

ISDN HOLDINGS LIMITED

(Company Registration Number: 200416788Z)

SUBSIDIARIES

The Board of Directors wishes to announce that Maxon Electronics Machine International Trade (Shanghai) Co., Ltd ("Maxon Shanghai") and Maxon Motor (Suzhou) Co., Ltd ("Maxon Suzhou") would be accounted as subsidiaries of ISDN Holdings Limited (the "Company") for the purpose of consolidation.

Currently, our wholly-owned subsidiary Servo Dynamics Pte Ltd holds 50% equity interest each in Maxon Shanghai and Maxon Suzhou.

Maxon Shanghai and Maxon Suzhou are consolidated as our subsidiaries based on the Company's authority to govern the two subsidiaries' financial and operating policies (the "Authority").

There will be no pro-forma financial effects on the Company's Earnings per share and Net Tangible Assets per share, based on the audited consolidated financial statements of the Company for the financial year ended 31 December 2006, and assuming that the Authority had commenced on

- (i) 1 January 2006 for illustrating the financial effects on the consolidated earnings of the Company, and
- (ii) 31 December 2006 for illustrating the financial effect on the consolidated net tangible assets of the Company

By Order of the Board

TEO CHER KOON
Managing Director
9 July 2007