

The Singapore Exchange Securities Trading Limited, Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



ISDN HOLDINGS LIMITED

億仕登控股有限公司

(Incorporated in the Republic of Singapore with limited liability)

(Hong Kong stock code: 1656)

(Singapore stock code: 107.SI)

OVERSEAS REGULATORY ANNOUNCEMENT

This overseas regulatory announcement is issued pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Please refer to the attached announcement which has been published by ISDN Holdings Limited (the “**Company**”) on the website of the Singapore Exchange Securities Trading Limited on 13 May 2019.

By Order of the Board
ISDN HOLDINGS LIMITED
Teo Cher Koon

President and Managing Director

Hong Kong, 13 May 2019

As at the date of this announcement, the Board comprises Mr. Teo Cher Koon and Mr. Kong Deyang as executive directors of the Company; Mr. Toh Hsiang-Wen Keith as non-executive director of the Company; and Mr. Lim Siang Kai (Chairman), Mr. Soh Beng Keng and Mr. Tan Soon Liang as independent non-executive directors of the Company.



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

MEDIA RELEASE

ISDN Holdings reports S\$4.2 million earnings for 1Q2019

- Revenue for 1Q2019 of S\$75.5 million up 6.2% from 4Q2018 as business remained resilient to modest pressure from US-China trade tensions.
- Revenue and Gross margins were lower at 0.9% and 0.5% respectively on a year-on-year (“YoY”) basis delivering a gross profit of S\$18.8 million.
- Diversification in ISDN’s wide base of customers is helping to stabilise revenues, with the Group benefitting from growth in medical and emerging market customer segments.
- Group continues to focus on expanding its core automation business; with good progress expected in realizing the value of its hydropower business.

(S\$’000)	1Q2019	1Q2018	YoY Change (%)	4Q2018	QoQ Change (%)
Revenue	75,537	76,192	(0.9)	71,147	6.2
Gross Profit	18,829	19,353	(2.7)	19,539	(3.6)
Gross Profit Margin (%)	24.9	25.4	(0.5) ppt	27.5	(2.6) ppt
Operating Expenses[#]	13,549	12,583	7.7	15,712	(13.8)
Profit Before Tax	6,796	8,789	(22.7)	475	N.M.
Profit / (Loss) Attributable to Shareholders	4,212	5,198	(19.0)	(1,521)	N.M.
PATMI	5.6%	6.8%	0.8 ppt	N.M.	N.M.

ppt – percentage points

– Operating expenses comprise distribution costs and administrative expenses

N.M. – Not Meaningful

Singapore, 13 May 2019 – ISDN Holdings Limited (“ISDN”, and with its subsidiaries, the “Group”), a leading multi-industry corporation providing motion control, engineering solutions and industrial computing solutions, today reported net profit attributable to shareholders of S\$4.2 million for the three months ended 31 March 2019 (“1Q2019”).

Revenue from the Group’s core engineering solutions increased 3.5% from 4Q2018 as the Group’s diverse customer base helped it weather soft macroeconomic conditions arising from global trade tensions. Revenue was down 3.4% YoY on the back of a record-high 1H2018 performance last year. In 1Q2019, ISDN observed greater growth in emerging markets such as Malaysia and Vietnam, as well as growth in certain diversified end-segments such as Medical and Information technology. The Group also recognised revenue from its nascent renewable energy business of S\$1.9 million.

Gross profit for 1Q2019 decreased 2.7% YoY to S\$18.8 million with gross margin at 24.9%. Excluding gross profit from the construction of two mini-hydropower plants, the Group maintained core engineering solutions gross margins at 25.4%.

Operating expenses increased 7.7% YoY to S\$13.5 million for 1Q2019. Distribution costs decreased slightly while administrative expenses increased as a result of the consolidation of Aenergy Subgroup (hydropower investment holdings), and increases in salaries and bonuses, office and administrative expenses and professional fees.

As a result, the Group reported a profit attributable to shareholders of S\$4.2 million for 1Q2019 compared to S\$5.2 million for 1Q2018.

Overall, against the uncertainties in the market the Group performed notably better in 1Q2019 compared to 4Q2018, with revenue growing 6.2% quarter-on-quarter from S\$71.1 million for 4Q2018 and a rebound on its bottom line from a loss of S\$1.5 million in 4Q2018.

Mr Teo Cher Koon, ISDN's Managing Director and President, said, *"Over the longer term, we will continue to deepen our presence in China and also look to the rest of the Asia Pacific region to drive diversified demand for our engineering solutions as industrial automation is increasingly embraced in many sectors across Asia to boost productivity and move up the value chain. While the outlook for the foreseeable future for businesses in general may be affected by geopolitical tensions, we have our ears to the ground and are working closely with our customers to increase earnings visibility and mitigate any downside.*

We also expect to gain traction on renewable energy business in the quarters ahead as our first few mini-hydropower plants come on stream in Indonesia. This will also help to provide greater earnings consistency."

The Group is seeking to penetrate the hydropower and solar-energy sectors in Asia, and to date the Group has recognized S\$1.9 million in revenue from the construction of mini-hydropower plants in North Sumatra in 1Q2019. The first two plants, with a combined capacity of more than 14 megawatts of electricity, are expected to start production in the second half of 2019.

Overall, ISDN continues to make good progress growing its market presence in its core engineering business by increasing the value of its solutions offerings, growing diversified customers, and expanding geographically. At the same time, the Group continues to advance the buildout of its additional earnings platform in hydropower energy, with the first 3 mini-hydropower plants scheduled to begin commercial operations this year and next.

- End -

This news release is to be read in conjunction with the Group's announcement concurrently posted on SGXNET.

About ISDN Holdings Limited

Founded on its precision and motion control engineering capabilities in 1986 and listed on the Main Board of the Singapore Exchange Securities Trading Limited since 2005, ISDN Holdings Limited has today transformed into a multi-industry corporation with more than 60 offices spanning key Asian growth markets. ISDN is also listed on the Main Board of the Stock Exchange of Hong Kong Limited since 12 January 2017.

ISDN is dominant in the niche areas of motion control, other engineering solutions and industrial computing. ISDN's customised engineering solutions cater to different industrial sectors including medical, robotics, factory automation, energy, manufacturing, hard disk and semiconductor industries. By leveraging its alliances with strategic partners in Europe and Asia, 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

Issued for and on behalf of ISDN Holdings Limited by Financial PR

Romil Singh

Email: romil@financialpr.com.sg

Jonathan Yeoh

Email: jonathanyeah@financialpr.com.sg

Sua Xiu Kai

Email: xiukai@financialpr.com.sg

Kintan Andanari

Email: kintan@financialpr.com.sg

Tel: +65 6438 2990