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ISP HOLDINGS LIMITED

昇柏控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 02340)

POSITIVE PROFIT ALERT

This announcement is made by ISP Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022 (the “**Period**”) and information currently available to the Board, the Group expects to record an operating profits from continuing operations, excluding the direct cost in relation to the disposal of discontinued operations, within a range of HK\$1.0 million to HK\$5.0 million for the Period, as compared to an operating loss from continuing operations of approximately HK\$4.7 million (as restated; see note below) for the six months ended 30 June 2021 (the “**Previous Period**”).

Note:

HK\$' million

Operating profit for the Period as reported in unaudited financial statements for the Previous Period	19.5
Results of the property and facilities management business in Hong Kong and ancillary business (collectively, “ Disposal Group ”) reclassified to discontinued operations	<u>(24.2)</u>
Restated operating loss from continuing operations	<u><u>(4.7)</u></u>

Although the progress of our existing projects was affected in different degrees by the outbreak of Omicron variant of the novel coronavirus in the first half of 2022, our continuing operations still recorded the turnaround results with an operating profit for the Period against the operating loss for the Previous Period, mainly attributable to the following reasons:

- (a) cost saving from certain completed projects with subcontractors' consent to receive less final payments on their performed works;
- (b) no interest expenses from bank loans and convertible bonds incurred in the Period as all the outstanding bank loans and convertible bonds had been repaid in 2021; and
- (c) no loss on early redemption of convertible bonds in the Period.

As disclosed in the "Event After the Reporting Year" in the 2021 annual report of the Company, the Company had completed the disposal of the Disposal Group at the cash consideration of HK\$539.0 million and the disposal gain of approximately HK\$438.4 million was recognized during the Period. Taking into the consideration of disposal gain and the results of the discontinued operations in the Previous Period, the Group expects to record a total comprehensive income attributable to equity holders in the range of HK\$438.0 million to HK\$442.0 million for the Period, as compared to approximately HK\$19.8 million for the Previous Period. In addition to the disposal gain and positive operating profit from the continuing operations as set out above, the significant increase in the total comprehensive income attributable to equity holders for the Period was also attributable to the following reasons:

- (a) the direct cost in relation to the disposal of the Disposal Group approximately HK\$4.5 million recognised in the Period;
- (b) subsidy from Employment Supporting Scheme launched by the Government of HKSAR; and
- (c) bad debt recovery related to performance bonds made in 2017.

The Company is still in the process of finalising the interim results of the Group for the Period. The Board wishes to emphasis that the information contained in this announcement is based on the preliminary assessment by the Board of the latest unaudited consolidated management accounts of the Group for the Period, which have not been reviewed by the Company's independent auditor and/or reviewed by audit committee of the Company. The actual interim results of the Group for the Period may differ from what is disclosed in this announcement. The unaudited interim results of the Group for the Period will be announced by end of August 2022.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 9 August 2022

As at the date of this announcement, the Board comprises Mr. Kingston Chu Chun Ho (Chairman) as Executive Director; Mr. Lam Chun Kit as Non-executive Director; and Mr. Lau Man Tak, Mr. Eric Lee Hon Man and Mr. To Chun Wai as Independent Non-executive Directors.