

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 and 12 November 2018 (the “**Announcements**”) 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 the Company has completed its investigation into the transactions undertaken by SD Beijing. The findings from the said investigation have indicated that there may have been, among others, misconduct or misappropriation of funds on the part of Mr Duan Hong Xing during his employment with SD Beijing. Accordingly, SD Beijing had on 31 January 2019 filed a police report against Mr Duan Hong Xing in the People’s Republic of China (the “**PRC**”). The PRC police are looking into the alleged misconduct or misappropriation of funds on the part of Mr Duan Hong Xing during his employment with SD Beijing and criminal investigations are currently ongoing.

The Company will make further update announcements in compliance with the Listing Manual of the Singapore Exchange Securities Trading Limited and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Company will update shareholders of the Company as and when there are material developments on this matter.

By Order of the Board
ISDN Holdings Limited

Teo Cher Koon
Managing Director and President
1 February 2019