
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular, or as to the action to be taken, you should consult your stockbroker or a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **ISDN Holdings Limited**, you should at once hand this circular and the Election Form to the purchaser or the transferee or to the bank, licensed securities dealer, or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Singapore Exchange Security Trading Limited assumes no responsibility for the correctness of any of the statements or opinions made or reports contained in this Circular.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its 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 this circular.

No Hong Kong Shareholder receiving a copy of this circular and/or the Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for Shares unless in the relevant territory such invitation could lawfully be made to him/her/it without the Company having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Hong Kong Shareholder resident outside Hong Kong who wishes to receive New Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including procedures or any other similar formalities.

**ISDN HOLDINGS LIMITED****億仕登控股有限公司***(Incorporated in the Republic of Singapore with limited liability)***(Singapore Stock Code: I07.SI)****(Hong Kong Stock Code: 1656)****SCRIP DIVIDEND SCHEME
IN RELATION TO THE FINAL DIVIDEND
FOR THE YEAR ENDED 31 DECEMBER 2018**

18 July 2019

DEFINITIONS

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

“Articles” or “Articles of Association”	the articles of association of the Company (as amended from time to time)
“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“CCASS Operational Procedures”	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to the operations and functions of CCASS, as from time to time in force
“Company”	ISDN Holdings Limited, a company incorporated in the Republic of Singapore with limited liability, the Shares of which are listed on the Main Board of the SGX-ST and the Main Board of the Stock Exchange;
“Companies Act”	the Companies Act (Cap. 50) of Singapore, as amended from time to time
“Directors”	directors of the Company
“Election Form”	the form of election for use by Hong Kong Shareholders who wish to receive the Final Dividend wholly or partly in New Shares instead of in cash
“Eligible Shareholders”	Shareholders whose names appeared on the registers of members of the Company as at the Record Date
“Eligible Hong Kong Shareholders”	Hong Kong Shareholders whose names appeared on the Hong Kong Register of Members as at the Record Date
“Final Dividend”	the final dividend of 0.70 Singapore cents (equivalent to 4.07 Hong Kong cents) per Share for the year ended 31 December 2018 with a scrip alternative payable on or about 28 August 2019 to the Shareholders whose names appeared on the register of members of the Company as at 10 July 2019
“HK\$” or “Hong Kong cent(s)”	Hong Kong dollar(s) and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Branch Share Registrar”	Boardroom Share Registrars (HK) Limited, being the Hong Kong branch share registrar of the Company
“Hong Kong Register of Members”	the branch share register of members of the Company in Hong Kong maintained by the Hong Kong Branch Share Registrar
“Hong Kong Shareholder(s)”	Shareholder(s) whose name(s) appeared on the Hong Kong Register of Members

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share(s)”	new Share(s) credited as fully paid to be issued under the Scrip Dividend Scheme
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appeared on the Hong Kong Register of Members as at the Record Date and whose address(es) as shown on such register was/ were outside Hong Kong
“Record Date”	Wednesday, 10 July 2019, being the date for determining the entitlement to the Final Dividend
“Scrip Dividend Scheme”	the scheme proposed by the Directors on 26 February 2019 in relation to the Final Dividend to offer the eligible Shareholders a scrip alternative to elect to receive such dividend wholly or in part by allotment of New Shares in lieu of cash
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Singapore”	the Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“S\$” or “Singapore cent(s)”	Singapore dollar(s) and cent(s) respectively, the lawful currency of Singapore
“%”	per cent

Should there be any discrepancy between English and Chinese versions of this circular, the English version shall prevail.

LETTER FROM THE BOARD



ISDN Holdings Limited

億仕登控股有限公司

(Incorporated in the Republic of Singapore with limited liability)

(Singapore Stock Code: I07.SI)

(Hong Kong Stock Code: 1656)

Executive Directors:

Mr. Teo Cher Koon

Mr. Kong Deyang

Registered Office:

No. 10 Kaki Bukit Road 1,
#01-30 KB Industrial Building,
Singapore 416175

Non-executive Director:

Mr. Toh Hsiang-Wen Keith

Independent non-executive Directors:

Mr. Lim Siang Kai (Chairman)

Mr. Soh Beng Keng

Mr. Tan Soon Liang

Principal Place of Business in Hong Kong:

Unit 1504, 15/F,
Yuen Long Trading Centre,
33 Wang Yip Street West,
Yuen Long, New Territories,
Hong Kong

18 July 2019

To the Shareholders

Dear Sir/Madam,

SCRIP DIVIDEND SCHEME IN RELATION TO THE FINAL DIVIDEND FOR THE YEAR ENDED 31 DECEMBER 2018

INTRODUCTION

On 26 February 2019, the Company announced that the Board had recommended the payment of the Final Dividend to the Shareholders whose names appeared on the register of members of the Company as at the Record Date. At the annual general meeting of the Company held on 30 April 2019, the Final Dividend was approved by the Shareholders. Eligible Shareholders may elect to receive the Final Dividend in cash, or wholly in the form of fully paid New Shares in lieu of cash, or partly in cash and partly in the form of fully paid New Shares under the Scrip Dividend Scheme.

The purpose of this circular is to set out the procedures and conditions which apply in relation to the Scrip Dividend Scheme and the action which should be taken by the Hong Kong Shareholders if they wish to participate in the Scrip Dividend Scheme.

LETTER FROM THE BOARD

PARTICULARS OF THE SCRIP DIVIDEND SCHEME

Under the Scrip Dividend Scheme, the Eligible Shareholders may elect to receive the Final Dividend in one of the following ways:

- (a) wholly in cash of 0.70 Singapore cents (equivalent to 4.07 Hong Kong cents) per Share; or
- (b) an allotment of such number of New Shares having a market value (as calculated below) equal to, save for adjustment for fractions, the amount of Final Dividend which Eligible Shareholders would otherwise be entitled to receive in cash; or
- (c) partly in cash and partly in New Shares.

BASIS OF ALLOTMENT OF THE NEW SHARES

For the purpose of calculating the number of New Shares to be allotted to the Eligible Hong Kong Shareholders pursuant to the Scrip Dividend Scheme, the issue price of each New Share is set as HK\$1.24 (equivalent to S\$0.217 based on the exchange rate of S\$0.1744: HK\$1 as at the Record Date) (the “**Issue Price**”). The Issue Price represents a discount of approximately 4.7% to the average closing price of one Share as quoted on the Stock Exchange for the five consecutive trading days commencing from 4 July 2019 to 10 July 2019 (both dates inclusive). Accordingly, the number of New Shares which the Eligible Hong Kong Shareholders are entitled to receive in respect of the Shares registered in their names as at the Record Date is calculated as follows:

$$\begin{array}{lcl} \text{Number of New Shares} & & \\ \text{to be received} & = & \text{Number of Shares held as at} \\ & & \text{the Record Date for which the} \\ & & \text{election for New Shares is made} \quad \times \quad \frac{\begin{array}{l} 4.07 \text{ Hong Kong cents} \\ \text{(Final Dividend per Share)} \end{array}}{\begin{array}{l} \text{HK\$1.24} \\ \text{(Issue Price)} \end{array}} \end{array}$$

The number of New Shares to be issued to the Eligible Hong Kong Shareholders will be rounded down to the nearest whole number. Fractional entitlements to the New Shares in respect of choices (b) and (c) above will be disregarded and the benefit thereof will accrue to the Company. The New Shares will, on issue, rank *pari passu* in all respects with the Shares in issue on the date of the allotment and issue of the New Shares except that they shall not be entitled to the Final Dividend.

BOOK CLOSURE PERIOD AND LATEST TIME AND DATE OF TRANSFER

For the purpose of determining the entitlement of Hong Kong Shareholders who qualify for the Final Dividend, the Hong Kong Register of Members was closed from Thursday, 11 July 2019 to Friday, 12 July 2019, both dates inclusive. The latest time by which transfers were accepted for entitlement to the Final Dividend was 4:30 p.m. on Wednesday, 10 July 2019.

ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

As Shareholders will be given the choice of receiving the payment of the Final Dividend in cash and/or in New Shares, Shareholders will thus have greater flexibility in meeting their investment objectives. It will also enable Shareholders to participate in the equity capital of the Company without incurring brokerage fees, stamp duty and other related costs.

The Company will also benefit from the participation by Shareholders in the Scrip Dividend Scheme as, to the extent that Shareholders elect to receive the Final Dividend in the form of New Shares, the cash which would otherwise be payable in respect of a Final Dividend may be retained in the Company to fund the growth of the Group, if required. The issue of New Shares in lieu of cash under the Scrip Dividend Scheme will also enlarge the Company's share capital base and the retention of cash will strengthen its working capital position.

LETTER FROM THE BOARD

EFFECT OF THE SCRIP DIVIDEND SCHEME

Based on 421,676,481 Shares in issue as at the Record Date, if all Eligible Shareholders elect to receive the Final Dividend in cash, the total cash dividend payable by the Company would be approximately HK\$17,162,000 (equivalent to approximately S\$2,952,000). If all Eligible Shareholders elect to receive all of their entitlements to the Final Dividend in the form of New Shares in lieu of cash, based on the Issue Price, the maximum number of New Shares to be issued under the Scrip Dividend Scheme will be 13,685,654 Shares, representing approximately 3.2% of the total number of issued shares of the Company as at the Record Date and approximately 3.1% of the total number of issued shares of the Company as enlarged by the issue of such New Shares.

Hong Kong Shareholders should note that the New Shares issued under the Scrip Dividend Scheme may give rise to disclosure requirements under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). **Hong Kong Shareholders who are in any doubt as to how these provisions may affect them are recommended to seek their own professional advice. Hong Kong Shareholders who are in any doubt as to their taxation position are also recommended to seek their own professional advice.**

ELECTION FORM

An Election Form is enclosed with this circular for use by Eligible Hong Kong Shareholders who wish to receive the Final Dividend wholly in New Shares, or partly in cash and partly in New Shares. Please read carefully the instructions below and the instructions printed on the Election Form.

If you elect to receive your Final Dividend wholly in cash, you DO NOT need to take any action and DO NOT need to return the Election Form. Eligible Hong Kong Shareholders who do not make an election to receive their Final Dividend in New Shares will receive their Final Dividend in cash.

If you wish to receive your Final Dividend wholly in New Shares, please just SIGN, DATE and RETURN the Election Form.

If you wish to receive your Final Dividend partly in cash and partly in New Shares, you should fill in the Election Form the number of registered Shares you held as at the Record Date for which you wish your Final Dividend to be paid in New Shares and then SIGN, DATE and RETURN the Election Form.

If you do not specify the number of Shares in respect of which you wish to receive New Shares, or if you elect to receive New Shares in respect of a greater number of Shares than your registered holding as at the Record Date, you will be deemed to have exercised your election to receive only New Shares in respect of all the Shares registered in your name as at the Record Date. Therefore, you will receive only New Shares for the Final Dividend.

The enclosed Election Form should be completed in accordance with the instructions printed thereon and you should return the same to the Hong Kong Branch Share Registrar, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, **by 4:30 p.m. on Friday, 2 August 2019**. The deadline for submission of Election Forms will be adjusted if there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning:

- (a) in force in Hong Kong at any local time before 12:00 p.m. and no longer in force after 12:00 p.m. on Friday, 2 August 2019. Instead the deadline for the submission of the Election Form will be 5:00 p.m. on the same business day; or
- (b) in force in Hong Kong at any local time between 12:00 p.m. and 4:30 p.m. on Friday, 2 August 2019. Instead the deadline for the submission of the Election Form will be rescheduled to 4:00 p.m. on the next 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.

LETTER FROM THE BOARD

Failure to complete and return the Election Form in accordance with the instructions printed thereon will result in the relevant Eligible Hong Kong Shareholder's Final Dividend being paid wholly in the form of cash. Election in respect of the Final Dividend cannot be in any way withdrawn, revoked, superseded, or altered after the relevant Election Form is signed and lodged with the Hong Kong Branch Share Registrar. No acknowledgement of receipt of the Election Form will be issued.

HONG KONG SHAREHOLDERS RESIDING OUTSIDE HONG KONG

The Scrip Dividend Scheme is made in compliance with the laws of Hong Kong and with all other relevant codes, rules and other requirements that apply to the Scrip Dividend Scheme in Hong Kong. All Hong Kong Shareholders residing outside Hong Kong should consult their professional advisers as to whether or not they are permitted to participate in the Scrip Dividend Scheme or whether any government or other consent is required or other formalities need to be observed. No Hong Kong Shareholder receiving a copy of this circular and/or an Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for Shares unless in the relevant territory such invitation could lawfully be made to him/her/it without the Company having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Hong Kong Shareholder residing outside Hong Kong who wishes to receive New Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including procedures or any other similar formalities. Persons who receive New Shares in lieu of cash dividend must also comply with any restrictions on the resale of Shares which may apply outside Hong Kong.

Based on the Hong Kong Register of Members as at 4:30 pm on 10 July 2019, there was one Overseas Shareholder with a registered address in Singapore, who held an aggregate of 246,000 Shares. In compliance with Rule 13.36(2) of the Listing Rules, the Company has made enquiries on legal restrictions and regulatory requirements formalities in relation to the Scrip Dividend Scheme to the Hong Kong Shareholders in Singapore.

The Company has been advised by its legal advisers on the laws of Singapore. Having considered their advice, the Company is satisfied that either there is no legal restriction or there are exemptions available to the Company under the applicable legislation of Singapore or requirement of any relevant regulatory body or stock exchange in Singapore with respect to the offer of the New Shares to the Hong Kong Shareholder with a registered address in Singapore (the **"Singapore Overseas Shareholder"**) as at the Record Date (the **"Proposed Offer"**). Accordingly, the Scrip Dividend Scheme is extended to the Hong Kong Shareholders with registered addresses in Singapore. Therefore, all Hong Kong Shareholders, including the Overseas Shareholder, are eligible to participate in the Scrip Dividend Scheme.

Based on the relevant legal opinion obtained from the Company's legal advisers on the laws of Singapore, your attention is drawn to the following statements in respect of Singapore:

- (a) this circular and any other materials relating to the Scrip Dividend Scheme (the **"Scrip Dividend Scheme Documents"**) have not been, shall not be deemed to be and will not be lodged and registered as a prospectus (as prescribed under Section 240 of the Securities and Futures Act, Cap. 289, of Singapore (**"SFA"**)) with the Monetary Authority of Singapore (**"MAS"**). Accordingly, the Scrip Dividend Scheme Documents are not subject to the provisions governing prospectuses under the SFA.
- (b) the Scrip Dividend Scheme Documents are addressed solely to the Singapore Overseas Shareholder. Any offer or invitation in respect of the New Shares in Singapore under the Proposed Offer is capable of acceptance only by the Singapore Overseas Shareholder and is not transferable. The Scrip Dividend Scheme Documents may not be distributed or given to any person in Singapore other than the Singapore Overseas Shareholder.
- (c) the exemption under Section 273(1)(cd)(i) of the SFA applies to the Proposed Offer.
- (d) the Company is not required to use a prospectus (as prescribed under Section 240 of the SFA) in relation to the Proposed Offer.

LETTER FROM THE BOARD

For the avoidance of doubt, the New Shares are not offered to the public (other than the Eligible Shareholders) and the rights of the Eligible Shareholders to elect and receive New Shares are non-transferable.

Notwithstanding the legal advices taken by the Company, it is the responsibility of anyone wishing to participate in the Scrip Dividend Scheme to satisfy themselves as to full observance of the laws of any relevant territory, including obtaining any governmental or other consents which may be required. Shareholders who are in doubt as to their position should consult their own professional advisers.

CONDITION OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon the approval of the Stock Exchange and the SGX-ST for the listing of, and permission to deal in, the New Shares on the Stock Exchange and the SGX-ST, respectively.

In the event that the above condition is not satisfied, the Scrip Dividend Scheme will not become effective and the Election Forms will be void, and the Final Dividend will then be paid wholly in cash.

LISTING AND DEALINGS AND DESPATCH OF SHARE CERTIFICATES

Applications will be made to the Stock Exchange and the SGX-ST, respectively, for the grant of listing of, and permission to deal in, the New Shares. It is expected that share certificates with respect to the New Shares, and cheques for cash entitlements, will be despatched to Shareholders at the risk of those entitled thereto on or about Wednesday, 28 August 2019. The first day of dealings in the New Shares on the Stock Exchange and the SGX-ST are expected to be on or about Wednesday, 28 August 2019.

The Shares are listed on and dealt in the Stock Exchange and the SGX-ST. No Shares of the Company are listed or dealt in on any other stock exchange nor is listing or permission to deal in on any other stock exchange being or proposed to be sought.

CENTRAL CLEARING AND SETTLEMENT SYSTEM

For the Hong Kong Shareholders, subject to the granting of the listing of, and permission to deal in, the New Shares to be issued under the Scrip Dividend Scheme on the Stock Exchange, such New Shares to be issued by the Company will be admitted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by Hong Kong Securities Clearing Company Limited. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek the advice of their stockbroker or other professional adviser for details of these settlement arrangements and how such arrangements will affect their rights and interests.

LETTER FROM THE BOARD

GENERAL INFORMATION

New Shares issued to the Eligible Hong Kong Shareholders pursuant to an election to receive some or all of their Final Dividend in New Shares may be allocated in odd lots (of less than a board lot of 2,000 Shares). No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of New Shares issued in odd lots. Eligible Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

Whether or not it is to your advantage to receive cash or the New Shares, in whole or in part, depends upon your own individual circumstances and the decision in this regard and all effects resulting therefrom are the sole responsibility of each Shareholder. If you are in doubt as to what to do, you should consult your professional advisers.

Shareholders who are trustees are recommended to take professional advice as to whether the choice of New Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

EXPECTED TIMETABLE (APPLICABLE TO HONG KONG SHAREHOLDERS)

Set out below is a summary of the events in relation to the Scrip Dividend Scheme in the form of a timetable and is indicative only:

Latest time for submission of transfer forms to qualify for the Final Dividend	4:30 p.m. on Wednesday, 10 July 2019
Record Date	4:30 p.m. on Wednesday, 10 July 2019
Closure of the Hong Kong Register of Members for determining the entitlement to the Final Dividend	Thursday, 11 July 2019 to Friday, 12 July 2019 (both dates inclusive)
Latest time and date for return of the Election Form	4:30 p.m. on Friday, 2 August 2019
Despatch of share certificates for the New Shares and cheques for cash dividends	Wednesday, 28 August 2019
Commencement of dealing of the New Shares	Wednesday, 28 August 2019

Note: References to time and dates above are Hong Kong time and date.

Yours faithfully,
By order of the Board
ISDN HOLDINGS LIMITED
Mr. Teo Cher Koon
President and Managing Director

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