

ISDN HOLDINGS LIMITED

Company Registration No. 200416788Z
(Incorporated in the Republic of Singapore)

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UPDATE ON THE PROPOSED DUAL PRIMARY LISTING OF THE SHARES OF THE COMPANY ON THE BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

A. APPOINTMENT OF HONG KONG COMPLIANCE ADVISER

B. REVIEW OF THE GROUP'S OPERATIONS

Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company's announcements dated 22 March 2016 (the "Announcement") in relation to the Proposed Listing.

A. Appointment of Hong Kong Compliance Adviser

The Board of Directors (the "**Board**") of ISDN Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that, in connection with the Proposed Listing, it has entered into an agreement with Shenwan Hongyuan Capital (H.K.) Limited ("**SWHY**") to appoint SWHY as its Hong Kong compliance adviser. The appointment of SWHY as the Company's compliance adviser will be effective upon listing of the Shares on the Main Board of SEHK.

As the compliance adviser to the Company, SWHY will, *inter alia*, ensure that the Company is properly guided and advised as to compliance with the listing rules of SEHK and review the financial reports of the Company.

B. Review of the Group's Operations

In conjunction with the Proposed Listing, the Group has conducted a review of its operations and the Board wishes to update Shareholders that the Group has undertaken the following measures to ensure full compliance with the relevant laws and regulations in the jurisdictions in which the Group operates:

- (a) People's Republic of China (the "**PRC**"): The following subsidiaries of the Group in the PRC, namely Eisele Asia Co., Ltd, Servo Dynamics Co., Ltd., Maxon Motor (Suzhou) Co., Ltd, Su Zhou Servo Dynamics Co., Ltd, Accel Technologies (China) Co., Ltd and Suzhou Xiancheng Automation Technology Co., Ltd (collectively, the "**PRC Subsidiaries**") were required to undergo environment protection acceptance in relation to their operations to the relevant PRC environment administrative authorities. The PRC Subsidiaries have duly passed the environment protection acceptance assessed by Wujiang Environment Protection Bureau in July 2016.
- (b) Indonesia: PT. TDS Technology ("**TDS Indonesia**"), a subsidiary of the Group in Indonesia, is required to register its employees under Indonesia's healthcare social security scheme ("**BPJS Kesehatan**") and to make financial contributions for its employee under the BPJS Kesehatan. TDS Indonesia has applied to register its employees under the BPJS Kesehatan in August 2016 and the registration is expected to be completed in September 2016. Upon completion of the registration, TDS Indonesia will start making contributions for all of its employees under the BPJS Kesehatan.

- (c) Vietnam: Servo Dynamics Engineering Company Limited ("**SD Vietnam**"), a subsidiary of the Group in Vietnam, is required to make payment contribution to the trade union system in Vietnam. SD Vietnam has contributed to the trade union system starting from August 2016.

The Company has assessed potential legal, operational and financial impacts of the Group's past operational practices and is of the view that such practices will not have any material impact to the Group following the implementation of the above-mentioned measures.

Shareholders are advised to exercise caution when trading in the securities of the Company. In the event that the Shareholders and other investors are in doubt, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

The Company will make further announcement as appropriate and necessary to keep Shareholders updated on any material developments in relation to the Proposed Listing.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the above transactions other than through their shareholdings in the Company.

By Order of the Board
ISDN Holdings Limited

Gwendolyn Gn Jong Yuh
Company Secretary

13 September 2016