

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## **ISP GLOBAL LIMITED**

*(Incorporated in Cayman Islands with limited liability)*

**(Stock Code: 8487)**

### **DISCLOSEABLE TRANSACTION ACQUISITION OF RIGHT-OF-USE ASSET IN RELATION TO LEASE AGREEMENT**

#### **LEASE AGREEMENTS**

On 15 January 2021, the Tenant, an indirect non-wholly owned subsidiary of the Company, entered into the Lease Agreement with the Landlord in respect of the leasing of the Premise for a term of sixty-two (62) months commencing on the Delivery Date of the Premise.

#### **IMPLICATIONS UNDER THE GEM LISTING RULES**

In accordance with HKFRS 16, the Group shall recognise the value of the right-of-use asset in its consolidated financial statements in connection with the lease of the Premise under the Lease Agreement. Therefore, the entering into of the Lease Agreement and the transaction contemplated thereunder would be regarded as acquisition of asset by the Group for the purposes of the GEM Listing Rules.

As one or more of the applicable percentage ratios pursuant to Rule 19.06 of the GEM Listing Rules in respect of the value of right-of-use asset of the Premise under the Lease Agreement recognised by the Group exceed 5% but are less than 25%, the Lease Agreement and the transaction contemplated thereunder constituted a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

## PRINCIPAL TERMS OF THE LEASE AGREEMENT

The principal terms of the Lease Agreement are set out below:

Date:	15 January 2021
Parties:	(i) Tenant; and  (ii) Landlord
Premise:	Room 1601, 16th Floor, Nuojin Office Building, No.2 Building, No.2 Jiangtai Road, Chaoyang District, Beijing* 北京市朝陽區將台路甲2號院2號樓諾金寫字樓16樓1601室 with one (1) non-fixed car parking space.  The gross floor area (the “GFA”) of 620.09 square meters (“sq.m.”)
Term:	Sixty-two (62) months commencing from 1 March 2021 to 30 April 2026 (both dates inclusive).
Purpose:	For office usage.
Monthly rental:	RMB177,965.83
Rent-free period:	1 March 2021 to 30 April 2021;  1 March 2022 to 31 March 2022; and  1 March 2023 to 30 April 2023
Management and other miscellaneous fees:	The Company shall be responsible for monthly management fee of RMB20,462.97.
Guarantee deposit:	RMB595,286.40

## **RIGHT-OF-USE ASSET**

Pursuant to HKFRS 16, the Group shall recognise a right-of-use asset in respect of the Lease Agreement upon commencement of the lease term thereunder, i.e. with effect from the Delivery Date, which is measured at the present value of the total rent payable during the term of the Lease Agreement, discounted using an incremental borrowing rate of 5.6%. The value of such right-of-use asset to be recognised by the Company upon commencement of the term of the Lease Agreement was approximately RMB8.86 million (equivalent to SGD 1.85 million).

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENT**

The Group is principally engaged in the provisions of sound and communication system services solution and e-commerce services. The Tenant is incorporated in the PRC with limited liability which is principally engaged in e-commerce services in the PRC. The Premise is currently used as a sub-office of Group in the PRC. The entering into the Lease Agreement subsequently helped the Company meet its business needs and is beneficial for the business development of the Group.

The terms (including the rental and other payment terms for the Premises) of the Lease Agreement were negotiated on arm's length negotiations with reference to the prevailing market conditions and prevailing market rent for comparable premises in the vicinity.

The Directors are of the view that the Lease Agreement was entered into in the ordinary and usual course of business of the Group, is in the interests of the Group and the Shareholders as a whole and the terms of the Lease Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable.

## **INFORMATION ON THE LANDLORD**

The Landlord is a company incorporated in the PRC with limited liability. The Landlord provides property lease to tenants in its ordinary and usual course of business. As at the date of this announcement, the Landlord is owned as to 55% and 45% by Beijing Capital Tourism Group Co., Ltd\* (北京首都旅遊集團有限責任公司) and Beijing BTG Estate Co., Ltd.\* (北京首旅置業集團有限公司), respectively. Beijing BTG Estate Co., Ltd. is wholly-owned by Beijing Capital Tourism Group Co., Ltd, which is in turn owned by Beijing Municipal People's Government. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Landlord and its ultimate beneficial owners are third parties independent of the Company and its connected persons as at the date of this announcement.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

In accordance with HKFRS 16, the Group shall recognise the value of the right-of-use asset in its consolidated financial statements in connection with the lease of the Premise under the Lease Agreement. Therefore, the entering into of the Lease Agreement and the transactions contemplated thereunder would be regarded as an acquisition of asset by the Group for the purposes of the GEM Listing Rules.

As one or more of the applicable percentage ratios pursuant to Rule 19.06 of the GEM Listing Rules in respect of the value of right-of-use asset of the Premise under the Lease Agreement recognised by the Group exceed 5% but are less than 25%, the Lease Agreement and the transaction contemplated thereunder constituted a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

## **REMEDIAL MEASURES**

The Company acknowledges that it failed to make timely disclosure about the details of the Lease Agreement and the transaction contemplated thereunder as a notifiable transaction as required by Rules 19.34 of the GEM Listing Rules due to inadvertent oversight. The Company deeply regrets such failure and would like to stress that it has no intention to withhold any information relating to any of the above transaction from disclosure to the public.

Going forward, to ensure a timely disclosure in compliance with the GEM Listing Rules, the Company has taken the following remedial measures:

- (i) the Company has issued guidance letters to employees of its business department reminding and explaining to them the relevant requirements under the GEM Listing Rules and the reporting procedures for notifiable transactions under the GEM Listing Rules, and the importance of identifying such transactions prior to execution of any lease agreements;
- (ii) the Company will enhance the training provided to the Directors and senior management of the Group, including requesting its legal advisers or other relevant professionals to regularly give seminars on the compliance requirements and practicable knowledge of the GEM Listing Rules, especially on the topic of compliance requirements and computation of ratio tests for notifiable transactions under Chapter 19 of the GEM Listing Rules;

- (iii) if the Company intends to conduct similar transactions, it will seek timely advice from its legal advisers, compliance adviser (if any) or other suitable advisers on whether such transactions will trigger any disclosure or other compliance requirements under the GEM Listing Rules. If necessary, the Company will consult the Stock Exchange about the proper treatment of the proposed transactions in a timely manner; and
- (iv) the Company shall continue to oversee and monitor the Company's on-going compliance with the GEM Listing Rules.

The Board are of the view that the above measures could effectively prevent the occurrence of similar incidents in the future.

## **DEFINITIONS**

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

“Board”	the board of Directors
“Company”	ISP Global Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the GEM of the Stock Exchange
“connected person(s)”	has the meaning given to it under the GEM Listing Rules
“Delivery Date”	1 March 2021, being the delivery date of the Premises
“Director(s)”	the director(s) of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“HKFRS 16”	Hong Kong Financial Reporting Standard 16 “Leases”, which includes standards and interpretations promulgated by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) who is/are independent of, and not connected with, the Company and its connected person(s) in accordance with the GEM Listing Rules
“Landlord”	Beijing Yanxiang Restaurant Co., Limited* (北京燕翔飯店有限責任公司)
“Lease Agreement”	the lease agreement dated 15 January 2021 entered into between the Tenant and the Landlord relating to the leasing of the Premises
“PRC”	the People’s Republic of China
“Premise”	Room 1601, 16th Floor, Nuojin Office Building, No.2 Building, No.2 Jiangtai Road, Chaoyang District, Beijing* 北京市朝陽區將台路甲2號院2號樓諾金寫字樓16樓1601室 with one (1) non-fixed car parking space
“RMB”	Renminbi, the lawful currency of the PRC
“SGD”	Singapore dollar, the lawful currency of Singapore
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Shares in the issued capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Tenant” Beijing Jiaxin Haohui Network Technology Co., Limited\* (北京嘉信  
灝輝網絡科技有限公司), the indirect non-wholly owned subsidiary of  
the Company

“%” per cent.

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

Hong Kong, 15 October 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. Hang Bing; the non-executive Directors is Mr. Cao Chunmeng; and the independent non-executive Directors are Mr. Tang Chi Wai, Dr. Cai Rongxin and Mr. Yan Xiaotian.*

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

*This announcement will remain on the “Latest Listed Company Information” page of the GEM website at [www.hkgem.com](http://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](http://www.ispg.hk).*

\* For identification purpose only.