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ISDN Holdings Ltd 2QFY2014 net earnings grow by 28.5% from \$2.5 million to \$3.2 million backed by 15.5% revenue growth from \$51.4 million to \$59.4 million

Singapore, 14 August 2014 – SGX Main Board listed ISDN Holdings Limited’s (“ISDN” or “The Group”), an integrated engineering solutions provider for diverse industries, net earnings rose by 28.5% from \$2.5 million to \$3.2 million on the back of a 15.5% revenue growth from \$51.4 million to \$59.4 million. The revenue increase was underpinned by higher sales from the Group’s main markets, namely in China, Singapore and Malaysia that drew in stronger demand for its motion control products.

Earnings per share for the 6 months ended 30 June 2014 rose slightly from 0.81 cents to 0.85 cents despite an increase in the weighted average number of ordinary shares in issue from 324.5 million to 360.0 million. Cash and cash equivalents at the end of the period remained healthy with a balance of \$33.3 million.

Financial Highlights 2Q2014 vs 2Q2013

(S\$)	2Q2014	2Q2013	% Change
Turnover	59.4 mil	51.4 mil	15.5
Profit before tax	4.5 mil	3.9 mil	14.6
Profit for the period	3.2 mil	2.5 mil	28.5

Financial Highlights – 1H2014 vs 1H2013

(S\$)	1H2014	1H2013	% Change
Turnover	98.5 mil	82.3 mil	19.7
Profit before tax	5.6 mil	5.5 mil	2.8
Profit for the period	3.8 mil	3.5 mil	6.4
Earnings per share	0.85 cents	0.81 cents	-
Weighted average number of ordinary shares	359,944,950	324,528,720	10.9

Indonesia – the New Growth Frontier

Among the key geographical segments, China continued to account for the dominant portion of Group revenue, with \$45.9 million sales in 2QFY2014 - equivalent to 77.3% of overall sales - an increase of 27.3% from last year's sales of \$36.1 million.

Singapore was the next largest revenue contributor with \$10.9 million, a 42.3% increase from 2QFY2013's sales of \$7.7 million. Malaysia came in third, generating \$2.6 million sales, up 74.1% from the previous year's revenue of \$1.5 million.

Indonesia is shaping up to be a future growth driver as the Group widens its footprint through its portfolio of mini-hydropower projects across the archipelago.

Mr Teo Cher Koon, ISDN Managing Director and President said, "The Group will continue to accelerate its development in the energy segment, boosted by the recent signing of a term sheet with a new Indonesian partner, PT Jodo Alam Titra, as well as its welcoming of new co-investors into Aenergy Holdings Company Ltd, as announced last month.

"Two clusters have been identified: a future portfolio of mini-hydropower plants with PT Jodo as well as an earlier portfolio of mini-hydropower facilities that Aenergy has amassed – both of which shall form the focus of ISDN's energy business expansion in Indonesian - with a view to possibly nurturing these into business trusts or listing them publicly," Mr Teo added.

Motion Control – Affording Stability to the Group

Additionally, ISDN will continue to pursue its planned foray into the resources sector as well as leveraging on the steady growth of its motion control business, particularly in North Asia.

Motion Control and Industrial Computing product groups raked in higher revenue in 2Q2014 as compared to 2Q2013 mainly due to stronger customer demand. Motion Control revenue grew by 33.1% from \$37.1 million to \$49.4 million, making it the most dominant revenue contributor among the business segments, accounting for 83.1% of Group sales.

Mr Teo said, "Our mainstay motion control business segment continue to register steady growth affording the Group a source of cash flow and a degree of stability as we pursue new growth catalysts."

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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.

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