

ISDN HOLDINGS LIMITED

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

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COMPLETION OF JOINT VENTURE WITH ERST PROJECT GMBH

The Board of Directors (the “**Board**”) of ISDN Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcements dated 6 May 2020 in relation to (a) the proposed joint venture with ERST Project GmbH and (b) the change of name of its wholly-owned indirect subsidiary from “ISDN Myanmar Power Pte. Ltd.” to “ERST Asia Pacific Pte. Ltd.”. (the “**Previous Announcements**”).

Unless otherwise defined or the context otherwise requires, all capitalised terms shall bear the same meanings as ascribed to them in the Previous Announcements.

The Board is pleased to announce that the Group, had, through its wholly-owned subsidiary, ISDN Investments Pte. Ltd., (“**ISDN Investments**”) completed the joint venture with ERST Project GmbH (“**ERST GmbH**”) earlier today.

ERST Asia Pacific Pte. Ltd. (“**ERST APAC**”), formerly the wholly-owned indirect subsidiary of the Group, was used as the joint venture vehicle (“**JV Company**”). The respective shareholding of each Party in ERST APAC following the completion of the Proposed Transaction are as follows:

Name of Shareholder	No. of Ordinary Shares	Percentage of Shareholding
ISDN Investments	153,000	51%
ERST GmbH	147,000	49%
Total	300,000	100%

Pursuant to the JV Agreement, the subscription of shares in ERST APAC was satisfied fully in cash prior to allotment of shares to each Party as set out in the table below:

Name of Shareholder	No. of Ordinary Shares	Subscription amount
ISDN Investments	152,999	S\$152,999
ERST GmbH	147,000	S\$147,000
Total	299,999	S\$299,999

The subscription amount of each Party set out in the table above was arrived at arms’ length after taking into consideration, the working capital requirements for business operations.

The aggregate consideration for the Proposed Transaction was S\$299,999 (the “**Consideration**”). The Consideration was arrived after taking into consideration, among others, book value of assets and liabilities of ERST APAC for the financial year ended 31 December 2019.

Based on the audited financial statements of ERST APAC as at 31 December 2019, the net liabilities value of the 152,999 ordinary shares subscribed by ISDN Investments is approximately S\$58,476. No valuation was commissioned by the Company in respect of the Proposed Transaction.

As each of the relative figures computed on the applicable bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited is less than 5%, the Proposed Transaction is a “Non-Discloseable Transaction” for the purposes of Chapter 10 of the SGX-ST Listing Manual.

The Proposed Transaction was funded by internal resources and is not expected to have a material impact on the Company’s earnings per share and net tangible assets per share for the financial year ending 31 December 2020.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Transaction other than through their shareholdings (if any) in the Company.

A copy of the JV Agreement will be made available for inspection during normal business hours at the registered office of the Company at No. 10 Kaki Bukit Road 1 #01-30 KB Industrial Building Singapore 416175 for a period of three (3) months from the date of this announcement.

By Order of the Board
ISDN Holdings Limited

Teo Cher Koon
President and Managing Director
6 August 2020