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**ISDN Holdings Ltd grows 3QFY2016 revenue by 10.2% from \$64.4 million to \$71.0 million to post \$1.9 million net profit**

**Singapore, 14 November 2016** – SGX Main Board listed ISDN Holdings Limited’s (“ISDN” or “The Group”), an integrated solutions provider for diverse industries, grew revenue by 10.2% from \$64.4 million to \$71.0 million in 3QFY2016. Net earnings, however, slid by 43.7% from \$3.3 million to \$1.9 million due in large part to professional fees incurred in relation to ISDN’s proposed dual-listing on the Hong Kong bourse as well as gross margin that were impacted by keener competition in some customer segments. Gross margin, consequently fell 24.1% from 26.2% from the corresponding period last year.

Mr Teo Cher Koon, ISDN Managing Director and President said, “The Group is cautiously optimistic on the outlook for the upcoming quarter despite being able to grow revenue this quarter.

“Certain customer segments such as the medical sector continue to exhibit sales growth due to sturdy customer orders. These also include customers in the smart phone and semi-conductor categories. However, the Group has also to be mindful that other industry sectors may face softer demand thereby potentially offsetting the gains in the better performing customer segments,” Mr Teo commented.

**Financial Highlights**

**Quarterly Comparison – 3QFY2016 vs 3QFY2015**

<b>(S\$)</b>	<b>3QFY2016</b>	<b>3QFY2015</b>	<b>% Change</b>
<b>Turnover</b>	71.0 mil	64.4 mil	10.2
<b>Profit before tax</b>	3.4 mil	5.1 mil	(33.0)
<b>Profit for the period</b>	1.9 mil	3.3 mil	(43.7)

## Financial Highlights

### 9M Comparison – 9MFY2016 vs 9MFY2015

(S\$)	9MFY2016	9MFY2015	% Change
Turnover	191.4 mil	183.7 mil	4.2
Profit before tax	8.3 mil	14.5 mil	(42.4)
Profit for the period	5.1 mil	9.9 mil	(48.6)
Earnings per share	0.63 cents	1.95 cents	(67.7)
Net asset value per share	37.06 cents	39.27 cents	(5.6)

Earnings per share for the period ended 30 September 2016 eased by 67.7% from 1.95 cents to 0.63 cents while net asset value per share reduced marginally by 5.6% from 39.27 cents to 37.06 cents.

Cash and cash equivalents remained fairly healthy at \$33.8 million after taking into account net cash generated from operating activities that increased from \$2.6 million in 3QFY2015 to \$3.6 million in 3QFY2016 on account of higher cash generated from working capital.

Net cash used in investing activities increased from \$0.4 million to \$0.8 million due to loan to associates while net cash used in financing activities increased significantly from \$23,000 to \$1.5 million mainly due to dividends to non-controlling interests and increase in fixed deposits pledged.

### Motion Control Still Going Strong

All of the Group's geographical markets registered increases in sales led by Hong Kong that improved sales by 85.3% from \$2.1 million to \$4.0 million followed by Malaysia and Singapore with 57.2% and 14.0% revenue increases respectively. China remained the dominant revenue contributor accounting for 70.7% of Group revenue followed by Singapore and Others in second and third place respectively. The increases in sales were largely attributable to stronger demand for Motion Control products and services.

Not surprisingly, Motion Control accounted for the lion's share of Group revenue among the business segments. It grew revenue by 11.7% from \$50.5 million to \$56.4 million, accounting for nearly 79.4% of Group revenue followed by Other Specialised Engineering that increased revenue by 5.5% from \$12.6 million to \$13.3 million.

Mr Teo added, "Motion Control is expected to continue to be the Group's dominant contributor as we build on our efforts to grow market share through organic growth from existing customers as well as carving new footprints and nurturing new customers, in line with our efforts to fortify ISDN's geographical reach and market presence."

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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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