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ISDN Holdings Limited

億仕登控股有限公司

(Incorporated in the Republic of Singapore with limited liability)

(Hong Kong stock code: 1656)

(Singapore stock code: I07.SI)

SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the announcements of ISDN Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 29 October 2018, 12 November 2018 and 1 February 2019 (the “**Announcements**”) on (i) the writ of summons served on SD Beijing, an indirectly wholly-owned subsidiary of the Company, filed by Mr. Wang Yu in the Beijing Dongcheng People’s Court in connection with the Alleged Loan and the Alleged Guarantee and (ii) the findings from the Company’s investigations which indicated there may have been misconduct or misappropriation of funds of the Group on the part of Mr. Duan Hong Xing (“**Mr. Duan**”) during his employment with SD Beijing (the “**Potential Misconduct**”). The Company would like to provide the following supplementary information in relation to the Announcements and this announcement is supplemental to and should be read in conjunction with the Announcements. Unless otherwise stated, terms used herein shall have the respective meanings ascribed to them in the Announcements.

The Board considered that:

- (a) The Alleged Loan and Alleged Guarantee on one hand, and the Potential Misconduct on the other hand, were separate matters in different contexts, even though they involved the same former senior personnel of the Group, i.e. Mr. Duan.
- (b) The Alleged Loan and Alleged Guarantee and the Potential Misconduct were isolated incidents and were caused by management override of the Company's internal control. Nevertheless, the Board acknowledged that there are proper and sufficient internal control measures in place to safeguard the Company's assets.
- (c) The impact of the misappropriation of funds of the Group resulting from Mr. Duan's Potential Misconduct was not material, on the basis that the amount involved was approximately RMB7.6 million (equivalent to approximately S\$1.5 million).

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

Hong Kong, 28 February 2019

As of the date of this announcement, the Board comprises Mr. Teo Cher Koon and Mr. Kong Deyang as executive Directors; and Mr. Lim Siang Kai (Chairman), Mr. Soh Beng Keng and Mr. Tan Soon Liang as independent non-executive Director.