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ISP GLOBAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8487)

SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2019 AND THE INTERIM REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

Reference is made to the annual report for the year ended 30 June 2019 (the “**2019 Annual Report**”) and the interim report for six months ended 31 December 2019 (the “**2020 Interim Report**”) of ISP Global Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) which were dated 27 September 2019 and 14 February 2020 respectively. Unless otherwise defined, terms used herein shall bear the same meanings as those defined in the 2019 Annual Report and the 2020 Interim Report.

In addition to the information to the paragraphs headed “Use of Proceeds from Listing and Comparison of Business Objectives with Actual Business Progress” of the 2019 Annual Report and 2020 Interim Report on the detailed usage of the net proceeds raised from the share offer of the Company (the “**Share Offer**”). The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide the following additional information regarding the utilization of the proceeds to the 2019 Annual Report and 2020 Interim Report.

Use of Proceeds from Share Offer

The below table sets out the proposed applications of the net proceeds from Share Offer and the unutilized amount as at 30 June 2019, 31 December 2019 and the date of this announcement:

Intended use of proceeds	Amount designated in the Prospectus <i>HK\$' million</i>	Unutilized amount as at 30 June 2019 <i>HK\$' million</i>	Unutilized amount as at 31 December 2019 <i>HK\$' million</i>	Unutilized amount as at the date of this announcement <i>HK\$' million</i>	Expected date to fully utilize the unutilized amount
Strengthen our marketing efforts in the sound and communication industry in Singapore	1.4	1.2	1.2	1.0	31 December 2022
Expand and train our sales and marketing, technical and support workforce	11.6	9.6	8.8	6.9	30 June 2023
Purchase transportation vehicles	3.0	2.5	2.5	2.5	30 June 2023
Setting up of a new sales office in Singapore	10.0	10.0	10.0	10.0	30 June 2022
Partial repayment of bank loan	10.0	Nil	Nil	Nil	N/A
Resources for the provision of performance bonds	2.0	2.0	2.0	2.0	30 June 2021
Take steps to obtain higher grade level under our current mechanical and electrical workhead	2.5	2.5	2.5	2.5	30 June 2023
General working capital and general corporate purposes	3.5	Nil	Nil	Nil	N/A
Total	44.0	27.8	27.0	24.9	

As at the date of this announcement, the remaining amount of approximately HK\$24.9 million were expected to be utilized in the same manner as disclosed in the Group's prospectus dated 29 December 2017 in the following timeline:

Strengthen our marketing efforts in the sound and communication industry in Singapore

According to the Prospectus, the planned use of net proceeds for strengthen marketing efforts in the sound and communication industry in Singapore up to 30 June 2019 and 31 December 2019 is approximately HK\$1.2 million and HK\$1.4 million respectively. The actual use of the net proceeds up to 30 June 2019 and 31 December 2019 was approximately HK\$0.2 million and HK\$0.2 million respectively. The actual used amount was less than the planned use amount during the relevant period primarily because (i) the Group did not participate in any trade shows as no new product or system integration to be launched and the Group focused on the marketing of its existing products and services through liaising with private sector customers for tender opportunities; and (ii) the Group used in-house resources to develop and maintain the Group's website instead of engaging external website designers to manage cost. As at the date of this announcement, approximately HK\$1.0 million has not been utilized by the Group. It is expected that the unutilized proceeds will be utilized for trade shows, annual website maintenance of the Group for marketing purpose and advertising campaign such as printing marketing materials and advertisement to be used during the trade shows, circulations of services catalogues with business partners on or before 31 December 2022.

Expand and train our sales and marketing, technical and support workforce

According to the Prospectus, the planned use of net proceeds for expanding and training sales and marketing, technical and support workforce up to 30 June 2019 and 31 December 2019 is approximately HK\$6.5 million and HK\$11.6 million respectively. The actual use of the net proceeds up to 30 June 2019 and 31 December 2019 was approximately HK\$2.0 million and HK\$2.8 million respectively. The actual used amount was less than the planned use amount during the relevant period primarily because (i) the Company has taken a longer time than expected to recruit the appropriate and high caliber candidates for the Group's business development and therefore delayed the staff costs incurred; and (ii) the Group is still seeking suitable candidates to fill certain positions given the shrinking economy in Singapore. As at the date of this announcement, approximately HK\$6.9 million has not been utilized by the Group. It is expected that the Group will recruit the necessary workforce before 31 December 2022 and the unutilized proceeds will be utilized on or before 30 June 2023.

Purchase transportation vehicles

As at the date of this announcement, approximately HK\$2.5 million allocated for purchasing transportation vehicles has not been utilized by the Group, which was planned to be fully utilized by 31 December 2019 as set forth in the Prospectus. The difference between the planned and actual use of net proceeds was primarily because the current mode of transport was sufficient after the management of the Group assessed the projects requirement given that (i) there was a delay in recruiting the new technical and support workforce as mentioned above; and (ii) an integrated project awarded to the Group which required transportation vehicles to be deployed has only been awarded to the Group in late December 2019 and the project was further delayed due to the outbreak of COVID-19 since January 2020. It is expected that the unutilized proceeds will be utilized for an additional lorry on or before 30 June 2021 and an additional van on or before 30 June 2022, and an additional van and an additional lorry on or before 30 June 2023.

Setting up of a new sales office in Singapore

As at the date of this announcement, approximately HK\$10.0 million allocated for purchasing new sales office has not been utilized by the Group, which was planned to be fully utilized by 31 December 2018 as set forth in the Prospectus. The Company has been looking for a suitable office for the Group's long-term use yet the property prices in Singapore were surged up higher than expected in 2018 and 2019 which the Group requires more time to identify the suitable premises in order to meet the Group's financial budget. It is expected that the unutilized proceeds will be utilized on or before 30 June 2022.

Resources for the provision of performance bonds

As at the date of this announcement, approximately HK\$2.0 million allocated for provision of performance bonds has not been utilized by the Group, which was planned to be fully utilized by 30 June 2019 as set forth in the Prospectus. The amount is not yet utilized primarily because projects awarded to the Group during the relevant period did not require provision of any performance bond. The Company intended to continue to maintain this amount as liquidity to put up performance bonds for projects awarded in the near future when necessary. Based on the current tender invitations and latest information available to the Board, it is expected that the unutilized proceeds will be utilized on or before 30 June 2021.

Take steps to obtain higher grade level under our current mechanical and electrical workhead

As at the date of this announcement, approximately HK\$2.5 million allocated for upgrading the Group's current mechanical and electrical workhead has not been utilized by the Group, which was planned to be fully utilized by 30 June 2018 as set forth in the Prospectus. The difference between the planned and actual use of net proceeds was primarily because the Group is currently accumulating the necessary track record requirement for the higher grade level. Given the recent adverse impacts on Singapore economy as a results of the outbreak of COVID-19, it is expected that the unutilized proceeds will be utilized on or before 30 June 2023 once the Group fulfill the track record requirement.

The expected timeline for fully utilize the unutilized 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 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 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. 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 utilize the unutilized proceeds and will keep shareholders and potential investors informed if there is any material changes.

The supplementary information provided in this announcement does not affect other information contained in the 2019 Annual Report and the 2020 Interim Report and, save as disclosed above, the contents of the 2019 Annual Report and the 2020 Interim Report remain unchanged.

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

Hong Kong, 31 July 2020

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

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

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.ispg.hk.