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## **ISP GLOBAL LIMITED**

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

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



#### **THE PLACING AGREEMENT**

On 6 October 2023, the Company entered into the Placing Agreement with the Placing Agent. Pursuant to the Placing Agreement, the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 152,000,000 Placing Shares to not less than six independent Places at the Placing Price of HK\$0.202 per Placing Share.

#### **Placing Shares**

Assuming the Placing is completed in full, the maximum number of 152,000,000 Placing Shares represent (i) approximately 16.81% of the existing issued share capital of the Company of 904,000,000 Shares as at the date of this announcement; and (ii) approximately 14.39% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The Placing Shares will be allotted and issued pursuant to the General Mandate. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

#### **Placing Price**

The Placing Price of HK\$0.202 per Placing Share represents (a) a discount of approximately 19.20% to the closing price of HK\$0.25 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (b) a discount of approximately 1.85% to the average closing price of HK\$0.2058 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Placing Agreement.

## **Use of proceeds from the Placing**

The maximum gross and net proceeds (after deduction of commission and other related expenses of the Placing) from the Placing are estimated to be approximately HK\$30.7 million and approximately HK\$30.4 million respectively. The Company intends to apply 30% of the net proceeds to expand its suite of integrated services and systems; 20% of the net proceeds to develop new markets in Asia; 30% of the net proceeds to repay certain outstanding indebtedness of the Group; and 20% of the net proceeds to general working capital of the Group.

**Since completion of the Placing is subject to the fulfilment of the condition as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

After the trading hours on 6 October 2023, the Company entered into the Placing Agreement with the Placing Agent for the placing of a maximum of 152,000,000 Placing Shares at the Placing Price of HK\$0.202 per Placing Share on a best effort basis and subject to the terms and the conditions set out in the Placing Agreements. The principal terms of the Placing Agreement are set out below.

## **THE PLACING AGREEMENT**

### **Date**

6 October 2023 (after trading hours)

### **Issuer**

The Company

### **Placing Agent**

Oriental Patron Asia Limited, who is a licensed corporation permitted to carry on Type 1 (dealing in securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

## **Placees**

The Placing Shares are expected to be placed to not less than six Placees, who shall be independent individual, corporate and/or institutional investors. It is expected (i) the Placees and their respective ultimate beneficial owners are independent of the Company and its connected persons; and (ii) none of the Placees would, immediately upon completion of the Placing, become a substantial shareholder of the Company (within the meaning of the GEM Listing Rules).

## **Placing Shares**

As at the date of this announcement, the Company has 904,000,000 Shares in issue. Assuming there is no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of 152,000,000 Placing Shares represent (i) approximately 16.81% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 14.39% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$1,520,000.

The Placing Shares will rank, upon issue, pari passu in all respects with the Shares in issue as at the date of the allotment and issue of the Placing Shares.

## **Placing Price**

The Placing Price of HK\$0.202 per Placing Share represents:

- (a) a discount of approximately 19.20% to the closing price of HK\$0.25 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (b) a discount of approximately 1.85% to the average closing price of HK\$0.2058 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiation between the Company and the Placing Agent with reference to the prevailing market price of the Shares.

## **Placing Commission**

The Placing Agent will receive a placing commission of 0.75% of the gross proceeds from the Placing. The commission rate was determined after arm's length negotiation between the Company and the Placing Agent with reference to, among other things, the prevailing market conditions and rate charged by other placing agents.

The Directors consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders.

### **Condition of the Placing Agreement**

The Placing is conditional upon the following conditions being fulfilled on or before the Latest Time for Fulfilment:

- (1) the GEM Listing Committee granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares;
- (2) the minimum number of Placing Shares placed by the Placing Agent shall not be less than 70,000,000 Placing Shares; and
- (3) the obligations of the Placing Agent under the Placing Agreement becoming unconditional and not being terminated in accordance with the terms of the Placing Agreement, including provisions regarding the force majeure events.

None of the Conditions Precedent may be waived by the Parties.

If the above conditions shall not have been fulfilled in full by the Latest Time for Fulfilment, all rights, obligations and liabilities of the Company and the Placing Agent shall cease and terminate and no Party shall have any claim against the other in relation thereto save for antecedent breaches of the provisions under the Placing Agreement.

### **Completion of the Placing**

Completion of the Placing will take place within five clear business days after all the conditions as set out in paragraph headed “Conditions of the Placing Agreement” above shall have been fulfilled (the “**Completion Date**”).

## **Termination**

The Placing Agreement shall be terminated if, at or prior to 9:00 a.m. on the Completion Date:

- (i) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (ii) the trading of the Shares on the Stock Exchange has been suspended for more than ten consecutive trading days save for the purposes of clearing of the announcement relating to the Placing Agreement or any announcements or circulars relating to the Placing; or
- (iii) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing.

The Placing Agent reserves the right to terminate the Placing Agreement by notice in writing prior to 9:00 a.m. on the Completion Date, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any force majeure events set out in the Placing Agreement.

The Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent under the Placing Agreement shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

## **GENERAL MANDATE TO ALLOT AND ISSUE THE PLACING SHARES**

The Placing Shares will be issued under the General Mandate granted to the Directors to allot, issue and deal with Shares by ordinary resolutions of the Shareholders passed at the AGM subject to the limit up to 20% of the then issued share capital of the Company of 880,000,000 Shares as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 176,000,000 Shares. Up to the date of this announcement, 24,000,000 shares have been issued and allotted under the General Mandate, details of which are contained under the announcement of the Company dated 29 March 2023 with regard to, among others, the proposed issue of new shares under General Mandate pursuant to the share award scheme. The remaining unused General Mandate granted to the Directors to allot, issue and deal with Shares is 152,000,000 Shares. Accordingly, the issue of the Placing Shares up to 152,000,000 Shares is not subject to the approval of the Shareholders.

## **APPLICATION FOR LISTING OF PLACING SHARES**

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

## **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The Group is principally engaged in (1) sale and provision of integrated services of networking, sound and communication systems (the “**NSC segment**”); and (2) provision of e-commerce operation.

The NSC segment enables the Group to acquire customers from a diversified industry sectors including financial institutions (“**FI**”). Through the Group’s ongoing engagements with its FI customers, the Group gained valuable insights that highlight a strong demand for financial technology (“**Fintech**”) solutions and systems. The Directors therefore believe it is in the strategic interest of the Group to (i) diversify its offering of integrated services and systems to encompass Fintech system and solutions; and (ii) develops new markets in a border expanse of Asia by leveraging the Group’s existing business network.

As at the date of this announcement, the Group has unutilised proceeds from the share offer (the “**Unutilised Share Offer Proceeds**”) of the Company completed on 16 January 2018 of approximately HK\$15.0 million. The following table sets forth the details of the usage of Unutilised Share Offer Proceeds including the revised intended use of net proceeds according to the announcement of the Company dated 6 September 2023:

Intended use of Unutilised Share Offer Proceeds	Amount designated in the prospectus of the Company dated	Actual use of proceeds up to	Unutilised amount as at	Revised use of remaining balance of the unutilised net proceeds according to the announcement of the Company dated	Expected date to fully utilize the unutilized amount
	29 December 2017 <i>HK\$' million</i>	6 September 2023 <i>HK\$' million</i>	6 September 2023 <i>HK\$' million</i>	6 September 2023 <i>HK\$' million</i>	
Strengthen our marketing efforts in the sound and communication industry in Singapore	1.4	1.1	0.3	1.8	30 June 2026
Expand and train our sales and marketing, technical and support workforce	11.6	11.6	Nil	9.0	30 June 2026
Purchase transportation vehicles	3.0	1.0	2.0	2.0	30 June 2026
Setting up of a new sales office in Singapore	10.0	Nil	10.0	2.0	30 June 2026
Partial repayment of bank loan	10.0	10.0	Nil	Nil	N/A
Resources for the provision of performance bonds	2.0	1.8	0.2	0.2	30 June 2024
Take steps to obtain higher grade level under our current mechanical and electrical work head	2.5	Nil	2.5	Nil	N/A
General working capital and general corporate purposes	3.5	3.5	Nil	Nil	N/A
	<b>44.0</b>	<b>29.0</b>	<b>15.0</b>	<b>15.0</b>	

Given the allocation of Unutilized Share Offer Proceeds for specific applications, the Group seeks additional resources to effectively implement its business strategy, meeting the evolving needs of its customers. This will enable the Group to strengthen its position in the market and pursue its strategic objectives more effectively. Further, the Directors consider that the Placing will provide additional funding to reduce its indebtedness, which would improve its gearing ratio and strengthen the Group’s financial position. After evaluating a number of financing options, the Board considered that the Placing is a suitable financing option to raise capital in a relatively quick manner at relatively low costs, allowing enlargement of shareholders’ base of the Company which may in turn enhance the liquidity of the Shares. The Board has also considered other alternative fundraising options such as debt financing, rights issue or open offer. The Board considered Placing over those options on the grounds that (1) debt financing will incur additional cash burden for interest payment, (2) rights issue or open offer will require substantially more time and costs to complete as compared to Placing.

The fund raised through the Placing will enable the Company to accumulate sufficient amount of reserves for the purposes of expanding its product-mix and market reach whilst diversifying its shareholding base and enhance the liquidity of its Shares.

Assuming all the Placing Shares have been placed, the gross proceeds from the Placing will be approximately HK\$30.7 million and the net proceeds (after deduction of commission and other related expenses of the Placing) will be approximately HK\$30.4 million. On such basis, the net issue price will be approximately HK\$0.2 per Placing Share.

The Company intends to apply the net proceeds from the Placing of the Group in the following manner:

- 30% will be applied to expand its suite of integrated services and systems;
- 20% will be applied to develop new markets in Asia;
- 30% will be applied to repayment of certain outstanding indebtedness of the Group; and
- 20% will be applied to general working capital of the Group.

## **EQUITY FUND RAISING ACTIVITY DURING THE PAST TWELVE MONTHS**

The Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

## **EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY**

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, set out below are the existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing (assuming all Placing Shares are placed in full and there is no other change in the shareholding structure of the Company before the allotment and issue of the Placing Shares).



	<b>As at the date of this announcement</b>		<b>Immediately after completion of the Placing (assuming all 152,000,000 Placing Shares are fully placed)</b>	
	<i>No. of Shares held/interested</i>	<i>Approximate percentage of shareholding in the Company (Note 2)</i>	<i>No. of Shares held/interested</i>	<i>Approximate percentage of shareholding in the Company (Note 2)</i>
<b>Directors</b>				
Cao Chunmeng	108,168,000	11.97%	108,168,000	10.24%
Yuan Shuangshun ( <i>Note 1</i> )	4,510,000	0.49%	4,510,000	0.44%
Han Bing	1,000,000	0.11%	1,000,000	0.09%
	<u>113,678,000</u>	<u>12.57%</u>	<u>113,678,000</u>	<u>10.77%</u>
<b>Other shareholders</b>				
Places	–	–	152,000,000	14.39%
Other public shareholders	<u>790,322,000</u>	<u>87.43%</u>	<u>790,322,000</u>	<u>74.84%</u>
Total	<u><u>904,000,000</u></u>	<u><u>100.00%</u></u>	<u><u>1,056,000,000</u></u>	<u><u>100.00%</u></u>

*Notes:*

- Ms. Zeng Xiu Hua, the spouse of Mr. Yuan Shuangshun, holds 844,000 ordinary shares of the Company. By virtue of the SFO, Mr. Yuan Shuangshun is deemed to be interested in the 844,000 ordinary shares.
- The above percentage figures are subject to rounding adjustments.

**Since completion of the Placing is subject to the fulfilment of the condition as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“AGM”	the annual general meeting of the Company held on 28 October 2022 at which, among other things, the General Mandate was granted by the Shareholders to the Directors
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	ISP Global Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM of the Stock Exchange (stock code: 8487)
“Completion Date”	on a Business Day that is within five Business Days after the fulfilment of condition set out in the Placing Agreement
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited
“GEM Listing Committee”	has the meaning ascribed to it under GEM Listing Rules
“General Mandate”	the general mandate granted by the Shareholders to the Directors at the AGM to issue, allot and deal with the additional shares of the Company not exceeding 20% of the total number of issued shares of the Company at the date of the AGM

“Group”	Collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Time for Fulfilment”	5:00 p.m. on the date falling on the 21st calendar day after the date of the Placing Agreement (i.e. 27 October 2023) or such later date as may be agreed by the Parties in writing
“Placee(s)”	any independent institutional, professional, and/or other private investor(s) procured by or on behalf of the Placing Agent to subscribe for any Placing Shares pursuant to obligation of the Placing Agent under the Placing Agreement
“Placing”	the offer by way of placing of the Placing Shares by or on behalf of the Placing Agent to the Placees upon the terms and conditions set out in the Placing Agreement
“Placing Agent”	Oriental Patron Asia Limited, a licensed corporation to carry on Type 1 (dealing in securities), Type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 6 October 2023 in relation to the Placing under the General Mandate
“Placing Price”	HK\$0.202 per Placing Share
“Placing Shares”	up to 152,000,000 new Shares to be allotted and issued by the Company and placed pursuant to the Placing Agreement and each, a “Placing Share”
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company

“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	an entity determined as such in accordance with section 15 of the Companies Ordinance
“substantial shareholder”	has the meaning ascribed thereto in the GEM Listing Rules
“%”	per cent.

By order of the Board  
**ISP Global Limited**  
**Cao Chunmeng**  
*Chairman and executive Director*

Hong Kong, 6 October 2023

*As at the date of this announcement, the executive Directors are Mr. Cao Chunmeng, Mr. Han Bing, Mr. Yuan Shuangshun, Mr. Mong Kean Yeow and Ms. Choon Shew Lang; the non-executive Director is Mr. Qiu Yingming and the independent non-executive Directors are Mr. Zheng Xiaorong, Mr. Yan Xiaotian 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 enquires, 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 Stock Exchange website at <http://www.hkexnews.hk> for at least seven days from the day of its posting. This announcement will also be published on the Company’s website at [www.ispg.hk](http://www.ispg.hk).*