

**ISDN HOLDINGS LIMITED**  
**PROPOSED PLACEMENT OF UP TO 12,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF**  
**ISDN HOLDINGS LIMITED (THE “SHARE PLACEMENT”)**

The Board of Directors of ISDN Holdings Limited (the “**Company**”) wishes to announce that the Company has on 12 April 2007 entered into a Placement Agreement (the “**Placement Agreement**”) with UOB Kay Hian Private Limited (the “**Placement Agent**”) pursuant to which the Placement Agent has agreed, on a best efforts basis, to procure subscriptions of up to 12,000,000 new ordinary shares in the Company, at a placement price of S\$0.48 for each new share (the “**Placement Shares**”). The Share Placement is not underwritten.

The Placement Shares, which will be priced at S\$0.48 each, represents a discount of approximately 5.2% to the weighted average price of S\$0.505 for trades done on the Singapore Exchange Securities Trading Limited (“SGX-ST”) for the full market day on 10 April 2007, being two market days immediately preceding the date on which the Placement Agreement was signed. There were no trades done on the Company’s Shares on 11 April 2007. Trading in the Company’s Shares is halted for 12 April 2007. The Placement Shares, when issued and fully paid, shall rank *pari passu* in all respects with and carry all rights similar to the existing issued Shares.

The Share Placement is conditional upon, *inter alia*, an Offer Information Statement (the “**OIS**”) pursuant to Section 277 of the Securities and Futures Act, Chapter 289 of Singapore, and which compiles as to form and content with the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005, being lodged with and accepted by the Monetary Authority of Singapore (the “**Authority**”) and the approval in-principle of the SGX-ST for the listing and quotation of the Placement Shares on the Official List of the SGX-ST. The OIS was lodged with the Authority on 12 April 2007. A copy of the OIS is attached. The Company will be making an application to the SGX-ST for the listing and quotation of the Placement Shares on the Official List of the SGX-ST.

The purpose of the Share Placement is to allow the Company to raise net proceeds of approximately S\$5.56 million assuming the Share Placement is fully subscribed, which will be utilised as follows:

- (a) Approximately S\$1.50 million to fund the Company’s acquisition of Excel Best in the PRC which owns the 40,000 square meters of industrial land in Wujiang (“Land”) and the development of the Land.
- (b) Approximately S\$1.00 million of the proceeds will be used for potential mergers and acquisitions.
- (c) The remaining proceeds for the Group’s general working capital purposes

Pending the deployment of the net proceeds from the Share Placement for the purposes mentioned above, the net proceeds may be added to the Group’s working capital, placed as deposits with financial institutions or invested in short-term money markets or debt instruments or for any other purposes on a short-term basis as the Directors may deem fit.

The Placement Shares will be issued pursuant to the general mandate obtained at the annual general meeting of the Company on 28 April 2006 which authorises the Directors to issue Shares at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of Shares to be issued pursuant to such resolution, other than on a pro-rate basis to the existing shareholders, shall not exceed 20% (the “**Mandate Limit**”) of the issued capital of the Company at the time the general mandate was obtained.

As at the date of this announcement, the issued and paid-up ordinary share capital of the Company is S\$13,219,000 comprising 158,798,700 Shares. When completed and assuming 12,000,000 Placement Shares are issued, the Share Placement will increase the existing issued and paid-up ordinary share capital of the Company by 42.0% to S\$18,777,000 comprising 170,798,700 Shares. The Placement Shares represent approximately 7.6% of the present issued share capital of the Company as at the date

of this announcement and approximately 7.0% of the enlarged issued and paid-up share capital upon completion of the proposed Share Placement. The Placement Shares represent approximately 7.6% of the issued share capital of the Company as at 28 April 2006 which is less than the Mandate Limit.

Accordingly, based on the audited consolidated financial statements of the Group as at 31 December 2006, the net tangible asset value per Share, after adjusting for the issue of the Placement Shares, will increase from 13.87 cents to 16.15 cents, net of expenses.

None of the Placement Shares will be placed by the Company to any person who is a director or a substantial shareholder of the Company, or any other person in the categories set out in Rule 812(1) (a) to (d) of the SGX-ST Listing Manual.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Share Placement (other than through their shareholdings in the Company).

By Order of the Board

TEO CHER KOON  
Managing Director  
ISDN HOLDINGS LIMITED  
12 April 2007