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ISDN HOLDINGS LIMITED

億仕登控股有限公司

(Incorporated in the Republic of Singapore with limited liability)

(Hong Kong stock code: 1656)

(Singapore stock code: I07.SI)

OVERSEAS REGULATORY ANNOUNCEMENT

ACQUISITION BY A SUBSIDIARY

This overseas regulatory announcement is issued pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Please refer to the attached announcement which has been published by ISDN Holdings Limited (the “**Company**”) on the website of the Singapore Exchange Securities Trading Limited on 30 December 2020.

By Order of the Board
ISDN HOLDINGS LIMITED
Teo Cher Koon
President and Managing Director

Hong Kong, 30 December 2020

As at the date of this announcement, the board of directors of the Company comprises Mr. Teo Cher Koon and Mr. Kong Deyang as executive directors of the Company; Mr. Toh Hsiang-Wen Keith as non-executive director of the Company; and Mr. Lim Siang Kai (Chairman), Mr. Soh Beng Keng and Mr. Tan Soon Liang as independent non-executive directors of the Company.

ISDN HOLDINGS LIMITED

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

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ACQUISITION BY A SUBSIDIARY

The Board of Directors (the “**Board**”) of ISDN Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had, on 16 December 2020, through its indirect subsidiary, Dirak Asia Pte Ltd (“**Dirak Asia**”), acquired the remaining 40% equity interest in Zhuzhou Dirak Technology Co., Ltd (“**Zhuzhou Dirak**”) from Zhuzhou JunCheng Technologies Co., Ltd. (the “**Acquisition**”) at a consideration of RMB 848,000 (equivalent to approximately S\$172,449.28 based on an exchange rate of RMB1 : S\$0.20336 as at 16 December 2020) (the “**Consideration**”).

Dirak Asia is an indirect subsidiary of the Company, through the Company’s wholly-owned subsidiary, Motion Control Group Pte Ltd, that holds 49% of the issued and paid-up share capital in Dirak Asia.

Prior to the completion of the Acquisition, Dirak Asia held 60% of the equity interest in Zhuzhou Dirak. Following the completion of the Acquisition, Zhuzhou Dirak became wholly-owned by Dirak Asia. Accordingly, the Company’s effective interest in Zhuzhou Dirak increased from 29.4% to 49.0%.

The Acquisition is as part of the Group’s continued effort to increasing its equity ownership in potential high-growth and performance business which further strengthen our market position in precision manufacturing.

Zhuzhou Dirak was incorporated in the People’s Republic of China on 14 August 2015 and has an existing paid-up capital of RMB 1,000,000. The principal activities of Zhuzhou Dirak is in sale, import and export of innovative engineering components broadly including hinges, locks, latches, fasteners and other industrial hardware with quick latching snap technology, for enclosure construction.

The Consideration was arrived on a willing-buyer-willing-seller basis after arm’s length negotiations and taking into consideration the unaudited net tangible assets of Zhuzhou Dirak as at 30 June 2020 of RMB 2,120,000 (equivalent to approximately S\$431,123.20 based on an exchange rate of RMB1 : S\$0.20336 as at 16 December 2020). The Consideration is satisfied wholly in cash.

No valuation was conducted for the purpose of the Acquisition. Following the completion of the Acquisition, Zhuzhou Dirak is a wholly-owned subsidiary of Dirak Asia.

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 Acquisition is 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 current financial year ending 31 December 2020.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the above transactions other than through their respective shareholdings in the Company.

By Order of the Board
ISDN Holdings Limited

Teo Cher Koon
President and Managing Director
30 December 2020