

ISDN HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200416788Z)

INCORPORATION OF A WHOLLY OWNED SUBSIDIARY IN MALAYSIA
- SERVO DYNAMICS SDN BHD

The Board of Directors of ISDN Holdings Limited (the "Company") wishes to announce that the Company has through its wholly owned subsidiary, Motion Control Group Pte. Ltd., incorporated a wholly owned subsidiary in Malaysia known as Servo Dynamics Sdn Bhd ("Servo Dynamics") to expand the Group's business in Malaysia.

Servo Dynamics was incorporated with a paid up share capital of MYR3.

The above investment will be funded through internal resources. The incorporation of Servo Dynamics 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 2007.

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

By order of the Board of Directors
Teo Cher Koon
Managing Director
1 June 2007