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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of ISDN HOLDINGS LIMITED (the “**Company**”) dated 18 December 2025 in relation to the renewal of continuing connected transactions with Dirak Holding GmbH (“**Dirak Holding**”) (the “**Announcement**”). Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

In addition to the information disclosed in the Announcement, the Board of the Company would like to provide the following supplementary information.

Pricing Policies

For Product A:

- (i) Pricing is determined on an order-by-order basis using a cost-plus approach. Costs are primarily established through arm’s length negotiations between the parties and are based on raw material costs, manufacturing overheads, and additional expenses such as depreciation-related fees, auxiliary materials, and labour costs. Profit margins of not less than 10% are taking into account factors such as product type and procurement terms, and are finalised through arm’s length negotiations in accordance with standard commercial practices.
- (ii) To ensure the sales of Product A to Dirak Group are conducted on normal commercial terms, or on terms no less favourable than terms available to independent third parties, the management would on an annual basis review the prices by comparing the orders from unrelated third parties so that the price and terms offered to Dirak Group are fair and reasonable and comparable to those offered to unrelated third parties.
- (iii) The prices offered to Dirak Group are prepared by business department, reviewed by the department head and approved by the assistant general manager. These procedures are the same as those adopted in sales to independent third parties.

For Product B:

- (i) The price charged by the Dirak Group is based on the price list of Dirak Group offered to all its non-end user customers (whether independent or otherwise) and valid from time to time.
- (ii) The Group and Dirak Group shall determine the final sales price through arm's length negotiations after considering market prices for similar products from independent third parties on the market, taking into account such as industry standards, market conditions, product or service specifications, scope, and business volume. When feasible, the Group shall refer to at least two similar comparable transactions with independent third parties during the same period and negotiate with the counterparty to determine the final sales price.

The Board considers that the above-mentioned methods and procedures can ensure that the transactions will be conducted on normal commercial terms and not prejudicial to the interests of the issuer and its minority shareholders.

Internal Control Procedures

The Company has adopted the following internal control procedures to ensure that the terms under the continuing connected transactions (including pricing policies) are fair and reasonable and the transactions are carried out on normal commercial terms:

- Relevant departments of the Group responsible for implementation of connected transactions (including but not limited to the finance department and business/operation department) will conduct all necessary internal review and approval procedures in advance to ensure that the terms are fair and reasonable and comply with the basic principle of the framework agreement.
- The finance department of the Company is responsible for continuously supervising the implementation of connected transactions. In particular, the finance department of the Company will monitor and collect details on the continuing connected transactions conducted by the Group on monthly basis (including but not limited to the implementation of pricing policies, agreement terms and actual transaction amounts for each continuing connected transaction), to ensure that such transactions are conducted under the framework agreement. In addition, the finance department of the Company will be responsible for review and evaluation of the annual cap balance of various continuing connected transactions on a quarterly basis. If the relevant transactions are expected to exceed the annual cap, it will report to the Board and adopt appropriate action under the Listing Rules.
- The independent non-executive Directors of the Company will conduct an annual review of continuing connected transactions under the Listing Rules and provide annual confirmations in the Company's annual report on whether the continuing connected transactions are conducted: (1) in the ordinary course of business of the Group; (2) on normal commercial terms or better and; (3) according to the agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

- The Company's external auditors will also conduct an annual review of the continuing connected transactions under the Listing Rules, to ensure that the transactions are conducted in accordance with the terms of the framework agreements (including the pricing policies and the annual caps thereof) and on normal commercial terms.

Factors considered to determine the proposed annual caps

For Product A:

In arriving the annual caps for the sale of Product A, the Company has considered the following factors:

- (i) the historical annual caps for the supply of Product A between the Group and the Dirak Group for the year ended 31 December 2023, 2024 and 2025 were S\$12,000,000, S\$13,000,000 and S\$15,000,000 respectively;
- (ii) the historical transaction amount for the supply of Product A between the Group and the Dirak Group for the year ended 31 December 2023 and 2024 and the nine months ended 30 September 2025, the total transaction amount of Product A amounted to approximately S\$6,883,000, S\$9,582,000 and S\$9,169,000 respectively;
- (iii) the utilisation rates of the annual caps for the year ended 31 December 2023 and 2024 are 57% and 74% respectively, and the projected utilisation rate of the annual caps for the year ending 31 December 2025 is 81%;
- (iv) the annual average growth rate of 30% for the three years ending 31 December 2028 is derived by considering the historical growth rate for the year ended 31 December 2024 of 39% and the forecast growth rate for the year ending 31 December 2025 of 28%, together with the Group's sales forecast and future growth prospects;
- (v) the expected changes in market price of Product A for the three years ending 31 December 2028, taking into account macroeconomic indicators such as projected inflation rates approximately 3% to 4% per annum, anticipated gross domestic product (the "GDP") growth around 2% to 3% per annum, and industry-specific cost trends including raw material price fluctuations and labour cost adjustments; and
- (vi) the expected demand of Dirak Group for Product A for the three years ending 31 December 2028 based on the historical growth patterns and forecast utilisation rates, as well as anticipated expansion in Dirak Group's production capacity and order volumes. This projection also considers broader economic factors such as industrial output growth and sector demand forecast.

For Product B:

In arriving the annual caps for the purchase of Product B, the Company has considered the following factors:

- (i) the historical annual caps for the supply of Product B between the Group and the Dirak Group for the year ended 31 December 2023, 2024 and 2025 were S\$1,200,000, S\$1,200,000 and S\$1,200,000 respectively;

- (ii) the historical transaction amount for the purchase of Product B between the Group and the Dirak Group for the year ended 31 December 2023 and 2024 and the nine months ended 30 September 2025, the total transaction amount of Product B amounted to approximately S\$870,000, S\$850,000 and S\$836,000 respectively;
- (iii) the utilisation rates of the annual caps for the year ended 31 December 2023 and 2024 are 72% and 70% respectively, and the projected utilisation rate of the annual caps for the year ending 31 December 2025 is 93%;
- (iv) the annual average growth rate of 14% for the three years ending 31 December 2028 is derived by considering the historical growth rate for the year ended 31 December 2024 of -2% and the forecast growth rate for the year ending 31 December 2025 of 31%;
- (v) the costs incurred by the Group for the purchase of Product B for the nine months ended 30 September 2025;
- (vi) the expected prices and the Group's demand for Product B for the three years ending 31 December 2028 are projected based on historical cost trends and anticipated market conditions. Price adjustments are expected to reflect inflationary pressures of approximately 3% to 4% per annum and GDP growth of around 2% to 3% per annum. Demand projections also consider the Group's operational expansion and procurement plans, which are aligned with forecasted production requirements; and
- (vii) the expected increase in demand for Product B for the three years ending 31 December 2028 is estimated using historical growth rates and forecast utilisation.

Fairness and Reasonableness of Annual Caps

The annual caps represent a reasonable buffer above historical transaction amounts, taking into account expected business growth and market volatility. The caps are consistent with the Company's business plan.

Save as disclosed above, all information and contents set out in the Announcement remain unchanged. This announcement is supplemental to and should be read in conjunction with the Announcement.

For and on behalf of
ISDN HOLDINGS LIMITED
Teo Cher Koon
Managing Director and President

Hong Kong, 22 January 2026

As at the date of this announcement, the Board 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. Tan Soon Liang (Chairman), Mr. Sho Kian Hin and Ms. Heng Su-Ling Mae as independent non-executive directors of the Company.