

ISDN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 200416788Z)

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DISPOSAL OF AN ASSOCIATE COMPANY, SERVO MATIC TECHNOLOGY(M) SDN. BHD.

The Board of Directors (the “**Board**”) of ISDN Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, Motion Control Group Pte Ltd (the “**Seller**”), has on 25 August 2014 entered into a sale and purchase agreement (“SPA”) to dispose its 50% equity interest in its associate company in Malaysia, Servo Matic Technology(M) Sdn. Bhd. (“**SMT**”) to certain individual (the “**Purchaser**”) (the “**Disposal**”) at a consideration of RM264,099.50 (the “**Sale Consideration**”). The Sale Consideration was arrived at based on SMT’s financial position and on a willing buyer and willing seller basis. The Purchasers are not related to any Directors or Controlling Shareholders of the Company. The Sale Consideration shall be paid by the Purchaser over two instalment payments as follows: (a) RM100,000 will be remitted to the Seller upon signing the SPA; and (b) RM164,099.50 will be remitted to the Seller before 31 October 2014.

The net tangible asset value of SMT as at 30 June 2014 is RM446,668.77. There is no open market value in respect of these SMT shares. The Disposal does not have any material impact on the consolidated net tangible assets and earnings per share of the Group for the financial year ending 31 December 2014.

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

By Order of the Board

ISDN Holdings Limited

Gwendolyn Gn
Company Secretary

27 August 2014