

ISDN HOLDINGS LIMITED

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

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ENTRY INTO A JOINT VENTURE AGREEMENT

1. Introduction

The Board of Directors (the “**Board**”) of ISDN Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Group, through its wholly-owned subsidiary, ISDN Investments Pte. Ltd. (“**ISDN Investments**”), had on 5 May 2020, entered into a joint venture agreement with ERST Project GmbH (“**ERST GmbH**”) (“**JV Agreement**”) pursuant to which the Group shall ultimately hold 51% of shareholding interest in a joint venture vehicle (“**JV Company**”) (the “**Proposed Transaction**”).

*Unless otherwise stated in this announcement, ISDN Investments and ERST GmbH shall be collectively referred to as the “**Parties**”, and each, a “**Party**”.*

2. Corporate Information on ERST GmbH

ERST GmbH is a company incorporated in Germany and its principal business activity is in the development and production of innovative surface coatings, disinfection and cleaning solutions chemical semi-products and additives.

It is an independent third party and is not related to the Company or any of the Company’s directors or controlling shareholders or their associates.

3. Salient terms of the JV Agreement

Pursuant to the terms of the JV Agreement, it is intended that:

- (a) the initial issued and paid-up share capital of the JV Company shall be S\$300,000 to be paid in cash;
- (b) ISDN Investments shall have a shareholding interest of 51% in the issued and paid-up capital of the JV Company equivalent to S\$153,000 and ERST GmbH shall have a shareholding interest of 49% in the issued and paid-up capital of the JV Company equivalent to S\$147,000; and
- (c) the principal activities of the JV Company shall be to carry out the business of marketing and sales of various products and providing, customizing, application engineering, technical support and after sales service to potential customers.

The initial issued and paid-up share capital of the JV Company was decided based on the working capital requirements for business operations.

The Company will provide further updates to shareholders in relation to the JV Company as soon as it is available.

4. Relative figures computed on the bases set out in Rule 1006 of the Listing Manual

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.

5. Source of Funds and Financial Effects of the Proposed Transaction

The Proposed Transaction will be 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.

6. Interests of Directors and Substantial Shareholders

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.

7. Documents available for inspection

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.

8. Further announcements

The Company will make further announcements to update its shareholders when there are material updates in relation to the Proposed Transaction, as may be necessary or appropriate.

By Order of the Board
ISDN Holdings Limited

Gn Jong Yuh Gwendolyn
Joint Company Secretary
6 May 2020