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**ISP HOLDINGS LIMITED**

**昇柏控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 02340)**

## **PROPOSED SHARE PREMIUM REDUCTION**

The Board intends to put forward for approval by the Shareholders at the SGM a proposal of the Share Premium Reduction pursuant to the Companies Act and the Bye-laws.

A circular containing, among other things, further details of the Share Premium Reduction together with a notice convening the SGM will be dispatched to the Shareholders as soon as practicable.

### **THE SHARE PREMIUM REDUCTION**

The Board intends to put forward for approval by the Shareholders at the SGM a proposal of the Share Premium Reduction pursuant to the Companies Act and the Bye-laws.

The amount standing to the credit of the Share Premium Account as at 31 December 2021, based on the audited consolidated financial statements of the Company, was approximately HK\$185,420,000. It is proposed that an amount of HK\$185,420,000 standing to the credit of the Share Premium Account be reduced and that the credit arising therefrom be transferred to the Contributed Surplus Account. It is further proposed that the credit being transferred be used for such purpose as the Directors may from time to time deem fit, including offsetting the accumulated losses of the Company.

### **CONDITIONS OF THE SHARE PREMIUM REDUCTION**

The Share Premium Reduction is conditional upon:

- (a) the passing of a special resolution by the Shareholders to approve the Share Premium Reduction at the SGM; and
- (b) compliance with section 46(2) of the Companies Act, including (i) the publication of a notice in relation to the Share Premium Reduction in an appointed newspaper in Bermuda on a date not more than 30 days and not less than 15 days before the Effective

Date; and (ii) the Board having satisfied that on the Effective Date, there are no reasonable grounds for believing that the Company is, or after the Share Premium Reduction would be, unable to pay its liabilities as they become due.

Subject to the fulfilment of the above conditions, it is expected that the Share Premium Reduction shall become effective on the Effective Date.

## **REASONS FOR THE SHARE PREMIUM REDUCTION**

The Directors propose the Share Premium Reduction as they consider it unnecessary to maintain the Share Premium Account at its current level. In addition, the Company is subject to restrictions under the laws of Bermuda on the use of the funds standing to the credit of the Share Premium Account which, in summary, is limited to application towards crediting as fully paid bonus shares to be issued, paying the costs arising on the issue of Shares and in providing for the premium payable on a repurchase of shares. The Share Premium Reduction and the subsequent transfer of part of the credit arising therefrom to the Contributed Surplus Account will increase the distributable reserves of the Company and give the Company greater flexibility. The Contributed Surplus Account is a distributable reserve which is available for distribution to shareholders. Further, the Directors may apply contributed surplus in a more general manner as they think fit, including without limitation, eliminating accumulated losses of the Company. The Board believes that the Share Premium Reduction is in the interests of the Company and the Shareholders as a whole.

## **EFFECT OF THE SHARE PREMIUM REDUCTION**

The implementation of the Share Premium Reduction does not involve any reduction in the authorized or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or the trading arrangements concerning the Shares.

Save for the expenses incurred by the Company in relation to the Share Premium Reduction, the Board considers that the implementation of the Share Premium Reduction will not, in itself, have any material adverse effect on the underlying assets, business operations, management or financial position of the Company or the interests of the Shareholders as a whole.

## **GENERAL**

A circular containing, among other things, further details of the Share Premium Reduction together with a notice convening the SGM will be dispatched to the Shareholders as soon as practicable. No Shareholder is required to abstain from voting on the special resolution to be proposed at the SGM to consider and approve the Share Premium Reduction.

## DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

|                               |   |
|-------------------------------|---|
| “Board”                       | the board of Directors of the Company   |
| “Bye-laws”                    | the bye-laws of the Company, as amended, modified or otherwise supplemented from time to time   |
| “Companies Act”               | the Companies Act 1981 of Bermuda, as amended from time to time   |
| “Company”                     | ISP Holdings Limited, a company incorporated on 4 August 2003 in Bermuda with limited liability, the ordinary shares of which are listed on the Stock Exchange              |
| “Contributed Surplus Account” | the contributed surplus account of the Company  |
| “Directors”                   | the directors of the Company  |
| “Effective Date”              | the date on which the Share Premium Reduction shall become effective, being the date of passing of the special resolution to approve the Share Premium Reduction at the SGM |
| “HK\$”                        | Hong Kong dollars, the lawful currency of Hong Kong   |
| “Hong Kong”                   | the Hong Kong Special Administrative Region of the PRC  |
| “PRC”                         | the People’s Republic of China, which for the purposes of this announcement only, excludes Hong Kong, the Macao Special Administrative Region and Taiwan                    |
| “SGM”                         | a special general meeting of the Company to be convened to consider and approve, among others, the Share Premium Reduction  |
| “Share(s)”                    | ordinary share(s) of HK\$0.10 each in the share capital of the Company  |
| “Share Premium Account”       | the share premium account of the Company  |

“Share Premium Reduction” the proposed reduction of an amount of HK\$185,420,000 standing to the credit of the Share Premium Account and the transfer of the credit arising therefrom to the Contributed Surplus Account

“Shareholder(s)” holder(s) of Share(s)

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

Hong Kong, 30 September 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.*