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**ISDN Holdings Limited grows 9MFY2013 revenue by 6.6% from \$116.6 million to \$124.2 million to register net profit of \$4.8 million**

**Singapore, 14 November 2013** – SGX Main Board listed ISDN Holdings Limited (“ISDN” or “The Group”), an integrated engineering solutions provider for diverse industries, generated revenue of \$124.2 million for the first nine months of FY2013, up 6.6% from \$116.6 million from the same period last year. Net earnings eased by 34.8% from \$7.5 million to \$4.9 million in part due to 22.2% increase in distribution costs including freight charges, sub-contractor and staff costs, in line with the higher business volume.

On a quarterly basis, Group sales for the third quarter dipped marginally by 4.3%, from \$43.8 million to \$41.9 million translating to net profit of \$1.4 million, down 38.4% from last year's corresponding net earnings of \$2.2 million. Gross margin however, remained firm at 28.6%, keeping within the Group's traditional margin band of between 26.0% and 30.0%. Cash and cash equivalents strengthened from \$26.3 million to \$39.6 million.

**Financial Highlights**

**Half-yearly Comparison**

<b>(S\$)</b>	<b>9MFY2013</b>	<b>9MFY2012</b>	<b>% Change</b>
<b>Turnover</b>	124.2 mil	116.6 mil	6.6
<b>Profit Before Tax</b>	8.0 mil	10.5 mil	(24.2)
<b>Profit for the period</b>	4.9 mil	7.5 mil	(34.8)

**Quarterly Comparison**

<b>(S\$)</b>	<b>3QFY2013</b>	<b>3QFY2012</b>	<b>% Change</b>
<b>Turnover</b>	41.9 mil	43.8 mil	(4.3)
<b>Profit Before Tax</b>	2.5 mil	3.2 mil	(21.7)
<b>Profit for the period</b>	1.4 mil	2.2 mil	(38.4)
<b>Earnings per share</b>	0.27 cents	0.55 cents	(50.9)
<b>Weighted average number of ordinary shares</b>	336,641,983	298,654,950	12.7

## **Displaying Resilience**

Mr Teo Cher Koon, ISDN Managing Director and President said, “Our mainstay motion control business continued to show resilience despite facing challenges on several fronts such as lackluster sentiments in the semi-conductor industry in Singapore as well as the soft outlook on the China economy.

“As these headwinds are expected to continue, at least in the near future, we expect similar prospects for the Group in the coming quarters. Nonetheless, barring any unforeseen circumstances, we are cautiously optimistic that ISDN will turn in positive performance in the immediate upcoming reporting period,” Mr Teo added.

For 3QFY2013, Motion Control, the largest income earner, accounting for slightly more than three quarters of Group revenue, brought in \$32.1 million sales, a slight decrease of 3QFY2012 sales figure of \$34.0 million. Other Specialised Engineering raked in \$8.8 million sales, an increase of 4.9%, mainly due to stronger demand, while Industrial Computing posted \$1.0 million sales, a decrease of 29.5% from 3QFY2012 revenue of \$1.4 million.

Across markets, the Group's Singapore and China operations registered marginally lower sales in third quarter due to softer demand for both Motion Control and Industrial Computing products, posting \$7.6 million and \$30.7 million revenue respectively. However, demand of ISDN's products from Malaysia and other regional markets remained strong with a combined increase in revenue of \$0.6 million.

## **Energy Growth Catalysts in South-east Asia**

Whilst the Group's core business continues to stream in steady income, its nascent energy ventures in South-east Asia, in particular Indonesia and Myanmar, remain on track with its planned development. The Group has to date announced a pipeline of seven hydropower projects in Sumatra and Sulawesi, Indonesia. ISDN targets to develop a combined installed base capacity of at least 100 MW by the end of FY2014, with a view to doubling it in the next three to five years.

Mr Teo added, “Besides hydropower in Indonesia, we are focusing our efforts on developing the largest 540 MW coal-fired power plant in North-west Myanmar, as announced recently. This portfolio of hydro and coal power energy projects would play a critical role in transforming ISDN into a creditable energy infrastructure and power production enterprise.”

“We are cognizant of undertaking these projects with the same degree of prudence and measured business approach as has been the hallmark of the Group. These attributes are requisite in our ongoing effort to unlock and realize shareholder returns for the long haul,” Mr Teo concluded.

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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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