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**FOR IMMEDIATE RELEASE**

**ISDN Holdings Ltd generates \$59.8 million revenue in 2QFY2016 to post \$1.5 million net earnings**

**Singapore, 12 August 2016** – SGX Main Board listed ISDN Holdings Limited’s (“ISDN” or “The Group”), an integrated solutions provider for diverse industries, posted net earnings of \$1.5 million in 2QFY2016, from \$2.8 million in the corresponding period last year – a decrease of 47.8% - as Group revenue eased by 10.8% from \$67.1 million to \$59.8 million. Gross margin remained relatively stable at approximately 26% to stay within the target range of 26% and 30%.

Mr Teo Cher Koon, ISDN Managing Director and President said, “The first half of this year saw the Group making preparations for our proposed dual-listing on the Hong Kong bourse (as announced earlier) with the aim of boosting the trading liquidity of our stock and enhancing its market valuation.

“Understandably the preparatory work has translated to an increase in administrative expenses in the form of professional fees of \$1.1 million, mostly booked in the second quarter. Though non-recurring, these costs are expected to continue to be incurred through to the second half of this financial year,” Mr Teo added.

**Financial Highlights**

**Quarterly Comparison – 2QFY2016 vs 2QFY2015**

<b>(\$)</b>	<b>2QFY2016</b>	<b>2QFY2015</b>	<b>% Change</b>
<b>Turnover</b>	59.8 mil	67.1 mil	(10.8)
<b>Profit before tax</b>	2.2 mil	4.1	(45.5)
<b>Profit for the period</b>	1.5 mil	2.8 mil	(47.8)
<b>Earnings per share</b>	0.43 cents	1.39 cents	(69.1)
<b>Net asset value per share</b>	36.42 cents	39.27 cents	(7.3)
<b>Weighted average number of ordinary shares</b>	354,684,950	354,684,950	Unchanged

## Financial Highlights

### Half-Yearly Comparison – 1HFY2016 vs 1HFY2015

(S\$)	1HFY2016	1HFY2015	% Change
Turnover	120.5 mil	119.3 mil	1.0
Profit before tax	4.9 mil	9.4 mil	(47.5)
Profit for the period	3.2 mil	6.6 mil	(51.1)
Earnings per share	0.43 cents	1.39 cents	(69.1)
Net asset value per share	36.42 cents	39.27 cents	(7.3)
Weighted average number of ordinary shares	354,684,950	354,684,950	Unchanged

Net cash generated from operating activities strengthened from \$3.8 million to \$7.2 million. Overall cash and cash equivalents continued to remain relatively healthy at \$32.2 million. This final cash tally could have been higher if not for the net cash outflow on disposal of subsidiary amounting to \$4.6 million.

Net asset value per share slid from 39.27 cents to 36.42 cents as did earnings per share which eased from 1.39 cents to 0.43 cents due to the lower net earnings reported.

### South-east Asia: New Frontier for Motion Control Business

Among the Group's business segments, Motion Control continued to be the dominant revenue contributor accounting for more than three quarters of Group revenue. Sales, however, declined for the segment from \$52.8 million to \$47.3 million due to softer customer demand, mainly from China.

China accounts for 70.9% of Group revenue, equivalent to \$42.4 million with Singapore and Others market category coming in second and third, generating \$6.7 million and \$5.8 million sales respectively.

Mr Teo commented, "The business sentiment in China is still tepid and we expect the lacklustre climate to continue well into the latter half of this year. Notwithstanding this current economic slowdown, we continue to build on our market and industry presence, particularly in the Motion Control sphere where we have built a steady customer base in diverse industry sectors.

“On the other hand, South-east Asia presents encouraging potential for growth in Motion Control, particularly in Vietnam, where we continue to register double-digit growth. Taken together, ISDN’s growth prospects in Motion Control – its mainstay business – will depend on preserving and expanding market share in both its traditional and emerging markets.

Additionally, the Group’s foray in the renewable energy sector is expected to bolster ISDN’s future growth. Its maiden mini-hydropower plant in North Sumatra, currently being constructed, is expected to be completed in the second half of 2017.

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

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