



*ISDN*Holdings  
LIMITED

(Company Registration No.: 200416788Z)

**ISDN Holdings Limited**  
**Financial Statements Announcement**  
**For the Fourth Quarter and Year Ended 31 December 2018**

1(a)(i) A STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2018

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 year.

	GROUP					
	3 months ended			Year ended		
	31 December	31 December	% change + / (-)	31 December	31 December	% change + / (-)
2018	2017 (Restated)	2018		2017 (Restated)		
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	71,147	70,243	1.3%	301,990	291,963	3.4%
Cost of sales	(51,608)	(51,708)	-0.2%	(221,441)	(218,198)	1.5%
<b>Gross profit</b>	<b>19,539</b>	<b>18,535</b>	<b>5.4%</b>	<b>80,549</b>	<b>73,765</b>	<b>9.2%</b>
Other operating income	1,126	1,333	-15.5%	4,951	4,177	18.5%
Distribution costs	(7,585)	(6,575)	15.4%	(25,672)	(24,147)	6.3%
Administrative expenses	(8,127)	(8,843)	-8.1%	(30,859)	(31,385)	-1.7%
Other operating expenses	(3,964)	(1,190)	n.m.	(4,606)	(3,464)	33.0%
Finance costs	(446)	(228)	95.6%	(1,035)	(812)	27.5%
Share of (loss)/profit of associates	(68)	(21)	n.m.	368	615	-40.2%
<b>Profit before taxation</b>	<b>475</b>	<b>3,011</b>	<b>-84.2%</b>	<b>23,696</b>	<b>18,749</b>	<b>26.4%</b>
Income tax expense	(1,670)	(732)	n.m.	(7,118)	(5,069)	40.4%
<b>(Loss)/ profit for the period/year</b>	<b>(1,195)</b>	<b>2,279</b>	<b>n.m.</b>	<b>16,578</b>	<b>13,680</b>	<b>21.2%</b>
<b>Other comprehensive (loss)/ income:</b>						
Items that may be subsequently reclassified to profit and loss						
- Net fair value changes on cash flow hedge	(42)	-	n.m.	(101)	-	n.m.
- Exchange differences on translation of foreign operations	133	343	-61.2%	(1,727)	(917)	88.3%
	<u>91</u>	<u>343</u>	<u>-73.5%</u>	<u>(1,828)</u>	<u>(917)</u>	<u>99.3%</u>
<b>Total comprehensive (loss)/ income for the period/year</b>	<b>(1,104)</b>	<b>2,622</b>	<b>n.m.</b>	<b>14,750</b>	<b>12,763</b>	<b>15.6%</b>
<b>(Loss)/ profit for the period/year attributable to:</b>						
Equity holders of the Company	(1,521)	1,774	n.m.	10,946	9,489	15.4%
Non-controlling interests	326	505	-35.4%	5,632	4,191	34.4%
	<u>(1,195)</u>	<u>2,279</u>	<u>n.m.</u>	<u>16,578</u>	<u>13,680</u>	<u>21.2%</u>
<b>Total comprehensive (loss)/ income for the period/year attributable to:</b>						
Equity holders of the Company	(1,672)	1,908	n.m.	9,417	8,685	8.4%
Non-controlling interest	568	714	-20.4%	5,333	4,078	30.8%
	<u>(1,104)</u>	<u>2,622</u>	<u>n.m.</u>	<u>14,750</u>	<u>12,763</u>	<u>15.6%</u>

Nm: not meaningful

**Notes:**

The Group has adopted all applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") which became effective from 1 January 2018 and has applied them retrospectively. Accordingly, the comparatives have been restated to take into account adjustments relating to SFRS(I) 1, First-time Adoption of SFRS(I), SFRS(I) 15, Revenue from Contracts with Customers and SFRS(I) 9, Financial Instruments. Please refer to note 5 for more details.



**ISDN Holdings Limited**  
**2018 Financial Statements Announcement for the**  
**Fourth Quarter and Year Ended 31 December 2018**

**(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:**

	<b>GROUP</b>						
	<b>3 months ended</b>			<b>Year ended</b>			
	<b>31 December</b>		<b>%</b>	<b>31 December</b>		<b>%</b>	
<b>2018</b>	<b>2017</b>	<b>change</b>	<b>2018</b>	<b>2017</b>	<b>change</b>		
	<b>S\$'000</b>	<b>S\$'000</b>	<b>+ / (-)</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 and other receivables	2,427	41	n.m.	2,521	67	n.m.	
Allowance for inventories obsolescence	684	856	-20.1%	1,028	1,309	-21.5%	
Amortisation and depreciation	596	612	-2.6%	2,214	2,264	-2.2%	
Interest income	(47)	(26)	80.8%	(252)	(108)	n.m.	
Foreign exchange (gain)/loss, net	271	206	31.6%	282	1,750	-83.9%	
Gain on disposal of interest in subsidiaries	-	-	n.m.	(180)	(101)	78.2%	
Loss/(gain) on disposal of plant and equipment, net	2	(2)	n.m.	(155)	(5)	n.m.	
Inventories written off	327	23	n.m.	420	138	n.m.	
Loss on deemed disposal of an associate	77	-	n.m.	77	-	n.m.	
Plant and equipment written off	14	4	n.m.	15	4	n.m.	
Trade receivables written off	114	83	37.3%	135	156	-13.5%	
Write back of allowance for trade receivables	(18)	(54)	-66.7%	(18)	(54)	-66.7%	
Write back of allowance for inventories obsolescence	(232)	(5)	n.m.	(232)	(5)	n.m.	

n.m: Not meaningful

**ISDN Holdings Limited**  
**2018 Financial Statements Announcement for the**  
**Fourth Quarter and Year Ended 31 December 2018**

(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.

	GROUP			COMPANY	
	31 December 2018	31 December 2017 (Restated)	1 January 2017 (Restated)	31 December 2018	31 December 2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>					
Property, plant and equipment	39,314	27,326	27,682	30	-
Investment properties	497	504	522	-	-
Land use rights	1,270	1,338	1,376	-	-
Goodwill	12,227	11,686	11,686	-	-
Subsidiaries	-	-	-	50,410	36,653
Interests in associates	6,136	18,352	11,649	124	124
Trade and other receivables	30,233	-	-	-	-
Deferred tax assets	139	316	59	404	-
	89,816	59,522	52,974	50,968	36,777
<b>Current assets</b>					
Inventories	55,183	50,159	38,902	-	-
Trade and other receivables	96,225	89,164	86,288	363	115
Amounts due from subsidiaries	-	-	-	46,436	42,049
Dividend receivables	-	-	-	9,918	6,938
Cash and bank balances	41,877	38,303	38,683	3,023	2,692
	193,285	177,626	163,873	59,740	51,794
<b>Current liabilities</b>					
Bank borrowings	16,423	14,302	13,052	2,291	3,000
Finance leases	81	160	150	-	-
Trade and other payables	69,380	68,916	65,478	13,686	6,556
Current tax liabilities	2,286	1,437	1,574	-	-
	88,170	84,815	80,254	15,977	9,556
<b>Net current assets</b>	105,115	92,811	83,619	43,763	42,238
<b>Non-current liabilities</b>					
Bank borrowings	11,842	159	263	11,455	-
Finance leases	224	82	186	-	-
Deferred tax liabilities	657	266	-	-	-
	12,723	507	449	11,455	-
<b>Net assets</b>	182,208	151,826	136,144	83,276	79,015
<b>Equity</b>					
Share capital	70,984	70,981	62,408	70,984	70,981
Warrants issue	-	3,384	3,384	-	3,384
Reserves	72,767	62,255	55,425	12,292	4,650
<b>Equity attributable to owners of the Company</b>	143,751	136,620	121,217	83,276	79,015
Non-controlling interests	38,457	15,206	14,927	-	-
<b>Total equity</b>	182,208	151,826	136,144	83,276	79,015



**ISDN Holdings Limited**  
**2018 Financial Statements Announcement for the**  
**Fourth Quarter and Year Ended 31 December 2018**

(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 2018		As at 31 December 2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,421	14,083	1,180	13,282

The amount repayable after one year;

As at 31 December 2018		As at 31 December 2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
11,680	386	82	159

**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 mortgage over land use rights and leasehold properties of the Group for a term loan. 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.



**ISDN Holdings Limited**  
**2018 Financial Statements Announcement for the**  
**Fourth Quarter and Year Ended 31 December 2018**

(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		12 months ended	
	31 December		31 December	
	2018	2017	2018	2017
	(Restated)		(Restated)	
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities:</b>				
Profit before income tax	475	3,011	23,696	18,749
Adjustments for:				
Amortisation of land use rights	8	6	33	34
Trade receivables written off	114	83	135	156
Depreciation of property, plant and equipment	598	616	2,162	2,211
Depreciation of investment properties	(10)	(10)	19	19
Allowance for impairment of trade and other receivables	2,427	41	2,521	67
Allowance for inventory obsolescence	684	856	1,028	1,309
Loss/(gain) on disposal of plant and equipment, net	2	(2)	(155)	(5)
Loss on deemed disposal of an associate	77	-	77	-
Gain on disposal of interest in subsidiaries	-	-	(180)	(101)
Inventories written off	327	23	420	138
Plant and equipment written off	14	4	15	4
Write back of allowance for inventory obsolescence	(232)	(5)	(232)	(5)
Write back of allowance for trade receivables	(18)	(54)	(18)	(54)
Interest expenses	446	228	1,035	812
Interest income	(47)	(26)	(252)	(108)
Share of results of associates	68	21	(368)	(615)
Foreign currency on translation of foreign operations	(46)	2,181	(1,419)	1,194
<b>Operating cash flow before working capital changes</b>	<b>4,887</b>	<b>6,973</b>	<b>28,517</b>	<b>23,805</b>
Changes in working capital:				
Inventories	(5,717)	(987)	(6,377)	(12,699)
Trade and other receivables	16,985	1,486	(2,784)	(4,719)
Trade and other payables	(11,272)	7,449	(8,349)	4,362
<b>Cash generated from operations</b>	<b>4,883</b>	<b>14,921</b>	<b>11,007</b>	<b>10,749</b>
Interest expenses	(97)	(228)	(686)	(812)
Interest income	47	26	252	108
Income tax paid	(1,670)	(1,424)	(5,708)	(5,197)
<b>Net cash generated from operating activities</b>	<b>3,163</b>	<b>13,295</b>	<b>4,865</b>	<b>4,848</b>



**ISDN Holdings Limited**  
**2018 Financial Statements Announcement for the**  
**Fourth Quarter and Year Ended 31 December 2018**

(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		12 months ended	
	31 December		31 December	
	2018	2017	2018	2017
	(Restated)		(Restated)	
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from investing activities:</b>				
Purchase of plant and equipment	(766)	(702)	(2,604)	(2,095)
Proceeds from disposal of plant and equipment	-	7	320	36
Net cash inflow on disposal of subsidiaries	-	-	563	-
Acquisition of subsidiary, net of cash	(5,297)	-	(5,297)	-
Capitalisation of loan/ (Loan to) associates	10,638	(5,458)	-	(9,236)
Funds to investee company	-	(19)	-	(56)
Dividends from associates	291	222	446	297
Repayment from associates	91	496	464	496
Promissory notes issued	-	(1,280)	-	(1,280)
Amount due from investor	-	(662)	-	(662)
<b>Net cash generated from/(used in) investing activities</b>	<b>4,957</b>	<b>(7,396)</b>	<b>(6,108)</b>	<b>(12,500)</b>
<b>Cash flows from financing activities:</b>				
Dividends to equity holders of the Company	-	-	(2,289)	(1,282)
Dividends to non-controlling interests	(2,977)	(1,401)	(6,354)	(1,802)
Proceeds from bank borrowings	2,392	2,179	24,447	15,555
Proceeds from exercise of warrants	3	-	3	-
Repayment of bank borrowings	(1,712)	(1,987)	(12,123)	(15,121)
Proceeds from trust receipts, net	1,914	338	1,491	711
Repayment of finance lease	(81)	(40)	(223)	(94)
(Increase)/decrease in fixed deposits pledged	(2,942)	100	(2,942)	1,141
Proceeds from public share offer	-	-	-	8,573
<b>Net cash (used in)/generated from financing activities</b>	<b>(3,403)</b>	<b>(811)</b>	<b>2,010</b>	<b>7,681</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,717</b>	<b>5,088</b>	<b>767</b>	<b>29</b>
Cash and cash equivalents at the beginning of financial period	33,927	32,283	38,053	37,292
Effect of currency translation on cash and cash equivalents	41	682	(135)	732
<b>Cash and cash equivalents at the end of financial period/ year</b>	<b>38,685</b>	<b>38,053</b>	<b>38,685</b>	<b>38,053</b>
<b>Additional information:</b>				
Cash and bank balances	38,591	37,996	38,591	37,996
Fixed deposits	3,286	307	3,286	307
Less: bank deposits pledged	(3,192)	(250)	(3,192)	(250)
<b>Total cash and cash equivalents</b>	<b>38,685</b>	<b>38,053</b>	<b>38,685</b>	<b>38,053</b>



**ISDN Holdings Limited**  
**2018 Financial Statements Announcement for the**  
**Fourth Quarter and Year Ended 31 December 2018**

(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.

Group	Share capital	Warrants issue	Merger reserve	Foreign currency translation reserve	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 January 2018, restated	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, restated</b>	<b>70,981</b>	<b>3,384</b>	<b>(436)</b>	<b>(802)</b>	<b>4,921</b>	<b>58,318</b>	<b>136,366</b>	<b>15,110</b>	<b>151,476</b>
Net 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	-	-	-	-	-	-	-	22,156	22,156
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>38,457</b>	<b>182,208</b>
As at 1 January 2017, as previously reported	62,408	3,384	(436)	(1,269)	4,694	52,436	121,217	14,927	136,144
Effect of adoption of new accounting standards	-	-	-	1,269	-	(1,269)	-	-	-
<b>Adjusted balance at 1 January 2017, restated</b>	<b>62,408</b>	<b>3,384</b>	<b>(436)</b>	<b>-</b>	<b>4,694</b>	<b>51,167</b>	<b>121,217</b>	<b>14,927</b>	<b>136,144</b>
Net profit for the year	-	-	-	-	-	9,489	9,489	4,191	13,680
Other comprehensive loss for the year	-	-	-	(802)	(2)	-	(804)	(113)	(917)
Total comprehensive (loss)/income for the year	-	-	-	(802)	(2)	9,489	8,685	4,078	12,763
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	-	-	-	-	-	-	-	(4,264)	(4,264)
Acquisition of non-controlling interests	-	-	-	-	-	(522)	(522)	522	-
De-recognition of a subsidiary	-	-	-	-	(51)	-	(51)	(57)	(108)
Payment of dividends	-	-	-	-	-	(1,282)	(1,282)	-	(1,282)
Transfer to other reserves	-	-	-	-	280	(280)	-	-	-
<b>Balance as at 31 December 2017, restated</b>	<b>70,981</b>	<b>3,384</b>	<b>(436)</b>	<b>(802)</b>	<b>4,921</b>	<b>58,572</b>	<b>136,620</b>	<b>15,206</b>	<b>151,826</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	Others reserve S\$'000	Retained earnings S\$'000	Total S\$'000
<b>Balance at 1 January 2018</b>	70,981	3,384	(178)	4,828	79,015
Net profit for the year	-	-	-	6,651	6,651
Other comprehensive loss for the year	-	-	(101)	-	(101)
Total comprehensive (loss)/ income for the year	-	-	(101)	6,651	6,550
Shares issued pursuant to exercise of warrants	3	(3)	-	-	-
Warrants expired	-	(3,381)	-	3,381	-
Payment of dividends	-	-	-	(2,289)	(2,289)
<b>Balance at 31 December 2018</b>	<b>70,984</b>	<b>-</b>	<b>(279)</b>	<b>12,571</b>	<b>83,276</b>
<b>Balance at 1 January 2017</b>	62,408	3,384	(178)	2,893	68,507
Total comprehensive income for the year	-	-	-	3,217	3,217
Consideration shares	9,373	-	-	-	9,373
Share issue expenses	(800)	-	-	-	(800)
Payment of dividends	-	-	-	(1,282)	(1,282)
<b>Balance at 31 December 2017</b>	<b>70,981</b>	<b>3,384</b>	<b>(178)</b>	<b>4,828</b>	<b>79,015</b>

- (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, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 2018 is 394,689,186 (31 December 2017: 394,684,950). No treasury shares were held as at 31 December 2018 (31 December 2017: nil). The number of shares held as subsidiary holdings as at 31 December 2018 is nil (31 December 2017: nil).

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.

In the quarter and financial year ended 31 December 2018, 4,236 warrants were exercised to acquire ordinary shares. The remaining 179,968,239 warrants have expired on 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.**

	GROUP & COMPANY	
	31 December 2018	31 December 2017
Total number of issued shares	394,684,950	354,684,950
Share Offers	-	40,000,000
Exercise of warrants	4,236	-
Total number of issued shares excluding treasury shares	394,689,186	394,684,950

Shares of the 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.

- (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 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.**

Except as disclosed in paragraph 5 below regarding the adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) effective on 1 January 2018, 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 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 and the Company have applied the same accounting policies and methods of computation in the financial statements for the current financial year consistent with those of the audited financial statements for the year ended 31 December 2017, except for the adoption of all applicable new and revised Singapore Financial Reporting Standards (International), (“SFRS(I)”) and Interpretations of SFRS(I) (“INT SFRS(I)”) which became effective from annual periods beginning on or after 1 January 2018.

The application of the new and revised standards and interpretations has no material effect on the financial statements, except as described below:

a) SFRS(I) 1 First-time Adoption of SFRS(I)

*Foreign currency translation reserve (FCTR)*

The Group elected the optional exemption in SFRS(I) 1 to reset its cumulative translation differences for all foreign operations to nil at the date of transition, and reclassified the cumulative translation losses of S\$1,269,000 as at 1 January 2017 to retained earnings. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

b) SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 introduces a new revenue recognition model for customer contracts that represents the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to exchange for those goods and services.

The impact resulting from the adoption of SFRS(I) 15 is as follows:

*Sales with a right of return*

Certain sales contracts of the Group grant customers the right to return the goods during a stipulated grace period if the customers are dissatisfied with the product. The Group previously recognised revenue when a reasonable estimate of the returns could be made, provided that all other criteria for revenue recognition are met. Under SFRS(I) 15, revenue is recognised to the extent that it is highly probable that there will be no returns from customers.

Following the adoption of SFRS(I) 15, the Group has increased refund liabilities (classified in trade and other payables) of S\$222,000 and a right to recover returned goods (classified in inventories) of S\$156,000 as at 1 January 2018. As a result of these adjustments, retained earnings as at 1 January 2018 decreased by S\$66,000.

c) SFRS(I) 9 Financial Instruments

SFRS(I) 9 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model (“ECL”) for calculating impairment of financial assets, and new general hedge accounting requirements.

The Group has elected to apply the exemption in SFRS(I) 1 allowing it not to restate comparative information in the 2018 SFRS(I) financial statements. Differences arising from the adoption of SFRS(I) have been recognised directly in retained earnings as at 1 January 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. (Cont'd)**

c) SFRS(I) 9 Financial Instruments (Cont'd)

(i) *Classification of financial assets and financial liabilities*

Under SFRS(I) 9, financial assets are classified in the following categories: measured at amortised cost, fair value through other comprehensive income (“FVOCI”) – debt instrument, FVOCI – equity instrument; or fair value through profit and loss (“FVTPL”). The classification of financial assets under SFRS(I) 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SFRS(I) 9 eliminates the previous SFRS 39 categories of held-to-maturity, loans and receivables and available-for-sale.

The adoption of SFRS(I) 9 has not had a significant effect on the Group’s accounting policies for financial liabilities.

The following table and the accompanying notes below explain the original measurement categories under SFRS 39 and the new measurement categories under SFRS(I) 9 for each class of the Group’s financial assets as at 1 January 2018.

<b>Group</b>		<b>Original classification under SFRS 39</b>	<b>New classification under SFRS(I) 9</b>	<b>Original carrying amount under SFRS 39</b>	<b>New carrying amount under SFRS(I) 9</b>
<b>Financial assets</b>	<b>Note</b>			<b>S\$’000</b>	<b>S\$’000</b>
Trade and other receivables	(ii)	Loans and receivables	Amortised cost	89,164	88,814
Cash and cash equivalents		Loans and receivables	Amortised cost	38,303	38,303

(ii) *Changes to the impairment calculation*

SFRS(I) 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVTPL. The ECL allowance is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive.

As a result of the adoption of SFRS(I) 9, the Group has applied the simplified impairment approach to recognise only lifetime ECL impairment charges on all trade receivables and that arise from SFRS(I) 15 that were classified as loans and receivables under SFRS 39 are now classified at amortised cost. Based on the assessment made, an increase of S\$350,000 in the allowance for impairment was recognised in opening retained earnings of the Group as at 1 January 2018 on transition to SFRS(I) 9.

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		Year ended 31 December	
	2018	2017	2018	2017
		<i>Restated</i>		<i>Restated</i>
Weighted average number of ordinary shares in issue for basic EPS (net of treasury shares)	394,687,472	394,684,950	394,685,586	393,479,471
Weighted average number of ordinary shares in issue for diluted EPS (net of treasury shares)	394,687,472	394,684,950	394,685,586	393,479,471
EPS (based on consolidated net profit attributable to shareholders)				
(i) Based on weighted average number of ordinary shares in issue	(0.39)	0.45	2.77	2.41
(ii) On a fully diluted basis	(0.39)	0.45	2.77	2.41
	(S\$ cents)	(S\$ cents)	(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 December	31 December	31 December	31 December
	2018	2017	2018	2017
		<i>Restated</i>		
Net assets (S\$'000)	182,208	151,826	83,276	79,015
Issued share capital (net of treasury shares)	394,689,186	394,684,950	394,689,186	394,684,950
Net assets value per ordinary share based on issued share capital	46.16	38.47	21.10	20.02
	(S\$ cents)	(S\$ cents)	(S\$ cents)	(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**

For the quarter ended 31 December 2018 ("4Q2018"), the Group's revenue of S\$71.1 million was higher by S\$0.9 million (or 1.3%) as compared to corresponding period last year. For the year ended 31 December 2018 ("FY2018"), the Group's total revenue came in higher by approximately S\$10.0 million (or 3.4%) from S\$292.0 million in FY2017 to S\$302.0 million in FY2018, mainly due to higher revenue contribution from motion control solutions segment.

The gross profit for 4Q2018 and FY2018 increased by S\$1.0 million (or 5.4%) and S\$6.8 million (or 9.2%) respectively as compared to last corresponding year. Overall, the gross profit margin was marginally higher in FY2018 than the last corresponding year by 1.4% from 25.3% to 26.7%.

Market conditions remained challenging as the ongoing trade war and market uncertainties have affected the growth momentum in China. The Group will continue to explore the latest smart manufacturing solutions in various industries to further enhance the needs of its existing and potential customers.

The Group's core motion control solutions will continue to deliver long-term sustainable growth as more traditional markets embrace high-tech precision control systems and technology for development and modernisation, coupled with the consistent growth in its customer base.

#### **Other operating income**

For 4Q2018, the Group's other operating income decreased by S\$0.2 million (or 15.5%) as compared to 4Q2017. The factors contributing to the decrease are (i) lower technical consultancy fees of S\$0.8 million offset by (ii) write back of allowance for inventories obsolescence of S\$0.3 million; (iii) increase in property management income of S\$0.2 million; and (iv) higher commission income derived from suppliers of S\$0.2 million.

For FY2018, the increase of S\$0.8 million (or 18.5%) was mainly due to (i) gain on disposal of plant and equipment of S\$0.2 million; (ii) higher commission income derived from suppliers of S\$0.2 million; (iii) one-off gain on disposal of subsidiaries of S\$0.1 million; (iv) increase in government grant of S\$0.1 million; (v) increase in property management income of S\$0.1 million; (vi) interest income of S\$0.1 million and (vii) write back of allowances for inventories obsolescence of S\$0.2 million offset by (vi) lower technical consultancy fees of S\$0.3 million.

#### **Distribution costs**

For 4Q2018 and FY2018, the Group's distribution costs increased by S\$1.0 million (or 15.4%) and S\$1.5 million (or 6.3%) respectively, mainly due to the increase in sales commission to sales personnel which was in line with the increase in revenue offset by lower marketing expenses.

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)**

##### **Administrative expenses**

For 4Q2018, the Group's administrative expenses decreased by S\$0.7 million (or 8.1%) mainly due to (i) reversal of provision for withholding tax of S\$1.2 million; (ii) decrease in office and administration expenses of S\$0.9 million offset by (iii) increase in salaries and bonuses of S\$1.4 million.

For FY2018, administrative expenses decreased by S\$0.5 million (or 1.7%) as compared to FY2017. The factors contributing to the decrease are (i) reversal of provision for withholding tax of S\$1.1 million; (ii) decrease in professional fees expenses of approximately S\$0.6 million due to absence of listing expenses incurred in prior year; (iii) decrease in office rental and administration expenses of S\$0.4 million; offset by (iv) increase in salaries and bonuses of S\$1.6 million.

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

Other operating expenses increased by S\$2.8 million (or >100%) to S\$4.0 million in 4Q2018. The factors contributing to the increase are (i) allowance for impairment of trade and other receivables of S\$2.4 million; (ii) inventories written off of S\$0.3 million; and (iii) loss on deemed disposal of an associate of S\$0.1 million.

For FY2018, other operating expenses increased by approximately S\$1.1 million (or 33.0%) mainly due to (i) allowance for impairment of trade and other receivables of S\$2.5 million; and (ii) loss on deemed disposal of an associate of S\$0.1 million; offset by (iii) lower foreign exchange loss of S\$1.5 million as compared to FY2017.

##### **Finance costs**

For 4Q2018 and FY2018, finance costs increased by S\$0.2 million (or 95.6%) and S\$0.2 million (or 27.5%) respectively, which is mainly due to an increase in bank facilities drawn down during the financial year.

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

Income tax expense for 4Q2018 and FY2018 increased by S\$0.9 million and S\$2.0 million mainly due to higher profit and higher tax provision in overseas subsidiaries where the tax rates are higher and group tax offsetting is not permitted.

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

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

The increase in the Group's net carrying amount of property, plant and equipment was largely attributed to the consolidation of Aenergy and its subsidiaries ("Aenergy Group") following the completion of step-up acquisition on 27 December 2018.

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)**

**Goodwill**

The increase in goodwill was primarily due to the consolidation of Aenergy Group following the completion of step-up acquisition during the financial year.

**Associates**

Interests in associates decreased by S\$12.2 million to S\$6.1 million as at 31 December 2018. This was mainly attributed to the derecognition of Aenergy Group following the completion of the step-up acquisition during the year. Accordingly, Aenergy Group has become a subsidiary of the Group.

**Inventories**

Inventories increased by S\$5.0 million to S\$55.2 million as at 31 December 2018. This was primarily due to the growth of revenue in FY2018 as compared to FY2017.

**Trade and other receivables (current and non-current)**

The increase in trade and other receivables (non-current) of S\$30.2 million was mainly attributed to the consolidation of Aenergy accounts following the completion of the step-up acquisition. Aenergy Group has recognized service concession receivables relating to the construction of mini-hydropower plants in Indonesia under the service concession arrangement.

Trade and other receivables (current) increased by S\$7.1 million to S\$96.2 million as at 31 December 2018. This was mainly due to the growth of revenue in FY2018 as compared to FY2017 resulting in an increase in trade receivables of approximately S\$4.6 million and other receivables of S\$2.5 million due to the consolidation of Aenergy Group.

Subsequent receipt of approximately S\$20.8 million was received from customers as at 31 January 2019. The collection represents approximately 30.5% of trade receivables as at 31 December 2018.

**Trade and other payables**

Trade and other payables remained relatively stable as compared to prior year.

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

Bank borrowings increased by S\$13.8 million to S\$28.3 million as at 31 December 2018. The increase was primarily due to proceeds of bank borrowings of S\$25.9 million, offset by repayment of bank borrowings amounting to S\$12.1 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 FINANCIAL POSITION ITEMS (CONT'D)**

**CASH FLOW STATEMENT**

**Changes in Cash Flow from Operating Activities**

For 4Q2018, net cash generated from operating activities of S\$3.2 million arose from operating cash flow before working capital changes of S\$4.9 million offset by (i) net interest paid of S\$0.1 million; and (ii) income tax paid of S\$1.7 million.

For FY2018, net cash generated from operating activities of S\$4.9 million arose from operating cash flow before working capital changes of S\$28.5 million offset by (i) decrease in working capital S\$17.5 million, (ii) net interest paid of S\$0.4 million; and (iii) income tax paid of S\$5.7 million.

**Changes in Cash Flow from Investing Activities**

For 4Q2018, net cash generated from investing activities amounted to S\$5.0 million. The factors contributing to the increase are (i) dividends from associates of S\$0.3 million; (ii) absence of loan to associates of S\$10.6 million due to the consolidation of Aenergy Group; (iii) repayment from associates of S\$0.1 million offset by (iv) acquisition of subsidiary of \$5.3 million; (v) purchase of plant and equipment of S\$0.8 million.

For FY2018, net cash used in investing activities amounted to S\$6.1 million, primarily attributed to (i) acquisition of subsidiary of S\$5.3 million; and (ii) purchase of plant and equipment of S\$2.6 million; offset by (iii) proceeds from disposal of plant and equipment of S\$0.3 million; (iv) net cash inflow on disposal of subsidiaries of S\$0.6 million; (v) dividends from associate of S\$0.4 million; and (vi) repayment from associates of S\$0.5 million.

**Changes in Cash Flow from Financing Activities**

For 4Q2018, net cash used in financing activities amounted to S\$3.4 million as a result of total dividends paid of S\$3.0 million, repayment of finance lease of S\$0.1 million and increase in fixed deposits pledged of S\$2.9 million. This is offset by the net proceeds from bank borrowings of S\$2.6 million.

For FY2018, net cash generated from financing activities amounted to S\$2.0 million as a result of net proceeds from bank borrowings of S\$13.8 million offset by total dividends paid of S\$8.6 million, repayment of finance lease of S\$0.2 million and increase in fixed deposits pledged of S\$2.9 million.

Overall, the Group's cash and cash equivalent balance as at 31 December 2018 of \$38.7 million was higher by S\$0.6 million as compared to 31 December 2017.

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 significant trends and 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.**

While its record revenue and earnings in 2018 reaffirm its value proposition as an established integrated engineering firm in Asia, the Group is mindful of its increasingly challenging operating environment given the current headwinds in the global economy. Notably, the economic slowdown in China, the Group's largest market by revenue, has prompted some businesses to move or consider moving their manufacturing operations out of the country or to review their expansion plans.

While China's slowdown and its impact on these businesses could potentially translate into less robust demand for its engineering services, the Group expects its diversified base of more than 10,000 corporate customers – none of which accounts for more than 10% of its total revenue – to mitigate any downside to its business. For some of these businesses, Southeast Asia has become a preferred region to house their production operations or supply chains. Against this backdrop, the Group sees opportunities to widen its reach in this region.

In December 2018, for instance, ISDN formed a joint venture business with Maxon Motor AG in Singapore to sell maxon motor's products in Southeast Asia. Switzerland-based maxon motors manufactures micro motors and drive systems used in various consumer products and industrial applications, including insulin pumps, surgical power tools and robots. The joint venture will market these products in Singapore, Malaysia, Indonesia, Thailand, the Philippines, Vietnam and Hong Kong.

The Group will also step up efforts to develop its nascent renewable energy business in order to diversify its income streams and create greater value for shareholders. As previously disclosed, its first mini-hydropower plant in Indonesia is expected to begin production by mid-2019. Another two hydropower plants will probably start production in the third quarter of 2019 and the fourth quarter of 2020 respectively. When fully operational, all three plants will be able to power more than 12,000 homes in North Sumatra. Mini-hydropower plants are ideal sources of electricity for remote and rural areas in Indonesia as many of these places are not well-served by diesel-fuelled power plants, which are costly to operate in the country.

**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?

**11. Dividend (Cont'd)**

- (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). (Cont'd)**

- (a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Name of Dividend	Final
Dividend Type	Cash and/or scrip
Dividend amount per share (in Singapore cents)	0.7
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	Final
Dividend Type	Cash
Dividend amount per share (in Singapore cents)	0.6
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 28<sup>th</sup> August 2019 to shareholders whose names shall appear on the register of members of the Company on 10<sup>th</sup> July 2019.

- (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 10<sup>th</sup> July 2019.

**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 interim financial statements announcement (comprising the statement of comprehensive income, statement of financial position, , statement of cash flows 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 disbursement of the net proceeds from the Second Placement between the date of the last announcement made on 7 November 2018 and the date of this announcement. The Company will make further announcements as and when the net proceeds from the Second Placement are materially disbursed.

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

The Board wishes to update the Shareholders on the Group's utilisation of the net proceeds of approximately S\$7,000,000 (after deducting expenses of approximately S\$2,369,000) from the issuance and allotment of 40,000,000 new ordinary Shares in connection with the Listing, as set out below:

Prospects/ Future Plans	Amount of net	Amount utilised to	Amount unutilised
	proceeds allocated	date	to date
	S\$'000	S\$'000	S\$'000
Repayment of debts	6,300	(6,300)	-
Working capital requirements	700	(700)	-
Total	7,000	(7,000)	-

**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		Non-current assets	
	external customers		2018	2017
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
		<i>Restated</i>		<i>Restated</i>
Singapore	43,009	45,199	18,538	34,128
China	210,837	207,463	22,439	22,891
Hong Kong	12,880	10,199	993	1,369
Malaysia	8,652	7,469	890	904
Others	26,612	21,633	46,956	230
	301,990	291,963	89,816	59,522



**ISDN Holdings Limited**  
**2018 Financial Statements Announcement for the**  
**Fourth Quarter and Year Ended 31 December 2018**

**(b) Reportable Operating Segments**

	Engineering Solution - Motion Control		Other Specialised Engineering Solutions		Industrial Computing Solution		Others		Elimination		Consolidated	
	2018 S\$'000	2017 S\$'000 <i>Restated</i>	2018 S\$'000	2017 S\$'000 <i>Restated</i>	2018 S\$'000	2017 S\$'000 <i>Restated</i>	2018 S\$'000	2017 S\$'000 <i>Restated</i>	2018 S\$'000	2017 S\$'000 <i>Restated</i>	2018 S\$'000	2017 S\$'000 <i>Restated</i>
<b>Revenue</b>												
External sales	236,281	223,683	59,121	62,086	5,596	6,101	992	93	-	-	301,990	291,963
Inter-segment sales	7,694	3,347	1,228	1,810	178	170	-	-	(9,100)	(5,327)	-	-
	<u>243,975</u>	<u>227,030</u>	<u>60,349</u>	<u>63,896</u>	<u>5,774</u>	<u>6,271</u>	<u>992</u>	<u>93</u>	<u>(9,100)</u>	<u>(5,327)</u>	<u>301,990</u>	<u>291,963</u>
<b>Results</b>												
Segment results	13,734	18,015	10,491	1,684	247	580	(838)	(194)	-	-	23,634	20,085
Share of profit/(loss) of associates	701	1,027	-	-	-	-	(333)	(412)	-	-	368	615
Corporate expenses											(98)	(1,833)
Rental income											575	586
Interest income											252	108
Finance costs											(1,035)	(812)
Profit before income tax											<u>23,696</u>	<u>18,749</u>
Income tax											<u>(7,118)</u>	<u>(5,069)</u>
Profit for the year											<u><u>16,578</u></u>	<u><u>13,680</u></u>
<b>Assets</b>												
Segment assets	133,491	124,496	38,760	38,732	2,476	2,942	58,981	8,922	(11,344)	(6,789)	222,364	168,303
Goodwill	2,178	2,178	9,508	9,508	-	-	541	-	-	-	12,227	11,686
Associates	5,266	4,688	-	-	-	-	870	13,664	-	-	6,136	18,352
Investment properties											497	504
Cash and bank balances											41,877	38,303
Consolidated total assets											<u><u>283,101</u></u>	<u><u>237,148</u></u>
<b>Liabilities</b>												
Segment liabilities	55,274	53,737	14,163	14,203	305	491	3,007	2,777	(11,344)	(6,789)	61,405	64,419
Bank and borrowings and finance lease											28,570	14,703
Income tax liabilities											2,286	1,437
Other unallocated corporate liabilities											8,632	4,763
Consolidated total liabilities											<u><u>100,893</u></u>	<u><u>85,322</u></u>



**ISDN Holdings Limited**  
**2018 Financial Statements Announcement for the**  
**Fourth Quarter and Year Ended 31 December 2018**

	Engineering Solution - Motion Control		Other Specialised Engineering Solutions		Industrial Computing Solution		Others		Elimination		Consolidated	
	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000
	<i>Restated</i>		<i>Restated</i>		<i>Restated</i>		<i>Restated</i>		<i>Restated</i>		<i>Restated</i>	
<b>Other information</b>												
Capital expenditure on property, plant & equipment	1,584	1,332	971	693	2	43	47	27	-	-	2,604	2,095
Depreciation of properties, plant & equipment	1,489	1,502	611	608	39	11	23	90	-	-	2,162	2,211
Depreciation of investment properties	19	19	-	-	-	-	-	-	-	-	19	19
Other non-cash expenses												
- amortisation of land use rights	33	34	-	-	-	-	-	-	-	-	33	34
- trade and other receivables written off	116	71	19	47	-	-	-	38	-	-	135	156
- allowance for inventory obsolescence	747	641	281	668	-	-	-	-	-	-	1,028	1,309
- allowance for impairment of trade and other receivables	1,825	34	125	33	-	-	571	-	-	-	2,521	67
- plant & equipment written off	1	4	14	-	-	-	-	-	-	-	15	4
- inventories written off	135	124	285	14	-	-	-	-	-	-	420	138
- write back of allowance for trade receivables	(13)	(54)	-	-	-	-	(5)	-	-	-	(18)	(54)
- write back of allowance for inventory obsolescence	(232)	(5)	-	-	-	-	-	-	-	-	(232)	(5)



**ISDN Holdings Limited**  
**2018 Financial Statements Announcement for the**  
**Fourth Quarter and Year Ended 31 December 2018**

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:-

	Group		Increase/ (decrease)
	2018 S\$'000	2017 S\$'000 <i>Restated</i>	
Sales reported for the first half year	162,104	145,027	11.8%
Operating profit after tax before deducting non-controlling interest reported for the first half year	13,524	6,678	n.m.
Sales reported for the second half year	139,886	146,936	-4.8%
Operating profit after tax before deducting non-controlling interest reported for the second half year	3,403	7,002	-51.4%

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:-

	Group	
	2018 S\$'000	2017 S\$'000
Ordinary	2,289	1,282

**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:

Name	Age	Family Relationship with any Director and/or Substantial Shareholder	Current position and duties, and the year position was held	Details of changes in duties and position held, if any, during the year
Thang Yee Chin	59	Spouse of:- Teo Cher Koon - managing director and substantial shareholder	<p><b>Company's name:</b> Servo Dynamics Pte Ltd A principal Subsidiary of the Company</p> <p><b>Position in the Company:</b> Director</p> <p><b>Appointed on:</b> 26 September 2005</p> <p><b>Duties:</b> Managing the administrative functions of the subsidiary.</p>	No Change

By Order of the Board

Gwendolyn Gn  
 Joint Company Secretary  
 ISDN Holdings Limited  
 26 February 2019