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ISP GLOBAL LTD: TO BE SURE, THERE ARE FAR-BETTER PUBLICLY LISTED COMPANIES THAN THIS ONE

On scanning the three-page Statement of Mr Cao Chun Meng (曹春萌), the Chairman of the Board of Directors of ISP Global Ltd (Code: 8487, The Growth Enterprise Market – The GEM – The Stock Exchange of Hongkong Ltd), one might, initially, conclude that this Singapore-based investment holding company was in the hands of very competent business individuals.

Such is not the case, however, as this medium discovered after extrapolating the 174-page 2021-2022 Annual Report of the Company, as well as the 2022-2023 Interim Report.

To be totally fair to Chairman Cao Chun Meng, the following is a verbatim copy of his offerings to the shareholders and investors of the Company:

‘OVERVIEW

‘During the Year, the spread of the Novel Coronavirus (“COVID-19”) continued to adversely impact the global economy and the business of the Group in Singapore and in the People’s Republic of China (“PRC”), however, the Group managed to increase its operational revenues with the efforts of all the Group’s employees.

‘Expecting a slowdown in growth of its existing business, the Group has expanded its business of e-commerce operation (“E-commerce”) as well as integrated services of networking and communication systems in the PRC since the previous financial year. The two expanded business segments substantially boosted the growth in the overall sales revenue of the Group and achieved annual sales revenue of S\$20.2 million, increasing significantly compared with that of the previous financial year.

‘The business of integrated services of networking and communication systems mainly provides large state-owned enterprises such as financial, railway and aviation institutions in the PRC with integrated solutions for information technology (“IT”) equipment and systems, IT technical services and maintenance services.

‘The business of E-commerce operation mainly provides brand owners with digital marketing, online agency operation, online dealing as well as distribution services.

‘Detailed analysis with respect to the performance of the Group for the Year is covered in the section headed “Management Discussion and Analysis” of this report.

‘PROSPECT

‘The Group has established two major business segments: (i) e-commerce operation in the PRC; and (ii) sale and provision of integrated services of networking, sound and communication systems in Singapore and the PRC.

‘Business of e-commerce operation in the PRC

‘The continuous development of the E-commerce hinges on the development of e-commerce, and it will continue to expand on the back of the continuous expansion in the scale of e-commerce. According to data by iResearch Consulting Group (艾瑞諮詢集團) (“iResearch”), the scale of the e-commerce industry is expected to be over RMB2 trillion by 2025. Through the efforts of a year’s exploration, the Group has achieved a certain scale in its operation. Up to 30 June 2022, the Group had established cooperation relationships with 14 brands and opened 27 shops on mainstream e-commerce platforms such as Tmall, JD.com and Pinduoduo, forming an excellent foundation for development.

‘With the future expansion of new top brands, this business segment will become the focal and core business of the Group and there will be investments heavily in the three areas of brand expansion, e-commerce platform expansion and team building.

‘Business of sale and provision of integrated services of networking, sound and communication systems in Singapore

‘The Group considers this traditional business of the Group as a stable business and ensure its steady development despite the impact of the epidemic and the global economic landscape.

‘As COVID-19 evolves into an endemic (sic) in Singapore, the Group continues to enter into maintenance and other service contracts for sound and communications system solutions as part of our effort to maintain direct stakeholding relationships with institutions in the healthcare and education sectors. The Group also seeks to leverage the projected rebound of construction demand in Singapore, led by public sector projects, by tapping on our expertise in the tender for public sector projects. The Group is well-placed to provide innovative sound and communications systems solutions in support of the evolving education communication landscape and the projected increased healthcare capacities in Singapore.

‘Business of sale and provision of integrated services of networking, sound and communication systems in the PRC

‘According to Market Forecast on Digital Transformation in China, a report by International Data Corporation (“IDC”), the Chinese government will offer sound policy and capital assurance for digital transformation in China during the period of the 14th Five-Year Plan for National Economic and Social Development and the Outline of Visions for 2035 of the People’s Republic of China (“14th Five-Year Plan”), with a total investment of RMB15-20 trillion in the next five years related to the digital economy. The demand for data hubs, a crucial element of the digital transformation infrastructure and the pivot of the digital economy, has been increasing without doubt, which offers a vast market space for the Company’s business of services of network and communication systems.

‘The business operation teams of the Group have intensively exerted their efforts in fields such as railway, finance and aviation for years, and possess ample experience in offering integrated services for IT equipment and systems, IT technical services and operation and maintenance services to data hub facilities of large and medium-sized state-owned enterprises. Taking into consideration China’s national strategy and the market landscape of ... [CLICK TO ORDER FULL ARTICLE](#)

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