

ISDN HOLDINGS LIMITED

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UPDATE ON LITIGATION RELATING TO BEIJING JUNYIZHICHENG TECHNOLOGY DEVELOPING CO., LTD

The Board of Directors (the “**Board**”) of ISDN Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement dated 29 October 2018 (the “**Announcement**”) in relation to the writ of summons served on Beijing Junyizhicheng Technology Developing Co., Ltd (北京鈞義志成科技發展有限公司) (“**SD Beijing**”), an indirect wholly-owned subsidiary of the Group, filed by Mr Wang Yu in the Beijing Dongcheng People’s Court.

The Company would like to update its shareholders that:

1. The Company is currently investigating transactions undertaken by SD Beijing to determine whether Mr Duan Hong Xing had ever committed any misconduct or violation of internal rules and procedures during his employment in SD Beijing;
2. SD Beijing has terminated the employment contract of Mr Duan Hong Xing with effect from 2 July 2018, and has appointed Mr Sun Nai Ming to act as the general manager for SD Beijing with effect from 2 July 2018 in place of Mr Duan Hong Xing. Mr Duan Hong Xing is therefore no longer authorised to represent SD Beijing with effect from 2 July 2018; and
3. SD Beijing has appointed PRC legal counsel and is seeking their legal advice on all possible cause of action that it may have in the event that, among others, the abovementioned investigations uncover that there has been misconduct or misappropriation of funds on the part of Mr Duan Hong Xing during his employment with SD Beijing.

The Company will make further update announcements in compliance with the Listing Manual of the Singapore Exchange Securities Trading Limited and to update the shareholders of the Company when there are developments on this matter.

By Order of the Board
ISDN Holdings Limited

Teo Cher Koon
Managing Director and President
12 November 2018