

# ISDN HOLDINGS LIMITED

(Company Registration Number 200416788Z)  
(Incorporated in the Republic of Singapore)

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## UNAUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE HALF YEAR ENDED 30 JUNE 2020 – RESPONSES TO QUERIES RAISED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

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The Board of Directors (the “**Board**”) of ISDN Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 7 August 2020 in relation to the Company’s unaudited financial statements for the half year ended 30 June 2020 (“**1H2020 Results Announcement**”).

*Unless otherwise defined or the context otherwise requires, all capitalized terms shall bear the same meaning as ascribed to them in the 1H2020 Results Announcement.*

***Q1. Paragraph 12 of Appendix 7.2 of the Listing Manual provides that if no dividend has been declared, the issuer is to make a statement to that effect and the reason(s) for the decision. We note that the Company has not provided the reason(s) for not declaring a dividend on page 17 of the Financial Statements. Please comply accordingly***

**Company’s Response:**

In view of the current economic outlook and business environment uncertainty, no dividend has been declared/recommended by the Board of Directors for the half year ended 30 June 2020 as the Group intends to conserve funds for business development purposes and deems it prudent to defer any decision on dividend until the financial year ending 31 December 2020.

***Q2. We note that the Company has attributed the decrease in trade and other receivables to, inter alia, a decrease in notes receivables of S\$6.1 million, on page 14 of the Financial Statements. Please explain the factors resulting in a drop in notes receivables.***

**Company’s Response:**

The decrease in notes receivables of S\$6.1 million was due to redemption of notes receivables by our China subsidiaries on maturity date into cash during the half year ended 30 June 2020.

***Q3. Please explain the material variance in contract liabilities on page 4 of the Financial Statements.***

**Company’s Response:**

The increase in contract liabilities of S\$5.6 million was mainly due to advances received from customers for sales of goods largely from our China subsidiaries to mitigate credit risk exposure on sales. Contract liabilities are recognised as revenue when the performance obligation of transferring the goods is satisfied at a point in time.

By Order of the Board

ISDN Holdings Limited  
Teo Cher Koon  
President and Managing Director  
14 August 2020