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ISDN HOLDINGS LIMITED

億仕登控股有限公司

(Incorporated in the Republic of Singapore with limited liability)

(Hong Kong stock code: 1656)

(Singapore stock code: 107.SI)

MEDIA RELEASE

ISDN Holdings records 31% increase in profits for the 4 months ended April 30 despite Covid-19 pandemic

- ISDN provides a voluntary disclosure to update investors during the extraordinary pandemic market environment
- The Group delivers profitable 1Q2020 despite lengthy China lockdown period
- Strong April rebound in business across all geographies attests to ISDN's operational readiness and the emerging recovery of Asia's industrial automation market
- Year-to-date through April, revenue was up 12% year-on-year (YoY) and PATMI up 31% YoY
- ISDN contributes to the global effort against COVID-19 by introducing innovative industrial antiviral/antimicrobial products to Asia
- The Group remains confident in the long-term prospects of the industrial automation business in its key markets

Singapore, 27 May 2020 – ISDN Holdings Limited (“**ISDN**”, and with its subsidiaries, the “**Group**”), a leading industrial automation firm, reported strong year-to-date performance through April 2020, despite an extended lockdown period in China in 1Q2020:

(S\$' million)	1Q2019	1Q2020	YoY Change (%)	4M2019	4M2020	YoY Change (%)
Revenue	75.5	79.8	5.7	100.1	112.2	12.1
Net Profit After Tax and minority interests (“PATMI”)	4.2	3.1	(26.2)	5.1	6.7	31.4

1Q2020 (ending 31 March 2020) Financial Update

In 1Q2020, the Group recorded S\$3.1 million in profit after tax and minority interests (down 26.2% YoY) despite significant business and customer disruption from the extended lockdown period for ISDN's China operations.

As a result of the lockdowns, revenue from Group's core business declined by 16.5% YoY to S\$61.5 million for 1Q2020. However, the Group benefited from the diversification in its energy businesses, where construction revenue helped ISDN record overall revenue growth of 5.7% YoY for 1Q2020.

As noted in previous press releases, ISDN reacted quickly in 1Q2020 to ensure the health and safety of its employees as well as to manage its business and customer risks proactively. In mid-March, ISDN was able to resume its PRC operations and the Group has subsequently seen a surge in orders amounting to approximately S\$95 million year-to-date (YTD).

Encouraging Performance in April 2020

In line with the surge in its order book, the Group recorded a strong rebound in performance in April, allowing the ISDN to recover quickly from the impact of lockdowns in 1Q 2020. For the four months ended 30 April 2020 (4M2020), the Group's revenue grew 12.1% YoY to S\$112.2 million. Profit after tax and minority interests increased significantly by 31.4% YoY to S\$6.7 million for the same period. This growth reflects a broad business pickup across ISDN's key markets in Singapore, PRC and Vietnam.

The Group attributes its rebounding performance to its strategic position in the industrial automation supply chain for Asia, as well as its early commitment to protecting the health of its workforce and embracing telecommuting and automation its own business.

Leveraging its strengths to help the commercial COVID-19 effort

ISDN recently announced the introduction of two innovative disinfectant technologies into Asia to help the continent's transition to a post-pandemic environment.

ISDN leveraged its global industrial relationships to identify two state-of-the-art disinfectant products and has partnered with Germany-based ERST Project GmbH to bring these to market in Asia:

- [Waterliq](#) is a safe, water-based disinfectant capable of deployment through humidifiers in human-safe fine droplets and able to kill 99.99% of pathogens.
- [Erstotizer](#) is a state-of-the-art disinfecting coating that can keep surfaces virus free for 6 to 24 months.

Since announcing these two products, ISDN has already secure two commercial deployments. Singapore's major dormitory provider Centurion Corporation, will be using the products to keep Centurion's dormitories virus-free; and First Sight International Pte Ltd ("**First Sight**") will be using the products to enhance disinfecting capabilities at First Sight-designed educational institutions.

Commenting on the positive results and recent business developments, Mr. Teo Cher Koon, ISDN's Managing Director and President, said, "Despite a challenging start to the year, we have benefited directly from our corporate diversification, our strategic market position and our commitment to a healthy and agile workforce. We've seen a quick rebound in business with China's reopening, and the ISDN's workforce was operationally ready to capitalise on a surging order book."

Mr. Teo continued by noting that "we have already begin anticipating post-pandemic economic needs for Asia, and in addition to the revitalised need for Industrial Automation in the coming years we have also leveraged our global industrial relationships to bring two exciting state-of-the-art disinfectant products into Asia markets to help businesses provide safe environments for workers and consumers in the post-pandemic economy.

We acknowledge that our investors are looking for additional disclosure during this extraordinary period, and are pleased to provide a positive voluntary update on our business and our market at this time."

– End –

About ISDN Holdings Limited

Founded on its precision and motion control engineering capabilities in 1986 and listed on the Main Board of the Singapore Exchange Securities Trading Limited since 2005, ISDN Holdings Limited has today transformed into a multi-industry corporation with more than 60 offices spanning key Asian growth markets. ISDN is also listed on the Main Board of the Stock Exchange of Hong Kong Limited since 12 January 2017.

ISDN is dominant in the niche areas of motion control, other engineering solutions and industrial computing. ISDN's customised engineering solutions cater to different industrial sectors including medical, robotics, factory automation, energy, manufacturing, hard disk and semiconductor industries. By leveraging its alliances with strategic partners in Europe and Asia, ISDN is able to combine and thereupon benefit from the best-in-class technology and business systems these collaborations have to offer.

For more information, please visit www.isdnholdings.com

Issued for and on behalf of ISDN Holdings Limited by Financial PR

Romil Singh

Email: romil@financialpr.com.sg

Robin Moh

Email: robin@financialpr.com.sg

Tel: +65 6438 2990

By Order of the Board
ISDN HOLDINGS LIMITED
Teo Cher Koon
President and Managing Director

Hong Kong, 27 May 2020

As at the date of this announcement, the board of directors of the Company comprises Mr. Teo Cher Koon and Mr. Kong Deyang as executive directors of the Company; Mr. Toh Hsiang-Wen Keith as non-executive director of the Company; and Mr. Lim Siang Kai (Chairman), Mr. Soh Beng Keng and Mr. Tan Soon Liang as independent non-executive directors of the Company.