



(Company Registration No.: 200416788Z)

**ISDN Holdings Limited**  
**Financial Statements Announcement**  
**For the First Quarter and Period Ended 31 March 2017**

**1(a)(i) A STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER AND PERIOD ENDED 31 MARCH 2017**

An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial period.

	<b>GROUP</b>		
	<b>3 months ended 31 March</b>		
	<b>2017</b>	<b>2016</b>	<b>% change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>+/(−)</b>
Revenue	67,662	60,651	11.6%
Cost of sales	(50,294)	(44,881)	12.1%
<b>Gross profit</b>	<b>17,368</b>	<b>15,770</b>	
Other operating income	708	723	-2.1%
Distribution costs	(5,604)	(4,752)	17.9%
Administrative expenses	(7,570)	(7,125)	6.2%
Other operating expenses	(1,287)	(1,452)	-11.4%
Finance costs	(246)	(238)	3.4%
Share of profit/(loss) of associates	319	(199)	n.m.
<b>Profit before taxation</b>	<b>3,688</b>	<b>2,727</b>	<b>35.2%</b>
Income tax expense	(1,038)	(954)	8.8%
<b>Profit for the period</b>	<b>2,650</b>	<b>1,773</b>	<b>49.5%</b>
<b>Other comprehensive income/(loss):</b>			
Items that may be subsequently reclassified to profit and loss			
Exchange differences on translation of foreign operations			
Loss on translation of foreign operations	(1,050)	(1,741)	-39.7%
<b>Total comprehensive income for the period</b>	<b>1,600</b>	<b>32</b>	<b>n.m.</b>
<b>Profit for the period attributable to:</b>			
Equity holders of the Company	1,721	653	n.m.
Non-controlling interest	929	1,120	-17.1%
	<b>2,650</b>	<b>1,773</b>	<b>49.5%</b>
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the Company	890	(797)	n.m.
Non-controlling interest	710	829	-14.4%
	<b>1,600</b>	<b>32</b>	<b>n.m.</b>

n.m.: Not meaningful

- (1)(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

	<b>GROUP</b>		
	<b>3 months ended</b>		
	<b>31 March</b>		<b>%</b>
	<b>2017</b>	<b>2016</b>	<b>change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>+/( -)</b>
<b>Profit from operations is determined after (crediting)/charging the following:</b>			
Allowance for impairment of trade receivables	2	1	100.0%
Allowance for inventories obsolescence	267	162	64.8%
Amortisation and Depreciation	571	478	19.5%
Interest income	(46)	(56)	-17.9%
Foreign exchange loss, net	1,005	1,271	-20.9%
Gain on disposal of interest in associate	-	(65)	-100.0%
Gain on disposal of interest in subsidiary	(90)	-	n.m.
Inventories written off	3	8	-62.5%
Over provision of tax in respect of prior year	(6)	(120)	-95.0%
Write back of allowance for inventories obsolescence	(31)	(6)	n.m.

n.m: Not meaningful

**(1)(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31 March 2017</b>	<b>31 December 2016</b>	<b>31 March 2017</b>	<b>31 December 2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Non-current assets</b>				
Property, plant and equipment	27,057	27,682	-	-
Investment properties	516	522	-	-
Land use rights	1,352	1,376	-	-
Goodwill	11,686	11,686	-	-
Interests in subsidiaries	-	-	36,653	36,653
Interests in associates	11,995	11,649	-	-
Deferred tax assets	323	59	165	-
	<b>52,929</b>	<b>52,974</b>	<b>36,818</b>	<b>36,653</b>
<b>Current assets</b>				
Inventories	43,454	38,902	-	-
Trade and other receivables	92,960	86,288	124	74
Amounts due from subsidiaries	-	-	29,933	28,343
Dividend receivables	-	-	7,750	7,750
Cash and bank balances	33,551	38,683	4,867	346
	<b>169,965</b>	<b>163,873</b>	<b>42,674</b>	<b>36,513</b>
<b>Current liabilities</b>				
Bank borrowings	10,260	13,052	-	-
Finance leases	151	150	-	-
Trade and other payables	64,577	65,478	4,403	4,659
Current tax liabilities	1,312	1,574	-	-
	<b>76,300</b>	<b>80,254</b>	<b>4,403</b>	<b>4,659</b>
<b>Net current assets</b>	<b>93,665</b>	<b>83,619</b>	<b>38,271</b>	<b>31,854</b>
<b>Non-current liabilities</b>				
Bank borrowings	161	263	-	-
Finance leases	148	186	-	-
	<b>309</b>	<b>449</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>	<b>146,285</b>	<b>136,144</b>	<b>75,089</b>	<b>68,507</b>
<b>Equity</b>				
Share capital	70,981	62,408	70,981	62,408
Warrants issue	3,384	3,384	3,384	3,384
Treasury shares	-	-	-	-
Reserves	56,315	55,425	724	2,715
<b>Equity attributable to owners of the Company</b>	<b>130,680</b>	<b>121,217</b>	<b>75,089</b>	<b>68,507</b>
Non-controlling interests	15,605	14,927	-	-
<b>Total equity</b>	<b>146,285</b>	<b>136,144</b>	<b>75,089</b>	<b>68,507</b>

- (1)(b)(ii) In relation to the aggregate amount of the Group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

**The amount repayable in one year or less, or on demand:**

As at 31 March 2017		As at 31 December 2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,321	9,090	3,960	9,242

**The amount repayable after one year;**

As at 31 March 2017		As at 31 December 2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
148	161	186	263

**Details of any collateral:**

The secured borrowings relate to:-

- 1) The finance lease obligations of various subsidiaries which are secured against respective assets under the finance lease arrangement.
- 2) Legal mortgages over land use rights, leasehold properties and investment properties of subsidiaries. The said facilities are also secured by corporate guarantee provided by the Company and other subsidiaries as well as personal guarantee by the directors of the subsidiaries.
- 3) There are legal mortgages over leasehold properties of subsidiaries and an investment property of a subsidiary for facilities including a term loan, commercial property loan and trade facilities. The said facilities are also secured by corporate guarantee provided by the Company.

- (1)(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>GROUP</b>	
	<b>Period ended</b>	
	<b>31 March</b>	
	<b>2017</b>	<b>2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities:</b>		
Profit before income tax	3,688	2,727
Adjustments for:		
Amortisation of land use right	10	10
Depreciation of property, plant and equipment	551	464
Depreciation of investment properties	10	4
Allowance for inventory obsolescence	267	162
Allowance for impairment of trade receivables	2	1
Gain on disposal of interests in subsidiary	(90)	-
Gain on disposal of interest in an associate	-	(65)
Inventories written off	3	8
Write back of allowance for inventory obsolescence	(31)	(6)
Interest expenses	246	238
Interest income	(46)	(56)
Share of (profit)/loss of associates	(319)	199
Unrealised foreign exchange differences	(646)	948
<b>Operating cash flow before working capital changes</b>	<b>3,645</b>	<b>4,634</b>
Changes in working capital:		
Inventories	(4,791)	3,781
Trade and other receivables	(7,638)	(10,934)
Trade and other payables	399	(449)
<b>Cash used in operations</b>	<b>(8,385)</b>	<b>(2,968)</b>
Interest expenses	(246)	(238)
Interest income	46	56
Income tax paid	(1,566)	(1,048)
<b>Net cash used in operating activities</b>	<b>(10,151)</b>	<b>(4,198)</b>

**(1)(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year. Cont'd**

	<b>GROUP</b>	
	<b>Period ended</b>	
	<b>31 March</b>	
	<b>2017</b>	<b>2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(331)	(601)
Proceeds from disposal of property, plant and equipment	-	325
Funds to investee company	(379)	(327)
<b>Net cash used in investing activities</b>	<b>(710)</b>	<b>(603)</b>
<b>Cash flows from financing activities:</b>		
Dividends to non-controlling interests	(60)	-
Repayment from associates	84	1,004
Proceeds from bank borrowings	5,337	1,255
Repayment of bank borrowings	(7,329)	(1,064)
(Repayments of)/Proceeds from trust receipts, net	(902)	61
Repayment of finance lease	(37)	(39)
Decrease in fixed deposits pledged	1,041	-
Proceeds from public share offer	8,573	-
<b>Net cash generated from financing activities</b>	<b>6,707</b>	<b>1,217</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(4,154)</b>	<b>(3,584)</b>
Cash and cash equivalents at the beginning of financial period	37,292	39,096
Effect of currency translation on cash and cash equivalents	63	(837)
<b>Cash and cash equivalents at the end of financial period</b>	<b>33,201</b>	<b>34,675</b>
<b>Additional information:</b>		
Cash and bank balances	31,254	30,720
Fixed deposits	2,297	3,955
Less: bank deposits pledged	(350)	-
<b>Total cash and cash equivalents</b>	<b>33,201</b>	<b>34,675</b>

**(1)(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Share capital	Warrants issue	Treasury shares	Merger reserve	Foreign currency translation reserve	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity
Group	S\$'000	S\$'000	S\$'000		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 January 2017</b>	62,408	3,384	-	(436)	(1,269)	4,694	52,436	121,217	14,927	136,144
Net profit for the period	-	-	-	-	-	-	1,721	1,721	929	2,650
Other comprehensive income for the period	-	-	-	-	(831)	-	-	(831)	(219)	(1,050)
Total comprehensive (loss)/income for the period	-	-	-	-	(831)	-	1,721	890	710	1,600
Increase in share capital arising from share offer:										
Consideration shares	9,373	-	-	-	-	-	-	9,373	-	9,373
Share issue expenses	(800)	-	-	-	-	-	-	(800)	-	(800)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(60)	(60)
De-recognition of a subsidiary	-	-	-	-	-	-	-	-	28	28
<b>Balance as at 31 March 2017</b>	70,981	3,384	-	(436)	(2,100)	4,694	54,157	130,680	15,605	146,285
<b>Balance at 1 January 2016</b>	63,925	3,384	(1,517)	(436)	944	4,489	48,938	119,727	19,541	139,268
Net profit for the period	-	-	-	-	-	-	653	653	1,120	1,773
Other comprehensive income for the period	-	-	-	-	(1,450)	-	-	(1,450)	(291)	(1,741)
Total comprehensive (loss)/income for the period	-	-	-	-	(1,450)	-	653	(797)	829	32
Transfer to other reserves	-	-	-	-	-	56	(56)	-	-	-
<b>Balance as at 31 March 2016</b>	63,925	3,384	(1,517)	(436)	(506)	4,545	49,535	118,930	20,370	139,300



<b>Company</b>	<b>Share capital S\$'000</b>	<b>Warrants Issue S\$'000</b>	<b>Treasury shares S\$'000</b>	<b>Others reserve S\$'000</b>	<b>Retained earnings S\$'000</b>	<b>Total S\$'000</b>
Balance at 1 Jan 2017	62,408	3,384	-	(178)	2,893	68,507
Total comprehensive income for the period	-	-	-	-	(1,991)	(1,991)
Increase in share capital arising from share offer:						
Consideration shares	9,373	-	-	-	-	9,373
Share issue expenses	(800)	-	-	-	-	(800)
Balance at 31 March 2017	70,981	3,384	-	(178)	902	75,089
Balance at 1 Jan 2016	63,925	3,384	(1,517)	(178)	1,544	67,158
Total comprehensive income for the year	-	-	-	-	(1,432)	(1,432)
Balance at 31 March 2016	63,925	3,384	(1,517)	(178)	112	65,726

**(1)(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Except for the additional disclosure elsewhere in the Results Announcement, there are no changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

As at 31 March 2017, the number of outstanding treasury shares were nil (31 March 2016: 6,365,000 treasury shares). The number of outstanding shares as at 31 March 2017 is 394,684,950. (31 March 2016: 354,684,950, net of 6,365,000 treasury shares)

The outstanding convertibles are 179,972,475 warrants that may be convertible into ordinary shares of 179,972,475 as at 31 March 2017 (31 March 2016: 179,972,475).

In 2013, the Company issued 179,972,475 warrants at an issue price of S\$0.02 for each warrant. Each warrant carries the right to subscribe for one new ordinary share of the Company at an exercise price of S\$0.60 for each new share and expiring on the date immediately preceding the fifth anniversary of the date of issue of the warrants i.e. 9 November 2018.

**(1)(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the preceding year.**

<b>GROUP &amp; COMPANY</b>		
	<b>31-Mar-17</b>	<b>31-Dec-16</b>
Total number of issued shares	354,684,950	361,049,950
Add: Share Offers	40,000,000	-
Less: Cancellation of treasury shares	-	(6,365,000)
Total number of issued shares excluding treasury shares	394,684,950	354,684,950

Shares of Group have been listed on the main board of The Stock Exchange of Hong Kong Limited (the "Listing") since 12 January 2017 (the "Listing Date") of the issuance and allotment of 40 million new ordinary shares. Subsequent to the Listing Date and as at 31 March 2017, the number of ordinary shares is 394,684,950.

**(1)(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

<b>GROUP &amp; COMPANY</b>		
	<b>31-Mar-17</b>	<b>31-Dec-16</b>
Balance as the beginning of period/year	-	6,365,000
Cancellation during the year	-	(6,365,000)
Balance at end of period/year	-	-

**2. Whether the figures have been audited, or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statement for the year ending 31 December 2016 as those used for the audited financial statement as at 31 March 2017.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group adopted all of the new or revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are effective for the financial period beginning 1 January 2017 and are relevant to its operations.

**6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-**

<b>GROUP</b>	
<b>Period ended 31 March</b>	
<b>2017</b>	<b>2016</b>
Weighted average number of ordinary shares in issue for basic EPS (net of treasury shares)	389,796,061 354,684,950
Weighted average number of ordinary shares in issue for diluted EPS (net of treasury shares)	389,796,061 354,684,950
EPS (based on consolidated net profit attributable to shareholders)	
(i) Based on weighted average number of ordinary shares in issue	0.44 0.18
(ii) On a fully diluted basis	0.44 0.18
(S\$ cents)	(S\$ cents)

7. **Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.**

	GROUP		COMPANY	
	31-Mar	31-Dec	31-Mar	31-Dec
	2017	2016	2017	2016
Net assets (S\$'000)	146,285	136,144	75,089	68,507
Issued share capital at the end of the year (net of treasury shares)	394,684,950	354,684,950	394,684,950	354,684,950
Net assets value per ordinary share based on issued share capital as at respective year	37.06 (S\$ cents)	38.38 (S\$ cents)	19.03 (S\$ cents)	19.31 (S\$ cents)

8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

## **STATEMENT OF COMPREHENSIVE INCOME ITEMS**

### **Revenue and Gross Profit Margin**

We have recorded an increase in total revenue by approximately S\$7.0 million or 11.6% from S\$60.7 million for the three months ended 31 March 2016 ("1Q2016") to S\$67.7 million for the three months ended 31 March 2017 ("1Q2017") as a result of (i) the benefits from a strong growth in global semiconductor market and automation production OEM arising from the new launch of their semiconductor manufacturing equipment and devices; and (ii) we leveraged our established presence in the region we operate to retain our customers in various industries, where our revenue from each of motion control solutions and other specialized engineering solutions increases while our revenue from industrial computing solutions remains relatively stable, primarily attributable to (a) the fact that we managed to generate an increase in revenue from the motion control solution markets in the PRC and Hong Kong as a result of the increase in the order size of industrial suppliers of equipment and materials in PRC and Hong Kong and (b) the relatively strong demand for our other specialised engineering in PRC as a result of the increase in demand for mechanical components from an acoustic company, whose is listed on the Shenzhen Stock Exchange, together with the

fact that more hinges and locks were sold for the 1Q2017 to fulfil orders from railway companies.

Overall gross profit margin slightly decreased from approximately 26.0% for 1Q2016 to 25.7% for 1Q2017 due to more intensive competition given that more variety of products available in the market and the number of new players in the industry.

**Other operating income**

Other operating income remained relatively stable for 1Q2017 compared with 1Q2016.

**Distribution costs**

Distribution costs increased by approximately S\$0.8 million or 17.9% from S\$4.8 million for 1Q2016 to S\$5.6 million for 1Q2017 primarily due to increase of business activity in travelling, accommodation, marketing and exhibition cost.

**Administrative expenses**

Administrative expenses increased by approximately S\$0.4 million or 6.2% to S\$7.6 million for 1Q2017 arising mainly from higher professional expenses incurred in connection with the Listing amounting to S\$1.1 million and S\$0.5 million for 1Q2017 and 1Q2016 respectively. Had the listing expenses been excluded, the administrative expenses would have decreased by S\$0.2 million as a result of lower general office expenses.

**Other operating expenses**

Other operating expenses decreased by approximately S\$0.2 million or 11.4% to S\$1.3 million for 1Q2017 mainly due to lower net foreign exchange losses.

**Finance costs**

Finance costs remained relatively stable for 1Q2017 compared with 1Q2016.

**Income tax expense**

Income tax expenses increased by S\$0.1 million or 8.8% to S\$1.0 million for 1Q2017. The effective tax rate for 1Q2017 was 28.1% (1Q2016: 35.0%). Excluding the impact of S\$1.1 million of listing expenses which are non-tax deductible and certain costs and expenses being non-deductible in compliance with the relevant tax laws and regulations, the adjusted effective tax rate would be 21.7% for 1Q2017.

**Profit for the period**

Net profit increased by S\$0.9 million or 49.5% to S\$2.7 million for 1Q2017. Excluding the impact of the S\$1.1 million listing expenses incurred, net profit would have increased to S\$3.8 million which due to the increase in revenue generated.

**STATEMENT OF FINANCIAL POSITION ITEMS****Property, plant and equipment**

Property, plant and equipment decreased by S\$0.6 million or 2.3% to S\$27.1 million in 1Q2017 primarily due to depreciation charges offset by additions of the property, plant and equipment for the financial period.

**Interests in associates**

Investment in associates increased by S\$0.3 million or 3.0% in 1Q2017 as compared with 1Q2016 primarily due to share of profit of associates.

**Inventories**

Inventories increased by S\$4.6 million or 11.7% to S\$43.5 million in 1Q2017 primarily due to growth of revenue for 1Q2017 as compared with 1Q2016.

**Trade and other receivables**

Trade and other receivables increased by S\$6.7 million or 7.7% to S\$93.0 million in 1Q2017 which was in line with an increased revenue for 1Q2017 compared with 1Q2016.

Subsequent to 1Q2017 till 30 April 2017, we have received approximately S\$19.5 million which represents approximately 27.5% of trade receivables as of 31 March 2017.

**Trade and other payables**

Trade and other payables decreased by S\$0.9 million or 1.4% to S\$64.6 million in 1Q2017 primarily due to accrued professional fee being settled in 1Q2017 offset against the increase in trade payables as a result of the growth in revenue.

**Bank borrowings**

Bank borrowing decreased by S\$2.9 million or 21.7% to S\$10.4 million in 1Q2017 primarily due to repayment of bank borrowings of approximately S\$7.3 million, partially offset by the drawdown of new bank borrowing of approximately S\$5.3 million.

**CASH FLOW STATEMENT**

For the financial period ended 31 March 2017, net cash used in operating activities of approximately S\$10.2 million arose from operating cash flow before working capital changes of S\$3.6 million offset by (i) decrease in working capital of S\$12.0 million; (ii) a net interest paid of S\$0.2 million; and (iii) income tax paid of S\$1.6 million.

For the financial period ended 31 March 2017, our net cash used in investing activities amounted to approximately S\$0.7 million primarily due to additions of the property, plant and equipment of S\$0.3 million and funds paid to investee company of S\$0.4 million.

For the financial period ended 31 March 2017, our net cash generated from financing activities amounted to approximately S\$6.7 million as a result of: (i) net proceeds from share offer on SEHK of S\$8.6 million; (ii) the decrease of pledged deposit of S\$1.0 million; and (iii) net repayment of bank borrowings and trust receipt of S\$2.0 million and S\$0.9 million respectively.

As at 31 March 2017, the group maintained a healthy cash and bank balances of S\$33.6 million.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

**10. A commentary at the date of the announcement of the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

The Group's primary focus remains on building its market share for motion control solutions in key markets, particularly in the PRC, where demand is expected to remain robust. The Group intends to take advantage of sales opportunities resulting from the current uptick in semiconductor equipment spending, while also capitalising on the broader long term trend towards smart manufacturing in China. The Group will continue to closely engage with customers by leveraging on its frontline sales teams' depth of technical knowledge and their understanding of customers' requirements.

Aside from the core motion control business, the Group is also exploring other growth opportunities, including but not limited to strategic partnerships and other forms of collaboration.

## **11. Dividend**

- (a) Whether an interim (final) ordinary dividend has been declared (recommended); and**
- (b) (i) Amount per share; (ii) Previous corresponding period;**
- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**
  - (i) Current Financial Period Reported On**  
Any dividend recommended for the current financial period reported on?  
No
  - (ii) Corresponding Period of the Immediately Preceding Financial Year**  
Any dividend declared for the corresponding period of the immediately preceding financial year? No
- (d) The date the dividend is payable**  
Not applicable.
- (e) The date on which Registrable Transfers received by the Company (up to 5.00p.m.) will be registered before entitlements to the dividend are determined.**  
Not applicable.

## **12. If no dividend has been declared (recommended), a statement to that effect.**

Not applicable.

## **13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No IPT mandate has been obtained.

## **14. Statement by Directors Pursuant to SGX Listing Rule 705(5)**

We, Teo Cher Koon and Kong Deyang, being Directors of ISDN Holdings Limited, hereby confirm on behalf of the Board of Directors that to the best of their knowledge, nothing has come to the attention of the Directors which may render the unaudited quarterly financial results (comprising the comprehensive income statement, balance sheet, cash flow statement and statement of changes in equity, together with the accompanying notes) presented in this announcement to be false or misleading in any material aspect.





## **15. Use of proceeds**

### **(a) Use of Net Proceeds from the First and Second Placements**

There has been no material usage till to the date of this announcement after the last announcement made on 14 November 2016. The Company will make further announcements when the remaining net proceeds from both Placements are materially disbursed.

### **(b) Use of Net Proceeds from the Warrant Issue**

There has been no material usage till to the date of this announcement after the last announcement made on 14 November 2016. The Company will make further announcements on the utilisation of proceeds arising from the exercise of the warrants as may be necessary and/or appropriate in due course.

### **(c) Use of Net Proceeds from the Share Offer on the Main Board of The Stock Exchange of Hong Kong**

There has been no material usage of net proceeds from the share offer from the Listing Date till the last announcement made on 10 April 2017. The Company will make further announcements when the remaining net proceeds from Share Offer are materially disbursed.

## **16. Issuer to confirm in the announcement that it has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

Yes.

By Order of the Board

Gwendolyn Gn  
Joint Company Secretary  
ISDN Holdings Limited

15 May 2017