

ISDN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 200416788Z)

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USE OF PROCEEDS FROM ISSUES OF SECURITIES

1. Introduction

The Board of Directors (the “**Board**”) of ISDN Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to:

- (a) the announcements made on 14 March 2013, 2 April 2013, 3 April 2013, 4 April 2013, 30 July 2013, 5 November 2013 and 10 December 2013 in relation to the placement of 36,000,000 new ordinary shares in the capital of the Company (the “**First Placement**”);
- (b) the announcements made on 3 April 2013, 7 May 2013, 8 May 2013, 30 July 2013, 5 November 2013 and 10 December 2013 in relation to the placement of 23,730,000 new ordinary shares in the capital of the Company (the “**Second Placement**”); and
- (c) the announcements made on 20 June 2013, 27 August 2013, 20 September 2013, 25 September 2013, 14 October 2013, 19 October 2013, 5 November 2013, 12 November 2013 and 10 December 2013 in relation to the renounceable non-underwritten rights issue of 179,972,475 warrants (“**Warrants**”), each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (the “**Warrants Issue**”).

2. Use of Net Proceeds from the First Placement

*Unless otherwise defined in this announcement, all capitalised terms used in this paragraph shall have the meanings ascribed to them in the announcements of the Company dated 14 March 2013, 2 April 2013, 3 April 2013, 4 April 2013, 30 July 2013, 5 November 2013 and 10 December 2013 (the “**First Placement Announcements**”).*

The Board wishes to update the shareholders of the Company on the Group’s utilisation of the net proceeds of approximately S\$8,400,000 (after deducting expenses of approximately S\$240,000) from the First Placement, as set out below:

Prospects/ Future Plans	Amount of net proceeds allocated (S\$’000)	Amount utilised to date (S\$’000)	Amount unutilised to date (S\$’000)
Hydroponics business	1,500	158	1,342
Mining-related business	4,400	-	4,400
Engineering solutions - motion control business	2,500	2,500	-
Total	8,400	2,658	5,742

The allocation and utilisation of the proceeds from the First Placement is in accordance with the intended use as stated in the First Placement Announcements.

The Company will make further announcements when the remaining net proceeds from the First Placement are materially disbursed.

3. Use of Net Proceeds from the Second Placement

*Unless otherwise defined in this announcement, all capitalised terms used in this paragraph shall have the meanings ascribed to them in the announcements of the Company dated 3 April 2013, 7 May 2013, 8 May 2013, 30 July 2013, 5 November 2013 and 10 December 2013 (the “**Second Placement Announcements**”).*

The Board wishes to update the shareholders of the Company on the Group's utilisation of the net proceeds of approximately S\$10,415,000 (after deducting expenses of approximately S\$263,500) from the Second Placement, as set out below:

Use of Proceeds	Amount of net proceeds allocated (S\$'000)	Amount utilised to date (S\$'000)	Amount unutilised to date (S\$'000)
Partial funding of the planning and construction of additional facilities within the ISDN High-Tech Industrial Park	1,815	1,200	615
Working capital requirements of the mining-related business of the Group (in particular, coal trading)	6,600	500	6,100
Exploration of Power Plant Opportunities	2,000	2,000	-
Total	10,415	3,700	6,715

The allocation and utilisation of the proceeds from the Second Placement is in accordance with the intended use as stated in the Second Placement Announcements.

The Company will make further announcements when the remaining net proceeds from the Second Placement are materially disbursed.

4. Use of Net Proceeds from the Warrants Issue

*Unless otherwise defined in this announcement, all capitalised terms used in this paragraph shall have the meanings ascribed to them in the announcements made on 20 June 2013, 27 August 2013, 20 September 2013, 25 September 2013, 14 October 2013, 19 October 2013, 5 November 2013, 12 November 2013 and 10 December 2013 (the “**Warrants Issue Announcements**”).*

The Board wishes to update the shareholders of the Company on the Group's utilisation of the net proceeds of approximately S\$3,350,000 (after deducting expenses of approximately S\$250,000) from the Warrants Issue, as set out below:

Use of Proceeds	Amount of net proceeds allocated (S\$'000)	Amount utilised to date (S\$'000)	Amount unutilised to date (S\$'000)
Energy related business	3,350	172	3,178
Total	3,350	172	3,178

The allocation and utilisation of the proceeds from the Warrants Issue is in accordance with the intended use as stated in the Warrants Issue Announcements.

The Company will make further announcements when the remaining net proceeds from the Warrants Issue are materially disbursed.

By Order of the Board
ISDN Holdings Limited

Gwendolyn Gn
Company Secretary

28 February 2014