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FOR IMMEDIATE RELEASE

ISDN Holdings Ltd posts \$1.8 million net profit on revenue of \$60.7 million in 1QFY2016

Singapore, 4 May 2016 – SGX Main Board listed ISDN Holdings Limited’s (“ISDN” or “The Group”), an integrated solutions provider for diverse industries, generated net earnings of \$1.8 million in 1QFY2016 on the back of revenue of \$60.7 million. Group revenue grew by 16.2% from \$52.2 million a year earlier, however, net profit eased by 53.6%, from \$3.8 million as gross margin dipped from 30.2% to 26.0% but still staying within the traditional target band of 26% and 30%.

Mr Teo Cher Koon, ISDN Managing Director and President said, “The Group incurred a foreign exchange loss of \$1.3 million in 1QFY2016 as compared to a foreign exchange gain of \$0.6 million in 1QFY2015. If not for the unrelieved exchange loss, net earnings would have hovered around the same level as the previous year.

“Going forward, we expect the macro business sentiment to contain some degree of uncertainty but this could be mitigated by ISDN’s widely diversified customer base that includes medical, industrial automation and smart phone machine builders,” he added.

Financial Highlights – 1QFY2016 vs 1QFY2015

(S\$)	1QFY2016	1QFY2015	% Change
Turnover	60.7 mil	52.2 mil	16.2
Profit before tax	2.7 mil	5.4 mil	(49.1)
Profit for the period	1.8 mil	3.8 mil	(53.6)
Earnings per share	0.18 cents	0.81 cents	(77.8)
Net asset value per share	39.27 cents	39.27 cents	Unchanged
Weighted average number of ordinary shares	354,684,950	354,684,950	Unchanged

Net asset value per share maintained at 39.27 cents but earnings per share slid by 77.8% from 0.81 cents to 0.18 cents. Cash and cash equivalents increased a tad from \$34.4 million to \$34.7 million after taking into account net cash inflow from financing activities of \$1.2 million mainly due to loan repayment from associates.

Motion Degree Showing Degree of Resilience

Motion Control continued to account for the lion's share of the Group revenue – at 78.6% - growing by 17.1%, from \$40.7 million to \$47.7 million thanks to overall stronger customer demand.

Mr Teo remarked, "Despite the current slowdown in China's economy, there are, however, still pockets of opportunity presented by the mainland's ongoing drive to automate its new economy which would augur well for ISDN's mainstay business of Motion Control.

"This would allow ISDN to track China's domestic growth as well as tap into its growing repute as a global manufacturer, particularly to emerging markets. On even, the Group expects Motion Control to afford a degree of stability for the Group's earnings base as it builds new market segments in South-east Asia and new business segments including hydropower," he added.

Key Markets Continue to Grow

ISDN's key markets in China, Singapore and Malaysia all exhibited sales growth as they benefited from higher demand from customers mainly in the machine tools industry for automation equipment and smart phone production.

Demand for ISDN's products in Singapore, China and Malaysia remained strong with increase in sales revenue of \$2.8 million, \$6.2 million and \$0.8 million respectively in 1QFY2016. China was the biggest income earner with \$44.2 million sales equivalent to 72.8% while Singapore came in second with \$11.7 million and Malaysia third with \$2.6 million revenue.

About ISDN Holdings Limited

Founded on its precision and motion control engineering capabilities in 1987 and listed on the Singapore Exchange Main Board since 2005, ISDN Holdings Limited has today transformed into a multi-industry corporation with diverse strengths. With more than 90 offices spanning key Asian growth markets, ISDN's business interests now include, in addition to engineering, the energy and agriculture sectors

ISDN is dominant in the niche area of motion control and industrial computing, attending to the needs of customers in the Asian region. ISDN's customised solutions cater to different industrial sectors including medical, robotics, factory automation, oil and gas, water treatment, manufacturing, hard disk and semiconductor industries. By leveraging on its alliances with strategic partners in Europe, Asia and Australia, ISDN is able to combine and thereupon benefit from the best-in-class technology and business systems these collaborations have to offer.

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