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## **ISP GLOBAL LIMITED**

*(Incorporated in Cayman Islands with limited liability)*

**(Stock Code: 8487)**

### **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 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**”) 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.*

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

For the three months ended 30 September 2021

## Unaudited first quarterly results

The unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the three months ended 30 September 2021 (the “**Relevant Period**”), together with the unaudited comparative figures for the corresponding periods in 2020 are as follows:

		<b>Three months ended</b>	
		<b>30 September</b>	
	<i>Notes</i>	<b>2021</b>	<b>2020</b>
		<b>S\$</b>	<b>S\$</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue</b>	<i>3</i>	<b>4,779,288</b>	1,049,173
Costs of sales/services		<u><b>(3,427,417)</b></u>	<u>(548,805)</u>
<b>Gross profit</b>		<b>1,351,871</b>	500,368
Other income		<b>37,608</b>	118,856
Administrative expenses		<b>(1,704,645)</b>	(593,718)
Other gains and losses	<i>4</i>	<b>(184,947)</b>	(172,298)
Finance costs	<i>5</i>	<u><b>(32,633)</b></u>	<u>(6,662)</u>
<b>Loss before taxation</b>	<i>6</i>	<b>(532,746)</b>	(153,454)
Income tax (expense) recovered	<i>7</i>	<u><b>(43,931)</b></u>	<u>57,901</u>
<b>Loss for the period</b>		<u><u><b>(576,677)</b></u></u>	<u><u>(95,553)</u></u>
<b>Other comprehensive income (loss), after tax</b>			
<i>Items that may be reclassified subsequently to profit and loss</i>			
Exchange differences on translation of foreign operations		<u><b>26,164</b></u>	<u>(1,091)</u>
<b>Total comprehensive loss for the period, net of tax</b>		<u><u><b>(550,513)</b></u></u>	<u><u>(96,644)</u></u>

		<b>Three months ended</b>	
		<b>30 September</b>	
		<b>2021</b>	<b>2020</b>
	<i>Notes</i>	<b>S\$</b>	<b>S\$</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Loss for the year attributable to:</b>			
– Owners of the Company		<b>(494,333)</b>	(96,644)
– Non-controlling interest		<b>(82,344)</b>	–
		<u><b>(576,677)</b></u>	<u>(96,644)</u>
<b>Total comprehensive loss for the year attributable to:</b>			
– Owners of the Company		<b>(468,761)</b>	(96,644)
– Non-controlling interest		<b>(81,752)</b>	–
		<u><b>(550,513)</b></u>	<u>(96,644)</u>
<b>Basic and diluted losses per share (S\$ cents)</b>	<b>8</b>	<u><b>(0.06)</b></u>	<u>(0.01)</u>

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

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 September 2021

	Attributable to owners of the Company						Non-controlling interest	Total
	Share capital	Share premium	Merger reserve	Translation reserves	Accumulated profits	Sub-total		
	S\$	S\$	S\$	S\$	S\$	S\$		
Balance at 1 July 2021 (Audited)	1,372,630	8,593,078	524,983	(2,215)	3,969,296	14,457,772	108,948	14,566,720
Total comprehensive loss for the period:								
Loss for the period	-	-	-	-	(494,333)	(494,333)	(82,344)	(576,677)
Other comprehensive income for the period	-	-	-	25,572	-	25,572	592	26,164
Transactions with owners, recognised directly in equity								
Issuance of new shares	140,752	9,079,208	-	-	-	9,219,960	-	9,219,960
Non-controlling interest, arising from incorporating a new subsidiary	-	-	-	-	-	-	84,144	84,144
Balance at 30 September 2021 (Unaudited)	<u>1,513,382</u>	<u>17,672,286</u>	<u>524,983</u>	<u>23,357</u>	<u>3,474,963</u>	<u>23,208,971</u>	<u>111,340</u>	<u>23,320,311</u>

For the three months ended 30 September 2020

	Attributable to owners of the Company						Total
	Share capital	Share premium	Merger reserve	Translation reserves	Accumulated profits		
	S\$	S\$	S\$	S\$	S\$	S\$	
Balance at 1 July 2020 (Audited)	1,372,630	8,593,078	524,983	516	4,415,265		14,906,472
Total comprehensive loss for the period:							
Loss for the period	-	-	-	-	(95,553)		(95,553)
Other comprehensive loss for the period	-	-	-	(1,091)	-		(1,091)
Balance at 30 September 2020 (Unaudited)	<u>1,372,630</u>	<u>8,593,078</u>	<u>524,983</u>	<u>(575)</u>	<u>4,319,712</u>		<u>14,809,828</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

ISP Global Limited (the “**Company**”) was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 21 July 2017 and its registered office is Winward 3, Regatta Office Park, 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 the principal place of business in Hong Kong registered is 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 (the “**Shares**”) have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 16 January 2018.

The Company is 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, provision of alert alarm system services in Singapore, and e-commerce services and operations for sales of consumer products to external customers in the People’s Republic of China (“**PRC**”).

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

The unaudited condensed consolidated financial statements are approved by the board of directors (the “**Board**”) of the Company on 25 October 2021.

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

For the purpose of preparing and presenting the unaudited condensed consolidated financial statement for the reporting period, the Group has consistently applied IFRSs that are effective for the financial year beginning on 1 July 2021 throughout the reporting period. At the date of issuance of this announcement, the Group has not applied the following new IFRSs, amendments to IFRSs, amendments to International Accounting Standards (“**IASs**”), and the new interpretations that have been issued but are not yet effective:

## New and amendments to IFRSs in issue but not yet effective

The Group has not opted for early application of the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17	Insurance Contracts and the related Amendments	1 January 2023
Amendments to IFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and related amendments to Interpretation 5 (2020)	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to IFRSs	Annual Improvements to IFRSs 2018-2020	1 January 2022

Management anticipates that the adoption of the above IFRSs, IFRS INTs and amendments to IFRS in future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

### 3. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from (1) sale of sound and communication systems and related services (“**Sale of Sound and Communication Systems and Related Services**”), (2) provision of integrated services of sound and communication systems, which includes installation and customisation of sound and communication systems in buildings in Singapore (“**Integrated Services of Sound and Communication Systems**”), (3) provision of alert alarm system services (“**Alert Alarm System Services**”) to external customers, and (4) e-commerce service and operations for sale of consumer products (“**E-commerce**”).

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.

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.

Segment revenue and results for the Relevant Period:

	<b>Sale and services of sound and communication systems S\$</b>	<b>Sale of consumer products S\$</b>	<b>Total S\$</b>
Gross segment revenue	1,846,468	2,932,820	4,779,288
Inter-segment revenue	—	—	—
<b>Revenue</b>	<b>1,846,468</b>	<b>2,932,820</b>	<b>4,779,288</b>
Timing of revenue recognition			
At a point in time	1,614,219	2,932,820	4,547,039
Over time	232,249	—	232,249
	<b>1,846,468</b>	<b>2,932,820</b>	<b>4,779,288</b>
<b>Segment results</b>	<b>352,466</b>	<b>(114,399)</b>	<b>238,067</b>
Other income			37,608
Other gains and losses			(106,124)
Depreciation			(68,083)
Unallocated expenses			(601,581)
Finance costs			(32,633)
Income tax expense			(43,931)
<b>Loss for the year</b>			<b>(576,677)</b>
<b>Segment results include:</b>			
Allowance for expected credit loss of trade receivables	(6,842)	71,981	65,139
Depreciation	(33,908)	(109,750)	(143,658)

Segment revenue and results for the 3 months ended 30 September 2020:

	Sale and services of sound and communication systems S\$
Gross segment revenue	1,049,173
Inter-segment revenue	—
<b>Revenue</b>	<u>1,049,173</u>
Timing of revenue recognition	
At a point in time	720,287
Over time	<u>328,886</u>
	<u>1,049,173</u>
<b>Segment results</b>	150,383
Other income	118,856
Other gains and losses	(72,402)
Depreciation	(903)
Unallocated expenses	(342,727)
Finance costs	(6,662)
Income tax expense	<u>57,901</u>
<b>Loss for the year</b>	<u><u>(95,553)</u></u>
<b>Segment results include:</b>	
Allowance for expected credit loss of trade receivables	(99,896)
Depreciation	<u><u>(131,765)</u></u>



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

	<b>Three months ended 30 September</b>	
	<b>2021</b>	2020
	<b>S\$</b>	S\$
	<b>(Unaudited)</b>	(Unaudited)
<i>At a point in time:</i>		
Sale of Sound and Communication Systems and Related Services	<b>1,614,220</b>	720,287
Sale of consumer products	<b>2,932,820</b>	–
<i>Over time:</i>		
Integrated Services of Sound and Communication Systems	<b>232,248</b>	110,000
Alert Alarm System Services	–	218,886
	<b>4,779,288</b>	1,049,173

### **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:

	<b>Three months ended 30 September</b>	
	<b>2021</b>	2020
	<b>S\$</b>	S\$
	<b>(Unaudited)</b>	(Unaudited)
<i>Revenue from external customers:</i>		
Singapore	<b>1,845,474</b>	1,049,173
PRC	<b>2,932,820</b>	–
Others	<b>994</b>	–
	<b>4,779,288</b>	1,049,173
<i>Non-current assets:</i>		
Singapore	<b>4,410,417</b>	4,897,770
PRC	<b>2,080,615</b>	–
Others	<b>508,318</b>	–
	<b>6,999,350</b>	4,897,770

#### 4. OTHER GAINS AND LOSSES

	Three months ended 30 September	
	2021	2020
	S\$	S\$
	(Unaudited)	(Unaudited)
Net foreign exchange loss	(104,485)	(99,897)
Impairment loss recognised on trade receivables	(78,823)	(72,401)
Impairment loss recognised on write-off of property, plant and equipment	(1,639)	–
	<u>(184,947)</u>	<u>(172,298)</u>

#### 5. FINANCE COSTS

	Three months ended 30 September	
	2021	2020
	S\$	S\$
	(Unaudited)	(Unaudited)
Interest on bank borrowings	5,175	6,662
Interest on lease liabilities	27,458	–
	<u>32,633</u>	<u>6,662</u>

## 6. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging:

	Three months ended 30 September	
	2021	2020
	S\$	S\$
	(Unaudited)	(Unaudited)
Expense relating to short-term leases	28,056	20,426
Depreciation of property, plant and equipment ( <i>Note a</i> )	211,643	132,669
Directors' remuneration	301,659	207,870
<i>Other staff costs</i>		
– Salaries, wages and other benefit	1,012,031	390,624
– Defined contribution plans, including retirement benefits	23,389	20,202
– Foreign worker levy and skill development levy	41,661	4,493
	<u>1,378,740</u>	<u>623,189</u>
Total staff costs (inclusive of Directors' remuneration) ( <i>Note b</i> )		
	<u>1,378,740</u>	<u>623,189</u>
Cost of materials recognised as costs of sales/services	2,937,362	128,868
Subcontractor costs recognised as costs of sales/services	115,027	44,360
	<u>115,027</u>	<u>44,360</u>

### Notes:

- For the Relevant Period, no depreciation (three months ended 30 September 2020: S\$99,074) is included in costs of sales/services.
- For the Relevant Period, staff costs of S\$375,028 (three months ended 30 September 2020: S\$276,503) are included in costs of sales/services.

## 7. INCOME TAX EXPENSE (RECOVERED)

For the Relevant Period, Singapore corporate income tax has been provided at the rate of 17% (three months ended 30 September 2020: 17%). A breakdown of the income tax expenses is as follows:

	Three months ended 30 September	
	2021	2020
	S\$	S\$
	(Unaudited)	(Unaudited)
<i>Tax expense comprises:</i>		
Current tax		
– Singapore corporate income tax expense (recovered)	42,583	(43,880)
– PRC enterprise income tax	966	–
Deferred tax provision (utilisation)	382	(14,021)
	<u>43,931</u>	<u>(57,901)</u>

## 8. LOSS PER SHARE

	Three months ended 30 September	
	2021	2020
	S\$	S\$
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company (S\$)	(574,577)	(95,553)
Weighted average number of ordinary shares (Note (a))	<u>863,478,261</u>	<u>800,000,000</u>
Basic and diluted loss per share (S\$ cents per share)	<u>(0.06)</u>	<u>(0.01)</u>

Note:

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

Diluted earnings per share is the same as the basic earnings per share because the Group has no dilutive securities that are convertible into shares during the Relevant Period and for the three months ended 30 September 2020.

## 9. DIVIDENDS

No dividends have been proposed or paid by the Company or any of its subsidiaries during the Relevant Period (three months ended 30 September 2020: S\$ nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Development of business and prospects

The Group is principally engaged in the sales, installation and maintenance of sound and communication system solutions, alert alarm systems in Singapore, and e-commerce service and operations for sale of consumer products in the PRC.

For the Relevant Period, the Group recorded a net loss of approximately S\$576.7 thousand as compared to a net loss of approximately S\$95.6 thousand for the same period in 2020. The Directors are of the view that the net loss was primarily caused by the increase in administrative costs for payroll and expenses related to funding business opportunities in the Group's E-commerce segment in the PRC during the Relevant Period.

### Outlook

#### *Maintain dual focus on new public tenders and maintenance contracts 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.

With over 19 years of professional expertise, the Group is well-placed to provide innovative sound and communications systems solutions in support of the evolving education communication landscape and the projected increased healthcare capacities in Singapore. Looking forward, the Group will remain resilient and is cautiously optimistic of our business and expansion opportunities in Singapore and the Asia Pacific region.

## ***Pursuing rapid growth in E-commerce operations in the PRC***

*Partner development:* The Group 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 Group 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.

## ***Ramping up network system integration and core IT service portfolios in the PRC***

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 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.

*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 Group 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 of IT services.

## **Financial review**

### ***Revenue***

Our revenue increased to approximately S\$4.8 million for the Relevant Period by approximately S\$3.8 million or 3.6 times, from approximately S\$1.0 million for the three months ended 30 September 2020. This was principally due to the Group's new stream of revenues from its E-commerce services in the PRC, coupled with increased completion in both our Sales of Sound and Communication Systems and Related Services projects and our Integrated Services of Sound and Communication Systems project during the Relevant Period as a result of the restart to the construction environment in Singapore.

### ***Costs of sales/services***

Our costs of sales/services increased to approximately S\$3.4 million for the Relevant Period by approximately S\$2.9 million or 5.2 times, from approximately S\$0.5 million for the three months ended 30 September 2020. The increase in costs was substantially due to the increases in materials delivered to customers in the PRC as part of the newly established sale of consumer products segment which were in line with the increase in revenue during the Relevant Period.

### ***Gross profit and gross profit margin***

Our gross profit increased to approximately S\$1.4 million for the Relevant Period from approximately S\$0.5 million for the three months ended 30 September 2020. However, the Group's gross profit margin decreased from 47.7% for the three months ended 30 September 2020 to 28.3% for the Relevant Period. The increase in gross profit was largely due to volume sales in the sale of consumer product segment. The decline in gross profit margin was mainly due to lower profitability of the sales of consumer product segment during the Relevant Period.

### ***Other income, gains and losses***

Our other income, gains and losses increased to a loss of approximately S\$147.3 thousand for the Relevant Period, by approximately S\$93.9 thousand, from a loss of approximately S\$53.4 thousand for the three months ended 30 September 2020. This increase was mainly due to a decrease in grant income from the Singapore government to offset employees' wages and levies during the Relevant Period, when compared to the three months ended 30 September 2020. The Group also recognised foreign exchange losses upon settlement of transactions in currencies other than S\$, such as US\$ and HK\$, which had generally appreciated against the S\$ during the Relevant Period.



### ***Administrative expenses***

Our administrative expenses increased to approximately S\$1.7 million for the Relevant Period, by approximately S\$1.1 million or 1.9 times, from approximately S\$0.6 million for the three months ended 30 September 2020. The increase was mainly due to the increased payroll costs, which were in line with the increased headcount in the sale of consumer products segment.

### ***Finance costs***

Our finance costs increased to approximately S\$32.6 thousand for the Relevant Period, by approximately S\$25.9 thousand or 3.9 times, from approximately S\$6.7 thousand for the three months ended 30 September 2020. The increase was mainly due to the repayment of lease liabilities in relation to right-of-use assets in relation to office space rental during the Relevant Period.

### ***Income tax (expense) recovered***

Our income tax expense increased to approximately S\$43.9 thousand for the Relevant Period, by approximately S\$101.8 thousand, from a position of tax recovery of approximately S\$57.9 thousand for the three months ended 30 September 2020. The increase was substantially because to the reversal due to overprovision of income tax expenses in Singapore subsidiary ISPL in the three months ended 30 September 2020, and the increase in tax expenses which was in line with the increase in our profits before taxation during the Relevant Period.

### ***Loss for the period***

The Group recorded a loss for the period of approximately S\$576.7 thousand for the Relevant Period. Compared to loss for the three months ended 30 September 2020 which was approximately S\$95.6 thousand, the increase is principally caused by the increase in administrative costs for payroll and in expenses related to funding of business opportunities in the Group's new E-commerce segment in PRC during the Relevant Period. This is slightly offset by better segment results for the Sales of Sound and Communication Systems and Related Services segment for the Relevant Period, when compared to the three months ended 30 September 2020.

### ***Dividends***

The Board does not recommend the payment of dividend for the Relevant Period (three months ended 30 September 2020: S\$ nil).

***Use of proceeds from the listing of shares of the Company and comparison of business objectives with actual business progress***

Up to 30 September 2021, the net proceeds raised from the listing of shares of the Company were utilised 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 <i>HK\$M</i>	Actual use of proceeds as at 30/09/21 <i>HK\$M</i>	Unutilised amount as at 30/09/21 <i>HK\$M</i>	% utilised as at 30/09/21 <i>% utilised</i>	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	8.2	3.4	70.7%	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	<u>44.0</u>	<u>23.4</u>	<u>20.6</u>	<u>53.2%</u>	

The following table sets forth the designated and actual implementation plan up to 30 September 2020:

Purpose	Implementation Plan	Actual implementation activities
Strengthen our marketing efforts in the sound and communication industry in Singapore	<ul style="list-style-type: none"> <li>• Implement corporate branding and identity for our sound and communication services solution operations in Singapore which includes printing of marketing materials and advertisement</li> <li>• Maintain and improve our corporate websites by the external consultant for customised website development</li> <li>• Participate in industry trade show(s)</li> </ul>	<ul style="list-style-type: none"> <li>• 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</li> </ul>
Expand and train our sales and marketing, technical and support workforce	<ul style="list-style-type: none"> <li>• Staff costs for retaining the approximately one project manager, two engineers and 10 technicians to be recruited by February 2018, and the associated staff accommodation costs</li> <li>• Staff costs for retaining the approximately one sales manager, two sales and marketing executives and 10 technicians to be recruited by July 2018, and the associated staff accommodation costs</li> <li>• To provide internal and external trainings and workshops to our sales and technical staff</li> </ul>	<ul style="list-style-type: none"> <li>• New headcount of approximately 8 technicians were recruited by June 2018</li> <li>• New headcount of approximately 2 engineers and 9 technicians were recruited by June 2019</li> <li>• New headcount of 1 engineer and 4 technicians were recruited by September 2021</li> <li>• New headcount of approximately two sales and marketing executives were recruited by June 2019</li> <li>• Provided internal and external trainings and workshops to our technical staff</li> <li>• In the process of seeking suitable candidates to the remaining positions</li> </ul>

Purpose	Implementation Plan	Actual implementation activities
Purchase transportation vehicles	<ul style="list-style-type: none"> <li>• Purchase of one van for maintenance operations and, transportation of relevant equipment and/or labour</li> <li>• Purchase of one lorry for delivery and transportation of larger equipment and/or labour</li> </ul>	<ul style="list-style-type: none"> <li>• Purchased one van for maintenance, operations and transportation of relevant equipment and/or labour</li> <li>• Considered and monitored the Group’s current project portfolio but postponed the purchase of lorry due to current different project requirements</li> </ul>
Setting up a new sales office in Singapore	<ul style="list-style-type: none"> <li>• 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</li> </ul>	<ul style="list-style-type: none"> <li>• Considered and monitored the Group’s project tenders and plan was postponed due to the latest observation of 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</li> </ul>
Partial repayment of bank loan	<ul style="list-style-type: none"> <li>• Partial repayment for the bank loan in relation to the mortgage loan secured for the purchase of our head office in Singapore</li> </ul>	<ul style="list-style-type: none"> <li>• The mortgage loan was partially repaid on 11 July 2018</li> </ul>
Expansion of our sound and communication services solution business	<ul style="list-style-type: none"> <li>• 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</li> </ul>	<ul style="list-style-type: none"> <li>• Postponed due to performance bond not required in recent awarded tenders to the Group</li> <li>• In the process of exploring large scale potential projects which requires the provision of performance bonds</li> </ul>
Take steps to obtain higher grade level under our current mechanical and electrical workload	<ul style="list-style-type: none"> <li>• Satisfy the minimum financial requirements for “L6” grade under our current mechanical and electrical workload</li> </ul>	<ul style="list-style-type: none"> <li>• Considered and monitored the Group’s project portfolio and postponed to April 2023</li> <li>• The Group is currently accumulating the necessary track record requirement</li> </ul>

The net proceeds raised from the listing of the shares of the Company on GEM of the Stock Exchange, 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 available as at the date of this announcement. The Board confirms that there is no material change in the business nature of the Group as set out in the Prospectus and the Group continue to being invited for tender and being awarded projects from its customers during the Relevant Period 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. However, due to the adverse impacts of the outbreak of COVID-19 on worldwide economies and the three-phased approach embarked by the Singapore government to resume usual daily activities after the 2020 Singapore Circuit Breaker measures, 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.

***Use of proceeds from the placing of shares of the Company and comparison of business objectives with actual business progress***

The net proceeds raised from the placing of shares first announced on 30 June 2021 and completed on 19 July 2021 (the “**Placing**”) amounted to approximately HK\$52,347,000.

	<b>Sound and Communication Business in the PRC</b>	<b>System Servicing Solutions Business</b>	<b>E-Commerce Business in the PRC</b>	<b>Total</b>
(i) Establish new team/scale-up existing team by hiring additional technicians/salespersons/operating staff	2,619,000 (5%)	5,237,000 (10%)	10,474,000 (20%)	18,330,000 (35%)
(ii) Purchase of inventories	– (–%)	– (–%)	10,474,000 (20%)	10,474,000 (20%)
(iii) Purchase of machineries and equipment	5,237,000 (10%)	10,474,000 (20%)	– (–%)	15,711,000 (30%)
<b>Sub-total</b>	<b>7,856,000</b> <b>(15%)</b>	<b>15,711,000</b> <b>(30%)</b>	<b>20,948,000</b> <b>(40%)</b>	<b>44,515,000</b> <b>(85%)</b>
(iv) General working capital and general corporate purposes				7,855,000 (15%)
<b>Total</b>				<b>52,370,000</b> <b>(100%)</b>

Actual use of proceeds as at 30/09/21 (% utilised as at 30/09/21)	Sound and Communication Business in the PRC	System Servicing Solutions Business	E-Commerce Business in the PRC	Total	Expected timeline to fully utilise the unutilised amount (Note)
(i) Establish new team/scale-up existing team by hiring additional technicians/salespersons/operating staff	855,522 (32.7%)	1,984,379 (37.9%)	4,167,483 (39.8%)	7,007,384 (38.2%)	30/06/2022
(ii) Purchase of inventories	– (–%)	– (–%)	10,054,507 (96.0%)	10,054,507 (96.0%)	30/11/2021
(iii) Purchase of machineries and equipment	– (–%)	9,788,947 (93.5%)	– (–%)	9,788,947 (62.3%)	30/06/2022
<b>Sub-total</b>	<b>855,522</b> <b>(10.9%)</b>	<b>11,773,326</b> <b>(74.9%)</b>	<b>14,221,990</b> <b>(67.9%)</b>	<b>26,850,838</b> <b>(60.3%)</b>	
(iv) General working capital and general corporate purposes				4,306,672 (54.8%)	31/01/2022
<b>Total</b>				<b>31,157,510</b> <b>(59.5%)</b>	

*Note:* The expected timeline for fully utilising the unutilised proceeds of the Placing is determined based on the Group’s best estimate of future market conditions, and is subject to change depending on future developments.

### ***Events after Reporting Period***

On 22 October 2021, Guo Du Industry Limited, a directly wholly owned subsidiary of the Company, the Company and joint venture partners entered into the joint venture agreement (“**JV agreement**”) to establish the joint venture company (“**JV Co**”). Pursuant to the JV Agreement, the JV Co will be formed to carry out business to provide e-commerce operation services to brand clients in the PRC through an establishment of a, directly or indirectly, wholly-owned wholly foreign owned enterprise. For more details, please refer to the Company’s announcement dated 22 October 2021. Other than as disclosed above, there were 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 September 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	Approximate percentage of shareholding
Mr. Mong Kean Yeow ( <i>Note</i> )	Interest in a controlled corporation; interest held jointly with another person	120,000,000	13.64%
Ms. Choon Shew Lang ( <i>Note</i> )	Interest in a controlled corporation; interest held jointly with another person	120,000,000	13.64%
Mr. Cao Chunmeng	Beneficial owner	80,200,000	9.11%

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

## Long position in ordinary shares of associated corporation – Express Ventures

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

Save as disclosed above, as at 30 September 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 September 2021, so far as is known to the Directors, the following persons (other than Directors or chief executive of the Company) had or were deemed or taken to have interests and short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO was as follows:

### Long position in ordinary shares of the Company

Name	Capacity/Nature	Number of Shares held/ interested	Approximate percentage of shareholding
Express Ventures	Beneficial owner	120,000,000	13.64%
Li Chao	Beneficial owner	93,750,000	10.65%
Lux Aeterna Global Fund SPC	Beneficial owner	65,300,000	7.42%



Save as disclosed above, as at 30 September 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 Relevant Period and up to the date of this announcement.

## **NO CHANGE IN INFORMATION OF DIRECTORS**

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

## **SUFFICIENCY OF PUBLIC FLOAT**

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

## **COMPETITION AND CONFLICT OF INTERESTS**

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

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

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

## **SHARE OPTION SCHEME**

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

## **SHARE AWARD SCHEME**

On 18 February 2021, the Company adopted the Share Award Scheme (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. During the Year, no award shares had been purchased or issued under the Share Award Scheme.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

The Company is committed to achieving a high standard of corporate governance practices in enhancing the confidence of shareholders, investors, employees, creditors and business partners and also the growth of its business. The Board has and will continue to review and improve the Company's corporate governance practices from time to time in order to increase its transparency and accountability to shareholders. The Company has adopted the code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 15 of the GEM Listing Rules as its own corporate governance code since the shares of the Company were listed on GEM of Stock Exchange on 16 January 2018. The Company has, so far as applicable, principally complied with the CG Code throughout the Relevant Period.

## AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules on 14 December 2017 (the “**Audit Committee**”). The primary duties of the Audit Committee include, among others, (a) making recommendations to our Board on the appointment, re-appointment, and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor; (b) reviewing our financial statements, our annual report and accounts, our half-year report, and quarterly report and significant financial reporting judgements contained therein; and (c) reviewing our financial controls, internal control and risk management systems. As at the date of this announcement, the Audit Committee comprises 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 unaudited first quarterly results of the Company for the Relevant Period have not been audited by the Company’s independent auditors, but have been reviewed by the Audit Committee members who have provided advice and comments thereon.

*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 or at any other rates or at all.*

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

Hong Kong, 25 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. Han Bing, non-executive Director Mr. Cao Chunmeng, and the independent non-executive Directors are Dr. Cai Rongxin, Mr. Yan Xiaotian, and Mr. Tang Chi Wai.*

*This announcement will remain on the “Latest Listed Company Announcements” 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).*