



(Company Registration No.: 200416788Z)

**ISDN Holdings Limited**  
**Financial Statements Announcement**  
**For the Fourth Quarter and Year Ended 31 December 2019**

1(a)(i) **A STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2019**

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.

	GROUP					
	3 months ended 31 December			12 months ended 31 December		
	2019	2018	% change	2019	2018	% change
	S\$'000	S\$'000	+ / (-)	S\$'000	S\$'000	+ / (-)
Revenue	79,303	71,147	11.5%	290,985	301,990	-3.6%
Cost of sales	(57,657)	(51,608)	11.7%	(213,560)	(221,441)	-3.6%
<b>Gross profit</b>	<b>21,646</b>	<b>19,539</b>	<b>10.8%</b>	<b>77,425</b>	<b>80,549</b>	<b>-3.9%</b>
Other operating income	1,021	1,126	-9.3%	3,356	4,933	-32.0%
Distribution costs	(7,041)	(7,585)	-7.2%	(25,588)	(25,672)	-0.3%
Administrative expenses	(9,615)	(8,127)	18.3%	(30,993)	(30,859)	0.4%
Net impairment losses on financial assets	(311)	(2,417)	-87.1%	(446)	(2,503)	-82.2%
Other operating expenses	(1,707)	(1,547)	10.3%	(1,287)	(2,085)	-38.3%
Finance costs	(792)	(446)	77.6%	(2,107)	(1,035)	n.m.
Share of (loss)/profit of associates	(559)	(68)	n.m.	(138)	368	n.m.
<b>Profit before income tax</b>	<b>2,642</b>	<b>475</b>	<b>n.m.</b>	<b>20,222</b>	<b>23,696</b>	<b>-14.7%</b>
Income tax expense	(1,789)	(1,670)	7.1%	(6,030)	(7,118)	-15.3%
<b>Profit/(Loss) for the period/year</b>	<b>853</b>	<b>(1,195)</b>	<b>n.m.</b>	<b>14,192</b>	<b>16,578</b>	<b>-14.4%</b>
<b>Other comprehensive income:</b>						
Items that may be subsequently reclassified to profit or loss						
- Net fair value changes on cash flow hedge	24	(42)	n.m.	100	(101)	n.m.
- Exchange differences on translation	437	133	n.m.	(2,045)	(1,727)	18.4%
	<u>461</u>	<u>91</u>	<u>n.m.</u>	<u>(1,945)</u>	<u>(1,828)</u>	<u>6.4%</u>
<b>Total comprehensive income/(loss) for the period/year</b>	<b>1,314</b>	<b>(1,104)</b>	<b>n.m.</b>	<b>12,247</b>	<b>14,750</b>	<b>-17.0%</b>
<b>Profit/(Loss) for the period/year attributable to:</b>						
Equity holders of the Company	(283)	(1,521)	-81.4%	7,047	10,946	-35.6%
Non-controlling interests	1,136	326	n.m.	7,145	5,632	26.9%
	<u>853</u>	<u>(1,195)</u>	<u>n.m.</u>	<u>14,192</u>	<u>16,578</u>	<u>-14.4%</u>
<b>Total comprehensive income/(loss) for the period/year attributable to:</b>						
Equity holders of the Company	(458)	(1,672)	-72.6%	4,854	9,417	-48.5%
Non-controlling interests	1,772	568	n.m.	7,393	5,333	38.6%
	<u>1,314</u>	<u>(1,104)</u>	<u>n.m.</u>	<u>12,247</u>	<u>14,750</u>	<u>-17.0%</u>

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:

Profit from operations is determined after (crediting)/charging the following:

	GROUP					
	3 months ended			12 months ended		
	31 December		% change	31 December		% change
	2019	2018		2019	2018	
	S\$'000	S\$'000	+/(−)	S\$'000	S\$'000	+/(−)
<b>Profit from operations is determined after (crediting)/charging the following:</b>						
Allowance for impairment of trade receivables	516	2,427	-78.7%	830	2,521	-67.1%
Allowance for inventory obsolescence	18	684	-97.4%	204	1,028	-80.2%
Amortisation and depreciation	2,237	596	n.m.	3,835	2,214	73.2%
Interest income	(76)	(47)	61.7%	(311)	(252)	23.4%
Foreign exchange loss, net	1,342	271	n.m.	585	282	n.m.
Gain on disposal of interest in subsidiaries	-	-	n.m.	-	(180)	-100.0%
Gain on disposal of interest in associates	(15)	-	n.m.	(15)	-	n.m.
(Gain)/Loss on disposal of property, plant and equipment, net	(16)	2	n.m.	(19)	(155)	-87.7%
Inventories written off	212	327	-35.2%	277	420	-34.0%
Under/(Over) provision of tax in respect of prior year	267	(347)	n.m.	495	355	39.4%
Write back of allowance for inventories obsolescence	(253)	(232)	9.1%	(194)	(232)	-16.4%
Write back of allowance for impairment loss on trade receivables	(205)	(18)	n.m.	(384)	(18)	n.m.
Property, plant and equipment written off	-	14	-100.0%	2	15	-86.7%
Trade receivables written off	113	114	-0.9%	154	135	14.1%

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 December 2019</b>	<b>31 December 2018</b>	<b>31 December 2019</b>	<b>31 December 2018</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	43,965	39,314	28	30
Investment properties	479	497	-	-
Land use rights	1,199	1,270	-	-
Goodwill	12,227	12,227	-	-
Subsidiaries	-	-	50,410	50,410
Associates	5,646	6,136	118	124
Service concession receivables	34,261	30,233	-	-
Other financial assets	900	-	-	-
Deferred tax assets	152	139	-	-
	<b>98,829</b>	<b>89,816</b>	<b>50,556</b>	<b>50,564</b>
<b>Current assets</b>				
Inventories	53,131	55,183	-	-
Trade and other receivables	111,804	101,835	2,823	363
Amounts owing by subsidiaries	-	-	51,235	46,436
Dividend receivables	-	-	4,966	9,918
Cash and bank balances	37,998	41,877	3,218	3,023
	<b>202,933</b>	<b>198,895</b>	<b>62,242</b>	<b>59,740</b>
<b>Current liabilities</b>				
Bank borrowings	20,186	16,423	5,027	2,291
Lease liabilities (Note 1)	1,659	81	15	-
Trade and other payables	69,682	69,380	7,714	13,686
Amounts owing to subsidiaries	-	-	205	-
Current tax liabilities	2,605	2,286	54	-
	<b>94,132</b>	<b>88,170</b>	<b>13,015</b>	<b>15,977</b>
<b>Net current assets</b>	<b>108,801</b>	<b>110,725</b>	<b>49,227</b>	<b>43,763</b>
<b>Non-current liabilities</b>				
Bank borrowings	7,096	11,842	6,790	11,455
Lease liabilities (Note 1)	1,309	224	-	-
Deferred tax liabilities	655	657	-	-
	<b>9,060</b>	<b>12,723</b>	<b>6,790</b>	<b>11,455</b>
<b>Net assets</b>	<b>198,570</b>	<b>187,818</b>	<b>92,993</b>	<b>82,872</b>
<b>Equity</b>				
Share capital	78,095	70,984	78,095	70,984
Warrants issue	-	-	-	-
Reserves	74,650	72,767	14,898	11,888
<b>Equity attributable to owners of the Company</b>	<b>152,745</b>	<b>143,751</b>	<b>92,993</b>	<b>82,872</b>
Non-controlling interests	45,825	44,067	-	-
<b>Total equity</b>	<b>198,570</b>	<b>187,818</b>	<b>92,993</b>	<b>82,872</b>

Note 1:

Lease liabilities consist of assets under finance lease and right-of-use assets. As at 31 December 2019, the amount of assets under finance lease under current liabilities and non-current liabilities were S\$48,000 and S\$189,000 respectively (31 December 2018: S\$81,000 and S\$224,000 respectively).

(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 December 2019		As at 31 December 2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
7,720	12,514	2,823	13,681

The amount repayable after one year;

As at 31 December 2019		As at 31 December 2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
7,285	-	12,016	50

**Details of any collaterals.**

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 and leasehold property of subsidiaries for a term loan. These facilities are also secured by corporate guarantees provided by the Company and other subsidiaries as well as personal guarantees by the directors of the subsidiaries.

- (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.

	GROUP			
	3 months ended 31 December		12 months ended 31 December	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
<b>Cash flows from operating activities:</b>				
Profit before income tax	2,642	475	20,222	23,696
Adjustments for:				
Amortisation of land use rights	8	8	32	33
Trade receivables written off	113	114	154	135
Depreciation of property, plant and equipment	2,224	598	3,784	2,162
Depreciation of investment properties	5	(10)	19	19
Allowance for impairment of trade receivables	516	2,427	830	2,521
Allowance for inventory obsolescence	18	684	204	1,028
(Gain)/Loss on disposal of property, plant and equipment, net	(16)	2	(19)	(155)
Loss on deemed disposal of an associate	-	77	-	77
Gain on disposal of interest in subsidiaries	-	-	-	(180)
Gain on disposal of interest in associates	(15)	-	(15)	-
Inventories written off	212	327	277	420
Property, plant and equipment written off	-	14	2	15
Write back of allowance for inventory obsolescence	(253)	(232)	(194)	(232)
Write back of allowance for impairment loss on trade receivables	(205)	(18)	(384)	(18)
Interest expenses	792	446	2,107	1,035
Interest income	(76)	(47)	(311)	(252)
Share of results of associates	559	68	138	(368)
Foreign currency on translation of foreign operations	1,487	(46)	1,188	(1,339)
<b>Operating cash flow before working capital changes</b>	<b>8,011</b>	<b>4,887</b>	<b>28,034</b>	<b>28,597</b>
Changes in:				
Inventories	(212)	(5,717)	1,765	(6,377)
Trade and other receivables	548	47,218	(8,348)	30,985
Trade and other payables	7,185	(11,272)	1,016	(4,497)
<b>Cash from operating activities before service concession arrangements</b>	<b>15,532</b>	<b>35,116</b>	<b>22,467</b>	<b>48,708</b>
Change in receivables from service concession arrangements	(1,720)	(30,233)	(4,883)	(30,233)
<b>Cash generated from operations after service concession arrangements</b>	<b>13,812</b>	<b>4,883</b>	<b>17,584</b>	<b>18,475</b>
Interest paid	(629)	(97)	(1,944)	(686)
Interest received	76	47	311	252
Income tax paid	(1,452)	(1,670)	(5,721)	(5,708)
<b>Net cash generated from operating activities</b>	<b>11,807</b>	<b>3,163</b>	<b>10,230</b>	<b>12,333</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)**

	GROUP			
	3 months ended 31 December 2019 S\$'000		12 months ended 31 December 2019 S\$'000	
	2018 S\$'000		2018 S\$'000	
<b>Cash flows from investing activities:</b>				
Purchase of property, plant and equipment	(2,767)	(766)	(5,017)	(2,632)
Additions to investment properties	-	-	-	(12)
Proceeds from disposal of property, plant and equipment	10	-	71	320
Net cash inflow on disposal of a subsidiary	-	-	-	563
Acquisition of subsidiary, net of cash	-	(5,297)	-	(5,297)
Loans to associates	(3,395)	10,638	(3,395)	(7,468)
Dividends from associates	-	291	111	446
Acquisition of other financial assets	-	-	(900)	-
Acquisition of an associate	(685)	-	(685)	-
Repayment from associates	-	91	-	464
<b>Net cash (used in)/generated from investing activities</b>	<b>(6,837)</b>	<b>4,957</b>	<b>(9,815)</b>	<b>(13,616)</b>
<b>Cash flows from financing activities:</b>				
Dividends to equity holders of the Company	-	-	(1,257)	(2,289)
Dividends to non-controlling interests	(3,595)	(2,977)	(5,958)	(6,354)
Repayment from non-controlling interests	-	-	250	-
Proceeds from bank loans	7,094	2,392	22,570	23,491
Proceeds from exercise of warrants	-	3	-	3
Repayment of bank loans	(7,891)	(1,712)	(24,346)	(11,214)
Proceeds from trust receipts and other borrowings, net	543	1,914	793	1,538
Principal repayment of lease liabilities	(1,659)	(81)	(1,718)	(183)
Interest paid	(163)	-	(163)	-
Increase in fixed deposits pledged	(25)	(2,942)	(2,348)	(4,372)
Proceeds from issue of shares	-	-	5,397	-
<b>Net cash (used in)/generated from financing activities</b>	<b>(5,696)</b>	<b>(3,403)</b>	<b>(6,780)</b>	<b>620</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(726)</b>	<b>4,717</b>	<b>(6,365)</b>	<b>(663)</b>
Cash and cash equivalents at the beginning of financial period/year	31,640	33,927	37,255	38,053
Effect of currency translation on cash and cash equivalents	254	41	278	(135)
<b>Cash and cash equivalents at the end of financial period/year</b>	<b>31,168</b>	<b>38,685</b>	<b>31,168</b>	<b>37,255</b>
<b>Additional information:</b>				
Cash and bank balances	34,762	38,591	34,762	38,591
Fixed deposits	3,236	3,286	3,236	3,286
Cash and bank balances	37,998	41,877	37,998	41,877
Less: restricted bank deposits	(3,724)	-	(3,724)	(1,430)
Less: bank deposits pledged	(3,106)	(3,192)	(3,106)	(3,192)
<b>Total cash and cash equivalents</b>	<b>31,168</b>	<b>38,685</b>	<b>31,168</b>	<b>37,255</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.**

<b>Group</b>	<b>Share capital</b>	<b>Warrants issue</b>	<b>Merger reserve</b>	<b>Exchange translation reserve</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>As at 1 January 2019</b>	70,984	-	(436)	(2,053)	4,820	70,436	143,751	44,067	187,818
Profit for the year	-	-	-	-	-	7,047	7,047	7,145	14,192
Other comprehensive (loss)/income for the year	-	-	-	(2,293)	100	-	(2,193)	248	(1,945)
Total comprehensive (loss)/income for the year	-	-	-	(2,293)	100	7,047	4,854	7,393	12,247
Issue of shares	5,397	-	-	-	-	-	5,397	-	5,397
Shares issued in-lieu of cash for dividend relating to FY2018	1,714	-	-	-	-	(1,714)	-	-	-
Dividend paid in cash relating to FY2018	-	-	-	-	-	(1,257)	(1,257)	-	(1,257)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(5,635)	(5,635)
<b>Balance as at 31 December 2019</b>	<b>78,095</b>	<b>-</b>	<b>(436)</b>	<b>(4,346)</b>	<b>4,920</b>	<b>74,512</b>	<b>152,745</b>	<b>45,825</b>	<b>198,570</b>
<b>Balance at 1 January 2018</b>	70,981	3,384	(436)	(802)	4,921	58,572	136,620	15,206	151,826
Adjustment on initial application of SFRS(I) 9	-	-	-	-	-	(254)	(254)	(96)	(350)
<b>Adjusted balance at 1 January 2018</b>	70,981	3,384	(436)	(802)	4,921	58,318	136,366	15,110	151,476
Profit for the year	-	-	-	-	-	10,946	10,946	5,632	16,578
Other comprehensive loss for the year	-	-	-	(1,428)	(101)	-	(1,529)	(299)	(1,828)
Total comprehensive (loss)/income for the year	-	-	-	(1,428)	(101)	10,946	9,417	5,333	14,750
Shares issued pursuant to exercise of warrants	3	(3)	-	-	-	-	-	-	-
Warrants expired	-	(3,381)	-	-	-	3,381	-	-	-
Dividends to non-controlling interests	-	-	-	-	-	-	-	(3,893)	(3,893)
Acquisition of a subsidiary with non-controlling interests	-	-	-	-	-	-	-	27,766	27,766
Disposal of subsidiaries	-	-	-	177	-	80	257	(249)	8
Payment of dividends	-	-	-	-	-	(2,289)	(2,289)	-	(2,289)
<b>Balance as at 31 December 2018</b>	<b>70,984</b>	<b>-</b>	<b>(436)</b>	<b>(2,053)</b>	<b>4,820</b>	<b>70,436</b>	<b>143,751</b>	<b>44,067</b>	<b>187,818</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. (Cont'd)

Company	Share capital S\$'000	Warrants Issue S\$'000	Other reserves S\$'000	Retained earnings S\$'000	Total S\$'000
<b>Balance at 1 January 2019</b>	70,984	-	(279)	12,167	82,872
Net profit for the year	-	-	-	5,881	5,881
Other comprehensive income for the year	-	-	100	-	100
Total comprehensive income for the year	-	-	100	5,881	5,981
Issue of shares	5,397	-	-	-	5,397
Shares issued in-lieu of cash for dividend relating to FY2018	1,714	-	-	(1,714)	-
Dividend paid in cash relating to FY2018	-	-	-	(1,257)	(1,257)
<b>Balance as at 31 December 2019</b>	<b>78,095</b>	<b>-</b>	<b>(179)</b>	<b>15,077</b>	<b>92,993</b>
<b>Balance at 1 January 2018</b>	70,981	3,384	(178)	4,828	79,015
Net profit for the year	-	-	-	6,247	6,247
Other comprehensive loss for the year	-	-	(101)	-	(101)
Total comprehensive loss for the year	-	-	(101)	6,247	6,146
Shares issued pursuant to exercise of warrants	3	(3)	-	-	-
Warrants expired	-	(3,381)	-	3,381	-
Payment of dividends	-	-	-	(2,289)	(2,289)
<b>Balance as at 31 December 2018</b>	<b>70,984</b>	<b>-</b>	<b>(279)</b>	<b>12,167</b>	<b>82,872</b>

- (1)(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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.

The number of outstanding shares as at 31 December 2019 is 429,572,849 (31 December 2018: 394,684,950). No treasury shares were held as at 31 December 2019 (31 December 2018: nil). The number of shares held as subsidiary holdings as at 31 December 2019 is nil (31 December 2018: nil).

The Company does not have any existing warrants or convertibles as at the date of this announcement.

- (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 December 2019</b>	<b>31 December 2018</b>
Total number of issued shares	394,689,186	394,684,950
Add: Subscription shares issued	26,987,295	-
Add: Shares issued in-lieu of cash for dividend	7,896,368	-
Add: Exercise of warrants	-	4,236
Total number of issued shares excluding treasury shares	429,572,849	394,689,186

- (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**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial period reported on.

- 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 modifications or emphasis of a matter).**

Not applicable.

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable. The Group's latest audited financial statements for the financial year ended 31 December 2018 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the auditors.

- 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's financial statements is prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)").

Except as disclosed in paragraph 5, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared to the audited financial statements as at 31 December 2018.

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 has applied the same accounting policies and methods of computation in the financial statements for the current financial period as that of the audited financial statements for the year ended 31 December 2018, except for the adoption of new/revised SFRS(I) applicable for the financial period beginning 1 January 2019 as follows:

SFRS(I) 16 Leases

SFRS(I) 16 introduces a single, on balance sheet lessee accounting model. Under the standard, an asset (“**ROU assets**”) and a financial liability to pay rentals are recognised in the balance sheet and depreciation charge on the ROU assets and interest expenses on the lease liabilities are recognised in the income statement.

The Group adopted SFRS(I) 16 on 1 January 2019, using the modified retrospective approach with no restatement of comparative information.

In compliance with SFRS(I) 16, the Group and the Company have applied the practical expedient to recognise the amount of ROU assets equal to the lease liabilities as at 1 January 2019.

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:

	GROUP			
	3 months ended 31 December		12 months ended 31 December	
	2019	2018	2019	2018
Weighted average number of ordinary shares in issue for basic EPS (net of treasury shares)	429,572,849	394,687,472	418,804,712	394,685,586
Weighted average number of ordinary shares in issue for diluted EPS (net of treasury shares)	429,572,849	394,687,472	418,804,712	394,685,586
EPS (based on consolidated net profit attributable to shareholders)				
(i) Based on weighted average number of ordinary shares in issue	(0.07)	(0.39)	1.68	2.77
(ii) On a fully diluted basis	(0.07)	(0.39)	1.68	2.77
	(cents)	(cents)	(cents)	(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 December 2019	31 December 2018	31 December 2019	31 December 2018
Net assets (S\$'000)	152,745	143,751	92,993	82,872
Issued share capital at the end of the year (net of treasury shares)	429,572,849	394,689,186	429,572,849	394,689,186
Net assets value per ordinary share based on issued share capital as at respective year	35.56 (cents)	36.42 (cents)	21.65 (cents)	21.00 (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

	3 months ended			12 months ended		
	4Q2019 S\$'000	4Q2018 S\$'000	% change +/( -)	FY2019 S\$'000	FY2018 S\$'000	% change +/( -)
<b>Engineering Solutions</b>						
Revenue	77,583	71,147	9.0%	286,102	301,990	-5.3%
Gross profit	21,519	19,539	10.1%	77,063	80,549	-4.3%
Gross profit margin	27.7%	27.5%	0.2 ppt	26.9%	26.7%	0.2 ppt
<b>Construction Revenue</b>						
Revenue	1,720	-	n.m.	4,883	-	n.m.
Gross profit	127	-	n.m.	362	-	n.m.
Gross profit margin	7.4%	-	n.m.	7.4%	-	n.m.
<b>TOTAL</b>						
Revenue	79,303	71,147	11.5%	290,985	301,990	-3.6%
Gross profit	21,646	19,539	10.8%	77,425	80,549	-3.9%
Gross profit margin	27.3%	27.5%	-0.2 ppt	26.6%	26.7%	-0.1 ppt

The Group's revenue for the fourth quarter ("4Q2019") of S\$79.3 million was higher as compared to the fourth quarter of 2018 ("4Q2018"). The increase was due to higher revenue from our core motion control which was driven by the growing demands for high-tech precision control systems from medical device manufactures. In 4Q2019, the Group recognised construction revenue of approximately S\$1.7 million arising from the construction of mini-hydropower plants in Indonesia.

The Group's revenue for the financial year ended 2019 ("FY2019") of S\$291.0 million was lower as compared to the financial year ended 2018 ("FY2018"). The core industrial automation segment continued to be the key revenue generator accounting for approximately 98.3% of the Group's total revenue for FY2019. In FY2019, the Group recognised construction revenue of approximately S\$4.9 million arising from the construction of mini-hydropower plants in Indonesia.

Overall reported revenue for the Group was lower due to a general market slowdown arising from global trade tensions and a depreciation in the Renminbi currency.

As part of management's measures to manage counterparty risk in the slowing economic environment, certain sales accounts were deliberately not renewed resulting in a decrease of S\$5.0 million sales in FY2019 as compared to the corresponding period in 2018.

From May to December 2019, the Renminbi had also depreciated by 3.8%. As a result, the revenue from our China operations was translated at a lower exchange rate for FY2019 as compared to FY2018. Based on the FY2018 exchange rate for the same period, revenue would have increased by approximately S\$7.0 million.

Gross profit of S\$77.4 million was S\$3.1 million, or 3.9% lower in FY2019 as compared to FY2018. For 4Q2019, gross profit increased by S\$2.1 million, or 10.8% as compared to the corresponding quarter last year.

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. (Cont'd)

#### **STATEMENT OF COMPREHENSIVE INCOME ITEMS (CONT'D)**

##### **Revenue and gross profit margin (Cont'd)**

Overall, the gross profit margins for the Group edged down slightly in FY2019 as compared to the corresponding period in 2018 by 0.1 percentage point from 26.7% to 26.6%. Excluding the gross profit arising from the construction of mini-hydropower plants under the service concession arrangement, the gross profit margin would have inched up by 0.2 percentage point in 4Q2019 and FY2019 respectively.

##### **Other operating income**

Other operating income decreased by S\$0.1 million, or 9.3% to S\$1.0 million in 4Q2019 mainly due to decreased commission income of S\$0.2 million; partially offset by increased government grant of S\$0.1 million.

For FY2019, other operating income decreased by S\$1.6 million, or 32.0% to S\$3.4 million. The decrease was mainly due to the absence of one-off gain on disposal of subsidiaries of S\$0.2 million, decrease in gain on disposal of property, plant and equipment of S\$0.2 million, decrease in commission income of S\$0.3 million, decrease in technical consultancy fees of S\$0.7 million and decrease in rental income of S\$0.1 million.

##### **Distribution costs**

Distribution costs decreased by S\$0.5 million, or 7.2% to S\$7.0 million, and S\$0.1 million, or 0.3% to S\$25.6 million for 4Q2019 and FY2019 respectively as compared to the corresponding periods in 2018. The decrease was mainly due to decrease in sales commission to sales personnel which was in line with the decrease in revenue.

##### **Administrative expenses**

Administrative expenses increased by S\$1.5 million, or 18.3% to S\$9.6 million, and S\$0.1 million, or 0.4% to S\$31.0 million for 4Q2019 and FY2019 respectively.

For 4Q2019, the increase was mainly due to the reversal of over provision for withholding tax of S\$1.2 million in 4Q2018 and increase in professional fees of S\$0.3 million.

For FY2019, the increase was mainly due to the reversal of over provision for withholding tax of S\$1.2 million in FY2018, increase in professional fees of S\$0.4 million; partially offset by over provision of bonus of S\$1.5 million.

##### **Other operating expenses**

Other operating expenses increased by S\$0.2 million, or 10.3% to S\$1.7 million in 4Q2019 mainly due to increase in foreign exchange loss of S\$1.1 million; partially offset by decrease in allowance for inventory obsolescence S\$0.7 million, decrease in inventories written off of S\$0.1 million and absence of one-off loss on deemed disposal of an associate of S\$0.1 million.

For FY2019, other operating expenses decreased by S\$0.8 million or 38.3% to S\$1.3 million. The decrease was mainly due to decrease in allowance for inventory obsolescence S\$0.8 million, decrease in inventories written off of S\$0.1 million and absence of one-off loss on deemed disposal of an associate of S\$0.2 million; partially offset by increase in foreign exchange loss of S\$0.3 million.

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. (Cont'd)

#### **STATEMENT OF COMPREHENSIVE INCOME ITEMS (CONT'D)**

##### **Finance costs**

Finance costs increased by S\$0.3 million, or 77.6% to S\$0.8 million, and S\$1.1 million, or 103.6% to S\$2.1 million for 4Q2019 and FY2019 respectively, which was mainly due to an increase in average bank borrowings as compared to corresponding periods in 2018.

##### **Income tax expense**

Income tax expense increased by S\$0.1 million, or 7.1% to S\$1.8 million for 4Q2019. The increase was mainly due to higher taxable profits in 4Q2019.

For FY2019, income tax expenses decreased by S\$1.1 million, or 15.3% in tandem with lower taxable profits.

#### **STATEMENT OF FINANCIAL POSITION ITEMS**

##### **Property, plant and equipment**

Property, plant and equipment increased by S\$4.7 million, or 11.8% as at 31 December 2019. The increase was mainly due to acquisition of land and additional construction costs incurred of S\$3.0 million for the construction of hydropower plant in Indonesia, purchase of plant and machinery of S\$1.0 million and recognition of ROU assets of S\$4.4 million resulting from the adoption of the new SFRS(I) 16 Leases. This was partially offset by the depreciation charge of S\$3.8 million.

##### **Associates**

Interests in associates decreased by S\$0.5 million, or 8.0% as at 31 December 2019 mainly due to disposal of C&I Renewable Limited of S\$0.2 million and share of loss of associates of S\$0.1 million.

##### **Service concession receivables**

Service concession receivables increased by S\$4.0 million, or 13.3% to S\$34.3 million as at 31 December 2019. This was mainly due to recognition of construction revenue of S\$4.9 million from the construction of mini-hydropower plants under the service concession arrangement offset by foreign exchange revaluation losses of S\$0.9 million. Service concessions receivables are classified as long-term assets which will be collected across the tenure of the various operational concessions in tandem with agreed power supply agreements.

##### **Other financial assets**

As an addition to the renewable energy portfolio, an S\$0.9 million investment was made to obtain a 10% stake in a company which specialises in the design, development, integration and sales of lithium battery management systems.



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. (Cont'd)

**STATEMENT OF FINANCIAL POSITION ITEMS (CONT'D)**

**Inventories**

Inventories decreased by S\$2.1 million or 3.7% to S\$53.1 million as at 31 December 2019 primarily due to the fulfilment of customer orders during the financial period.

**Trade and other receivables**

Trade and other receivables increased by S\$10.0 million or 9.8% to S\$111.8 million as at 31 December 2019 mainly due to an increase in notes receivables of S\$3.9 million, coupled with an increase in advance payment to suppliers of S\$3.2 million, increase in advances to related parties of S\$1.5 million, increase in loan to associates of S\$3.3 million mainly due to acquisition of associate and increase in sundry debtors of S\$1.6 million. This was partly offset by the decrease in trade receivables from third parties and associates of S\$2.5 million and S\$0.6 million respectively and decrease in rental and sundry deposit of S\$0.3 million.

Subsequent receipt of about S\$15.4 million was received from customers as at 31 January 2020. The collection represents approximately 21% of trade receivables as at 31 December 2019.

**Trade and other payables**

Trade and other payables increased by S\$0.3 million or 0.4% to S\$69.7 million as at 31 December 2019, which was mainly due to increase in trade payables to related parties of S\$3.0 million, increase in amounts due to non-controlling interests of S\$0.8 million and increase in accrued staff cost of S\$0.4 million. This was offset by the decrease in trade payables to third parties of S\$2.2 million arose from payment to trade suppliers as they became due and decrease in advances received from customers of S\$1.7 million.

**Bank borrowings (current and non-current)**

Bank borrowings decreased by S\$1.0 million to S\$27.3 million as at 31 December 2019. The decrease was primarily due to repayment of bank borrowings amounting to S\$24.3 million offset by proceeds of bank borrowings of S\$23.4 million.

**Lease liabilities (current and non-current)**

Lease liabilities increased by S\$2.7 million to S\$3.0 million as at 31 December 2019 was mainly due to the adoption of the new SFRS(I) 16 Leases.

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. (Cont'd)

#### **CASH FLOW STATEMENT**

##### Changes in Cash Flow from Operating Activities

For 4Q2019, cash flow generated from operating activities before changes in working capital amounted to S\$8.0 million. Cash generated from working capital of S\$5.8 million mainly due to decrease in trade and other receivables of S\$0.5 million and increase of trade and other payables of S\$7.2 million; partially offset by increase in receivables from service concession arrangements of S\$1.7 million and increase in inventories of S\$0.2 million. This was partially offset by interest payment of S\$0.6 million and income tax paid of S\$1.4 million. As a result of the above, the net cash flow generated from operating activities amounted to S\$11.8 million.

For FY2019, cash flow generated from operating activities before changes in working capital amounted to S\$28.0 million. Cash used in working capital of S\$10.5 million mainly due to increase in trade and other receivables of S\$8.4 million, increase in receivables from service concession arrangements of S\$4.9 million; partially offset by decrease in inventories of S\$1.8 million and increase of trade and other payables of S\$1.0 million. In addition, there was interest payment of S\$1.9 million and income tax paid of S\$5.7 million. This was mitigated by interest received of S\$0.3 million. As a result of the above, the net cash flow generated from operating activities amounted to S\$10.2 million.

##### Changes in Cash Flow from Investing Activities

For 4Q2019, net cash used in investing activities of S\$6.8 million was primarily attributed to purchase of property, plant and equipment of S\$2.8 million, acquisition of an associate of S\$0.7 million and loan to associates of S\$3.4 million.

For FY2019, net cash used in investing activities of S\$9.8 million was primarily attributed to purchase of property, plant and equipment of S\$5.0 million, acquisition of other financial assets of S\$0.9 million, acquisition of an associate of S\$0.7 million, loan to associates of S\$3.4 million offset by dividends from associates of S\$0.1 million, and proceeds from disposal of property, plant and equipment of S\$0.1 million.

##### Changes in Cash Flow from Financing Activities

For 4Q2019, net cash used in financing activities amounted to S\$5.7 million was primarily attributed to dividend paid to non-controlling interests of S\$3.6 million, and net repayment of bank borrowings (inclusive of trust receipts and finance lease) of S\$2.1 million.

For FY2019, net cash used in financing activities amounted to S\$6.8 million was primarily attributed to dividend paid to equity holders of the Company and non-controlling interests amounted to S\$7.2 million, net repayment of bank borrowings (inclusive of trust receipts and finance lease) of S\$2.8 million and increase in fixed deposits pledged of S\$2.3 million, offset by proceeds from issue of shares of S\$5.4 million and repayment from non-controlling interests of S\$0.3 million.

As at 31 December 2019, the Group maintained a healthy cash and cash equivalents balance of S\$31.2 million.

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

No specific forecast statement was previously disclosed to shareholders.



**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.**

Although 2019 was a challenging year macro-economically, ISDN was able to make good progress with strengthening its business:

- The Group's diversification allowed it to weather a soft Asian economy as more resilient sectors such as medical technology and defense helped offset demand softness in more cyclical industries.
- Operationally, the Group made good progress with consolidating its engineering and administrative operations to unlock cost efficiencies and grow engineering capabilities at scale. These activities will continue through 2020 as ISDN unlocks further cost efficiencies while growing its long-term technology capabilities.
- Strategically, the Group made prudent investments to advance its long-term growth prospects. ISDN expanded its core capabilities by establishing the ISDN Software business, and investing in Metal injection opportunity. These focused growth directions allow ISDN to increase high-value capabilities delivered to customers, and participate in attractive revenue models such as software subscription, service and intellectual property sales. The Group made good progress commercialising its energy portfolio, with 3 power plant slated to commence operations in 2Q 2020 through 4Q 2020.
- The Group also launched a partnership with expert technology investor Novo Tellus. Novo Tellus acquired an 8.9% stake in ISDN shares, and has worked collaboratively with the Group to advise and review its operational and strategic initiatives.

Through its operating and strategic initiatives and its promising partnership with Novo Tellus, the Group has established a program of cost efficiencies that provides a defensive posture in the event that 2020, including the effects of the COVID-19 outbreak globally, continues to be economically soft.

At the same time, the Group continues to invest prudently to grow its medium and long term prospects through a focus on growing core business capabilities to continue "moving up the value chain", and a focus on conservative commercialisation of its fledgling energy business in preparation for an eventual spinout as the business proves its operational value.

While the Group remains ever-vigilant to fast-evolving market conditions in early 2020, it remains confident that the long term growth prospects in Industry 4.0 and clean energy represent solid market opportunities for its diversified portfolio. To this end, we note that the People Republic of China (PRC) continues to advocate and invest in industrial automation to progress its economic roadmap<sup>1</sup>. Indeed, industry analyst Frost & Sullivan<sup>2</sup> predicts that the PRC's motion control solutions market is estimated to reach S\$3.76 billion by 2020, and Interact Analysis expects the PRC to nearly double revenue of the U.S market till 2023<sup>3</sup>. The Group believes ISDN remains particularly well-positioned to capitalise on these long term strategic sectors for the PRC and Asia at large.

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<sup>1</sup> Bloomberg: Not even a virus can stop this president from dreaming

<https://www.bloomberg.com/opinion/articles/2020-02-05/coronavirus-won-t-halt-china-s-technological-ambitions>

<sup>2</sup> Frost & Sullivan Report:

[https://www.isdnholdings.com/download/hk/research/Final%20Report\\_Project%20Twins\\_FS\\_12072016.pdf](https://www.isdnholdings.com/download/hk/research/Final%20Report_Project%20Twins_FS_12072016.pdf)

<sup>3</sup> Robotics Business Review: Report predicts \$15b+ market for motion controls by 2023

<https://www.roboticsbusinessreview.com/research/motion-controls-report-predicts-15b-market-by-2023/>

## 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).

- (a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	Proposed Final
Dividend Type	Cash and/or Scrip
Dividend Amount per Share (in Singapore cents)	0.4 cents
Tax Rate	Tax exempt (One-Tier)

- (b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Proposed Final
Dividend Type	Cash and/or Scrip
Dividend Amount per Share (in Singapore cents)	0.7 cents
Tax Rate	Tax exempt (One-Tier)

- (d) The date the dividend is payable

Upon shareholders' approval at the upcoming annual general meeting, the proposed final dividend will be paid on 2<sup>nd</sup> July 2020 to shareholders whose names shall appear on the register of members of the Company on 8<sup>th</sup> May 2020.

- (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.

The book closure date shall be on 8<sup>th</sup> May 2020.

## 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, statement of financial position, 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 Second Placement**

There has been no material usage till to the date of this announcement after the last announcement made on 13 May 2019. The Company will make further announcements when the remaining net proceeds from Second Placements are materially disbursed.

**(b) Use of Net Proceeds from the issuance of new shares under general mandate**

There has been no material usage till to the date of this announcement after the last announcement made on 13 May 2019. The Company will make further announcements on the utilisation of proceeds from the subscription as and when the funds 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.

**17. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**(a) Reportable Geographical Information**

	Revenue from external customers		Non-current assets	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	44,830	43,009	28,127	18,538
China	194,803	210,837	23,616	22,439
Hong Kong	6,653	12,880	1,074	993
Malaysia	10,204	8,652	937	890
Others	34,495	26,612	45,075	46,956
	290,985	301,990	98,829	89,816



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**(b) Reportable Operating Segments**

	<b>Engineering Solutions - Motion Control</b>		<b>Other Specialised Engineering Solutions</b>		<b>Industrial Computing Solutions</b>		<b>Other</b>		<b>Elimination</b>		<b>Consolidated</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Revenue</b>												
External sales	220,358	236,281	59,315	59,121	6,331	5,596	4,981	992	-	-	290,985	301,990
Inter-segment sales	5,414	7,694	1,402	1,228	144	178	-	-	(6,960)	(9,100)	-	-
	<b>225,772</b>	<b>243,975</b>	<b>60,716</b>	<b>60,349</b>	<b>6,475</b>	<b>5,774</b>	<b>4,981</b>	<b>992</b>	<b>(6,960)</b>	<b>(9,100)</b>	<b>290,985</b>	<b>301,990</b>
<b>Results</b>												
Segment results	21,994	23,568	2,225	1,110	560	148	(2,441)	(1,192)	-	-	22,338	23,634
Share of profit/(loss) of associates	(138)	701	-	-	-	-	-	(333)	-	-	(138)	368
Corporate expenses											(672)	(98)
Rental income											490	575
Interest income											311	252
Finance costs											(2,107)	(1,035)
Profit before income tax											20,222	23,696
Income tax											(6,030)	(7,118)
Profit for the year ended 31 December											<b>14,192</b>	<b>16,578</b>
<b>Assets</b>												
Segment assets	131,209	133,491	33,960	38,760	3,472	2,476	83,030	64,591	(6,259)	(11,344)	245,412	227,974
Goodwill	2,178	2,178	9,508	9,508	-	-	541	541	-	-	12,227	12,227
Associates	4,241	5,266	-	-	-	-	1,405	870	-	-	5,646	6,136
Investment properties											479	497
Cash and bank balances											37,998	41,877
Consolidated total assets as at 31 December											<b>301,762</b>	<b>288,711</b>
<b>Liabilities</b>												
Segment liabilities	43,547	55,274	13,168	14,163	912	305	13,209	3,007	(6,259)	(11,344)	64,577	61,405
Bank borrowings and lease liabilities											30,250	28,570
Income tax liabilities											2,605	2,286
Others unallocated corporate liabilities											5,760	8,632
Consolidated total liabilities as at 31 December											<b>103,192</b>	<b>100,893</b>



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Engineering Solutions - Motion Control		Other Specialised Engineering Solutions		Industrial Computing Solutions		Other		Elimination		Consolidated	
2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000

**Other information**

Capital expenditure on

-Property, plant and equipment	967	1,612	845	971	7	2	3,198	47	-	-	5,017	2,632
-Addition to investment properties	-	12	-	-	-	-	-	-	-	-	-	12
Other non-cash expenses:												
-depreciation of property, plant and equipment	2,354	1,489	1,358	611	27	39	45	23	-	-	3,784	2,162
-depreciation of investment properties	19	19	-	-	-	-	-	-	-	-	19	19
-amortisation of land use rights	32	33	-	-	-	-	-	-	-	-	32	33
-trade and other receivables written off	48	116	106	19	-	-	-	-	-	-	154	135
-allowance for inventory obsolescence	52	747	152	281	-	-	-	-	-	-	204	1,028
-allowance for impairment loss on trade and other receivables	307	1,882	55	67	3	-	465	572	-	-	830	2,521
-property, plant and equipment written off	1	1	1	14	-	-	-	-	-	-	2	15
-inventories written off	210	135	67	285	-	-	-	-	-	-	277	420
-write back of allowance for impairment loss on trade receivables	(36)	(13)	(348)	-	-	-	-	(5)	-	-	(384)	(18)
-write back of allowance for inventory obsolescence	(194)	-	-	(232)	-	-	-	-	-	-	(194)	(232)

- 18. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to Note 8 above for more details.

- 19. A breakdown of sales as follows:**

	<b>Group</b>		
	<b>2019</b>	<b>2018</b>	<b>Increase/</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>(decrease)</b>
Sales reported for the first half year	146,963	162,104	-9.3%
Operating profit after tax before deducting non-controlling interest reported for the first half year	8,324	13,524	-38.5%
Sales reported for the second half year	144,022	139,886	3.0%
Operating profit after tax before deducting non-controlling interest reported for the second half year	5,868	3,054	92.1%

- 20. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Ordinary	2,971	2,289

- 21. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual of SGX-ST, we set out below the persons holding managerial positions in the Group who are related to the Directors, Chief Executive Officer or substantial shareholders of the Company or of any of its principal subsidiaries:

<b>Name</b>	<b>Age</b>	<b>Family Relationship with any Director and/or Substantial Shareholder</b>	<b>Current position and duties, and the year position was held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Thang Yee Chin	60	Spouse of:- Teo Cher Koon - managing director and substantial shareholder	<b>Company's name:</b> Servo Dynamics Pte Ltd A principal Subsidiary of the Company  <b>Position in the Company:</b> Director  <b>Appointed on:</b> 26 September 2005  <b>Duties:</b> Managing the administrative functions of the subsidiary.	No Change

**23. Disclosure of Acquisition (including incorporations) and sale of shares since the end of the previous reporting period under Rule 706A.**

On 3 October 2019, a wholly owned subsidiary of the Company had subscribed for 6,815 ordinary shares in IGB (HK) Company Ltd. For more information, please refer to the Company's announcement dated 3 October 2019.

On 17 October 2019, a wholly owned subsidiary of the Company had acquired 40,004 ordinary shares in the capital of ISDN Bantaeng Pte. Ltd.. For more information, please refer to the Company's announcement dated 17 October 2019.

On 30 October 2019, a wholly owned subsidiary of the Company had acquired the entire issued share capital of C&I Singapore Renewable and Innovative Tech Pte. Ltd. from C&I Renewable Limited, an associated company of the Group. For more information, please refer to the Company's announcement dated 4 November 2019.

On 30 October 2019, a wholly owned subsidiary of the Company had disposed of its 30% interest in C&I Renewable Limited. For more information, please refer to the Company's announcement dated 4 November 2019.

On 12 December 2019, a wholly owned subsidiary of the Company had acquired 330,000 ordinary shares representing 33% of the entire issued and paid-up share capital in SPHP Co., Pte. Ltd.. For more information, please refer to the Company's announcement dated 12 December 2019.

By Order of the Board

Gwendolyn Gn  
Joint Company Secretary  
ISDN Holdings Limited  
28 February 2020