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FOR IMMEDIATE RELEASE

ISDN delivers respectable topline growth of 12.6%

Enlarged customer base and high order volumes contribute to a strong first quarter

Singapore, 14 May 2018 – SGX and SEHK Mainboard-listed ISDN Holdings Limited (“the Company”, and with its subsidiaries, “the Group”), a leader in precision motion control and integrated engineering solutions, is pleased to report higher net profit of S\$5.2 million in 1Q2018 compared to S\$1.7 million in 1Q2017.

1Q2018 revenue increased by 12.6% y-o-y to S\$76.2 million and gross profit grew by 11.4% y-o-y to S\$19.4 million. This was largely due to the growing demands for high-tech precision control systems from medical devices manufacturers, as well as growing customer base and higher orders, especially in the PRC.

Gross profit margin for 1Q2018 remained stable at 25.4% compared to 25.7% for 1Q2017. Net profit jumped from S\$1.7 million in 1Q2017 to S\$5.2 million in 1Q2018, mainly due to the strong growth in revenue as well as the absence of one-off listing expenses and net foreign exchange losses in the current reporting quarter. Taking into account the S\$1.1 million in expenses incurred in 1Q2017 arising from the Company’s listing on the Mainboard of The Stock Exchange of Hong Kong as well as 1Q2017 foreign exchange losses of about S\$1.0 million, 1Q2018 net profit would have increased by about 35.1% y-o-y.

As at 31 March 2018, the Group maintained a healthy cash and cash equivalent balance of S\$34.2 million.

Financial Highlights

Quarterly comparison – 1Q2018 vs 1Q2017

	1Q2018 S\$ million	1Q2017 S\$ million	y-o-y% Change	4Q2017 S\$ million	Q-o-Q% Change
Revenue	76.2	67.7	12.6	70.5	8.1
Gross profit	19.4	17.4	11.4	18.6	4.0
<i>Gross profit margin (%)</i>	25.4	25.7	-0.3	26.4	-1.0
Profit before tax	8.8	3.7	nm	3.1	nm
Profit for the period	6.8	2.7	nm	2.3	nm
Profit attributable to equity holders of Company	5.2	1.7	nm	1.8	nm
*Earnings per share (cents)	1.31	0.44	nm	0.46	nm
Weighted average number of ordinary shares	394,684,950	389,796,061		394,684,950	

*Earnings per share based on consolidated net profit attributable to shareholders

Mr Teo Cher Koon, Managing Director and President of the Group said, “We are pleased to see positive results from our increased marketing efforts this quarter and we will continue leverage our comprehensive knowledge of engineering solutions and wide supplier base to take advantage of the trend towards intelligent manufacturing and factory automation.”

Aside from the core motion control and other specialized engineering solutions businesses, the Group will continue to explore new opportunities and develop new frontiers. Recent examples include the strategic cooperation with Comtec Solar Systems Group Limited, its solar manufacturing partner, in the renewable energy industry, followed by the strategic cooperation with The9 Limited in relation to blockchain technology and its application to the distribution of solar generated energy.

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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 was also listed on the Main Board of the Stock Exchange of Hong Kong Limited since 12 January 2017.

ISDN is dominant in the niche area of motion control, other engineering solutions and industrial computing. ISDN's customized 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 or contact:

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