

ISDN HOLDINGS LIMITED

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RESPONSE TO SGX QUERY ON THE ANNUAL REPORT OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The Board of Directors (“**Board**”) of ISDN Holdings Limited (“the **Company**”) refers to the Annual Report of the Company for the financial year ended 31 December 2015 (the “**Annual Report**”) and would like to respond to the query below, which was raised by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in relation to the Annual Report.

Unless otherwise defined herein, capitalised terms shall have the same meanings ascribed to them in the Annual Report.

Query: The Company disclosed that it has utilised S\$500k of the proceeds from the Second Placement on working capital requirements. Where proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed. Please disclose a breakdown with specific details on the use of proceeds for working capital purposes.

Please find below the breakdown of the use of proceeds from the Second Placement for working capital requirements of the mining-related businesses of the Group (in particular, coal trading) of approximately S\$500,000:

Use of proceeds for working capital requirements of the mining-related businesses of the Group (S\$'000)

Payroll for staff involved in business development of Group's mining-related business	275
Other expenses for exploring business opportunities for the Group's mining-related business, including travelling expenses and professional fees for assessments, geological study and tests conducted	<u>225</u>
Total	<u>500</u>

By Order of the Board
ISDN Holdings Limited

Gwendolyn Gn
Company Secretary

21 April 2016