

ISDN HOLDINGS LIMITED

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MEMORANDUM OF UNDERSTANDING IN RELATION TO PROPOSED COLLABORATION FOR ENERGY PROJECTS AND POWER BUSINESSES IN ASIA

As disclosed in ISDN Holdings Limited's (the "**Company**", and together with its subsidiaries, the "**Group**") Annual Report for 2011, the Group has embarked on a diversification strategy since 2009. Since then, the Group has sought and received approval from shareholders of the Company to diversify its core business to include the businesses of hydroponics and coal mining.

On 8 March 2013 and 1 June 2013, the Group announced proposed ventures into the business of constructing, operating and maintaining hydropower plants in Indonesia ("**Indonesia Energy Opportunities**"). In addition, on 22 May 2013 and 1 June 2013, the Group announced proposed ventures into the businesses of (a) developing and operating of a coal mine and the production of coal; and (b) constructing, operating and maintaining hydropower plants, in Myanmar ("**Myanmar Energy Opportunities**"). Further information on the Indonesia Energy Opportunities and the Myanmar Energy Opportunities can be accessed at www.sgx.com.

In furtherance of this diversification strategy, the Board of Directors of the Company are pleased to announce that the Company has entered into a non-legally binding Memorandum of Understanding dated 4 June 2013 ("**MOU**") with IDI infrastructures Inc. ("**IDI-I**") to explore opportunities to develop and invest into energy projects and expand international power producer businesses in Asia (collectively, the "**Collaboration**").

IDI-I is a Japanese fund management company with energy infrastructure focused funds, investing in energy and infrastructure assets in Japan and Asia. Further information on IDI-I can be accessed at <http://www.idi-infra.com/en/index.html>.

The Collaboration contemplates the Group and IDI-I (the "**Parties**") cooperating on selected projects in various Asian markets in areas such as funding, financial structuring and management, and feasibility assessments and technical support. Immediate projects include the Indonesia Energy Opportunities and the Myanmar Energy Opportunities. The scope of Collaboration shall depend on the requirements of each project, subject to review and discussions from time to time between the Parties.

Further announcements on this matter will be made in due course in the event of the signing of such definitive legal documentation, and/or as and when appropriate.

At this preliminary stage of exploration of co-operation with IDI-I, shareholders of the Company are cautioned that there is no assurance that any of the projects pursuant to the Collaboration will materialise for the Group or that the Group will pursue any of the projects pursuant to the Collaboration with IDI-I. There is also no assurance that any definitive legal documentation will be entered into between the Group and IDI-I pursuant to the Collaboration.

Accordingly, Shareholders ought to exercise caution when trading or dealing in their shares of the Company. Shareholders and potential investors should also seek advice from their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubts about the actions they should take.

BY THE ORDER OF THE BOARD

Gwendolyn Gn
Company Secretary
ISDN Holdings Limited

5th June 2013