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FOR IMMEDIATE RELEASE

ISDN reports robust revenue growth in 2Q 2017 from higher demand for motion control solutions

- ***Group revenue rose 29.4% y-o-y to S\$77.4 million in 2Q 2017 driven by positive business conditions***
- ***Gross profit margin remained stable at 24.1% in 2Q 2017***
- ***Higher revenue attributable to stronger demand from its existing as well as new customers in China and Hong Kong***
- ***Strong balance sheet as of 30 June 2017 with net cash¹ totaling S\$17.4 million***

Singapore, 14 August 2017 – SGX and SEHK Main Board listed ISDN Holdings Limited (“ISDN” or “the Company”, and with its subsidiaries “the Group”), a leader in precision motion control and integrated engineering solutions, today announced its financial results for the second quarter ended 30 June 2017 (“2Q2017”).

ISDN’s revenue increased by about S\$17.6 million from S\$59.8 million in 2Q2016 to S\$77.4 million in 2Q2017, backed by an increase in demand for motion control and other specialized engineering solutions, particularly from the semiconductor industry. The higher demand was attributable to higher order levels from existing customers as well as new customers in China and Hong Kong.

In line with the increase in revenue, gross profit rose 21.9% to S\$18.7 million in 2Q2017 and gross profit margin remained stable at 24.1%. Net profit surged by S\$2.6 million to S\$4.0 million.

¹ Net cash is calculated based on cash and bank balances less total bank borrowings

Financial Highlights – 2Q2017 vs 2Q2016

(S\$)	2Q2017	2Q2016	Y-o-Y% Change
Turnover	77.4 mil	59.8 mil	29.4
Gross profit	18.7 mil	15.3 mil	21.9
Profit before tax	5.9 mil	2.2 mil	165.2
Net profit	4.0 mil	1.5 mil	175.1
*Earnings per share	0.76 cents	0.25 cents	208.1
Net asset value per share	37.6 cents	38.38 cents	(2.0)
Weighted average number of ordinary shares	394,684,950	354,684,950	

*Earnings per share based on consolidated net profit attributable to shareholders

As at 30 June 2017, the Group had cash and bank balances of \$30.2 million, compared to \$38.7 million as at 31 December 2016. The reduction was mainly due to an increase in net working capital, quasi-equity loan to associates, dividends to equity holders of the company and repayment of bank loans.

Trend of “Intelligent Manufacturing” to drive revenue growth

The semiconductor industry had been a steady contributor to ISDN’s revenue base. However, the Group is not resting on its laurels. Using its wide network of dedicated and experienced sales personnel in China and the Southeast Asia region, the Group aims to diversify its customer base and geographical presence to target customers in other industries such as medical equipment, smart phone production, and railway and transport. With such a diversified customer base, the Group is well positioned to benefit from the long-term trend of industrial automation and “intelligent manufacturing”.

Aside from the core motion control business, the Group is also exploring strategic partnerships and opportunities in new sectors.

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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 was also listed on the Main Board of the Stock Exchange of Hong Kong Limited since 12 January 2017.

ISDN is dominant in the niche area of motion control, other engineering solutions and industrial computing. ISDN's customized 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 or contact:

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