

ISDN HOLDINGS LIMITED

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ANNOUNCEMENT IN RELATION TO TDS TECHNOLOGY (S) PTE LTD ("TDS")

The Board of Directors of SGX Main Board-listed ISDN Holdings Limited ("ISDN" or the "Group") wishes to inform of a recent development relating to TDS, a subsidiary of Motion Control Group Pte. Ltd. ("MCG") which is wholly owned by ISDN.

Pursuant to the Sale and Purchase of Shares Agreement ("S&P") entered between MCG and Ong Bee Chew ("OBC"), OBC provided a profit guarantee that the net profit after tax ("NPAT") of TDS for the financial year ending 31 December 2008 will amount to S\$1,000,000 ("TDS Guaranteed Profit"). The TDS Guaranteed Profit has not been met. The difference between the Guaranteed Profit and the NPAT amounted to \$304,454; Pursuant to the S&P, the amount will be refunded within one month of the date of written demand by MCG.

The Board of Directors is of the opinion that the development will have no significant impact on the Group's financial position for the current year.

By Order of the Board

Gwendolyn Gn Jong Yuh
Company Secretary
20 October 2009