THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **ISP Holdings Limited**, you should at once hand the Prospectus Documents to the purchaser(s) or transferee(s) or to the bank, or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). The Prospectus Documents should not, however, be distributed, forwarded or transmitted to, into or from any jurisdiction where to do so might constitute a violation of the relevant local securities laws or regulations.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to their 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 the Prospectus Documents.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed "12. Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, the Stock Exchange and the SFC take no responsibility as to the contents of any of document(s) referred to above.

You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the paragraph headed "Risks of dealing in Shares and Rights Shares" in the "Letter from the Board" in this Prospectus.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your stockbroker, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of this Prospectus (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction for which ISP Holdings Limited will not accept any liability.

The attention of Shareholders with registered addresses in, and investors who are located or residing in, any of the jurisdictions outside Hong Kong or holding Shares on behalf of beneficial owners of Shares with such addresses is drawn to the paragraph headed "The Overseas Shareholders" in the "Letter from the Board" in this Prospectus.

This Prospectus is for information purposes only and shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale or purchase of securities in any jurisdictions in which such offer, solicitation or sale would be unlawful.

The information provided in this Prospectus is purely for information purposes, and no information in this Prospectus should be considered to be business, financial, legal or tax advice regarding an investment in the Rights Shares (in both nil-paid and fully-paid forms) and/or the Shares.

ISP

ISP HOLDINGS LIMITED

昇柏控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 02340)

RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

Financial adviser to the Company

金利豐財務顧問
KINGSTON CORPORATE FINANCE

The Rights Issue will be made on a non-underwritten basis. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue.

The Rights Issue is subject to fulfillment of the conditions of the Rights Issue as set out in the section headed "Letter from the Board — Conditions of the Rights Issue" in this Prospectus. If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any Shareholder or other person dealing in Shares and/or nil-paid Rights Shares up to the date on which the Rights Issue has become unconditional should be aware of the risk that the Rights Issue may not proceed and are advised to exercise caution.

Details on the expected timetable for the Rights Issue are set out in the section headed "Expected timetable" in this Prospectus. The procedures for acceptance and payment and/or transfer of the nil-paid Rights Shares are set out in the section headed "Letter from the Board — Rights Issue — Procedures for acceptance, payment and transfer" in this Prospectus. Shareholders and potential investors are recommended to consult their professional advisers if in doubt.

6 May 2025

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The expected timetable for the Rights Issue is set out below:

Events	Time and date 2025
Record Date for determining the entitlements under the Rights Issue	Friday, 2 May
Despatch of the Prospectus Documents (including the PAL, EAF and Prospectus) (in case of the Non-Qualifying Shareholders, the Prospectus only)	Tuesday, 6 May
First day of dealings in nil-paid Rights Shares	Thursday, 8 May
Latest time for splitting of PALs	4:30 p.m. on Monday, 12 May
Last day of dealings in nil-paid Rights Shares	Thursday, 15 May
Latest time for acceptance of and payment for the Rights Shares and application for Excess Rights Shares	4:00 p.m. on Tuesday, 20 May
Announcement of results of the Rights Issue	Tuesday, 27 May
Despatch of share certificates for fully-paid Rights Shares or, if the Rights Issue does not become unconditional, refund cheques	Wednesday, 28 May
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Thursday, 29 May

All times and dates in this prospectus refer to Hong Kong local times and dates. In the event that any special circumstances arise, such dates and deadlines may be adjusted by the Board if it considers appropriate. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate in accordance with the Listing Rules.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR RIGHTS SHARES AND APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The Latest Time for Acceptance will not take place if there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above or "extreme conditions" announced by the Government of Hong Kong in force in Hong Kong:

(i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Tuesday, 20 May 2025. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day;

(ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Tuesday, 20 May 2025. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance does not take place on Tuesday, 20 May 2025, the dates mentioned in the expected timetable may be affected. The Company will notify Shareholders by way of announcement on any change to the expected timetable as soon as practicable.

In this Prospectus, unless the context otherwise requires, the following terms will have the meanings respectively ascribed below:

"Announcement(s)"	the announcement of the Company dated 11 April 2025 and the clarification announcement of the Company dated 22 April 2025
"Beneficial Owner(s)"	beneficial owner(s) whose Shares are registered in the name of a Registered Shareholder
"Board"	the board of Directors
"Business Day(s)"	a day (excluding Saturday and Sunday and public holiday) on which licensed banks in Hong Kong are open for general business
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Companies (WUMP) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Champ Key"	Champ Key Holdings Limited, a controlling shareholder of the Company and a company incorporated in British Virgin Islands with limited liabilities, which was wholly owned by Mrs. Chu as at the Latest Practicable Date
"Company"	ISP Holdings Limited, a company incorporated in Bermuda under the Companies Act 1981 of Bermuda as an exempted company, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2340)
"Convertible Preference Share(s)"	non-voting convertible preference share(s) of HK$0.01 each in the share capital of the Company
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company
"EAF(s)"	the excess application form(s) to be issued to the Qualifying Shareholders to apply for Excess Rights Shares
"Excess Rights Shares"	any Rights Shares provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance, any Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, and any Rights Shares created from the aggregation of fractions of Rights Shares not provisionally allotted to the Qualifying Shareholders

"Existing Share(s)/Share(s)"	ordinary share(s) of par value of HK$0.01 each in the share capital of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Intermediary"	in relation to a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means a Beneficial Owner's broker, custodian, nominee or other relevant person who is a CCASS participant or who has deposited the Beneficial Owner's Shares with a CCASS participant
"Irrevocable Undertaking"	the irrevocable undertaking given by Champ Key, pursuant to which Champ Key irrevocably undertook to the Company that it assured entitlements to Rights Shares
"ISP Business"	the provision of interiors and special projects business in Hong Kong, being the principally engaged business of the Group
"Last Day for Transfer"	Thursday, 24 April 2025, or such other date as the Company may determine by the Company, being the last date for lodging transfer of Shares prior to the closure of the register of members of the Company
"Latest Practicable Date"	25 April 2025, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained herein
"Last Trading Day"	11 April 2025, being the last trading day of the Shares on the Stock Exchange immediately prior to the release of the Announcement dated 11 April 2025
"Latest Time for Acceptance"	Tuesday, 20 May 2025, or such other time and date as the Company may determine by the Company, being the latest time and date for acceptance of and payment for the Rights Shares and application for and payment for Excess Rights Shares
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time

"Mrs. Chu"	Mrs. Chu Lee Yuet Wah, the ultimate beneficial owner of Champ Key, which is the controlling shareholder of the Company
"Non-Qualifying Shareholder(s)"	the Overseas Shareholder(s) in respect of whom the Board, after making reasonable enquiries with the legal advisers in the relevant jurisdictions, considers it necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account either of legal restrictions or prohibitions under the laws of the relevant jurisdictions or the requirements of the relevant regulatory body or stock exchange in such jurisdictions
"Overseas Shareholder(s)"	the Shareholder(s) whose registered address(es) as shown in the register of members of the Company as at the close of business on the Record Date is/are outside Hong Kong
"PAL(s)"	the provisional allotment letter(s) for the Rights Shares to be issued to the Qualifying Shareholders in respect of their entitlements under the Rights Issue
"PRC"	the People's Republic of China, and for the purpose of this prospectus, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Prospectus"	this prospectus as issued by the Company to the Shareholders containing details of the Rights Issue
"Prospectus Documents"	the Prospectus, PAL and EAF
"Prospectus Posting Date"	Tuesday, 6 May 2025, or such other date as the Company may determine by the Company, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders
"Public Float Requirement"	the public float requirement under Rule 8.08(1)(a) and Rule 13.32(1) of the Listing Rules
"Qualifying Shareholder(s)"	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholder(s)
"Record Date"	Friday, 2 May 2025, or such other date as may be determined by the Company, being the date for determining entitlements of the Shareholders to participate in the Rights Issue

"Registered Shareholder"	in respect of a Beneficial Owner, means a nominee, trustee, depository or any other authorised custodian or third party which is the registered holder in the register of members of the Company of Shares in which the Beneficial Owner is beneficially interested
"Registrar"	Computershare Hong Kong Investor Services Limited, the Company's branch share registrar and transfer office in Hong Kong, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
"Rights Issue"	the issue by way of rights on the basis of one (1) Rights Share for every two (2) Existing Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price
"Rights Share(s)"	up to (i) 212,425,000 Shares (assuming full subscription under the Rights Issue and no change in the number of Existing Shares in issue on or before the Record Date); or (ii) 252,425,000 Shares (assuming full subscription under the Rights Issue and no change in the number of Existing Shares in issue on or before the Record Date other than the full conversion of the Convertible Preference Shares)
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time
"Shareholder(s)	holder(s) of issued Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	HK$0.051 per Rights Share
"Takeovers Code"	The Hong Kong Code on Takeovers and Mergers
"United States" or "US"	the United States of America
"%"	per cent

ISP HOLDINGS LIMITED
昇柏控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 02340)

Executive Directors:
Mr. Kingston Chu Chun Ho *(Chairman)*
Ms. Leung Yuet Ngor

Non-executive Director:
Mr. Lam Chun Kit

Independent non-executive Directors:
Mr. Lau Man Tak
Mr. Eric Lee Hon Man
Mr. To Chun Wai

Registered office:
Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

Principal place of business in Hong Kong:
3/F, Hay Nien Building
No.1 Tai Yip Street
Kwun Tong, Kowloon,
Hong Kong

6 May 2025

To the Qualifying Shareholders,

Dear Sir or Madam,

RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

INTRODUCTION

Reference is made to the Announcements in relation to, among other things, the Rights Issue.

The purpose of this Prospectus is to provide you with further information on the Rights Issue, including the procedures for acceptance of the Rights Shares provisionally allotted to you, and certain financial and general information of the Group.

THE RIGHTS ISSUE

Under the Rights Issue, the Company proposes to raise gross proceeds of up to (i) approximately HK$10.83 million (assuming full subscription under the Rights Issue and no change in the number of Existing Shares in issue on or before the Record Date) by issuing up to 212,425,000 Rights Shares; or (ii) approximately HK$12.87 million (assuming full subscription under the Rights Issue and no change in the number of Existing Shares in issue on or before the Record Date other than the full conversion of the Convertible Preference Shares on or before the Record Date) by issuing up to 252,425,000 Rights Shares at the Subscription Price of HK$0.051 per Rights Share on the basis of one (1) Rights Share for every two (2) Existing Shares held on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholder(s) (if any).

Details of the Rights Issue are set out below:

Rights Issue Statistics

Basis of the Rights Issue	:	one (1) Rights Share for every two (2) Existing Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK$0.051 per Rights Share
Number of Existing Shares in issue as at the Latest Practicable Date	:	424,850,000 Shares
Number of Rights Shares	:	up to (i) 212,425,000 Rights Shares (assuming full subscription under the Rights Issue and no change in the number of Existing Shares in issue on or before the Record Date); or (ii) 252,425,000 Rights Shares (assuming full subscription under the Rights Issue and no change in the number of Existing Shares in issue on or before the Record Date other than the full conversion of the Convertible Preference Shares on or before the Record Date)
Aggregated nominal value of the Rights Shares	:	up to (i) HK$2,124,250 (assuming full subscription under the Rights Issue and no change in the number of Existing Shares in issue on or before the Record Date); or (ii) HK$2,524,250 (assuming full subscription under the Rights Issue and no change in the number of Existing Shares in issue on or before the Record Date other than the full conversion of the Convertible Preference Shares on or before the Record Date)

Number of Shares in issue as enlarged by the allotment and issue of the Rights Shares	:	(i) 637,275,000 (assuming full subscription under the Rights Issue, no change in the number of Existing Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue); or (ii) 757,275,000 (assuming full subscription under the Rights Issue, no change in the number of Existing Shares in issue on or before the Record Date other than the full conversion of the Convertible Preference Shares and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Gross proceeds from the Rights Issue	:	(i) approximately HK$10.83 million before expenses (assuming full subscription under the Rights Issue and no change in the number of Existing Shares in issue on or before the Record Date); or (ii) approximately HK$12.87 million before expenses (assuming full subscription under the Rights Issue and no change in the number of Existing Shares in issue on or before the Record Date other than the full conversion of the Convertible Preference Shares)
Net proceeds from the Rights Issue	:	(i) approximately HK$10.13 million after expenses (assuming full subscription under the Rights Issue and no change in the number of Existing Shares in issue on or before the Record Date); or (ii) approximately HK$12.17 million before expenses (assuming full subscription under the Rights Issue and no change in the number of Existing Shares in issue on or before the Record Date other than the full conversion of the Convertible Preference Shares)
Net price (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	approximately HK$0.048 per Rights Share (assuming full subscription under the Rights Issue and no change in the number of Existing Shares in issue on or before the Record Date) or approximately HK$0.048 (assuming full subscription under the Rights Issue and no change in the number of Existing Shares in issue on or before the Record Date other than the full conversion of the Convertible Preference Shares)
Rights of excess application	:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotments.

As at the Latest Practicable Date, there were 80,000,000 outstanding Convertible Preference Shares issued by the Company. Assuming full exercise of the conversion rights attaching to the Convertible Preference Shares, the maximum number of new Shares that would fall to be allotted and issued on or before the Record Date would be 80,000,000 Shares which would result in the allotment and issue of an additional 40,000,000 Rights Shares.

Save for the aforesaid, as at the Latest Practicable Date, the Group had no other outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible into or giving rights to subscribe for, convert or exchange into any Existing Shares.

Assuming no change in the number of issued Shares on or before the Record Date and that no new Shares (other than the Rights Shares) would be allotted and issued on or before completion of the Rights Issue, the 212,425,000 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represented (i) 50% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) 33.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Assuming no change in the number of Shares in issue on or before the Record Date other than the full conversion of the Convertible Preference Shares and that no new Shares (other than the Rights Shares) would be allotted and issued on or before completion of the Rights Issue, the 252,425,000 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represented (i) 50% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) 33.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. In the event that the provisional allotments for the Rights Issue are not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders together with the Rights Shares not provisionally allotted to the Non-Qualifying Shareholders and aggregated fractions of Rights Shares will be made available for excess application under the EAFs. There is no minimum subscription level or minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) and EAF(s), or transferees of nil-paid Rights Shares (or either of them, whichever shall be appropriate), may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code, or may result in the non-compliance by the Company of the Public Float Requirement under Rule 8.08 of the Listing Rules. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which (i) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules; and/or (ii) does not result in the non-compliance of the Public Float Requirement on the part of the Company.

If the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

The Subscription Price

The Subscription Price is HK$0.051 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares or where applicable, upon an application of Excess Rights Shares.

The Subscription Price represents:

(i) a discount of approximately 58.54% to the average of the closing prices of HK$0.1230 per Existing Share as quoted on the Stock Exchange for the Latest Practicable Date;

(ii) a discount of approximately 74.50% to the closing price of HK$0.2000 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 73.38% to the average of the closing prices of HK$0.1916 per Existing Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;

(iv) a discount of approximately 75.05% to the average of the closing prices of approximately HK$0.2044 per Existing Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;

(v) a discount of approximately 66.07% to the theoretical ex-rights price of approximately HK$0.1503 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK$0.2000 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;

(vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 24.85% to the existing Shareholders if they elect not to participate in the Rights Issue, which is calculated based on the theoretical ex-rights price of approximately HK$0.1503 per Existing Share and the benchmarked price of approximately HK$0.2000 per Existing Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK$0.2000 per Existing Share and the average of the closing prices of the Existing Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of approximately HK$0.1932 per Existing Share); and

(vii) a discount of approximately 85.59% to the latest published audited consolidated net asset value per Share as at 31 December 2024 of approximately HK$0.3538 (based on the net asset value attributable to the owners of the Company as at 31 December

2024 of approximately HK$150,306,000 as disclosed in the annual report of the Company for the year ended 31 December 2024 dated 16 April 2025 and 424,850,000 Shares in issue as at the Latest Practicable Date).

Determination of the Subscription Price

The Subscription Price was determined by the Company with reference to, among others, (i) the prevailing market conditions; (ii) the recent closing prices of the Shares; (iii) the low liquidity of the Shares; (iv) the financial conditions of the Company; (v) the amount of approximately HK$10 million the Company intends to raise under the Rights Issue; and (vi) the reasons as discussed in the section headed "REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND THE USE OF PROCEEDS" below in this prospectus.

For the past six months preceding the Last Trading Day, the Hong Kong capital market experienced a significant surged, as illustrated by the increase in Hang Seng Index from 18,874 on 13 January 2025 to 24,771 on 19 March 2025. However, the booming capital market sentiment could not be sustained, and the Hang Sang Index dropped from 24,771 on 19 March 2025 to 22,849 on 3 April 2025. Due to the US-China trade war (particularly the United States imposing tariffs on imports from China), the Hang Sang Index further declined to 19,828 on 7 April 2025, representing a drop of 3,021 points, marking the largest single-day point drop in the history.

During the same period, the share price of the Company dropped from a high of HK$0.250 on the seven consecutive trading days from 16 October to 24 October 2024 to a low of HK$0.186 on the three consecutive trading days from 7 April to 9 April 2025. Such a recent significant decrease in share price has made the Shares less attractive to the Shareholders. The average daily trading volume was approximately 33,594 Shares, representing approximately 0.01% of the total number of issued Shares as at the Last Trading Day.

Furthermore, as disclosed in the annual results announcement of the Company for the year ended 31 December 2024, the ISP Business, which is the major segment of the Group, was adversely affected by the depressing environment. Revenue decreased by 34.3% from approximately HK$150.3 million last financial year to approximately HK$98.7 million for the year ended 31 December 2024. Gross profit also decreased by 47.3% from approximately HK$9.1 million last financial year to approximately HK$4.8 million for the same period.

During the financial year of 2024, the operation expenses increased by 118.0% from approximately HK$17.8 million last financial year to approximately HK$38.8 million. This significant increase was mainly due to substantial costs related to arbitration and legal cases incurred for the completed projects of the ISP Business, with the hearing date approaching in 2025. These substantial costs were the primary reason for the operating loss of approximately HK$34.0 million for the reporting year, compared to approximately HK$8.7 million last financial year. Together with the interest income and other income, the ISP Business recorded a loss for the reporting year of approximately HK$33.6 million.

The Company would like more Shareholders to participate in the Rights Issue. In view of the above factors, particularly the recent weak capital market sentiment, sustained low trading volume and financial conditions of the Company, the Directors believe that offering an attractive discount on the Subscription Price is necessary to enhance the appeal of the Rights Issue and encourage Shareholders to participate.

The Board noted the relatively large discount of the Subscription Price as mentioned above. To assess the fairness and reasonableness of the Subscription Price, the Board searched for rights issue transactions announced by companies listed on the Stock Exchange (except those terminated or lapsed) from 1 October 2024 up to the Last Trading Day (the "**Criteria**"). The review period of approximately six months prior to and including the Last Trading Day was determined to illustrate recent practices in rights issue transactions conducted by Hong Kong listed companies during a period close to and including the Last Trading Day. Based on the search on the Stock Exchange's website, the Board identified 37 rights issue transactions (the "**Comparables**") which met the aforesaid Criteria and they are exhaustive.

Set out below is an exhaustive list of the Comparables announced during the review period:

	Company	Stock code	Date of initial announcement	Rights issue basis	Expected maximum gross proceeds *HK$'million*	Premium/(discount) of the subscription price to the closing price per share on the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "LTD Discount") *%*	Premium/(discount) of the subscription price to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "5-Day Discount") *%*	Premium/(discount) of the subscription price to the average closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "10-Day Discount") *%*	Premium/(discount) of the subscription price to the theoretical ex-rights price per share based on the closing price in relation to the respective rights issue (the "TERP Discount") *%*	Premium/(discount) of the subscription price to the net assets attributable to owners of the Company in relation to the respective rights issue (the "NAV Discount") *%*	Theoretical dilution effect *%*	Excess application/ Compensatory arrangements	Placing commission
1	Pacific Legend Group Limited	8547	19/3/2025	1 for 2	13.7	(13.79)	(13.79)	(11.50)	(9.64)	(53.99)	4.60	Compensatory arrangements	1.25
2	Good Fellow Healthcare Holdings Limited	8143	14/3/2025	1 for 1	29.2	(12.28)	(19.35)	(19.35)	(7.41)	233.33	10.94	Compensatory arrangements	1.0
3	Volcano Spring International Holdings Limited	1715	7/3/2025	3 for 1	88.4	47.06	47.06	47.06	8.70	N/A	N/A	Compensatory arrangements	1.0
4	China Zenith Chemical Group Limited	362	3/3/2025	2 for 1	62.2	(17.90)	(18.40)	(43.50)	(7.10)	N/A	13.05	Excess application	N/A
5	Timeless Resources Holdings Limited	8028	27/2/2025	1 for 2	30.0	(9.64)	(8.72)	(9.18)	(6.81)	(23.28)	3.21	Excess application	N/A
6	China Baoli Technologies Holdings Limited	164	18/2/2025	4 for 1	202.5	6.67	2.30	2.17	1.27	N/A	N/A	Excess application	N/A
7	Yues International Holdings Group Limited	1529	14/2/2025	4 for 1	69.4	(7.14)	(20.25)	(34.67)	(1.52)	(88.68)	21.47	Compensatory arrangements	HK$100,000 or 1.0%
8	China Saftower International Holding Group Limited	8623	14/2/2025	1 for 2	6.1	(6.78)	(2.83)	(0.09)	(4.62)	(82.79)	2.26	Compensatory arrangements	1.0
9	Stream Ideas Group Limited	8401	7/2/2025	2 for 1	40.8	(15.00)	(16.50)	(16.50)	(5.56)	N/A	11.58	Compensatory arrangements	3.0
10	Colour Life Services Group Co., Limited	1778	27/1/2025	1 for 4	62.8	—	(2.14)	N/A	N/A	N/A	0.43	Excess application	N/A
11	Wan Kei Group Holdings Limited	1718	17/1/2025	1 for 1	23.0	(29.82)	(31.97)	(36.31)	(17.53)	(75.00)	17.64	Compensatory arrangements	3.0
12	China Demeter Financial Investments Limited	8120	31/12/2024	1 for 2	15.6	(25.00)	(25.32)	(26.98)	(18.18)	(59.08)	8.55	Compensatory arrangements	2.5
13	China Kingstone Mining Holdings Limited	1380	27/12/2024	2 for 5	21.2	16.28	19.62	24.22	11.11	(65.60)	N/A	Compensatory arrangements	HK$300,000 or 2.25%
14	Mansion International Holdings Limited	8456	20/12/2024	4 for 1	30.7	(22.90)	(23.50)	(23.00)	(5.50)	N/A	18.80	Compensatory arrangements	1.5
15	HSC Resources Group Limited	1850	19/12/2024	4 for 1	73.3	(24.29)	(23.19)	(23.36)	N/A	N/A	19.43	Compensatory arrangements	1.5
16	China Energy Storage Technology Development Limited	1143	13/12/2024	2 for 1	94.2	(36.36)	(35.78)	(36.36)	(16.00)	(90.50)	24.24	Compensatory arrangements	1.5
17	China New Holdings Limited (formerly known as Royal Century Resources Holdings Limited)	8125	13/12/2024	3 for 1	39.2	(23.95)	(22.10)	N/A	(7.30)	(82.69)	17.96	Compensatory arrangements	2.0
18	KNT Holdings Limited	1025	10/12/2024	3 for 1	44.0	(9.38)	(10.22)	(12.78)	(2.52)	(59.90)	8.08	Compensatory arrangements	3.0
19	Xinming China Holdings Limited	2699	6/12/2024	4 for 1	93.8	(13.80)	(18.80)	(20.60)	N/A	N/A	16.90	Compensatory arrangements	3.0
20	Graphex Group Limited	6128	3/12/2024	3 for 1	119.7	(32.00)	(28.27)	N/A	(10.53)	(51.51)	24.00	Compensatory arrangements	1.5

	Company	Stock code	Date of initial announcement	Rights issue basis	Expected maximum gross proceeds *HK$'million*	Premium/(discount) of the subscription price to the closing price per share on the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "LTD Discount") %	Premium/(discount) of the subscription price to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "5-Day Discount") %	Premium/(discount) of the subscription price to the average closing price per share for the last ten consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue (the "10-Day Discount") %	Premium/(discount) of the subscription price to the theoretical ex-rights price per share based on the closing price in relation to the respective rights issue (the "TERP Discount") %	Premium/(discount) of the subscription price to the net assets attributable to owners of the Company in relation to the respective rights issue (the "NAV Discount") %	Theoretical dilution effect %	Excess application/ Compensatory arrangements	Placing commission
21	Luxxu Group Limited	1327	2/12/2024	1 for 1	16.2	(44.44)	(44.44)	(45.45)	N/A	(82.10)	22.22	Compensatory arrangements	HK$100,000 or 1.5%
22	Legend Strategy International Holdings Group Company Limited	1355	21/11/2024	1 for 1	47.3	(49.71)	(49.60)	(50.87)	(33.08) *(Note 1)*	N/A	24.86	Excess application	N/A
23	Elife Holdings Limited	223	21/11/2024	1 for 5	27.1	(6.54)	(9.91)	(12.20)	(9.09)	96.10	0.61	Excess application	N/A
24	China Wood International Holding Co., Limited	1822	19/11/2024	1 for 1	45.6	(45.00)	(48.60)	N/A	(29.10)	N/A	24.90	Excess application	N/A
25	Global Strategic Group Limited	8007	15/11/2024	4 for 1	51.1	(12.50)	(14.10)	(11.40)	(3.20)	(91.60)	11.30	Excess application	N/A
26	HG Semiconductor Limited	6908	12/11/2024	1 for 4	91.3	(36.00)	(41.50)	(40.50)	(31.00)	(44.20)	8.30	Compensatory arrangements	HK$100,000 and 1.0%
27	Far East Holdings International Limited	36	11/11/2024	2 for 1	72.8	(35.77)	(35.27)	(36.38)	(15.66)	(80.59)	23.85	Compensatory arrangements	2.5
28	China Water Industry Group Limited	1129	6/11/2024	1 for 1	93.7	(49.85)	(49.54)	(49.54)	(33.20)	(93.95)	24.92	Compensatory arrangements	2.0
29	Yuzhou Group Holdings Company Limited	1628	31/10/2024	49 for 100	112.2	(73.68)	(72.99)	(73.86)	(65.27)	N/A	24.23	Excess application	N/A
30	IRC Limited	1029	22/10/2024	1 for 2	362.1	(15.00)	(17.20)	(20.40)	(10.50)	(67.30)	4.90	Excess application	N/A
31	China 33 Media Group Limited	8087	21/10/2024	3 for 2	19.4	(7.41)	(8.54)	(9.64)	(3.23)	N/A	5.12	Compensatory arrangements	HK$100,000 or 1.0%
32	Kingkey Financial International (Holdings) Limited	1468	18/10/2024	1 for 2	542.6	—	8.59	(12.25)	N/A	124.60	N/A	Excess application	N/A
33	Gaodi Holdings Limited	1676	18/10/2024	1 for 2	30.8	37.90	38.90	30.30	N/A	(65.50)	N/A	Compensatory arrangements	1.0
34	Eminence Enterprise Limited	616	15/10/2024	2 for 1	62.2	(8.00)	(24.34)	(25.99)	(2.85)	(98.98)	21.30	Excess application	N/A
35	V & V Technology Holdings Limited	8113	8/10/2024	1 for 2	24.2	(31.51)	(26.04)	(18.30)	(23.47)	(32.23)	10.50	Excess application	N/A
36	Palinda Group Holdings Limited	8179	4/10/2024	1 for 2	71.1	(18.70)	(9.42)	(9.83)	(13.29)	(66.10)	6.23	Excess application	N/A
37	China National Culture Group Limited	745	2/10/2024	2 for 1	15.6	(31.97)	(31.51)	(25.93)	N/A	N/A	21.31	Compensatory arrangements	2.0
				Max.	542.6	47.06	47.06	47.06	11.11	233.33	24.92		3.0
				Min.	6.1	(73.68)	(72.99)	(73.86)	(65.27)	(98.98)	0.43		1.0
				Mean	47.3	(15.00)	(19.35)	(20.40)	(8.25)	(65.85)	14.98		1.8
				Average	76.9	(17.79)	(18.59)	(19.79)	(12.40)	(41.73)	14.30		1.9
	Company	**2340**		**1 for 2**	**13.6**	**(74.50)**	**(73.38)**	**(75.05)**	**(66.07)**	**(85.59)**	**24.85**	**Excess application**	**N/A**

Note:

1. The comparable company disclosed the discount of the subscription price to the theoretical ex-rights price per share based on the benchmarked price in relation to the rights issue.

It is observed that the discounts of the LTD Discount, 5-Day Discount, 10-Day Discount, TERP Discount and the NAV Discount of approximately 74.50%, 73.38%, 75.05%, 66.07% and 85.59%, respectively, are similar with the minimum of the Comparables. The theoretical dilution effect of approximately of 24.85% is similar with the maximum of the Comparables of approximately of 24.92%. The Board believes that it is reasonable to offer discount for the Subscription Price to promote its attractiveness given the generally thin average daily trading volume for the six months preceding the Last Trading Day as mentioned above.

In determining the Comparables for assessing of the Subscription Price, the Board considered that notwithstanding that the businesses, operations and prospects of the Company and the reasons for conducting Rights Issue may be not the same as the subject companies of the Comparables, the Comparables illustrate recent rights issue transactions conducted by Hong Kong listed companies during a period close to and including the Last Trading Day. The Board noted that Comparable number 29 involved a rights issue executed as part of an offshore debt restructuring proposal aimed at addressing financial needs. In this case, the subscription price was set at a substantial discount to the closing market prices and net assets value. Given that the discounts associated with this Comparable are not extreme and its theoretical dilution effect complies with the Listing Rules and the Board believes that every issuer has unique financial circumstances that necessitate fundraising activities, including the Company, the Board deemed it appropriate to include this Comparable in its assessment of the Rights Issue's fairness and reasonableness. This assessment helps to provide Shareholders with a comprehensive understanding of the market conditions regarding the subscription price of the recent rights issue.

Subscription Ratio

The Board noted that the Subscription Price was set at a significant discount to both the closing prices of the Existing Shares and the Company's audited consolidated net asset value per Share as at 31 December 2024. Prior to determining the subscription ratio of the Rights Issue and the Subscription Price, the Board considered different ratios. Given the Company's imminent fundraising needs due to ongoing litigation, recent financial performance, and upheaval in the capital market, the Company aims to raise necessary funds in an efficient manner, without being conditional upon the approval of independent Shareholders at a special general meeting, which would incur additional time and costs unfavorable to the Company and its Shareholders.

The Company acknowledges its challenging financial performance, particularly in light of the litigation cases. The net proceeds from the Rights Issue are designated primarily for covering legal costs, which may make the Shares less attractive to potential investors. As such, the Board decided to adopt a subscription ratio and provided an attractive discount to attract the Shareholders' participation in the Rights Issue.

To determine the subscription ratio, the Board has considered common market practices among the Comparables. The subscription ratios are set out as below:

Subscription ratio	**No. of Comparables**	**Approval from the independent shareholders required under the Listing Rules**
1 rights share for every 1 existing share (1-for-1)	6	Yes
1 rights share for every 2 existing shares (1-for-2)	9	No
1 rights share for every 4 existing shares (1-for-4)	2	No
1 rights share for every 5 existing shares (1-for-5)	1	No
2 rights shares for every 1 existing share (2-for-1)	6	Yes
2 rights shares for every 5 existing shares (2-for-5)	1	No
3 rights shares for every 1 existing share (3-for-1)	4	Yes
3 rights shares for every 2 existing shares (3-for-2)	1	Yes
4 rights shares for every 1 existing share (4-for-1)	6	Yes
49 rights shares for every 100 existing shares (49-for-100)	1	No
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As shown in the above table, among the Comparables where approval from independent shareholders is not required, the rights issue bases of "1-for-2" and "1-for-4" are the most common market practices. Considering that not every Shareholder may have sufficient capital and might wish to take up their respective entitlements partially, the Board has adopted the 1-for-2 subscription ratio for the Rights Issue. This ratio provides greater flexibility for Shareholders to participate and is the most common market practice.

To illustrate this, assume a Qualifying Shareholder with one board lot (i.e., 4,000 Shares) wishes to participate in the Rights Issue and apply for Excess Rights Shares to complete a full board lot. Assuming the Company raises the same gross process (HK$10.83 million) under different subscription ratios, the proposed subscription price would be as follows:

— for 1-for-2 subscription ratio: HK$0.051 per Rights Share, or

— for 1-for-4 subscription ratio: HK$0.102 per Rights Share.

Under this scenario, the flexibility under 1-for-2 subscription ratio would be greater than under 1-for-4 subscription ratio, given that less capital is required for the Shareholders to participate. The following is an example for the illustration purpose:

1 board lot of Shares = 4,000 Shares

Assuming the rights issue is on the basis of 1 rights share for every 2 existing shares held on the record date at the subscription price of HK$0.051

	Application under PAL	**Application under EAF**	**Total**
Rights shares	2,000	2,000	4,000
Subscription amount	HK$102	HK$102	HK$204

Assuming the rights issue is on the basis of 1 rights share for every 4 existing shares held on the record date at the subscription price of HK$0.102

	Application under PAL	**Application under EAF**	**Total**
Rights shares	1,000	3,000	4,000
Subscription amount	HK$102	HK$306	HK$408

As illustrated above, Shareholders may pay the same amount to participate in the Rights Issue under their respective provisional entitlements under the PAL in both scenarios, despite differing shareholding interests. However, if they wish to top up to a full board lot through the excess application, they will need to pay more under the 1-for-4 subscription ratio. The Board intended that the Rights Issue to be conducted in consideration of both the Company's and the Shareholders' interests as a whole, particularly for those Qualifying Shareholders with less capital available and whom the Company intends to include for participation in the Rights Issue by means of a substantial discount with respect to the Subscription Price (as elaborated below). Accordingly, as contemplated above, the subscription ratio of 1-for-2 adopted by the Company provides a lower threshold for participation in the Rights Issue and also a greater flexibility for Shareholders' participation and therefore, is in the best interest of both the Company and the Shareholders as a whole.

Discount with respect to Subscription Price

The Company has preliminarily consulted brokerage firms and/or the controlling shareholder for the Rights Issue to be conducted by an underwriter. However, due to the relatively weak market sentiments, no favorable feedback has been received. The Company's controlling shareholder, is willing to undertake its entitlement under the Rights Issue at the Subscription Price. This Irrevocable Undertaking ensures the Company can raise at least HK$5.75 million, which represents over 50% of the total funds required.

Considering (i) the proposed basis of one Rights Share for every two Existing Shares is the common market practice adopted by recently listed issuers; (ii) the Company's urgent funding needs for legal costs amidst recent challenging financial performance; (iii) the lack of brokerage firms' interest in the role of underwriters for the Rights Issue; (iv) the Shares being less attractive to the Shareholders as reflected in the closing prices mentioned above, which may lead Shareholders to only be willing to pay less for the subscription; (v) the controlling Shareholder only providing the Irrevocable Undertaking at the Subscription Price that secures more than 50% of the required funds; (vi) the dilution effect complying with Listing Rules, despite being at a significant discount to both the closing prices and the net asset value; and (vii) the discount to the closing prices and the net asset value under the 1-for-2 subscription ratio is intended to provide more flexibility so that to attract more Shareholders to participate in the Rights Issue and mitigate the dilution effect on non-participation Shareholders, the Board believes that the Subscription Price and the subscription ratio, are fair and reasonable, and in the interests of the Company and its Shareholders (including the non-participating Shareholders) as a whole.

The Board considers, despite any potential dilution impact of the proposed Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account that (i) the Company provides Qualifying Shareholders with an equal opportunity to participate in the Rights Issue, and those attracted by the Rights Issue can apply for Excess Rights Shares; (ii) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue can sell the nil-paid rights in the market; (iii) the Rights Issue allows the Qualifying Shareholders to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the historical market price of the Shares and discount to the recent closing prices of the Shares; (iv) the proceeds from the Rights Issue can fulfil the funding needs of the Group; (v) a larger discount to the Subscription Price will be more attractive to the Shareholders, helping them maintain their shareholdings and contributing to the Group's future growth and development; and (vi) the reasons for the Rights Issue detailed in the section "Reasons for and benefits of the Rights Issue and the Use of Proceeds,".

Basis of provisional allotment

The basis of provisional allotment of Rights Shares will be one (1) Rights Share (in nil-paid form) for every two (2) Existing Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotments should be made by completing the PAL (in accordance with the instructions printed thereon) and lodging the same with a remittance for the Rights Shares being applied for with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, on or before the Latest Time for Acceptance, which is expected to be 4:00 p.m. on Tuesday, 20 May 2025.

Qualifying Shareholders who take up their pro rata assured entitlement in full will not suffer any dilution to their interests in the Company apart from any nominal dilution resultant from the non-issuance of fractional Rights Shares.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by the Company the record dates of which fall on or after the date of issue of the fully-paid Rights Shares.

The Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must at the close of business on the Record Date: (i) be registered on the register of members of the Company; and (ii) not be a Non-Qualifying Shareholder.

The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the avoidance of doubt, unless Qualifying Shareholders submit their requests in writing to the Company for printed copies of the Prospectus, the Company will send the Prospectus to Qualifying Shareholders in electronic form, while the PAL and the EAF, as actionable corporate communication, will be sent in printed copies.

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company.

The Non-Qualifying Shareholders

The Company will not extend the Rights Issue to the Non-Qualifying Shareholders. Accordingly, no provisional allotment of Rights Shares will be made to the Non-Qualifying Shareholders and Non-Qualifying Shareholders will not be entitled to apply for Rights Shares.

Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders will be made available for excess application by the Qualifying Shareholders under the EAFs.

The Company will send the Prospectus Documents to the Qualifying Shareholders only and will, subject to the advice given in the legal opinions provided by the Company's legal advisers in the relevant overseas jurisdictions of Overseas Shareholders, if any, and to the extent reasonably practicable, send the Prospectus (excluding the PAL and EAF) to the Non-Qualifying Shareholders for information purposes only.

The Overseas Shareholders

Based on the register of members of the Company as at the Latest Practicable Date, there was no Shareholder with registered addresses situated overseas.

The Prospectus Documents are not intended to be registered or filed under the securities law of any jurisdiction other than Hong Kong.

It is the responsibility of any person (including, without limitation, a nominee, agent and trustee) receiving the Prospectus Documents outside Hong Kong and wishing to take up the Rights Shares to satisfy themselves as to the full and relevant compliance of the laws of the relevant jurisdictions including the obtaining of any governmental or other consents and observing other formalities which may be required in such jurisdictions, and to pay any taxes, duties and other amounts required to be paid in such jurisdictions in connection therewith. Any acceptance of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that such local laws, regulations and requirements of the relevant territory or jurisdiction have been fully complied with. If you are in any doubt as to your position, you should consult a professional adviser.

This Prospectus shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The Rights Issue does not constitute any offer or invitation to sell, issue or solicit for Shares in any jurisdiction in which such actions are unlawful or otherwise restricted. Accordingly, Overseas Shareholders and Beneficial Owners who are residing outside Hong Kong should inform themselves of and observe any such restrictions, if applicable, and exercise caution when dealing in the Shares.

No fractional entitlement to the Rights Shares

The Company will not provisionally allot fractions of Rights Shares in nil-paid form. All fractions of Rights Shares will be aggregated (and rounded down to the nearest whole number of a Share) and made available for excess application by Qualifying Shareholders under the EAFs.

Odd lot arrangement

No odd lot matching services will be provided.

Procedures for acceptance, payment and transfer

General

Any person (including, without limitation, agents, custodians, nominees and trustees) wishing to take up his/her/its rights under the Rights Issue must satisfy himself/herself/itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory outside Hong Kong may treat it as an offer or invitation to apply or subscribe for the Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. Completion and return of the PAL(s) and/or EAF(s) by anyone outside Hong Kong will constitute a warranty and representation by such person to the Company that all registration, legal and regulatory requirements of such relevant jurisdictions in connection with the PAL and/or the EAF(s) and any acceptance of the PAL, have been, or will be, duly complied with. The Company reserves the right to refuse to accept any application or subscription for or transfer of Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above warranty and representation.

Action to be taken by Qualifying Shareholders

Subscription for all Rights Shares provisionally allotted

For each Qualifying Shareholder, a PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder to whom it is addressed to subscribe for the number of Rights Shares shown thereon. If a Qualifying Shareholder(s) wish(es) to take up his/her/their right to subscribe for any or all the Rights Shares provisionally allotted to him/her/them as specified in the PAL, he/she/they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar by no later than the Latest Time for Acceptance. All remittances must be made in Hong Kong dollars and cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "ISP HOLDINGS LIMITED — PAL" and crossed "Account Payee Only".

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Registrar by the Latest Time for Acceptance, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be made available for application under the EAFs by the Qualifying Shareholders. The Company is not obliged but may, at its absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

The PAL contains further information regarding the procedures to be followed for acceptance of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment immediately upon receipt and any interests earned on such monies will be retained for the benefit of the Company. Completion and lodgement of a PAL together with a cheque or cashier's order in payment for the Rights Shares applied for will constitute a warranty by the applicant that the cheque or cashier's order will be honoured on first presentation. Without prejudice to its other rights in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

If the conditions of the Rights Issue are not fulfilled, the monies received in respect of acceptances of the Rights Shares will be refunded to the Qualifying Shareholders (or such other persons to whom the nil-paid Rights Shares have been validly transferred) without interest, by means of cheques to be despatched by ordinary post to their registered addresses, and in the case of joint applicants to the registered address of the first-mentioned person who appears on the register of members or the transfer form, at their own risk.

Transfer and "Splitting" of nil-paid Rights Shares

The nil-paid Rights Shares can be traded on the Stock Exchange. A Qualifying Shareholder can accept all of his/her/its provisional allotment of Rights Shares or sell all of his/her/its provisional allotment on the Stock Exchange or accept only part of his/her/its provisional allotment and sell the remaining part on the Stock Exchange.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer all or part of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation no later than 4:30 p.m. on Monday, 12 May 2025 with the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection at the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL. This process is commonly known as "splitting" the nil-paid Rights Shares.

Having "split" the nil-paid Rights Shares, a Qualifying Shareholder who wishes to accept the provisional allotment of Rights Shares represented by a new PAL should do so in accordance with the instructions given above in relation to the subscription for all the Rights Shares provisionally allotted.

If a Qualifying Shareholder wishes to transfer all of his/her/its nil-paid Rights Shares under a PAL (or a split PAL, as the case may be) to another person, he/she/it should complete and sign the registration information in the PAL and hand the PAL to the person to or through whom he/she/it is transferring his/her/its nil-paid Rights Shares. The transferee must then complete and sign the registration details in the PAL and lodge the PAL intact, together with a remittance for the full amount payable on acceptance with the Registrar by no later than the Latest Time for Acceptance.

The PAL contains further information regarding the procedures to be followed for transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

Action to be taken by Beneficial Owners whose Shares are held by a Registered Shareholder (other than Shares deposited in CCASS)

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Shareholder and you wish to subscribe for the Rights Shares provisionally allotted to such Registered Shareholder, or sell the respective nil-paid Rights Shares or "split" those nil-paid Rights Shares and accept part of the provisional allotment and sell the remaining part, you should contact the Registered Shareholder and provide the Registered Shareholder with instructions or make arrangements with the Registered Shareholder in relation to the acceptance, transfer and/or "splitting" of the nil-paid Rights Shares.

Such instructions and/or arrangements should be given or made in advance and before the relevant dates stated in the section headed "Expected Timetable" of this Prospectus in order to provide the Registered Shareholder with sufficient time to ensure that your instructions are given effect.

Action to be taken by Beneficial Owners holding interests in Shares through CCASS

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to HKSCC Nominees Limited, or sell the respective nil-paid Rights Shares or "split" those nil-paid Rights Shares and accept part of the provisional allotment and sell the remaining part, you should (unless you are a CCASS participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or "splitting" of the nil-paid Rights Shares.

Such instructions and/or arrangements should be given or made in advance and before the relevant dates stated in the section headed "Expected Timetable" of this Prospectus and otherwise in accordance with the requirements of your Intermediary in order to provide your Intermediary with sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or "splitting" by CCASS participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the General Rules of HKSCC, HKSCC Operational Procedures and any other requirements of CCASS.

Beneficial Owners who are CCASS participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners' interests in nil-paid Rights Shares should be dealt with.

Application for Excess Rights Shares

All Qualifying Shareholders are entitled to apply by way of excess application under the EAFs for additional Rights Shares in excess of their assured entitlements.

The Excess Rights Shares will comprise:

(i) any Rights Shares provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance;

(ii) any Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders; and

(iii) any Rights Shares created from the aggregation of fractions of Rights Shares not provisionally allotted to the Qualifying Shareholders.

Basis of allocation of Excess Rights Shares

The Company will allocate the Excess Rights Shares at its discretion on a fair and equitable basis as far as practicable on the following principles:

(i) if there are insufficient Excess Rights Shares to satisfy all EAFs, Excess Rights Shares will be allocated on a pro rata basis by reference to the number of Excess Rights Shares applied for in the relevant EAFs by the relevant Qualifying Shareholders;

(ii) otherwise (i.e. if the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of nil-paid Rights Shares under the PALs is greater than the aggregate number of Excess Rights Shares applied for through the EAFs), Excess Rights Shares will be allocated in full in accordance with the EAFs to each Qualifying Shareholder who applies for Excess Rights Shares.

For the avoidance of doubt, in applying the principles above, reference will only be made to the number of Excess Rights Shares being applied for in the relevant EAFs, and no reference will be made to the Rights Shares comprised in applications through PALs or the existing number of Shares held by the relevant Qualifying Shareholders; and no preference will be given to applications for topping up odd lots.

Important notice to Beneficial Owners: Shareholders whose Shares are held by a nominee (or held through CCASS) should note that the Board will regard such nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the aforesaid arrangement for allocation of Excess Rights Shares by the Company may not be extended to the beneficial owners individually.

Action to be taken by Qualifying Shareholders who wish to apply for excess Rights Shares

Application for Excess Rights Shares can be made only by Qualifying Shareholders duly completing the EAFs (in accordance with the instructions printed thereon) and lodging the same with a separate remittance for the Excess Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance, which is expected to be 4:00 p.m. on Tuesday, 20 May 2025.

All remittances must be made in Hong Kong dollars and cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "ISP HOLDINGS LIMITED — EAF" and crossed "Account Payee Only".

Qualifying Shareholders who wish to apply for Excess Rights Shares in addition to their provisional allotments must complete both the PAL and the EAF.

Completion and return of the EAF by anyone outside Hong Kong will constitute a warranty and representation to the Company that all the local registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the EAF and any application under it, have been, or will be, duly complied with. For the avoidance of doubt neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties. The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including refund cheques for wholly or partially unsuccessful applications for Excess Rights Shares, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown on the Record Date in the register of members of the Company.

All cheques or cashier's orders will be presented for payment immediately upon receipt and all interests earned on such monies will be retained for the benefit of the Company. Completion and lodgement of an EAF together with a cheque or cashier's order in payment for the Excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or cashier's order will be honoured on first presentation. Without prejudice to its other rights in respect thereof, the Company reserves the right to reject any EAF in respect of which the cheque or cashier's order is dishonoured on first presentation.

The Company is not obliged but may, at its absolute discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

If no Excess Rights Shares are allotted and issued to a Qualifying Shareholder, the amount tendered on application is expected to be refunded to that Qualifying Shareholder in full without any interest by means of cheque(s) despatched by ordinary post and at the risk of that Shareholder. If the number of excess Rights Shares allotted and issued to a Qualifying Shareholder is less than that applied for, the surplus application monies are also expected to be refunded to that Shareholder without any interest by means of cheque(s) despatched by ordinary post and at the risk of that Shareholder.

If the conditions of the Rights Issue are not fulfilled, the monies received in respect of relevant applications for excess Rights Shares will be returned to the relevant persons without interest, by means of cheques to be despatched by ordinary post to their registered address, and in the case of joint applicants to the registered address of the first-mentioned person who appears on the register of members, at their own risk.

Action to be taken by Beneficial Owners whose Shares are held by a Registered Shareholder (other than Shares deposited in CCASS) who wish to apply for Excess Rights Shares

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Shareholder and you wish to apply for Excess Rights Shares, you should contact the Registered Shareholder and provide the Registered Shareholder with instructions or make arrangements with the Registered Shareholder in relation to such application. Such instructions and/or arrangements should be given or made in advance and before the latest time for application and payment for Excess Rights Shares stated in the section headed "Expected Timetable" of this Prospectus, in order to provide the Registered Shareholder with sufficient time to ensure that your instructions are given effect.

Action to be taken by Beneficial Owners holding interests in Shares through CCASS who wish to apply for Excess Rights Shares

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to apply for Excess Rights Shares, you should (unless you are a CCASS participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to such application. Such instructions and/or arrangements should be given or made in advance and before the date stated in the section headed "Expected Timetable" of this Prospectus as the latest time for application and payment for Excess Rights Shares and otherwise in accordance with the requirements of your Intermediary, in order to provide your Intermediary with sufficient time to ensure that your instructions are given effect.

The procedures for application for Excess Rights Shares by CCASS participants shall be in accordance with the General Rules of HKSCC, HKSCC Operational Procedures and any other requirements of CCASS.

Beneficial Owners who are CCASS participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to any applications for Excess Rights Shares. HKSCC Nominees Limited will allocate the Excess Rights Shares it receives to the relevant CCASS participants pro rata to the number of Excess Rights Shares each has applied for, or in such other manner as HKSCC Nominees Limited considers fair and appropriate, pursuant to the allocation basis stipulated in Rule 8.10.4(ix) of the HKSCC Operational Procedures.

Share certificates and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered addresses, at their own risks, on or before Wednesday, 28 May 2025. Refund cheques in respect of wholly or partially unsuccessful applications for Excess Rights Shares, or for refunds if the Rights Issue does not proceed, are expected to be despatched on or before Wednesday, 28 May 2025 to the applicants without interest to their registered addresses by ordinary post at their own risks.

Stamp duty and other applicable fees

Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, investor compensation levy and any other applicable fees and charges in Hong Kong.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, holding, subscription, disposing of or dealing in the nil-paid Rights Shares or the fully-paid Rights Shares.

Application for listing

The Company has applied to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. No securities of the Company in issue or the Rights Shares for which listing or permission to deal is to be sought is listed or dealt in on any other stock exchange. Rights Shares in both their nil-paid and fully-paid forms will be traded in board lots of 4,000 Shares.

Admission of Rights Shares into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms are expected to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. Shareholders whose Shares are held through CCASS should seek advice from their stockbroker(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

All necessary arrangements will be made to enable the Rights Shares in both their nil-paid and fully-paid forms to be admitted to CCASS.

CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is conditional upon the fulfilment of each of the following conditions:

(i) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of the Prospectus Documents each duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolutions of the Directors (and all other documents required to be attached hereto) in electronic format and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) not later than the Prospectus Posting Date;

(ii) the Prospectus Documents are made available to the Qualifying Shareholders and the Prospectus and a letter in the agreed form are made available to the Non-Qualifying Shareholders, if any, for information purpose explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;

(iii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Rights Shares in their nil-paid and fully-paid forms; and

(iv) compliance with the requirements under the applicable laws and regulations of Hong Kong.

None of the above conditions can be waived. If any of the conditions referred to above is not fulfilled by Thursday, 22 May 2025, the Rights Issue will not proceed. As at the Latest Practicable Date, save for (iv) no other conditions had been fulfilled.

THE IRREVOCABLE UNDERTAKING

As at the Latest Practicable Date, the Board had not received any information or irrevocable undertaking from any Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them, save for the Irrevocable Undertaking given by Champ Key, the controlling Shareholder, who is legally and beneficially interested in 225,518,633 Shares (representing approximately 53.08% of all issued Shares as at the Latest Practicable Date) and 80,000,000 Convertible Preference Shares (representing approximately 100% of all issued Convertible Preference Shares as at the Latest Practicable Date). Pursuant to the Irrevocable Undertaking, Champ Key has given an irrevocable undertaking in favour of the Company, that:

(i) it will subscribe for an aggregate of 112,759,316 Rights Shares which comprise the full acceptance of their aggregate provisional entitlement in respect of the 225,518,633 Shares wholly and beneficially held by it;

(ii) it will not dispose of any of the 225,518,633 Shares comprising the current shareholding in the Company owned by Champ Key, and such Shares will remain wholly and beneficially owned by it up to and including the Record Date;

(iii) it will lodge or procure its acceptance of the 112,759,316 Rights Shares, which will be the number of Rights Shares provisionally allotted to it nil-paid under the Rights Issue, with the Registrar, with payment in full therefore, by no later than the Latest Time for Acceptance or otherwise in accordance with the instructions set out in the Prospectus Documents.

Pursuant to Rule 7.21(3)(b) of the Listing Rules, the Company will take reasonable steps to identify the applications for Excess Rights Shares made by any controlling shareholder and its associates, if applicable, whether in its own names or through nominees, and will disregard it application for Excess Rights Shares to the extent the total number of Excess Rights Shares it has applied for exceeds a maximum number equivalent to the total number of Rights Shares offered (being 212,425,000 Shares) minus the number of Rights Shares taken up by Champ Key and its associates under its assured entitlement (being 112,759,316 Shares). As at the Latest Practicable Date, the Board had not received any information from Champ Key and its associates of its intention to apply for Excess Rights Shares.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The principal business of the Group is principally engaged in the ISP Business and property and facility management business in China.

As disclosed in the Company's circular dated 21 March 2025 regarding capital reorganisation, as at the latest practicable date for ascertaining the information prior to the printing of the circular, the Company had no intention to carry out other corporate actions in the next 12 months which might have an effect of undermining or negating the intended purpose of the capital reorganisation and the Company did not have any concrete plan or arrangement to conduct any fund raising activities in the next 12 months; however, the Board could not rule out the possibility that the Company would conduct debt and/or equity fund raising exercises when suitable fund raising and/or investment opportunities arise in order to meet its operational needs or support future development of the Group.

The Group has continuously evaluated its cash availability and working capital to ensure operational needs are met, including covering corporate expenses. From 25 October 2024 to 2 April 2025, the Group disposed of a series of listed securities in the market to generate cash. The Company has been closely monitoring the capital markets to maximise value for Shareholders. Details of the disposal are set out in the announcement of the Company dated 3 April 2025.

However, in early April 2025, the imposition of tariffs by the US on imports from China caused an unprecedented upheaval in the global economy and capital markets, signified by the significant decline in the Hang Seng Index, which fell to 19,828 on 7 April 2025, representing a drop of 3,021 points, marking the largest single-day point drop in history. Under these challenging circumstances, the Board adopted a cautious outlook on the capital market and decided to explore various options for raising cash, leading to the proposal of the Rights Issue. The reasons for selecting the Rights Issue as the preferred fundraising activity are set out in the section headed "Rights Issue as the preferred fundraising activity of the Group."

As at the Latest Practicable Date, the Company has no concrete plan or arrangement to conduct any fund raising activities (other than the Rights Issue) in the next 12 months; however, the Board could not rule out the possibility that the Company would conduct debt and/or equity fund raising exercises when suitable fund raising and/or investment opportunities arise in order to meet its operational needs or support future development of the Group.

Funding needs

The ISP Business has been the major business segment of the Group, contributing over 90% of its revenue in recent years. The business segment offers a wide range of services, including interior design, fitting-out, renovation and conservation, addition and alteration works, construction, maintenance, and buildability and feasibility studies for building-related projects to local customers.

The Group is facing both (i) arbitration case with the employer of the factory development of Yuen Long and (ii) litigation case against ATAL Engineering Limited under the High Court action number HCCT 116 of 2022 for the outstanding payment of additional works performed and additional costs incurred by its indirectly holding company, ISP Construction (Engineering). The hearings of both cases were scheduled in 2025, which have led to substantial legal costs and related expenses of approximately HK$42.59 million expected to be settled in 2025. As at the Latest Practicable Date, the Company has paid approximately HK$14.17 million and approximately HK$13.0 million will be paid and due on or before 31 May 2025. Excluding the restricted bank balance and the pledged bank balance of approximately HK$72.59 million in total, there was approximately HK$31.09 million in cash and cash equivalents as at 31 December 2024. However, of the HK$31.09 million, approximately HK$15.73 million is held in a bank account in China for the property and facility management business in China, which is subject to foreign exchange controls. As such, only HK$15.36 million cash balance is available for business development and the general working capital in Hong Kong.

Taking into account (i) the budget for upfront costs and cash pledged of performance bond associated with the potential tendered projects totaling approximately HK$554.5 million, with one project tendered but pending the tender results; (ii) substantial legal costs expected to be incurred in 2025 as the hearing of both arbitration and legal cases are scheduled for that year; (iii) the restricted bank balance and pledged bank deposits amounting to approximately HK$72.59 million (representing approximately 70.01% of the total cash and bank balances of approximately HK$103.68 million, which comprised the restricted cash deposits of approximately HK$62.62 million, pledged bank deposits of approximately HK$9.97 million, deposits with original maturities over three months of approximately HK$9.50 million and cash and cash equivalents of approximately HK$21.59 million) as at 31 December 2024; and (iv) the HK$15.73 million as at 31 December 2024 is held in a bank account in China, which is subject to foreign exchange controls, the Board believes it is necessary to maintain a healthy level of the cash balance. This balance is essential for preparing for any new projects tenders, if they arise, and for managing the unpredictable risks inherent in the construction industry.

Considering (i) only cash balance of approximately HK$ 15.36 million as at 31 December 2024 is primarily designated for business development and general working capital in Hong Kong, and (ii) the needs to raise funds for legal costs and related expenses, particularly approximately HK$13.0 million in invoices that received and are due on or before 31 May 2025, as well as the forecasted additional legal costs and related expenses of approximately HK$15.4 million in near future, the Board believes that the Rights Issue is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming full subscription under the Rights Issue and no change in the number of Existing Shares in issue on or before the Record Date, the Company intends to apply the net proceeds from the Rights Issue as to (i) approximately 49.36% (or approximately HK$5.00 million) for further legal cost to be incurred for the year; and (ii) approximately 50.64% (or approximately HK$5.13 million) for general working capital of the Group.

Assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date other than the full conversion of the Convertible Preference Shares, the Company intends to apply the net proceeds from the Rights Issue as to (i) approximately 41.08% (or approximately HK$5.00 million) for further legal cost to be incurred for the year; and (ii) approximately 58.92% (or approximately HK$7.17 million) for general working capital of the Group.

In the event that there is an undersubscription of the Rights Issue, the use of proceeds raised from the Rights Issue will be allocated on a pro-rata basis for the purposes disclosed above, i.e. (i) approximately 50% of the net proceeds from the Rights Issue will be used for further legal cost to be incurred for the year ; and (ii) approximately 50% will be for general working capital of the Group. Further details of the use of proceeds will be disclosed by the Company in the announcement of results of the Rights Issue.

Rights Issue as the preferred fund-raising activity of the Group

The Board has considered various ways of raising funds and believes that the Rights Issue is the most efficient way in terms of time and costs for the Company. The Board considers it is prudent to finance the Group’s long-term growth by long-term financing, preferably in the form of equity which will not increase the Group’s finance costs.

The Board has considered other fund-raising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing and open offer. Debt financing will result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner as it may be subject to lengthy due diligence and negotiations with financial institutions, it may as well require pledge of assets and/or other kind of securities which may reduce the Group’s flexibility in managing its portfolio. As for equity fund raising, such as placing of new Shares, it is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of the existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company. As for open offer, while it is similar to a rights issue and offer Qualifying Shareholders to participate, it does not allow free trading of rights entitlements in the open market. On the other hand, the Board considers that the Rights Issue, being pre-emptive in nature, would allow all Qualifying Shareholders to participate in the future development of the Company and at the same time offer the Qualifying Shareholders to maintain their respective proportional shareholdings in the Company by taking up their respective rights entitlement, especially in view of the incentive for participating in the Rights Issue and subscribing for the Rights Shares given the substantial discount of the Subscription Price as compared to the current market price of the Shares. By means of Rights Issue, the Qualifying Shareholders are offered more flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective pro rata shareholdings in the Company by taking up only their respective rights entitlement, acquiring additional rights entitlement or disposing of their rights entitlements in the open market (subject to availability).

The Rights Issue, if substantiated, will be able to strengthen the financial position of the Group by raising additional funds and thereby providing a higher liquidity to increase the Group's operational flexibility.

Moreover, the Company had preliminarily consulted brokerage companies for the Rights Issue to be conducted by an underwriter, but due to the relatively weak market sentiments, no favorable feedback is received. As such, the Company, having considered the other fund-raising alternatives, the costs and unfavourable feedback of underwriting services and the proposed terms of the Rights Issue and the Subscription Price, subsequently decided that the conducting of the Rights Issue on a non-underwritten basis with the option opened to Qualifying Shareholders to subscribe for excess Rights Shares, is a fundraising arrangement which is in the interest of the Company and its Shareholders as a whole for the purpose of strengthening the capital base of the Company.

The Board considers that the terms of the Rights Issue are fair and reasonable and raising funds through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

For illustration purpose only, the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue, assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full; or (iii) immediately after completion of the Rights Issue, assuming none of the Qualifying Shareholders other than Champ Key has taken up their respective entitlements of the Rights Shares and no new Shares will be issued before completion of the Rights Issue other than the Rights Shares, are expected to be as follows:

(i) Assuming no change in the number of Shares in issue on or before the Record Date

	As at the Latest Practicable Date		**Immediately after completion of the Rights Issue, assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full**		**Immediately after completion of the Rights Issue, assuming none of the Qualifying Shareholders other than Champ Key has taken up their respective entitlements of the Rights Shares and no new Shares will be issued before completion of the Rights Issue other than the Rights Shares**	
	Number of Shares	*Approximate %*	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*
Champ Key *(note 1)*	225,518,633	53.08	338,277,949	53.08	338,277,949	62.92
Others	199,331,367	46.92	298,997,051	46.92	199,331,367	37.08
	424,850,000	100.00	637,275,000	100.00	537,609,316	100.00

Note:

1. Champ Key is a company wholly owned by Mrs. Chu. As at the Latest Practicable Date, Champ Key held 80,000,000 Convertible Preference Shares, representing 100% of the total Convertible Preference Shares issued. Mrs. Chu is the mother of Mr. Kingston Chu Chun Ho ("**Mr. Chu**"), the executive Director and the chairman of the Board.

(ii) Assuming new Shares are allotted and issued upon full conversion of the Convertible Preference Shares on or before the Record Date, but otherwise no other change in the issued Shares on or before the Record Date

	Assuming new Shares are allotted and issued upon full conversion of the Convertible Preference Shares on or before the Record Date		Immediately after completion of the Rights Issue, assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full		Immediately after completion of the Rights Issue, assuming none of the Qualifying Shareholders other than Champ Key has taken up their respective entitlements of the Rights Shares and no new Shares will be issued before completion of the Rights Issue other than the Rights Shares	
	Number of Shares	*Approximate %*	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*
Champ Key *(note 1)*	305,518,633	60.52	458,277,949	60.52	458,277,949	69.69
Others	199,331,367	39.48	298,997,051	39.48	199,331,367	30.31
	504,850,000	100.00	757,275,000	100.00	657,609,316	100.00

Notes:

1. Champ Key is a company wholly owned by Mrs. Chu. As at the Latest Practicable Date, Champ Key held 80,000,000 Convertible Preference Shares, representing 100% of the total Convertible Preference Shares issued. Mrs. Chu is the mother of Mr. Chu, the executive Director and the chairman of the Board.

   Assuming full exercise of the conversion rights attaching to the Convertible Preference Shares, the maximum number of new Shares that would fall to be allotted and issued on or before the Record Date would be 80,000,000 Shares which would result in the allotment and issue of an additional 40,000,000 Rights Shares.

2. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

FUND RAISING EXERCISE IN THE PAST 12 MONTHS

The Company did not conduct any other equity fund-raising activities in the past twelve months immediately prior to the Latest Practicable Date.

LISTING RULES IMPLICATIONS

As the proposed Rights Issue will not increase the number of issued Shares or the market capitalisation of the Company by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the issuer (i) within the 12-month period immediately preceding the announcement of the proposed Rights Issue or (ii) prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to Shareholders as part of such rights issues or open offers), the Rights Issue is not conditional upon approval by the Shareholders.

The Rights Issue is in compliance with the theoretical dilution limit under Rule 7.27B of the Listing Rules.

RISKS OF DEALING IN SHARES AND RIGHTS SHARES

The Rights Issue is subject to the fulfilment of conditions including the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Any Shareholder or other person dealing in Shares and/or Rights Shares up to the date on which all the conditions of the Rights Issue are fulfilled will accordingly bear the risk that the Rights Issue may not proceed.

Subject to the fulfilment of conditions, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Rights Shares.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendices to this Prospectus.

By order of the Board
ISP Holdings Limited
Kingston Chu Chun Ho
Chairman

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three financial years ended 31 December 2022, 2023 and 2024, together with the relevant notes thereto, were disclosed in the relevant annual reports of the Company which have been published on the websites of the Stock Exchange (http://www.hkexnews.hk) and of the Company (http://www.isp-hk.com.hk), the links to which are shown below for reference:

(i) annual report of the Company for the year ended 31 December 2022 published on 24 April 2023 (pages 88 to 193) which can be accessed via the link at https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0424/2023042401197.pdf;

(ii) annual report of the Company for the year ended 31 December 2023 published on 26 April 2024 (pages 81 to 173) which can be accessed via the link at https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0426/2024042601888.pdf; and

(iii) annual report of the Company for the year ended 31 December 2024 published on 16 April 2025 (pages 81 to 169) which can be accessed via the link at https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0416/2025041601058.pdf;

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 March 2025, being the latest practicable date for the purpose of ascertaining this statement of indebtedness of the Group prior to the printing of this Prospectus, the Group had the following liabilities:

Bank loans and Mortgages

At the close of the business on 31 March 2025, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this prospectus, the Group did not have any loan capital issued or agreed to be issued, debt securities issued and outstanding, authorised or otherwise created but unissued, bank overdrafts or loans or term loans, other borrowings or other similar indebtedness, liabilities under acceptances, acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or contingent liabilities.

Lease liabilities

At the close of the business on 31 March 2025, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this prospectus, the Group, as a lessee, had outstanding unpaid contractual lease liabilities of approximately HK$569,000 in relation to the remaining lease terms of the right-of-use assets which are unsecured and unguaranteed.

To the best knowledge of the Directors, having made all reasonable enquiries, there has not been any material change in the indebtedness, contingent liabilities and commitments of the Group since 31 March 2025 and up to the Latest Practicable Date.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, after taking into account the Group's business prospects, present internal resources and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its business operations for at least the next twelve months from the date of this Prospectus.

As at the Latest Practicable Date, the Company has obtained the relevant confirmation as required under the Listing Rules.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there has been no material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

During the year ended 31 December 2024, ISP Business and property and facility management in China ("**PFM China Business**") were the two main business segments of the Group.

ISP Business

ISP Business was the major business arm of the Group and contributed over 90% revenue of the Group. The ISP Business, which has been in operation since 2006 and was acquired by the Group in late 2012, ISP Business had completed over 261 projects with a contract sum of over HK$9.2 billion up to 31 December 2024 for a large variety of services, including interior design, fitting out, renovation and conservation, addition and alteration works ("**A&A works**"), construction, maintenance, and buildability and feasibility studies for building related projects, provided to its local customers.

Following the novel coronavirus, the global economy has been remarkably resilient and inflation has been steadily receding in line with expectations. Nonetheless, sustained geopolitical tension and the delayed Federal Reserve interest rate cut cast a shadow to the economic growth with the cloud of uncertainty. Under this shadow of negative vibes, Hong Kong's commercial and residential markets continued to consolidate in 2024 amid high vacancy rates and decline in the consumer spending, which in turn undermined investment appetite and investors' confidence. The potential investors and the occupiers inevitably take a more prudent business approach by deferring or even abandoning their original fitting-out, A&A works or new construction projects plans. There were fewer invitations to tenders available in the market and hence gave rise to more intense competition. Against these backdrops, ISP Business was adversely affected. Owing to the depressing environment, ISP Business was cautious and more selective in tender projects during the year ended 31 December 2024, especially in pricing strategy. Also, only three small-scale new contracts were awarded in 2023, which was insufficient to replenish the workload for the year ended 31 December 2024. On the other hand, there was disruption of the work progress due to design changes. Although notice of claims and extension of time were submitted for the delay to avoid any disputes in the future, the revenue recognition was still deferred and additional costs were inevitably incurred. Another underlying reason for the decrease in revenue and gross profit during the year ended 31 December 2024 was that certain substantial projects including the residential development project at Peak Road and the interior fitting-out subcontract at Wong Chuk Hang Road already completed in the first quarter of 2024. All these factors caused the revenue to decrease by 34.3% from approximately HK$150.3 million for last financial year to approximately HK$98.7 million for the year ended 31 December 2024 and gross profit to decrease by 47.3% from approximately HK$9.1 million for last financial year to approximately HK$4.8 million for the year ended 31 December 2024 respectively. Along with the withdrawal of cooling measures in the property market and the recent interest rate cuts, market activity was boosted and showed some signs of improvement. Leveraging on the experience and good tracking record in the industry, ISP Business was awarded not only new contracts of extension works of the existing projects from the existing employers, but also several new A&A works and fitting-out works from new and ex-employer respectively in the second quarter of 2024. However, most of the new contracts only commenced in the second half of the year and were still in early stage, which had minor contribution to both revenue and gross profit during the year ended 31 December 2024 but will enrich the Group's orders and laying a solid foundation for the next two years.

During the year ended 31 December 2024, the operation expenses increased 118.0% from approximately HK$17.8 million of last financial year to approximately HK$38.8 million. Such significant increase was mainly due to substantial costs related to arbitration and legal case incurred for the completed projects of ISP Business, of which the hearing date is approaching and will start in 2025. Also, such substantial costs were the main reason for the operating loss of approximately HK$34.0 million for the year ended 31 December 2024 as compared to approximately HK$8.7 million for last financial year. Together with the interest income and other income, ISP Business recorded a loss for the year ended 31 December 2024 of approximately HK$33.6 million.

By virtue of the good relationships with the existing employer and ex-employer and good tracking record of the works, ISP Business was awarded three contracts in 2024 which include (1) A&A work at a school in Ho Man Tin; (2) landscaping and extension work at Peak Road; and (3) A&A work and extension work at Middle Gap Road. Besides the new job awarded from the existing employer and ex-employer, ISP Business was also awarded four new contracts which include (1) interiors and finishing connection of modular integrated construction; (2) excavation and lateral support works at Middle Gap Road; (3) renovation works of a commercial building at Central; and (4) demolition and hoarding works at Lugard Road. Together with several small-scale reinstatement and renovation contracts for offices in Kowloon Bay and residential properties in Happy Valley, ISP Business secured new contracts with a total amounting to over HK$129.3 million during the year ended 31 December 2024. A remarkable improvement will be made since only three small-scale contracts were secured last financial year. The total outstanding workload for contracts on hand as of 31 December 2024 was approximately

HK$146.0 million, most of which is expected to be recognised in the next two years. Along with the gradual recovery of Hong Kong economy, ISP Business would be more proactive and take a cautious and prudent approach in tendering next year.

Going forward, the construction industry and global economic environment are still expected to be unstable and challenging. Along with the high vacancy rates, low transaction rate and decline of property market price in the past few years, the potential investors and the occupiers have not regained confidence and still temporize. These have made a collateral impact on the number of invitations to tenders for construction or fitting-out project available in the market and stringent budgets from customers, which results in intense market competition with competitive pricing strategies. Furthermore, the continuance of international geopolitical tension and elevated interest rates are the contributing factors to rising material costs and labour costs which in turn aggravate the difficulties of the overall operation and financial performance of ISP Business in the near future. In response to the prevailing market headwinds, the ISP Business would continue to adopt a proactive approach to completing the existing projects as originally scheduled while simultaneously tendering for new projects to replenish the workload and pricing strategy during the tough time cautiously, so as to maintain a reasonable margin while securing projects in the fiercely competitive market. As usual, ISP Business would continue to position itself in the market with strategic focus on the luxury residential sector. Meanwhile, ISP Business would also seize the opportunities from the existing customers for the extension works of existing projects and expand the business opportunities in renovation work in the hospitality industry. As promulgated in the Chief Executive Policy Address to the industry, it was anticipated that some 60,000 housing units will be completed and ready for take-up to cope with housing shortfall for the next five years. The policy would reinstate the demand for building construction and fitting out works, and the Group will strive to capture the opportunities to drive its business growth and strengthen its position in the existing market.

Furthermore. leveraging on the enhanced financial resources, long standing reputation, good tracking record in the industry and taking into account of the Chief Executive’s Policy Address, the projects currently on hand, the tenders submitted recently as well as more sizable tenders, which the Group plans to submit this year, Directors are confident that there will be ample business opportunities and growth impetus to the market for ISP Business to expand in order to bounce back in 2025. Also, ISP Business is well positioned to grasp these business opportunities and market growth in the near future.

PFM China Business

Amid complex domestic and global landscapes and supported by a package of powerful measures, the Chinese economic trajectory demonstrated remarkable resiliency and adaptability in 2024 with steady progress. Key economic indicators such as industrial output, alongside with the stability of the real estate market reflected a significant growth. The targeted reforms, fiscal support and innovation-driven measures bolstered people’s confidence to shore up domestic demand and overall economic growth. PFM China Business benefited from China’s economic recovery and was awarded a one-year property management contract in Qingdao and a consultancy contract in Shanghai during the year ended 31 December 2024. Together with recognition of revenue of a leasing contract in Beijing, which was awarded last financial year, PFM China recorded an increase of revenue by 54.5% to approximately HK$6.8 million (2023: HK$4.4 million) and an increase of gross profit by 12.5% to approximately HK$4.5 million (2023: HK$4.0 million) as compared with last financial year respectively. After taking into account all operating expenses, PFM China Business recorded an operating loss of approximately HK$0.2 million for the year ended 31 December 2024, which was the same as last financial year.

Stepping into 2025, the market competition is still keen. The Chinese economy faces ongoing challenges such as the strained relationship between China and the United States and sluggish consumer demand. However, the Chinese government is committed to ramping up stimulating measures and implement strong policy to overcome these hurdles. Therefore, although the Group is facing stiff competition, the Board is still optimistic and will continue to adopt a prudent approach to maintaining the existing structure while simultaneously exploring new or alternative business development opportunities to increase the income streams of PFM China Business.

Outlook of the Group

Looking forward, in view of the low investment appetite of potential investors and the occupiers, the US trade protectionism, sustained geopolitical tension, inflationary pressure and potential delayed interest rate cuts, we foresee that both the local economy and construction industry will remain challenging and uncertain. In this hostile business environment, the ISP Business would unavoidably suffer. In this midst of economic uncertainties, the Company is well-equipped to target at the relatively steady development and rehabilitation of luxury residential sector as well as commercial sector and local residential property. Leveraging on the good historical track records and experience in the industry, versatile professional team and the strengthened liquidity and financial position, the Group is capable of undertaking more sizable projects in the coming year and strive to maintain continuous business growth in the foreseeable future.

For a Group-wise overview, the Group takes a positive attitude that the overall financial performance of the Group will remain stable with steady growth and create a long-term value to shareholders in the years to come. Same as the past, apart from improving financial performance, the Company must continue to adopt a transparent, responsible and embracing approach to business so that it can continue its journey to sustainable development. Aligning the values with customer focus, integrity, teamwork, innovation and pursuit of excellence, sustainability is the core business strategy. The Company is committed to enhancing customer satisfaction through better communication with clients and continued improvement of its services. Besides, with the rapid change of the business environment, the Company will take appropriate measures to mitigate various operational and financial risks. Leveraging its solid foundation and committed management team, the Group has complete confidence in overcoming all the difficulties ahead of the Group.

For illustrative purpose only, set out below is the unaudited pro forma statement of consolidated net tangible assets of the Group after completion of the Rights Issue. Although reasonable care has been exercised in preparing the unaudited pro forma financial information, Shareholders who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the Group's financial positions at the relevant time.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following unaudited pro forma statement of consolidated net tangible assets of the Group prepared in accordance with Paragraph 29 of Chapter 4 of the Listing Rules is set out to illustrate the effect of the Rights Issue on the audited consolidated net tangible assets of the Group as if the Rights Issue had taken place on 31 December 2024.

The unaudited pro forma statement of consolidated net tangible assets of the Group has been prepared for illustrative purpose only, and because of its hypothetical nature, may not give a true picture of the consolidated net tangible assets of the Group had the Rights Issue been completed as at 31 December 2024 or at any future date.

The following unaudited pro forma statement of consolidated net tangible assets of the Group is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024, as extracted from the annual report of the Group for the year ended 31 December 2024, adjusted as described below:

	Audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2024	**Estimated net proceeds from the Rights Issue**	**Unaudited pro forma consolidated net tangible assets of the Group attributable to the owners of the Company as if the Rights Issue had been completed on 31 December 2024**
	HK$'000	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	
Based on the issue of 212,425,000 Rights Shares at the Subscription Price of HK$0.051 per Rights Share *(note 3)*	150,306	10,134	160,440
Audited consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2024 *(note 4)*	HK$0.354		
Unaudited pro forma consolidated net tangible assets of the Group attributable to the owners of the Company per Share immediately after completion of the Rights Issue as if the Rights Issue had been completed on 31 December 2024 *(note 5)*			HK$0.252

Notes:

1. The audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2024 are based on the audited consolidated net assets of the Group as at 31 December 2024 of approximately HK$150,306,000 as extracted from the published annual report of the Group for the year ended 31 December 2024.

2. The estimated net proceeds from the Rights Issue of approximately HK$10,134,000 are based on estimated gross proceeds to be raised by the issue of 212,425,000 Rights Shares at the subscription price of HK$0.051 per Rights Share, after deduction of the estimated related expenses incidental to the Rights Issue of approximately HK$700,000.

3. The Rights Issue involves the issue of 212,425,000 Rights Shares on the basis of one Rights Share for every two Existing Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price assuming full subscription under the Rights Issue and no change in the number of Existing Shares in issue on or before the Record Date. For the purpose of the unaudited pro forma financial information, the number of Rights Shares of 212,425,000 is arrived at (1) without any conversion of the Convertible Preference Shares as the potential conversion is at the discretion of the instrument holder and there is no committed conversion upon the effect of the Rights Issue; and (2) assuming the Right Shares proposed to be issued by the Company are all taken up by the Qualifying Shareholders as if the Rights Issue had been completed on 31 December 2024.

4. The audited consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2024 is calculated based on the audited consolidated net tangible assets of the Group of approximately HK$150,306,000 and 424,850,000 Shares in issue as at 31 December 2024.

5. The unaudited pro forma consolidated net tangible assets of the Group attributable to the owners of the Company per Share immediately after completion of the Rights Issue as if the Rights Issue had been completed on 31 December 2024 is calculated based on the unaudited pro forma consolidated net tangible assets of the Group attributable to the owners of the Company of approximately HK$160,440,000 and 637,275,000 Shares, which comprise (i) 424,850,000 Shares in issue as at 31 December 2024; and (ii) 212,425,000 Rights Shares to be issued on the basis stated in note 3.

6. Save as disclosed above, no adjustment has been made to the unaudited proforma financial information of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2024.

On 19 March 2025 and 2 April 2025, the Group disposed its listed equity securities in Hong Kong which accounted for as financial assets at fair value through profit or loss on the open market at an aggregate consideration of approximately HK$9,400,000 (the "**Disposal**"). The Disposal, being non-adjusting event and not directly attributable to the Rights Issue, are not included as a pro forma adjustment. The net fair value gain from the Disposal of approximately HK$564,000 is resulted.

For illustrative purpose, the table below shows the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as if the Rights Issue had been completed on 31 December 2024 and taken into consideration of the Disposal, which is calculated based on the unaudited pro forma consolidated net tangible assets of the Group attributable to the owners of the Company as if the Rights Issue had been completed on 31 December 2024.

	Unaudited pro forma consolidated net tangible assets of the Group attributable to the owners of the Company as if the Rights Issue had been completed on 31 December 2024	**Effect of the Disposal**	**Unaudited pro forma consolidated net tangible assets of the Group attributable to the owners of the Company as if the Rights Issue had been completed on 31 December 2024 and taken into consideration of the Disposal**
	HK$'000	*HK$'000*	*HK$'000*
Based on the issue of 212,425,000 Rights Shares at the Subscription Price of HK$0.051 per Rights Share	160,440	564	161,004
Unaudited pro forma consolidated net tangible assets of the Group attributable to the owners of the Company per Share immediately after completion of the Rights Issue as if the Rights Issue had been completed on 31 December 2024 and taken into consideration of the Disposal			HK$0.253

B. ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the sole purpose of inclusion in this Prospectus, from the reporting accountant, BDO Limited, Certified Public Accountants, Hong Kong.

BDO

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the directors of ISP Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of ISP Holdings Limited (the "**Company**") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of consolidated net tangible assets of the Group as at 31 December 2024, and related notes as set out on Section A of Appendix II of the Company's prospectus dated 6 May 2025 (the "**Prospectus**") in connection with the proposed rights issue on the basis of one rights share for every two existing shares held on the record date on a non-underwritten basis (the "**Rights Issue**"). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described on Section A of Appendix II of the Prospectus.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Rights Issue on the Company's consolidated financial position as at 31 December 2024 as if the Rights Issue had taken place at 31 December 2024. As part of this process, information about the Company's consolidated financial position has been extracted by the directors of the Company from the Company's financial information for the year ended 31 December 2024 on which an auditor's report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 31 December 2024 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and

- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the entity, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Company; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

BDO Limited
Certified Public Accountants
Hong Kong

6 May 2025

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 Prospectus 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 Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue (assuming full subscription under the Rights Issue and no change in the number of Existing Shares in issue on or before the Record Date) and (iii) immediately upon completion of the Rights Issue (assuming full subscription under the Rights Issue and no change in the number of Existing Shares in issue on or before the Record Date other than the full conversion of the Convertible Preference Shares) are set out as follows:

(i) As at the Latest Practicable Date

Authorised:		*HK$*
90,000,000,000	Shares	900,000,000
10,000,000,000	Convertible Preference Shares	100,000,000
		1,000,000,000
Issued and fully paid:		
424,850,000	Shares	4,248,500
80,000,000	Convertible Preference Shares	800,000
		5,048,500

(ii) Immediately upon completion of the Rights Issue (assuming full subscription under the Rights Issue and no change in the number of Existing Shares in issue on or before the Record Date)

Authorised:		*HK$*
90,000,000,000	Shares	900,000,000
10,000,000,000	Convertible Preference Shares	100,000,000
		1,000,000,000

Issued and fully paid:

424,850,000	Shares	4,248,500
212,425,000	Rights Shares to be allotted and issued under the Rights Issue	2,124,250
637,275,000		6,372,750

(iii) Immediately upon completion of the Rights Issue (assuming full subscription under the Rights Issue and no change in the number of Existing Shares in issue on or before the Record Date other than the full conversion of the Convertible Preference Shares)

Authorised:		*HK$*
90,000,000,000	Shares	900,000,000
10,000,000,000	Convertible Preference Shares	100,000,000
		1,000,000,000

Issued and fully paid:

424,850,000	Shares	4,248,500
80,000,000	Issue of Shares assuming full conversion of the Convertible Preference Shares	800,000
252,425,000	Rights Shares to be allotted and issued under the Rights Issue	2,524,250
757,275,000		7,572,750

The Rights Shares, when allotted, issued and fully-paid, shall rank pari passu in all respects with the Shares then in issue. Holders of the Rights Shares in their fully-paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares.

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Save for the 80,000,000 outstanding Convertible Preference Shares, as at the Latest Practicable Date, the Group had no other outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible into or giving rights to subscribe for, convert or exchange into any Shares.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

3. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

(a) Business addresses

The business address of all the Directors and senior management is the same as the address of the Company's principal place of business at 3/F, Hay Nien Building, No.1 Tai Yip Street, Kwun Tong, Kowloon, Hong Kong.

(b) Biographical details

Mr. Kingston Chu Chun Ho ("Mr. Chu")

Executive Director and the chairman of the Board

Mr. Chu, aged 39, is the Executive Director and the Chairman of the Board. Mr. Chu was appointed as an Executive Director and the Chairman of the Company with effect from 9 March 2017. He is also the Chairman of the investment committee of the Company (the "**Investment Committee**") and a member of each of the executive committee, the nomination committee (the "**Nomination Committee**") and the remuneration committee (the "**Remuneration Committee**") of the Company.

Mr. Chu is a licensed person under Securities and Futures Ordinance for Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities for Kingston Securities Limited and Kingston Corporate Finance Limited, respectively. Mr. Chu is a member of General Committee of The Chamber of Hong Kong Listed Companies, vice president of Hong Kong CPPCC Youth Association, vice director of Youth Committee of HKCPPCC (Provincial) Members Association, vice president of Federation of Hong Kong Guangxi Community Organisations, vice chairman of Hong Kong Guangdong Youth Association, honorary chairman of Hong Kong Guangxi Youth Organisations and founder chairman of Youth Committee of Hong Kong Federation of Dongguan Associations. Mr. Chu holds a Bachelor Degree of Science in Business Administration from the University of Southern California in the U.S.A.

Mr. Chu has been an executive director of Kingston Financial Group Limited since 21 August 2015, the shares of which were withdrawn voluntarily from listing on the Stock Exchange on 27 February 2023. He had also been an executive director of Sincere Watch (Hong Kong) Limited (stock code: 444) since 29 May 2012 (which is listed on the main board of the Stock Exchange) and was then re-designated as a non-executive director since 1 February 2023 until his resignation on 29 June 2023.

He is the son of Mrs. Chu, the ultimate beneficial owner of Champ Key, which is the controlling shareholder of the Company.

Ms. Leung Yuet Ngor ("Ms. Leung")

Executive Director

Ms. Leung, aged 59, is the Executive Director. Ms. Leung was appointed as an Executive Director with effect from 19 November 2024.

Ms. Leung is currently the Senior Contract Service Officer of the Company. She specializes in construction contract management and possesses extensive knowledge in quantity surveying and commercial management. Before joining the Company, Ms. Leung worked as contracts manager, project manager and/or quantity surveyor for a number of leading local construction and engineering companies for over 35 years and amassed profound experience in a wide variety of construction projects in Hong Kong.

She graduated from The University of Hong Kong with a bachelor's degree in quantity surveying and is also a member of the Royal Institution of Chartered Surveyors.

Mr. Lam Chun Kit ("Mr. Lam")

Non-executive Director

Mr. Lam, aged 51, is the Non-executive Director. Mr. Lam was appointed as a Non-executive Director with effect from 16 February 2022. He is also member of the Investment Committee.

Mr. Lam is the financial controller of VMS Investment Group Limited, which is an investment company specializing in equity investments, private equity investments and structured financing.

Before that, Mr. Lam worked in a private group engaging in investment properties and oil and gas industry as head of finance control, and in international audit firms over 10 years. Mr. Lam has developed extensive experience in finance and accounting, treasury, tax and corporate governance. Mr. Lam graduated from The Hong Kong Polytechnic University with a bachelor's degree of Arts in Accountancy. He is also a member of The Hong Kong Institute of Certified Public Accountants.

Mr. Lau Man Tak ("Mr. Lau")

Independent non-executive Director

Mr. Lau, aged 55, is the Independent Non-executive Director. Mr. Lau has been appointed as an Independent Non-executive Director since 28 September 2017. He is also the Chairman of the audit committee of the Company (the ''**Audit Committee**''), and a member of each of the Remuneration Committee, the Nomination Committee and the Investment Committee.

Mr. Lau graduated from the Hong Kong Polytechnic University with a bachelor's degree of arts in accountancy. Mr. Lau has more than 20 years of experience in finance and accounting. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of each of the Association of Chartered Certified Accountants in United Kingdom, The Hong Kong Institute of Directors and the Hong Kong Securities and Investment Institute.

Mr. Lau is currently the chairman and a non-executive director of REF Holdings Limited (stock code: 1631) and an independent non-executive director of Plus Group Holdings Inc. (stock code: 2486), both of which are listed on the Main Board of the Stock Exchange. He is also a director, the chairman of the board of directors and the controlling shareholder of Linkers Industries Limited with its shares traded on NASDAQ Capital Market in the United States (NASDAQ: LNKS). He was also an independent non-executive director of Kingston Financial Group Limited (the shares of which were withdrawn voluntarily from listing on the Stock Exchange on 27 February 2023) until his resignation on 8 March 2023.

Mr. Eric Lee Hon Man ("Mr. Lee")

Independent non-executive Director

Mr. Lee, aged 58, is an Independent Non-executive Director. Mr. Lee has been appointed as an Independent Non-executive Director since 28 September 2017. He is the Chairman of the Nomination Committee, and a member of each of the Audit Committee and the Remuneration Committee.

Mr. Lee is currently an independent non-executive director of REF Holdings Limited (stock code: 1631), a company listed on the Main Board of the Stock Exchange. He is currently employed by Opus Capital Limited, a company engaging in advising on corporate finance and dealing in securities, as managing director. He graduated from the University of Birmingham, the United Kingdom with a bachelor's degree of engineering in electronic and electrical engineering, and obtained a master's degree in business administration from the Chinese University of Hong Kong.

Mr. Lee has over 20 years of experience in the corporate finance industry. From December 2020 to July 2022, he worked at Alliance Capital Partners Limited, a company engaging in advising on corporate finance and dealing in securities, as managing director. From March 2017 to June 2020, he worked at Orient Capital (Hong Kong) Limited, a company engaging in advising on corporate finance, as managing director of investment banking department. From August 2015 to February 2017, Mr. Lee worked at LY Capital Limited, a company engaging in advising on corporate finance, as a director. From April 2002 to November 2014, he worked at First Shanghai Capital Limited, a company engaging in advising on corporate finance, and his last position was managing director. From July 1997 to March 2002, he worked at DBS Asia Capital Limited, a company engaging in advising on corporate finance, and his last position was vice president.

Mr. To Chun Wai ("Mr. To")

Independent non-executive Director

Mr. To, aged 69, is an Independent Non-executive Director. Mr. To has been appointed as an Independent Non-executive Director since 1 March 2021. He is the Chairman of the Remuneration Committee, and a member of each of the Audit Committee and the Nomination Committee.

Mr. To is at present the chief executive officer of a Hong Kong registered consultancy company. He is also an independent non-executive director of Auto Italia Holdings Limited (stock code: 720) and Greenheart Group Limited (stock code: 94), DeTai New Energy Group Limited (stock code: 559) and NOVA Group Holdings Limited (stock code: 1360), all of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Mr. To spent most of his career with the Hong Kong Police, beginning in 1974 and rising up the ranks to Assistant Commissioner (Crime), being responsible for the overall charge of policy designs and operations of, among others, the Commercial Crime Bureau, Organized Crime & Triad Bureau, Criminal Intelligence Bureau, Financial Investigation Bureau (anti money-laundering), and Technology Crime Bureau, until his retirement in 2011.

Mr. To was awarded the Police Meritorious Service Medal by the Chief Executive of the Hong Kong Special Administrative Region, in recognition of his long and staunch service and contribution to the Hong Kong society. From 2011 to 2012, he served as a part-time tutor at the University of Hong Kong. Between April 2013 and August 2018, he served as the chief strategic officer, chief operating officer, and a non-executive director of Integrated Waste Solutions Group Holdings Limited ("**IWS**"), the shares of which are listed on the Main Board of the Stock Exchange (stock code: 923), and sat on both the remuneration and nomination committees of IWS during his tenure of services.

Mr. To has wide administrative and management experiences in both the public and private sectors, and holds a master degree of public administration from the University of Hong Kong.

Mr. Gary Tse Chi Chiu ("Mr. Tse")

Acting Managing Director for the ISP business and a director of certain subsidiaries of the Company

Mr. Tse, aged 47, was appointed as an Acting Managing Director for the "ISP Business and a member of the Executive Committee with effect from 7 May 2020. He is also a director of certain subsidiaries of the Company and is responsible for strategic planning, business development and overall operation of ISP Business and in charge of Planning, Engineering and Plant Department of the Group.

Mr. Tse joined interiors and special projects division in 2011. He has strong background in structural design and consultation knowledge and processes over 20 years of experience in the design, construction, supervision and project management. He has also been involved in various building, civil and renovation projects in Hong Kong, Macau, United Kingdom and Middle East.

Mr. Tse is a qualified contractor specialising in construction management in a wide range of construction projects including high rise class residential and commercial development, social facilities, shopping complex, hotel, hospital building; fitting-out works together with alteration and addition works, major demolition and repair works. He also qualified as a combined Chartered Civil and Structural Engineer as well as a Registered Professional Engineer.

Mr. Leung Chi Ming ("Mr. Leung")

Regional Director (China) and a director of certain subsidiaries of the Company

Mr. Leung, aged 51, is the Regional Director (China) and a director of certain subsidiaries of the Company. Mr. Leung holds an Executive Master's Degree of Business Administration in Real Estate from Shanghai Advanced Institute of Finance. He is also currently a Registered Professional Housing Manager of Institute of Real Estate Management and a member of each of the Chartered Institute of Housing Asia Pacific Branch and Royal Institution of Chartered Surveyor.

Mr. Leung joined the Group in 1999 and has over 20 years of extensive experience in real estate consultancy and service in Hong Kong and China. He is responsible for the overall strategic planning, business development and management operations of the real estate business of the Group in China.

4. DISCLOSURE OF INTERESTS

(a) Director's and chief executive's interests in the Company and short position in the Shares, underlying Shares and debentures of the Company and its associated Corporations

As at the Latest Practical Date, none of the other Directors and chief executive of the Company, or their respective associate, had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2, 3, 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO), or, as recorded in the register required to be kept by the Company under section 352 of the SFO or required to be notified to the Company or the Stock Exchange under the Model Code for Securities Transactions for Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

(b) Substantial Shareholders' interests and short positions in the Shares and underlying Shares of the company

As at the Latest Practicable Date, so far as is known to any Director or chief executives of the Company, the following persons or corporations (other than a Director or a chief executive of the Company) who had, or were deemed or taken to have an interest and short positions in the Shares or underlying Shares 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, who were, directly or indirectly, interested in 5% or more of the issued voting shares of the Company or had any option in respect of such securities:

(i) Ordinary Shares

Name of Shareholders	Capacity	Number of Shares held	Approximate percentage of interests in the total number of issued shares
Mrs. Chu	Interests of controlled corporation	225,518,633	53.08%
Champ Key	Beneficial owner	225,518,633	53.08%

Notes:

1. Champ Key being a company wholly-owned by Mrs. Chu is deemed to be a controlled corporation of Mrs. Chu under the SFO.

2. There were 424,850,000 Shares in issue as at the Latest Practicable Date.

(ii) Convertible Preference Shares

Name of Shareholders	Capacity	Number of Convertible Preference Shares held	Approximate percentage of interests in the total number of issued shares
Mrs. Chu	Interests of controlled corporation	80,000,000	100%
Champ Key	Beneficial owner	80,000,000	100%

Notes:

1. The Company issued and allotted 80,000,000 Convertible Preference Shares to Smart Lane Holdings Limited ("**Smart Lane**"), as part of the consideration for the acquisition of ISP Business in late 2012. As disclosed in the joint announcement of Champ Key and the Company dated 30 November 2016, Champ Key (a company wholly owned by Mrs. Chu) as the offeror entered into the sale and purchase agreement with Smart Lane as the vendor of the sale and purchase of 169,116,777 Shares and the 80,000,000 Convertible Preference Shares. Champ Key being a company wholly owned by Mrs. Chu is deemed to be a controlled corporation of Mrs. Chu under the SFO.

2. There were 80,000,000 Convertible Preference Shares in issue as at the Latest Practicable Date.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. DIRECTORS' INTERESTS IN GROUP'S ASSETS AND CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024, the date to which the latest published audited accounts of the Group were made up.

There was no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date, in which any of the Directors was materially interested and which was significant in relation to the business of the Group as a whole.

7. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has been named in this Prospectus or has given opinion, letters or advice contained in this Prospectus:

Name	**Qualification**
BDO Limited	Certified Public Accountants

As at the Latest Practicable Date, the above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letters and the reference to its name in the form and context in which it appears.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024, being the date to which the latest published audited accounts of the Company were made up.

8. CORPORATE INFORMATION AND THE PARTIES INVOLVED IN THE RIGHTS ISSUE

Board of Directors	*Executive Directors:* Mr. Kingston Chu Chun Ho *(Chairman)* Ms. Leung Yuet Ngor *Non-executive Director:* Mr. Lam Chun Kit *Independent non-executive Directors:* Mr. Lau Man Tak Mr. Eric Lee Hon Man Mr. To Chun Wai

Audit committee	Mr. Lau Man Tak *(Chairman)* Mr. Eric Lee Hon Man Mr. To Chun Wai
Nomination committee	Mr. Eric Lee Hon Man *(Chairman)* Mr. Kingston Chu Chun Ho Mr. Lau Man Tak Mr. To Chun Wai
Remuneration committee	Mr. To Chun Wai *(Chairman)* Mr. Kingston Chu Chun Ho Mr. Lau Man Tak Mr. Eric Lee Hon Man
Investment committee	Mr. Kingston Chu Chun Ho *(Chairman)* Mr. Lam Chun Kit Mr. Lau Man Tak
Executive Committee	Mr. Kingston Chu Chun Ho Mr. Gary Tse Chi Chiu
Registered office	Clarendon House 2 Church Street Hamilton, HM 11 Bermuda
Principal place of business in Hong Kong	3/F, Hay Nien Building, No. 1, Tai Yip Street, Kwun Tong, Kowloon, Hong Kong
Authorised representatives	(i) Mr. Kingston Chu Chun Ho (ii) Mr. Eric Chan Kwong Leung 3/F, Hay Nien Building, No. 1, Tai Yip Street, Kwun Tong, Kowloon, Hong Kong
Company secretary	Mr. Eric Chan Kwong Leung *(Chartered Secretary and Chartered Governance Professional)*
Hong Kong branch share registrar and transfer office	**Computershare Hong Kong Investor Services Limited** Shops 1712–1716 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong

Principal banker	**The Hongkong and Shanghai Banking Corporation Limited** 1 Queen's Road Central, Central, Hong Kong **Chong Hing Bank Limited** 24 Des Voeux Rd Central, Central, Hong Kong **O-Bank Co., Ltd** 9 Canton Rd, Tsim Sha Tsui, Hong Kong
Auditor	**BDO Limited** 25th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong
Legal adviser to the Company as to Hong Kong laws	**Patrick Mak & Tse** Rooms 901–905, 9th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong

9. MATERIAL CONTRACTS

No material contract (not being a contract entered into in the ordinary course of business of the Group) has been entered into by any member of the Group within the two years immediately preceding the Latest Practicable Date.

10. LITIGATION

ISP Construction (Engineering) Limited, an indirect wholly-owned subsidiary of the Company

(i) Falcon Insurance Company (Hong Kong) Limited ("**Falcon**") and ISP Construction (Engineering) Limited ("**ISPCE**"), an indirect wholly-owned subsidiary of the Company, and Fortune Pharmacal Co., Ltd ("**Fortune Pharmacal**"), entered into a contract dated 21 April 2016, pursuant to which Falcon and ISPCE were responsible for the construction of main contract works for Fortune Pharmacal New Factory Development at 50–68 Wang Lok Street, Yuen Long Industrial Estate, Yuen Long (the "**Project**").

On 14 January 2021, Falcon (as the 1st defendant) and ISPCE (as the 2nd defendant) (collectively, the "**Defendants**") received a writ of summons under action number HCCT 6 of 2021 issued from the Court of First Instance of the High Court of Hong Kong (the "**High Court**"). Fortune Pharmacal, the Plaintiff, represented by the solicitors, claims approximately HK$54.40 million against the Defendants for alleged breaches of the surety bond executed by the Defendants to guarantee ISPCE's due performance and observance in the construction of works for the Project.

On 21 September 2021, the High Court granted a permanent stay of proceedings in favour of arbitration for ISPCE. The hearing of arbitration is scheduled to take place in the first quarter of 2025.

(ii) On or about 21 June 2017, ISPCE was awarded a domestic builder's work subcontract (the "**Subcontract**") from ATAL Engineering Limited ("**ATAL Engineering**") for the main contract involving building and electrical and mechanical works related to the automation of arrivals bags delivery at a site situated at the Hong Kong International Airport, with a contract sum of approximately HK$166.6 million.

ISPCE carried out the works under the Subcontract until 4 April 2022. However, disputes and differences arose under the Subcontract in late 2021. On 20 December 2022, ISPCE filed a writ of summons in the High Court under action number HCCT 116 of 2022 against ATAL Engineering (as the defendant), seeking payment of an outstanding amount of approximately HK$98.5 million representing, inter alia, additional works performed, and additional costs incurred by ISPCE. The pleading stage has been completed, and the hearing is scheduled to take place in the third quarter of 2025.

Save as disclosed above, as at the Latest Practicable Date, no member of the Group was involved in any litigation or arbitration of material importance and no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

11. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, legal advisers, auditors, printing, registration, translation and other related expenses are estimated to be up to approximately HK$0.7 million, which are payable by the Company.

12. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent as referred to in the paragraph headed "7. Qualification and Consent of Expert" in this appendix, have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

13. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

14. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (https://www.hkexnews.hk/) and the Company (http://www.isp-hk.com.hk/) during the period of 14 days from the date of this Prospectus:

(i) the letter from the Board, the text of which is set out on pages 5 to 34 of this Prospectus;

(ii) the accountant's report on the unaudited pro forma financial information of the Group issued by BDO Limited, the text of which is set out in Appendix II to this Prospectus;

(iii) the written consent referred to in paragraph headed "7. Qualification and Consent of Expert" of this appendix; and

(iv) the Prospectus Documents.

15. MISCELLANEOUS

1. As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.

2. This Prospectus is prepared in both English and Chinese. In the event of inconsistency, the English text of this prospectus shall prevail over the Chinese text unless otherwise specified.