



ISDN HOLDINGS LIMITED
 No.10 Kaki Bukit Road 1 #01-30
 KB Industrial Building
 Singapore 416175
 Tel: 6844 0288 Fax: 6844 0070
 Web: www.isdnholdings.com

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ISDN Holdings Ltd FY2015 full-year net profit grew by 12.1% from \$10.6 million to \$11.9 million as revenue increases by 2.4% from \$230.5 million to \$236.0 million

Singapore, 26 February 2016 – SGX Main Board listed ISDN Holdings Limited’s (“ISDN” or “The Group”), an integrated engineering solutions provider for diverse industries, grew net earnings by 12.1% from \$10.6 million to \$11.9 million on the back of a 2.4% revenue increase from \$230.5 million to \$236.0 million. In line with the rise in revenue, the Group’s gross profit increased by \$4.13 million or 6.7% from a year ago, translating to gross profit margin of 27.8% - well within the Group’s target range of 26% and 30%.

The company has proposed final dividends of 0.4 cents per share.

Earnings per share increased by 18.8% from 2.07 cents to 2.46 cents while net asset value per share rose by 7.4% from 36.58 cents to 39.27 cents. Cash and cash equivalents increased by 4.3% from \$37.5 million to \$39.1 million as net cash generated from operating activities improved substantially from cash outflow of \$0.9 million to rebound strongly to cash inflow of \$6.6 million this year.

Financial Highlights – Full-Year FY2015 vs FY2014

(S\$)	FY2015	FY2014	% Change
Turnover	236.0 mil	230.5 mil	2.4
Profit before tax	17.2 mil	15.2 mil	13.0
Profit for the period	11.9 mil	10.6 mil	12.1
Earnings per share	2.46 cents	2.07 cents	18.8
Weighted average number of ordinary shares	354,684,950	359,501,725	(1.3)

Mr Teo Cher Koon, ISDN Managing Director and President said, “Overall stronger customer demand for our core Motion Control business was the main driver for the better showing in the Group’s top and bottom lines.”

Motion Control which accounted for 78.0% of Group revenue, grew by 6.5% from \$172.9 million to \$184.1 million. The Group's other business segments Other Specialised Engineering Solutions and Industrial Computing, however, raked in lower sales – from \$52.0 million to \$46.1 million and \$5.6 million to \$5.1 million respectively.

ASEAN market showing encouraging growth

On the Group's future prospects, Mr Teo said, "With nearly three quarters of ISDN's revenue originating from China, it is inevitable that the Group's outlook will be impacted by the slowing down of the Chinese economy and the overall cautious sentiments in the mainland's business landscape.

"Fortunately, ISDN has a diverse customer base that covers a wide-ranging industry segment including food & beverage, aerospace, medical and smartphone machine-builders – which will play a role in mitigating the risks from external headwinds. Additionally, new geographical market sentiments in South-east Asia, particularly Vietnam, have grown steadily to add a new dimension to the Group revenue composition," Mr Teo concluded.

Echoing Mr Teo's comments, China still held supreme as the Group's main revenue contributor. It continues to account for the bulk of overall sales at 74.8% equivalent to \$176.6 million, nearly levelling last year's sales of \$176.7 million. Singapore came in second with \$35.0 million sales, a slight dip of 1.3% from FY2014's sales of \$35.5 million.

The "Others" market category which includes relatively nascent markets such as the ASEAN region bucked the trend of all the market segments to doubling its sales from \$10.4 million to \$18.6 million as it surges to build on its growth trajectory.

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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:

Eruwin Sudirman

NRA Capital Pte Ltd

Tel : (65) 6236 6883

Fax : (65) 6222 0093

Email : eruwin.sudirman@nracapital.com