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FOR IMMEDIATE RELEASE

ISDN Holdings Limited grows 1HFY2013 revenue by 13.1% from \$72.8 million to \$82.3 million to post net earnings of \$3.5 million

Singapore, 13 August 2013 – SGX Main Board listed ISDN Holdings Limited (“ISDN” or “The Group”), an integrated engineering solutions provider for diverse industries, posted a 13.1% growth in Group revenue from \$72.8 million to \$82.3 million for the first six months of FY2013, buoyed by stronger demand for the Group’s core business’ motion control products from customers in People’s Republic of China and Malaysia. The Group also welcomed the maiden revenue contribution from one of its nascent ventures in the energy sector. Coal trading contributed to a creditable increase of \$4.0 million sales of the Group’s “Others” category – a segment which captures sales in new businesses - in the second quarter.

Gross profit in the second quarter increased by \$3.2 million or 26.6% from \$12.1 million to \$15.3 million to register gross margin of 29.8%, to stay within the targeted band of between 26% and 30%. Net profit for the first half, however, eased by 33.3% from \$5.3 million to \$3.5 million as a result of higher distribution costs and administrative expenses, in line with higher business volume.

Financial Highlights

Half-yearly Comparison

(S\$)	1HFY2013	1HFY2012	% Change
Turnover	82.3 mil	72.8 mil	13.1
Profit Before Tax	5.5 mil	7.3 mil	(25.3)
Profit for the period	3.5 mil	5.3 mil	(33.3)
Earnings per share	0.81 cents	1.47 cents	(44.9)
Weighted average number of ordinary shares	324,528,720	298,654,950	8.7

Quarterly Comparison

(S\$)	2QFY2013	2QFY2012	% Change
Turnover	51.4 mil	40.0 mil	28.7
Profit Before Tax	3.9 mil	4.4 mil	(12.1)
Profit for the period	2.5 mil	2.9 mil	(15.0)

Maintaining Consistency

Mr Teo Cher Koon, ISDN Managing Director and President said, “The Group’s mainstay business in motion control continues to show resilience despite a relatively fluid macro-economic environment where the general business outlook continue to remain unpredictable. ISDN’s niche engineering capability built over two decades and its established network of customers in diverse industries such as industrial, medical and aerospace mitigate these external challenges and allow the Group to circumvent seasonal kinks and to a certain degree, manage economic uncertainty.”

Net cash generated from operating activities increased from a net outflow of \$972,000 for the period ended 30 June 2012 to a net inflow of \$68,000 for the period ended 30 June 2013. Total cash and cash equivalents strengthened by \$17.5 million or 70.7%, from \$24.7 million to \$42.2 million with \$18.9 million attributed to proceeds from share placement.

New Growth Drivers as Future Frontiers

Mr Teo asserts, “The increase in our cash reserves would place the Group in a strategic position to consider, evaluate and secure new business opportunities that are synergistic with the Group’s existing businesses as a way to develop new growth drivers and to enhance shareholder returns.”

“Our entry into the energy sector has picked up pace and we are now charting our footprint in fast-growing energy and infrastructure markets including Indonesia and Myanmar. We see these developments as providing the catalyst for future growth and envision them to be the new frontiers that will spearhead ISDN’s transformation as a bona fide engineering play.”

The Group recently made a series of announcements on its acquisitions, joint ventures and Memorandum of Understanding related to its planned developments of hydropower plants in Indonesia, particularly in Sulawesi and Sumatra, as well as a coal-powered plant in Myanmar located at the mine mouth of a coal land mass that presents potential for future coal mining and production.

Steady Income Stream

Whilst the Group pursues new undertakings in future growth drivers, it remains steadfast in nurturing its traditional mainstay businesses including Motion Control and Other Specialised Engineering Solutions. They offer a steady flow of income necessary to anchor ISDN’s global operations as well as a bed rock for its deliberate and measured diversification efforts.

For the second financial quarter, Motion Control revenue grew by 21.1%, from \$30.6 million to \$37.1 million while Other Specialised Engineering Solutions sales rose by 13.7%, from \$7.7 million to \$8.8 million. Significantly higher demand for Motion Control products accounted for the rise in revenue for the Group's China and Malaysia markets. Sales in China climbed 29.8% from \$27.8 million to \$36.1 million while revenue in Malaysia increased by 27.3% from \$1.2 million to \$1.5 million.

Encouraging Outlook

Mr Teo concluded, "Going forward the Group is cautiously optimistic in achieving positive performance in the next reporting period and for the coming 12 months, barring any unforeseen circumstances."

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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.

For more information, please visit www.isdnholdings.com or contact:

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