



**ISDN HOLDINGS LIMITED**  
No.10 Kaki Bukit Road 1 #01-30  
KB Industrial Building  
Singapore 416175  
Tel: 6844 0288 Fax: 6844 0070  
Web: www.isdnholdings.com

## **FOR IMMEDIATE RELEASE**

**ISDN Holdings Ltd net earnings more than doubled from \$2.0 million in 4QFY2015 to \$4.9 million in 4QFY2016 as revenue grows by 30.0% from \$51.6 million to \$67.1 million**

***FY2016 full-year revenue increased by 9.9% from \$235.3 million to \$258.5 million generating net profit of \$10.0 million***

**Singapore, 24 February 2017** – SGX Main Board listed ISDN Holdings Limited’s (“ISDN” or “The Group”), an integrated engineering solutions provider, more than doubled its 4QFY2016 net profit from \$2.0 million to \$4.9 million as revenue increased by 30.0% from \$51.6 million to \$67.1 million compared to 4QFY2015 despite keener competition in the motion control solutions sphere putting pressure on selling prices.

Overall gross profit margin decreased from approximately 30.5% in 4QFY2015 to 25.1% in 4QFY2016. Full-year gross margin decreased from 27.9% in FY2015 to 25.1% in FY2016 translating to full-year net earnings of \$10.0 million – which reduced by 15.5% from \$11.9 million previously - after taking into account approximately \$3.5 million in expenses arising from the Group’s dual listing on the Main Board of The Stock Exchange of Hong Kong. Group revenue, for the full year, however, increased by 9.9% from \$235.3 million to \$258.5 million.

### **Healthy Cash Flow**

The Group continued to record positive cash flows from its operating activities that increased from \$8.4 million to \$13.0 million for the full year. Net cash used in investing activities amounted to \$6.8 million after factoring acquisition of property, plant and equipment and disposal of equity interests in an associate company, among other transactions. Net cash used in financing activities amounted to approximately \$7.9 million.

In total, cash and cash equivalents for the full year stood at \$37.3 million. The Board of Directors is proposing final cash dividends of 0.3 Singapore cents (equivalent to 1.7 Hong Kong cents) per share.

## Financial Highlights

### Quarterly Comparison – 4QFY2016 vs 4QFY2015

(S\$)	4QFY2016	4QFY2015	% Change
Turnover	67.1 mil	51.6 mil	30.0
Profit before tax	6.0 mil	2.8 mil	n.m.
Profit for the period	4.9 mil	2.0 mil	n.m.

### Full-Year Comparison – FY2016 vs FY2015

(S\$)	FY2016	FY2015	% Change
Turnover	258.5 mil	235.3 mil	9.9
Profit before tax	14.3 mil	17.2 mil	(16.9)
Profit for the year	10.0 mil	11.9 mil	(16.0)
Earnings per share	1.45 cents	2.46 cents	(41.1)
Net asset value per share	38.38 cents	39.27 cents	(2.3)

### The Group's top line growth is underpinned by the following key attributes:

- The Group remained competitive in offering a variety of professional engineering solutions and products to satisfy its customers' wide range of engineering needs
- ISDN was able to leverage on its established presence in the region to retain customers, leading to revenue growth in motion control and industrial computing solutions while revenue from other specialized engineering solutions remained relatively stable

According to Frost & Sullivan, ISDN ranks among the top five motion control solutions players in the People's Republic of China (PRC) and occupies pole position in Singapore. The Group expects the motion control sector to continue accounting for the bulk of Group revenue and for revenue from PRC to remain strong.

**Mr Teo Cher Koon, the Managing Director and President** of the Group said, "The Group seeks to build on this competitive edge and expand its market share by continuing to engage its customers more proactively at the ground level and up."

This customised approach will allow ISDN to offer greater technological edge with enhanced value, placing it in good stead as the PRC – its main market – attaches increasing emphasis on product quality as it makes inroads into global markets.

## **Benefiting from China's Push into Automation and Robotics**

Despite the encouraging prospects for the Group, ISDN expects the overall industry landscape to remain competitive against the backdrop of a Chinese economy that is transitioning into a more automated industrial environment from one that has been traditionally labour-intensive. Nonetheless, this is expected to spell good news for ISDN's motion control and engineering solutions businesses which provides parts and solutions for factory automation and robotics.

Mr Teo added, "We expect the Group to continue to ride on the market growth fuelled by the general industry trend for intelligent manufacturing and factory automation leading to an increase in demand for engineering solutions as well as higher demand for more technologically advanced and tailor-made products which the Group is well-positioned for.

"Our focus will still be the PRC and Singapore markets which accounted for more than 84% of our overall revenue in FY2016. Nevertheless, we will continue to expand our business in other countries in South-east Asia such as Vietnam and Thailand that we have gained a foothold in and plans are underway to venture into other countries in the region too."

- ends -

### **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 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](http://www.isdnholdings.com) or contact:

Eruwin Sudirman

**NRA Capital Consulting Pte Ltd**

Tel : (65) 6236 6883

Fax : (65) 6222 0093

Email : [eruwin.sudirman@nracapital.com](mailto:eruwin.sudirman@nracapital.com)