The Group continues to ensure that Safe Management Measures are practised in work premises and prioritise employee health and safety in conjunction with pursuing sustainable business development. We endeavour to develop value-added and long-term relationship with customers in the long run through contracts for the provision of maintenance and related services for sound and communication systems.

Integrated services of sound and communication systems

Our revenue generated from the provision of integrated services of sound and communications systems was approximately S$0.2 million and S$0.7 million for the years ended 30 June 2021 and 2020, respectively, which represent approximately 2.3% and 10.7% of our total revenue for the same period. The revenue decrease was due to delays in restarting worksites related to construction projects in Singapore. Specifically, the progression of a material contract and its associated variation orders with approximately 8.7% completed during the Year while such contract and its associated variation orders progressed approximately 26.4% for the year ended 30 June 2020.

AAS services

Our revenue generated from the provision of AAS services was approximately S$0.7 million and S$0.9 million the years ended 30 June 2021 and 2020 respectively, which represent approximately 6.6% and 13.1% of our total revenue for the same period. There were two AAS services contracts and were both completed during the Year. The Group will continue to be involved in public tenders for projects in this revenue stream.

E-commerce operation services

In response to the COVID-19 pandemic on the Group's other three revenue streams, the Group began to deploy resources into the E-commerce business in the PRC since November 2020 by initially establishing an operation team in the PRC. During the Year since its inception, the E-commerce operation team has expanded, inorganically through mergers and acquisitions and organically through selective hiring processes, to include other departments such as supply chain services, digital marketing, e-commerce operations, and live broadcast operations. As a result, we provide business owners with complete brand management e-commerce operation service system which includes, but is not limited to, brand building, digital marketing, live short video marketing, content management, e-commerce operations, warehousing and logistics, and customer relationship management.

During the Year since the inception of the E-commerce revenue stream in November 2020, by providing brand customers with services including digital marketing, supply chain services, and E-commerce operations (including B2B and B2C), subsidiaries of the Group generated revenue of approximately S$3.5 million for the Year, representing approximately 34.5% of our total revenue.

Network system integration services

Leveraging its professional team and service capabilities, the network system integration services department won the bids for several projects in the second quarter of 2021 alone. The four large projects are: e-payment platform simulation environment deployment (the Institute of Computing Technology of CARS), procurement of external and internal firewalls (China Railway Special Cargo Logistics Co., Ltd.), procurement of maintenance services for Radware hardware in 2021 (China Banking and Insurance Information Technology Management Co., Ltd.), and procurement of railway engineering equipment for the newly built Boten-Vientiane Line of the Laos-China Railway (the Institute of Computing Technology of CARS).

FINANCIAL REVIEW

Revenue

Our revenue increased by approximately S$3.4 million or 51.3% to approximately S$10.1 million for year ended 30 June 2021 (the "**Year**"), from approximately S$6.7 million for the year ended 30 June 2020. This was principally due to the increase in revenue contributed from the new E-commerce revenue source commencing operations during the Year. The increase was slightly offset by a decrease in integrated services of sound and communication systems caused by the COVID-19 pandemic-related project delays during the Year in Singapore.

Costs of sales/services

Our costs of sales/services increased by approximately S$2.3 million or 56.5% to approximately S$6.3 million for the Year from approximately S$4.0 million for the year ended 30 June 2020. The increase in costs was mainly due to significantly higher material purchases during the Year as part of our new E-commerce operations.

Gross profit

Our gross profit increased by approximately S$1.1 million for the Year or 43.4% to approximately S$3.8 million for the Year from approximately S$2.7 million for year ended 30 June 2020 due to gross profit contributions from our new sale of consumer products segment. The Group's gross profit margin decreased to 37.6% for the Year, from approximately 39.8% for the year ended 30 June 2020. The decrease in gross profit margin was due to the substantial increase in material costs for our new E-commerce operations segment during the Year.

Other income, gains and losses

Our other income, gains and losses remained relatively stable at S$0.4 million for the Year and the year ended 30 June 2020. This is attributed to the extraordinary income during the Year from the receipt of increased government support grants for employees' salaries in Singapore. The gains were offset by the increased foreign exchange losses of monetary assets held in other currencies, such as US$ and HK$, which had depreciated against the S$. For the previous year ended 30 June 2020, differences arising from revaluation of monetary assets held in other currencies, such as US$ and HK$, which appreciated against the S$, were recorded as foreign exchange gains.

Administrative expenses

Our administrative expenses increased to approximately S$4.3 million for the Year, by approximately S$1.8 million or 71.1%, from approximately S$2.5 million for the year ended 30 June 2020. The increase can be attributed to (i) increased payroll costs amounting to S$0.9 million in line with increased headcount to manage the new sale of consumer products segment in the PRC; (ii) higher legal and professional fees amounting to S$0.5 million in relation to expansion of the new sale of consumer products segment in the PRC; (iii) rising expenses amounting to S$0.2 million due to incurring depreciation on leased office space assets-in-use; and (iv) a S$0.2 million increase in general operating expenses of the new sale of consumer products segment in the PRC.

Finance costs

Our finance costs increased to approximately S$226.0 thousand for the Year, by approximately S$190.6 thousand or 5.38 times, from approximately S$35.4 thousand for the year ended 30 June 2020. The substantial increase was mainly due to the interest accrued from new interest-bearing loans from an independent third party used in the Group's new sale of consumer products segment during the Year.

Income tax expense

Our income tax expense decreased to approximately S$123.5 thousand for the Year, by approximately S$46.9 thousand or 27.5%, from approximately S$170.4 thousand for the year ended 30 June 2020. The decrease was primarily due to a non-recurrent overprovision of income tax expenses in Singapore subsidiary ISPL for the previous years.

(Loss) profit and other comprehensive (loss) income for the year attributable to owners of the Company

The Group recorded total comprehensive loss for the year of approximately S$0.4 million for the Year. Compared to the total comprehensive income of approximately S$0.3 million for the year ended 30 June 2020, the decrease was principally caused by increased initial operational costs to enter the E-commerce market incurred during the Year.

DIVIDEND

The Board does not recommend the payment of final dividend for the Year (2020: nil).

LIQUIDITY AND FINANCIAL RESOURCES

The Group financed our operations primarily through cash generated from our operating activities.

Cash and bank balances

As at 30 June 2021, our Group's cash and bank balances are denominated in the following currencies:

	For year ended 30 June	
	2021	2020
	S$	*S$*
Denominated in:		
CNY	**714,120**	–
HKD	**149,212**	1,513,130
MYR	**10,706**	62,208
SGD	**8,616,725**	6,260,358
USD	**1,685,901**	2,394,128
	11,176,664	10,229,824

Net current assets

As at 30 June 2021, the Group had net current assets of approximately S$10.1 million (2020: S$11.2 million).

Total equity

The equity of the Group mainly comprises share capital, share premium and reserves. The Group's total equity attributable to owners of the Company amounted to S$14.6 million (2020: S$14.9 million).

Borrowings

Our borrowings decreased by approximately S$0.2 million or 11.8% to approximately S$1.2 million as at 30 June 2021 from approximately S$1.4 million as at 30 June 2020. The decrease was primarily due to the partial repayment of loan during the Year.

CAPITAL STRUCTURE

On 23 February 2021, the board lot size of the ordinary shares in the Company (the "**Shares**") for trading on the GEM of the Stock Exchange was changed from 10,000 Shares to 2,000 Shares. On 19 July 2021, an aggregate of 80,000,000 shares, representing 9.09% of issued share capital of the Company on 30 June 2021, were placed at HK$0.66 per share to no less than six placees. Other than as disclosed above, there has been no further change in the capital structure of the Group during the Year and up to the date of this announcement.

TREASURY POLICY

The Group has adopted a conservative approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

CAPITAL EXPENDITURES AND COMMITMENTS

During the Year, the Group acquired items of property, plant and equipment of approximately S$75.5 thousand (2020: approximately S$27.9 thousand).

As at 30 June 2021, the Group did not have any capital commitments (2020: nil).

LEASE COMMITMENTS

Our lease commitments represent the minimum lease payments for short-term leases which would be payable under operating lease in respect of staff dormitories and office equipment, amounting to approximately S$115.1 thousand (2020: approximately S$45.4 thousand).

CONTINGENT LIABILITIES

As at 30 June 2021, the Group did not have any contingent liabilities (2020: nil).

OFF BALANCE SHEET ARRANGEMENTS

As at 30 June 2021, the Group did not enter into any material off-balance sheet arrangements (2020: nil).

PLEDGED ASSETS

Our pledged bank deposits represent deposits placed to a bank for corresponding amounts of performance guarantee arranged by our Group in favour of a customer with an original maturity term of 36 months. The balances carry interest of 0.65% per annum as at 30 June 2021 and 2020. We had pledged bank deposits of S$0.2 million as at 30 June 2021 and 2020.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2021, including our Directors, the Group had a total of 104 employees (2020: 59).

We recognise employees as valuable assets and our success is underpinned by our people. In line with our human resource policies, we are committed to providing attractive remuneration packages, and a fair and harmonious working environment to safeguard the legitimate rights and interests of our employees. The Group regularly reviews our human resource policies which outline the Group's compensation, working hours, rest periods and other benefits and welfare, to ensure compliance with laws and regulations. We always place emphasis on attracting qualified applicants by offering competitive remuneration packages. These packages are reviewed based on employees' performance and reference to prevailing market conditions, and are adjusted in a timely manner to keep them in line with market benchmarking.

The Group operates the retirement schemes for employees in Singapore outlined in the Central Provident Fund Act (Chapter 36 of Singapore), in Malaysia outlined in the Employee's Provident Fund Act 1991 and Employment Insurance System Act 2018 Laws of Malaysia, in Hong Kong outlined in the Mandatory Provident Fund Schemes Ordinance (Cap. 485), and in the PRC in accordance to Labour Law and Labour Contract Law of the PRC.

In addition, the Company has conditionally adopted a share option scheme (the "**Share Option Scheme**") on 14 December 2017 and a share award scheme (the "**Share Award Scheme**") on 18 February 2021 so as to motivate, attract and retain the right employees.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

On 5 February 2021, Haohui (Shenzhen) Business Consulting Co., Ltd.*（灝輝（深圳）商業顧問有限公司）（"**HHSZ**"), an indirect wholly owned subsidiary of the Company, acquired the entire equity interest in Global Sourcing Supply Chain Management (Shanghai) Co., Ltd.*（上海格洛博森供應鏈管理有限公司）for a cash consideration of CNY2,170,00. Global Sourcing Supply Chain Management (Shanghai) Co., Ltd. provides supply chain solutions for the global sourcing of new domestic retailers and for the international small and medium-sized brands entering the PRC market with (i) strong market competitiveness in the PRC and (ii) an experienced management team facilitating the Group's rapid acquisition of a more established business in the e-commerce operation sector and enabling the Group to diversify the scope of its operations.

On 14 April 2021, HHSZ acquired the entire equity interest in CNC-Link (Beijing) Technology Co., Ltd.*（中網雲鏈（北京）科技有限公司） for a cash consideration of CNY 1,060,000. CNC-Link (Beijing) Technology Co., Ltd. is a growing service provider in network system solution in the PRC with strong execution power demonstrated by its increasing number of contracts servicing quality customers including but not limited to government entities, state-owned enterprises, and financial institutions acquired within the short period of time after its incorporation. The Group believes that the Acquisition is strategically beneficial for the Group to (i) leverage on the CNC-Link (Beijing) Technology Co., Ltd. to enter the PRC market; (ii) diversify the coverage of system servicing solutions.

Other than as disclosed above, the Group did not have any significant investments or any material acquisition and disposal of subsidiary or affiliated company during the Year.

* *For identification purpose only*

CAPITAL RISK MANAGEMENT AND FINANCIAL RISK MANAGEMENT

Capital management

Our Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes borrowings, net of bank balances and cash and equity attributable to owners of the Group, comprising share capital and other reserves.

The management of the Group reviews the capital structure from time to time. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, the issue of new shares and new debts.

Financial risk management

Our Group's major financial instruments include trade and other receivables, pledged bank deposits, bank balances and cash, trade and other payables, and borrowings. The risks associated with these financial instruments include market risk (interest rate risk and currency risk), credit risk and liquidity risk.

KEY FINANCIAL RATIOS

	For year ended 30 June	
	2021	2020
	Times	*Times*
Liquidity ratios		
Current ratio	**2.1**	11.6
Quick ratio	**1.9**	11.1
	%	*%*
Capital adequacy ratios		
Gearing ratio	**8.4%**	9.4%

The calculation of current ratio is based on current assets divided by current liabilities.

The calculation of quick ratio is based on current assets less inventories divided by current liabilities.

The calculation of gearing ratio is based on interest-bearing liabilities divided by the total equity and multiplied by 100%.

Quick and current ratios

The quick and current ratios decreased by 81.4% and 82.1% respectively during the Year. This is primarily due to current liabilities build-up owed to both trade vendors and non-trade creditors in relation to operating in the new sale of consumer products segment.

Gearing ratio

The slight decrease of gearing ratio is due to the partial repayment of mortgage loan during the Year.

USE OF PROCEEDS FROM LISTING AND COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

Up to 30 June 2021, we utilised the net proceeds raised from the Listing in accordance with the designated uses set out in the prospectus issued by the Company on 29 December 2017 (the "**Prospectus**") and the supplemental announcement issued on 31 July 2020 (the "**Supplemental Announcement**") as follows:

Description	**Amount designated in the Prospectus** *HK$M*	**Actual use of proceeds as at 30/06/21** *HK$M*	**Unutilised amount as at 30/06/21** *HK$M*	**% utilised as at 30/06/21** *%*	**Expected date to fully utilise the unutilised amount**
Strengthen our marketing efforts in the sound and communication industry in Singapore	1.4	0.5	0.9	35.7%	31/12/22
Expand and train our sales and marketing, technical and support workforce	11.6	7.3	4.3	62.9%	30/06/23
Purchase transportation vehicles	3.0	0.5	2.5	16.7%	30/06/23
Setting up of a new sales office in Singapore	10.0	–	10.0	0.0%	30/06/22
Partial repayment of bank loan	10.0	10.0	Nil	100.0%	N/A
Resources for the provision of performance bonds	2.0	0.7	1.3	35.0%	30/06/23
Take steps to obtain higher grade level under our current mechanical and electrical workhead	2.5	–	2.5	0.0%	30/06/23
General working capital and general corporate purposes	3.5	3.5	Nil	100.0%	N/A
Grand total	44.0	22.5	21.5	51.1%	

The following table sets forth the designated and actual implementation plan up to 30 June 2021:

Purpose	Implementation Plan	Actual implementation activities
Strengthen our marketing efforts in the sound and communication industry in Singapore	• 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 update our corporate websites by the external consultant for customised website development • Participate in trade show(s)	• Maintained and improved our corporate websites, by using in-house resources to develop and maintain the Group's website instead of engaging external website designers
Expand and train our sales and marketing, technical and support workforce	• Staff cost 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 cost for retaining the approximately one sales manager, two sales and marketing executives and 10 technicians to be recruited by July 2018, and taking into account potential increase in wage level, and the associated staff accommodation costs • To provide internal and external trainings and workshops to our sales and technical staff	• 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 2 sales and marketing executives were recruited by June 2019 • Provided internal and external trainings and workshops to our technical staff • In the process to seek suitable candidates to the remaining positions
Purchase transportation vehicles	• 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	• Purchased of one van for maintenance operations and, transportation of relevant equipment and/or labour • Considered and monitored Group's current project portfolio but postponed the purchase of lorry due to current different project requirements

Purpose	Implementation Plan	Actual implementation activities
Setting up a new sales office in Singapore	• 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	• Considered and monitored the Group's project tenders and plan was postponed due to current observed industry customers' requirements and the property prices in Singapore were surged up higher than expected which the Group requires additional time to identify the suitable premises in order to meet the Group's financial budget
Partial repayment of bank loan	• Partial repayment for the bank loan in relation to the mortgage loan secured for the purchase of our head office in Singapore.	• The mortgage loan was partially repaid on 11 July 2018.
Expansion of our sound and communication services solution business	• 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.	• 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	• Satisfy the minimum financial requirements for "L6" grade under our current mechanical and electrical workhead.	• Considered and monitored the Group's project portfolio and postponed to April 2020 • The Group is currently accumulating the necessary track record requirement

The net proceeds raised from the listing of the shares of the Company (the "**Shares**") on GEM, after deducting the related expenses, were approximately HK$44.0 million. As at the disclosures stated in the Supplemental Announcement, the expected timeline for fully utilise the unutilised proceeds disclosed above is based on the best estimation from the Board with latest information available. Given the recent adverse impacts on Singapore economy as a results of the outbreak of COVID-19, it is expected that the unutilised proceeds will be utilised on or before 30 June 2023.

The expected timeline for fully utilise the unutilised proceeds disclosed above is based on the best estimation from the Board with latest information as at the date of this announcement. The Board confirms that the Group continue to being invited for tender and being awarded projects from its customers during the relevant periods and therefore considers that the delay in use of proceeds and business expansion do not have any material adverse impacts on the operation of the Group. The Board will continue closely monitor the situation and evaluate the impacts on the timeline to utilise the unutilised proceeds and will keep shareholders and potential investors informed if there are any material changes.

EVENTS AFTER THE REPORTING PERIOD

On 19 July 2021, the Company completed the placing of 80,000,000 placing shares (the "**Placing**") representing approximately 9.09% of the issued share capital of the Company as at 30 June 2021. The gross and net proceeds (after deducting the placing commission and other related expenses) from the Placing are amounted to HK$52,800,000 and approximately HK$52,347,000 respectively. The Company intends to apply the net proceeds from the Placing for (i) the Sound and Communication Business in the PRC, (ii) the System Servicing Solutions Business; (iii) the E-Commerce Business in the PRC, and (iv) general working capital and general corporate purposes.

On 1 September 2021, the Company appointed Mr. Han Bing as an executive Director with immediate effect, details of the appointment were disclosed in the announcement of the Company dated 1 September 2021. As at the date of this announcement, the Group had no other significant events from the end of the reporting period to the date of this announcement.

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 June 2021, 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:

Long position in ordinary shares of the Company

Name	Capacity/Nature	Number of Shares held/ interested	Percentage of shareholding
Mr. Mong Kean Yeow *(Note)*	Interest in a controlled corporation; interest held jointly with another person	120,000,000	15.00%
Ms. Choon Shew Lang *(Note)*	Interest in a controlled corporation; interest held jointly with another person	120,000,000	15.00%
Mr. Cao Chunmeng	Beneficial owner	80,200,000	10.03%

Note: Express Ventures Global Limited ("**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.

Long position in ordinary shares of associated corporation – Express Ventures

Name	Name of associated corporation	Capacity/Nature	Number of Shares held/ interested	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 June 2021, 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.

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

As at 30 June 2021, so far as is known to the Directors, the following person (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	Percentage of shareholding
Express Ventures	Beneficial owner	120,000,000	15.00%
Li Chao	Beneficial owner	100,000,000	12.50%
Cai Linzhou	Beneficial owner	41,400,000	5.18%

Save as disclosed above, as at 30 June 2021, 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.

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 Year.

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, Directors confirmed that the Company has maintained a sufficient amount of public float for its Shares as required under the GEM Listing Rules.

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 Year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Board confirms that during the Year, 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.

As of the announcement date, no share option has been granted, exercised, cancelled, or lapsed under the Share Option Scheme since its adoption on 14 December 2017.

SHARE AWARD SCHEME

On 18 February 2021, the Company adopted the Share Award Scheme to recognise the contributions by certain eligible persons and to provide them with incentives in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group. The details are set out in the announcements of the Company dated 18 February 2021 and 9 March 2021. According to the Share Award Scheme, the award shares will be satisfied by way of (i) allotment and issue of new Shares to the trustee at the subscription price under general mandate or specific mandate (as the case may be); or (ii) acquisition of existing Shares through on-market transactions by the trustee and will be held on trust until they are vested. The maximum number of all award shares granted under the Share Award Scheme shall not exceed 1% of the total issued share capital of the Company from time to time.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to achieve 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 Year.

AUDIT COMMITTEE

The Company has 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 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 the Group's financial statements, annual report and accounts, half year report, and quarterly report and significant financial reporting judgements contained therein; and (c) reviewing the financial control, internal control and risk management systems of the Group. As at the date of this announcement, the Audit Committee comprises of three independent non-executive Directors, namely Mr. Tang Chi Wai, Mr. Yan Xiaotian and Dr. Cai Rongxin. Mr. Tang Chi Wai is the chairman of the Audit Committee.

The Audit Committee has reviewed the annual results of the Group for the year ended 30 June 2021.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The annual results announcement of the Company is published on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.ispg.hk). The annual report of the Company for the Year containing all the relevant information required by the GEM Listing Rules will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

Unless otherwise specified in this announcement 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 of at any other rates or at all.

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

Hong Kong, 24 September 2021

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

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