

**ISDN HOLDINGS LIMITED**  
(Company Registration No. 200416788Z)

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**INVESTMENT IN DKM SOUTH ASIA PTE LTD**

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The Board of Directors (the "**Board**") of ISDN Holdings Limited (the "**Company**" or "**ISDN**") is pleased to announce that its wholly-owned subsidiary, Motion Control Group Pte Ltd (the "**Purchaser**" or "**MCG**") has, together with Mr Lee Tick Long ("**Lee**"), entered into a share subscription agreement ("**Subscription Agreement**") in June 2008 with DKM Co., Ltd ("**DKM Korea**") in Korea.

MCG originally owns 50% of the shares in DKM South Asia Pte Ltd ("**DKM South Asia**"), and the remaining 50% is held by Lee.

DKM Korea has invested \$90,000 in cash for 45% of the enlarged capital of DKM South Asia. MCG has invested an additional \$100,000 in cash, in addition to its original investment of \$5,000, to arrive at 52.5% of the enlarged capital of DKM South Asia. Lee's investment remains at \$5,000, which represents approximately 2.5% of the enlarged capital.

Under the Subscription Agreement, Lee has an obligation to invest an additional \$100,000 for allotment of 100,000 new shares within a year of the Subscription Agreement. Upon Lee's additional investment, the respective shareholdings of MCG, DKM Korea and Lee will become 35%, 30% and 35% respectively.

None of the directors or controlling shareholders of ISDN have any interest, direct or indirect, in the above transaction.

By Order of the Board

**Gwendolyn Gn**  
**Company Secretary**  
**ISDN Holdings Limited**  
2 July 2008