

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 the announcements of the Company in relation to:

- (a) the placement of 36,000,000 new ordinary shares in the capital of the Company (the “**First Placement**”) dated 14 March 2013, 2 April 2013, 3 April 2013 and 4 April 2013 (the “**First Placement Announcements**”);
- (b) the placement of 23,730,000 new ordinary shares in the capital of the Company (the “**Second Placement**”) dated 3 April 2013, 7 May 2013 and 8 May 2013 (“**Second Placement Announcements**”);
- (c) 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**”) dated 20 June 2013, 27 August 2013, 20 September 2013, 25 September 2013, 14 October 2013 and 19 October 2013 (the “**Warrants Issue Announcement**”); and
- (d) the use of proceeds from the First Placement, the Second Placement and the Warrants Issue dated 17 September 2014.

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 First Placement Announcements.

The Board wishes to inform 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	492	1,008
Mining-related business	4,400	3,377	1,023
Engineering solutions – motion control business	2,500	2,500	-

Total	8,400	6,369	2,031
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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 Second Placement Announcements

The Board wishes to update the shareholders of the Company that there have not been material disbursements of the net proceeds of approximately S\$10,415,000 (after deducting expenses of approximately S\$263,500) from the Second Placement by the Group since the announcement by the Company on the use of proceeds from placements dated 17 September 2014. 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 Warrants Issue Announcements.

The Board wishes to update the shareholders of the Company that the net proceeds of approximately S\$3,350,000 (after deducting expenses of approximately S\$250,000) from the Warrants Issue has been fully utilised in accordance with the intended use as stated in the Warrants Issue Announcements, 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	3,350	-
Total	3,350	3,350	-

The Company will make announcements on the utilisation of proceeds arising from the exercise of the Warrants as may be necessary and/or appropriate in due course.

By Order of the Board
ISDN Holdings Limited

Gwendolyn Gn
Company Secretary

2 February 2015