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**FOR IMMEDIATE RELEASE**

**ISDN continues growing revenue amid international trade tensions**

**Singapore, 8 August 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 a strong financial performance in the second quarter and first half ended 30 June 2018. Revenue grew by 11% year-on-year, and net profit attributable to equity holders was S\$4.9 million in 2Q2018, as compared to S\$3.0 million in 2Q2017.

The improved financial performance was mainly attributable to growing demand for the Group’s high-tech precision control systems, particularly from medical device manufacturers, as well as a growing customer base and order volume especially in PRC and Hong Kong. At the same time, the Group is cognisant of growing uncertainty in the macro environment; ISDN is working closely with its suppliers and customers to maintain business stability, and continues exploring investment opportunities to diversify its income streams as well as complement its core business.

Mr Teo Cher Koon, ISDN’s Managing Director and President, commented, “We have started seeing more caution in the market arising from the looming trade war, although it is still too early to estimate the extent of the impact. We will be closely monitoring the situation, but having said that, the diversity of our customer base has helped us ride out numerous cycles in the past. Furthermore, our motion control and engineering solutions form an integral part of the value chain, particularly for high-tech applications such as industrial automation, robotics, and artificial intelligence (“AI”), which are the areas of current and future industry growth. We are also continuing to explore investment opportunities that leverage our engineering capabilities, and could become additional sources of income in future.”

## Financial Highlights

### Quarterly comparison – 2Q2018 vs 2Q2017

	2Q2018 S\$ million	2Q2017 S\$ million	y-o-y% Change	1Q2018 S\$ million	Q-o-Q% Change
Revenue	85.9	77.4	11.0	76.2	12.8
Gross profit	22.4	18.7	19.6	19.4	15.5
<i>Gross profit margin (%)</i>	26.0	24.1	1.9	25.4	0.6
Profit before tax	9.2	5.9	58.0	8.8	5.2
Profit for the period	6.7	4.0	65.7	6.8	(2.5)
Profit attributable to equity holders of Company	4.9	3.0	62.1	5.2	(6.2)
*Earnings per share (cents)	1.24	0.76	63.2	1.31	(5.3)
Weighted average number of ordinary shares	394,684,950	394,684,950		394,684,950	

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

Gross profit margin was 26.0% in 2Q18 and 25.7% in 1H18, compared to 24.1% and 24.9% in 2Q17 and 1H17 respectively. ISDN's strategy of close customer engagement, through its extensive sales footprint, allows the Group to command high margins for its customised value-adding solutions.

Administrative expenses were \$8.9 million for 2Q2018, compared to \$7.7 million in 2Q2017, mainly due to the provision for employees' bonuses in this quarter. On a half-yearly basis, the administrative expenses were largely unchanged compared to last year, at \$15.3 million.

As at 30 June 2018, the Group maintained a healthy cash and cash equivalents balance of \$32.1 million.

## Outlook

To drive growth, the Group will continue to build on and expand its market and industry presence by ramping up sales and marketing efforts in targeted industries. Growing demand by medical device manufacturers for high-tech precision control systems, enhanced services required in the field of AI, and continuous development in industries such as environmental protection and electric vehicles present opportunities for the Group's core motion control and other specialised engineering solutions businesses, as businesses and consumers seek to reduce their carbon footprint.

While competition in the engineering solutions industry remains intense, the Chinese economy is transitioning from a traditionally labour-intensive industrial environment to one that is highly automated and precision-oriented. Over the long term, this ongoing trend is positive for the Group's core motion control and other specialised engineering solutions businesses, which provides parts and solutions for factory automation, robotics, AI, and Industry 4.0.

Apart from the core motion control business, the Group is also exploring strategic partnerships and opportunities, mainly in regional infrastructure and resources.

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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 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](http://www.isdnholdings.com) or contact:

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