



MEDIA RELEASE

ISDN posts +25% growth in earnings, +72% growth in earnings to shareholders in FY2024

Earnings growth across the Group's integrated global strategy and regions.

- **Group revenue grew** +9.0% yoy in FY2024 and +13.3% sequentially in 2H2024, with growth in all key business units and regions.
- **Group earnings grew** +25% yoy in FY2024 and +41% yoy sequentially in 2H2024 on profit-after-tax ("PAT") basis. Earnings to shareholders grow +72% and +25% in FY2024 and sequentially in 2H2024 respectively.
- **The Group saw growth across all major business units and regions** in FY2024 yoy and 2H2024 sequentially:
 - Regional growth in China (+4% yoy, 2% seq) and Southeast Asia (+22% yoy, +54% seq).
 - Business unit growth in Industrial Automation (+5% yoy, +6% seq) and Hydropower (+233% yoy, +249% seq).
- **Final dividend for FY2024** is set at 0.47 Singapore cents, up 67.9% from FY2023, commensurate with both the growth in earnings to shareholders and increased confidence in the Group's integrated strategy across business units, regions and end-industries.
- **ISDN continues to build its growth strategy** with clear commitment to:
 - Building **geographic markets** from its core in China, Singapore and Vietnam to new territories in Malaysia and Taiwan.
 - Building **technology capabilities** across the "full stack" of automation technologies from components to motion control, modules, systems, cloud, IoT and AI.
 - Building **complementary businesses**, with proven benefits from connecting the industrially-cyclical automation growth business with the acyclical clean energy business (generating growing, recurring cash-rich earnings).
- While the Group is monitoring developments in the **global tariffs and trade tensions**, so far ISDN's "Asia-for-Asia" regional strategy continues to insulate the business from impact.

Singapore, 28 February 2025 – ISDN Holdings Limited ("ISDN" or the "Group"), a leading industrial automation firm in Asia, today announced its financial results for full year ended 31 December 2024 ("FY2024").

Financial summary

ISDN delivered revenue growth for ISDN in FY2024 year-on-year ("yoy") and 2H2024 sequentially across geographies and business units. The Group benefited from its long-term strategy of disciplined, steady capability build across businesses, geographies and capabilities.

The Group continued to exercise prudent cost management in FY2024, seeking to balance (1) a cost structure appropriate for soft cyclical conditions; with (2) a disciplined commitment to investing in long-term capabilities and growth through the cycle.

The combination of revenue growth and careful cost management enabled the Group to generate solid earnings growth, with profits to shareholders up +72% yoy in FY2024 and +25% up sequentially in 2H2024:

S\$'000	FY2023	FY2024	YoY change	1H2024	2H2024	Seq. change
Revenue	341,766	372,442	+9.0%	174,572	197,870	+13.3%
Gross profit	91,134	94,915	+4.1%	44,393	50,522	+13.8%
Gross profit margin (%)	26.7%	25.5%	-1.2ppt	25.4%	25.5%	+0.1ppt
Operating expenses ^a	66,714	71,537	+7.2%	34,156	37,381	+9.4%
Profit before tax	18,873	19,654	+4.1%	8,515	11,139	+30.8%
Profit after tax	11,172	13,965	+25.0%	5,806	8,159	+40.5%
Profit attributable to shareholders	4,952	8,522	+72.1%	3,781	4,741	+25.4%
Net profit margin ^b (%)	3.3%	3.7%	+0.4ppt	3.3%	4.1%	+0.8ppt

ppt percentage points

n.m. not meaningful

^a Operating expenses comprise distribution costs and administrative expenses

^b Net profit margin = profit after tax/revenue

Review of FY2024 performance

ISDN's growth in 2024 stems from positive developments in its key capabilities and market segments:

- **ISDN's China industrial automation business** (71% of revenue) grew +4.0% yoy in FY2024 and +1.5% sequentially in 2H2024. This aligns with the recovery of China's manufacturing economy in 2024, with China Caixin Manufacturing Purchasing Managers Index ("PMI") averaging at 50.8, above the expansionary benchmark of 50.0¹.
- **ISDN's Southeast Asia industrial automation business** (20% of revenue) rose +3.1% yoy in FY2024 and +25.2% sequentially in 2H2024, reflecting a cautious emergence from the industrial downcycle in 2023-2024. As the Group monitors cyclical recovery for its existing regions, it has continued to grow its market access by establishing new facilities in Taiwan and Malaysia, two key semiconductor hubs in the region. The Group looks forward to accessing these significant industrial economies, with its strengths in supporting the large semiconductor and manufacturing end-markets present in each of these new regions.
- **ISDN's hydropower business** (6% of revenue) increased to 233% yoy to S\$22.3 million in FY2024. The Group realised full-year, recurring earnings for its three operational hydropower plants, and a small amount of construction revenue from its upcoming fourth mini-hydropower plant, Lau Biang 2.

¹ [Investing.com: China Caixin Manufacturing Purchasing Managers Index \(PMI\)](https://www.investing.com/economic-indicators/china-caixin-manufacturing-purchasing-managers-index-pmi)

Gross margin for FY2024 declined by 1.2ppt, mainly attributable to cyclical mix shift as weakness in the semiconductor and electronics sectors shifted mix toward solutions with slightly lower margins. The Group is seeing early recovery in the semiconductor and electronics segments, consistent with global trending, and remains confident that these sectors should provide solid long-term growth out of the downcycle.

With after-tax profits up +25% and earnings to shareholders up +72% in FY2024, the Board is pleased to recommend a final dividend of 0.47 Singapore cents for FY2024, representing a payout ratio of 25%.

2025 outlook

With the expansion of capabilities and regional markets as well as developing recovery momentum from the industrial downcycle, the Group is cautiously optimistic for FY2025. ISDN notes that:

- ISDN's core industrial automation business should benefit from the China's strategic priority to address labour shortages and demographic challenges through automation and advanced manufacturing. ISDN may benefit from both stimulus packages and overall demand growth from technology adoption.
- ISDN's existing core presence in Southeast Asia, and its recent expansion into Malaysia and Taiwan, should enable it to capture the growth opportunities from the "China+1" re-organisation of the global supply chain as more manufacturing activity shifts to these regions².
- ISDN's careful focus on developing proven capabilities in advanced technologies (such as intelligent automation, IoT, Industry 4.0 and AI) as well as strategic growth industries (such as semiconductors, electronics, and automation machinery) should continue to benefit from secular long-term growth in both technology and the global supply chain.

The Group's growth strategy, proven capabilities, and balanced approach to cost management should enable it continue benefitting from cyclical recovery and secular growth in its markets.

CEO remarks

Reflecting on ISDN's strategic position and performance in FY2024, **Mr Teo Cher Koon, ISDN's Managing Director and President** remarked that *"We are deeply grateful to our shareholders for their conviction in ISDN during a difficult downcycle. We made a disciplined strategic decision to stay focused on long-term shareholder growth, investing in growing our regions, industries and capabilities while conditions were soft.*

We're pleased that ISDN's disciplined approach to strategic growth has generated good results in FY2024, not just from a stabilisation of the industrial cycle, but also from strategic initiatives such as our hydropower business and our capabilities on the growth edge of industrial automation.

In our core business we have — for years now — believed in a local, regional approach to industrial automation. With over 75 locations throughout Asia, this is a competitive advantage to ISDN because it places us closer to our customers, building relationships and results that

² [Strategic Risk: The rise and rise of 'China Plus One' risk strategies](#)

can be difficult for other companies to replicate. In an environment where tariffs and tensions create new costs and risks for intercontinental trade, the value proposition of our regional strategy is stronger and more relevant than ever.

With continued progress on Asia's industrial recovery in 2024 through today, we believe ISDN remains well-positioned to capitalise on key growth trends in technology and supply chain evolution in 2025 and beyond."

— End —

About ISDN Holdings Limited

ISDN is a leading provider of industrial automation solutions throughout Asia. The Company has more than 10,000 customers, and 55 offices spanning key Asian growth markets, and has a 30-year history of innovating alongside the growing technology needs of its customers.

Today, ISDN's solutions power advanced industrial sectors including semiconductors, Industry 4.0 manufacturing, medical devices, aerospace, and clean energy. ISDN's solutions power products and manufacturing in 5G, industrial robotics, the Internet of Things (IoT/IIoT), cloud and edge computing, and Industry 4.0 intelligent manufacturing.

ISDN was founded in 1986 and has been listed on the SGX Main Board since 2005 and the Stock Exchange of Hong Kong Main Board since 2017.

For more information, please visit www.isdnholdings.com

Issued for and on behalf of ISDN Holdings Limited by Financial PR.

For media enquiries, please contact:

Shivam Saraf

Email: shivam@financialpr.com.sg

Kamal Samuel

Email: kamal@financialpr.com.sg

Vicki Zhou

Email: zhouyan@financialpr.com.sg

Tel: +65 6438 2990

ISDN Holdings Limited

101 Defu Lane 10 Singapore 539222

Tel: +65 6844 0288

Fax: +65 6844 0070

Web: www.isdnholdings.com

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ISDN HOLDINGS LIMITED

億仕登控股有限公司

(Incorporated in the Republic of Singapore with limited liability)

(Hong Kong stock code: 1656)

(Singapore stock code: I07.SI)

ANNUAL RESULTS ANNOUNCEMENT FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

	Six months ended 31 December			Twelve months ended 31 December		
	2024 S\$'000	2023 S\$'000	Change %	2024 S\$'000	2023 S\$'000	Change %
Revenue	197,870	171,355	15.5%	372,443	341,766	9.0%
Gross Profit	50,522	45,550	10.9%	94,915	91,134	4.1%
Profit after tax	8,159	2,111	n.m.	13,965	11,172	25.0%
Profit for the period/year attributable to equity holders of the Company	4,741	372	n.m.	8,522	4,952	72.1%
Basic earnings per share (Singapore cents)	1.06	0.08	n.m.	1.91	1.12	70.5%

n.m.: Not meaningful

The Board has resolved to recommend a final dividend of 0.47 Singapore cents (equivalent to 2.71 Hong Kong cents) for the year ended 31 December 2024 (2023 final: 0.28 Singapore cents (equivalent to 1.63 Hong Kong cents)).



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ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of ISDN Holdings Limited (the “**Company**” or “**ISDN**”) hereby announces the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 31 December 2024 (“**2H2024**”) and annual results for the year ended 31 December 2024 (the “**FY2024**”), together with the relevant comparative audited or unaudited figures. The Group’s results for 2H2024 and FY2024 are unaudited but have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

A. Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

		GROUP					
		Six months ended 31 December			Twelve months ended 31 December		
		2024	2023	% change	2024	2023	% change
Note		S\$'000	S\$'000	+/(-)	S\$'000	S\$'000	+/(-)
		<i>(unaudited)</i>	<i>(unaudited)</i>		<i>(unaudited)</i>	<i>(audited)</i>	
	Revenue	197,870	171,355	15.5%	372,443	341,766	9.0%
	Cost of sales	(147,348)	(125,805)	17.1%	(277,528)	(250,632)	10.7%
	Gross profit	50,522	45,550	10.9%	94,915	91,134	4.1%
	Other operating income	2,265	2,559	-11.5%	4,224	4,795	-11.9%
	Distribution costs	(15,392)	(13,859)	11.1%	(29,773)	(26,318)	13.1%
	Administrative expenses	(21,989)	(21,443)	2.5%	(41,764)	(40,396)	3.4%
	Net impairment gains/ (losses) on financial assets	1	(1,607)	n.m.	(76)	(1,571)	-95.2%
	Other operating expenses	(1,098)	(3,041)	-63.9%	(1,788)	(3,711)	-51.8%
	Finance costs	(2,701)	(2,320)	16.4%	(5,468)	(4,391)	24.5%
	Share of loss of associates, net	(469)	(312)	50.3%	(616)	(669)	-7.9%
	Profit before income tax	11,139	5,527	n.m.	19,654	18,873	4.1%
	Income tax	(2,980)	(3,416)	-12.8%	(5,689)	(7,701)	-26.1%
	Profit for the period/year	8,159	2,111	n.m.	13,965	11,172	25.0%
	Other comprehensive income, net of tax:						
	<u>Items that may be subsequently reclassified to profit or loss</u>						
	- net fair value changes on cash flow hedge	(81)	-	n.m.	(26)	-	n.m.
	- fair value loss recognised on financial asset at fair value through other comprehensive income	-	-	n.m.	(345)	-	n.m.
	- exchange differences on translation	243	(1,435)	n.m.	680	(4,918)	n.m.
	Total comprehensive income for the period/year	8,321	676	n.m.	14,274	6,254	n.m.
	Profit for the period/year attributable to:						
	Equity holders of the Company	4,741	372	n.m.	8,522	4,952	72.1%
	Non-controlling interests	3,418	1,739	96.5%	5,443	6,220	-12.5%
		8,159	2,111	n.m.	13,965	11,172	25.0%
	Total comprehensive income for the period/year attributable to:						
	Equity holders of the Company	4,422	(704)	n.m.	8,546	1,073	n.m.
	Non-controlling interests	3,899	1,380	n.m.	5,728	5,181	10.6%
		8,321	676	n.m.	14,274	6,254	n.m.
	Earnings per share for profit for the period/year attributable to the owners of the Company:						
	Basic and diluted (Singapore cents)	1.06	0.08	n.m.	1.91	1.12	70.5%

n.m.: Not meaningful

B. Condensed Consolidated Statements of Financial Position

	Note	GROUP		COMPANY	
		As at 31 December 2024 S\$'000 <i>(unaudited)</i>	As at 31 December 2023 S\$'000 <i>(audited)</i>	As at 31 December 2024 S\$'000 <i>(unaudited)</i>	As at 31 December 2023 S\$'000 <i>(audited)</i>
ASSETS					
Non-current Assets					
Property, plant and equipment	13	65,758	63,189	585	613
Investment properties		381	396	-	-
Land use rights		1,009	1,041	-	-
Goodwill	14	12,911	12,227	-	-
Subsidiaries		-	-	87,304	87,304
Associates		6,746	5,272	-	-
Service concession receivables		81,654	70,460	-	-
Other financial assets		555	900	-	-
Deferred tax assets		513	281	6	-
Total non-current assets		169,527	153,766	87,895	87,917
Current Assets					
Inventories		67,411	73,011	-	-
Trade and other receivables and contract assets	15	119,455	110,593	766	735
Service concession receivables		2,993	3,036	-	-
Amounts owing by subsidiaries		-	-	43,211	37,406
Dividend receivables		-	-	3,600	-
Cash and bank balances		56,519	60,033	978	1,845
Total current assets		246,378	246,673	48,555	39,986
Total Assets		415,905	400,439	136,450	127,903
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	16	85,467	84,755	85,467	84,755
Reserves		121,264	113,867	44,312	39,884
		206,731	198,622	129,779	124,639
Non-controlling interests		40,481	42,043	-	-
Total Equity		247,212	240,665	129,779	124,639
Non-current Liabilities					
Bank borrowings	17	48,884	56,025	-	-
Leases liabilities		5,915	5,035	595	618
Deferred tax liabilities		720	568	-	-
Total non-current liabilities		55,519	61,628	595	618
Current Liabilities					
Bank borrowings	17	21,227	19,659	-	-
Leases liabilities		1,886	1,368	23	22
Trade and other payables	18	74,709	64,624	6,053	2,624
Contract liabilities		13,776	10,811	-	-
Current tax liabilities		1,576	1,684	-	-
Total current liabilities		113,174	98,146	6,076	2,646
Total Liabilities		168,693	159,774	6,671	3,264
Total Equity and Liabilities		415,905	400,439	136,450	127,903

C. Condensed Consolidated Statements of Changes in Equity

	← Attributable to equity holders of the Group →					Total	Non-controlling interests	Total equity
	Share capital	Merger reserve	Exchange translation reserve	Other reserves	Retained earnings			
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2024								
Balance at 1 January 2024 <i>(audited)</i>	84,755	(436)	(9,576)	6,495	117,384	198,622	42,043	240,665
Profit for the year	-	-	-	-	8,522	8,522	5,443	13,965
Other comprehensive income/(loss) for the year	-	-	395	(371)	-	24	285	309
Total comprehensive income/(loss) for the year	-	-	395	(371)	8,522	8,546	5,728	14,274
Dividend paid in cash relating to financial year ended 31 December 2023 ("FY2023")	-	-	-	-	(539)	(539)	-	(539)
Shares issued in-lieu of cash for dividend relating to FY2023	712	-	-	-	(712)	-	-	-
Dividends to non-controlling interests ("NCI")	-	-	-	-	-	-	(7,202)	(7,202)
Transfer to other reserves	-	-	-	51	51	102	(102)	-
Capital contribution from NCI	-	-	-	-	-	-	52	52
Acquisition of NCI	-	-	-	-	-	-	(38)	(38)
Balance at 31 December 2024 <i>(unaudited)</i>	85,467	(436)	(9,181)	6,175	124,706	206,731	40,481	247,212
2023								
Balance at 1 January 2023 <i>(audited)</i>	81,487	(436)	(5,697)	6,194	116,281	197,829	44,771	242,600
Profit for the year	-	-	-	-	4,952	4,952	6,220	11,172
Other comprehensive loss for the year	-	-	(3,879)	-	-	(3,879)	(1,039)	(4,918)
Total comprehensive (loss)/income for the year	-	-	(3,879)	-	4,952	1,073	5,181	6,254
Share-based payments	-	-	-	1,387	-	1,387	-	1,387
Issue of ordinary shares related to share award	1,387	-	-	(1,387)	-	-	-	-
Dividend paid in cash relating to financial year ended 31 December 2022 ("FY2022")	-	-	-	-	(1,667)	(1,667)	-	(1,667)
Shares issued in-lieu of cash dividend relating to FY2022	1,881	-	-	-	(1,881)	-	-	-
Dividends to non-controlling interests	-	-	-	-	-	-	(7,909)	(7,909)
Transfer to other reserve	-	-	-	301	(301)	-	-	-
Balance at 31 December 2023 <i>(audited)</i>	84,755	(436)	(9,576)	6,495	117,384	198,622	42,043	240,665

C. Condensed Consolidated Statements of Changes in Equity (Cont'd)

Company	Share capital S\$'000	Other reserves S\$'000	Retained earnings S\$'000	Total S\$'000
2024				
Balance at 1 January 2024 <i>(audited)</i>	84,755	(178)	40,062	124,639
Net profit for the year	-	-	5,679	5,679
Total comprehensive income for the year	-	-	5,679	5,679
Dividend paid in cash relating to FY2023	-	-	(539)	(539)
Shares issued in-lieu of cash for dividend relating to FY2023	712	-	(712)	-
Balance at 31 December 2024 <i>(unaudited)</i>	85,467	(178)	44,490	129,779
2023				
Balance at 1 January 2023 <i>(audited)</i>	81,487	(178)	30,375	111,684
Net profit for the year	-	-	13,235	13,235
Total comprehensive income for the year	-	-	13,235	13,235
Share-based payments	-	1,387	-	1,387
Issue of ordinary shares related to share award	1,387	(1,387)	-	-
Dividend paid in cash relating to FY2022	-	-	(1,667)	(1,667)
Shares issued in-lieu of cash for dividend relating to FY2022	1,881	-	(1,881)	-
Balance at 31 December 2023 <i>(audited)</i>	84,755	(178)	40,062	124,639

D. Condensed Consolidated Statement of Cash Flows

	GROUP			
	Six months ended		Twelve months	
	31 December		ended 31 December	
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
Cash Flows from Operating Activities:				
Profit before income tax	11,139	5,527	19,654	18,873
Adjustments for:				
Allowance for impairment of trade and other receivables	26	1,684	136	1,748
Allowance for inventories obsolescence	999	490	1,494	889
Amortisation of land use rights	16	16	32	32
Depreciation of investment properties	10	10	19	19
Depreciation of property, plant and equipment	3,400	3,032	6,534	5,558
Gain on disposal of property, plant and equipment, net	(9)	(4)	(230)	(8)
Gain on termination of leases	(29)	-	(29)	-
Interest expenses	2,701	2,320	5,468	4,391
Interest income	(111)	(213)	(330)	(338)
Inventories written off	2	12	9	30
Loss on deemed disposal of interest in an associate	41	-	41	-
Property, plant and equipment written off	9	20	9	31
Reversal of over provision of share-based payment	-	-	-	(358)
Share of loss of associates, net	469	312	616	669
Trade and other receivables written off	-	1	5	158
Write back of allowance for impairment loss on trade and other receivables	(27)	(77)	(60)	(177)
Write back of allowance for inventories obsolescence	-	-	-	(106)
Unrealised foreign exchange differences	(839)	2,240	(1,105)	1,401
Operating cash flow before working capital changes	17,797	15,370	32,263	32,812
Changes in working capital:				
Inventories	1,274	6,052	4,287	7,360
Trade and other receivables	(1,222)	(4,924)	(4,212)	(14,407)
Trade and other payables	768	(36,069)	7,950	(39,574)
Cash from operating activities before service concession arrangements	18,617	(19,571)	40,288	(13,809)
Change in receivables from service concession arrangements	(10,452)	3,489	(11,152)	3,464
Cash generated from/(used in) operations after service concession arrangements	8,165	(16,082)	29,136	(10,345)
Interest paid	(2,561)	(2,207)	(5,207)	(4,171)
Interest received	111	213	330	338
Income tax paid	(2,882)	(4,924)	(5,878)	(9,969)
Net cash generated from/(used in) operating activities	2,833	(23,000)	18,381	(24,147)

D. Condensed Consolidated Statement of Cash Flows (Cont'd)

	GROUP			
	Six months ended		Twelve months	
	31 December		ended 31 December	
	2024	2023	2,024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
Cash Flows from Investing Activities:				
Net cash outflow on acquisition of a subsidiary	(376)	-	(376)	-
Dividends from associates	-	-	47	309
Proceeds from disposal of property, plant and equipment	70	27	909	37
Purchase of property, plant and equipment	(2,994)	(1,810)	(7,523)	(4,361)
Net cash used in investing activities	(3,300)	(1,783)	(6,943)	(4,015)
Cash Flows from Financing Activities:				
Decrease in bank deposits pledged	377	1,082	377	1,627
Dividends to equity holders of the Company	(539)	(1,667)	(539)	(1,667)
Dividends to non-controlling interests	(3,794)	(6,058)	(5,704)	(6,423)
Interest expense on lease liabilities	(140)	(113)	(261)	(220)
Investment in associates	-	-	(2,203)	-
Proceeds from bank borrowings	5,541	43,115	9,343	57,144
(Repayment)/proceeds from trust receipts, net	(320)	(1,216)	1,480	(2,833)
Repayment of bank borrowings	(6,222)	(30)	(16,713)	(12,503)
Repayment of lease liabilities, net	(1,371)	(1,189)	(2,571)	(2,296)
Proceeds from NCI	2,742	-	2,742	-
Net cash (used in)/generated from financing activities	(3,726)	33,924	(14,049)	32,829
Net (decrease)/increase in cash and cash equivalents	(4,193)	9,141	(2,611)	4,667
Cash and cash equivalents at the beginning of financial period/year	60,071	49,572	59,262	54,128
Effect of currency translation on cash and cash equivalents	251	549	(522)	467
Cash and cash equivalents at the end of financial period/year	56,129	59,262	56,129	59,262
Additional information:				
Cash and bank balances	53,709	46,535	53,709	46,535
Fixed deposits	2,810	13,498	2,810	13,498
Cash and bank balances	56,519	60,033	56,519	60,033
Less: bank deposits pledged	(390)	(771)	(390)	(771)
Total cash and cash equivalents	56,129	59,262	56,129	59,262

E. Notes to the Condensed Consolidated Financial Statements

1 Corporate Information

The Company is a public limited liability company incorporated and domiciled in Singapore and is dual listed on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Company’s registered office and principal place of business is 101 Defu Lane 10, Singapore 539222.

The Company’s principal activities included the provision of technical consultancy, training services, and management services. The principal activities of its subsidiaries and associates are principally focusing on motion control, industrial computing, other specialised engineering solutions and renewable energy.

2 Basis of Preparation

The annual results set out in this announcement do not constitute the Group’s annual report for the FY2024 but are extracted from that report.

The unaudited condensed consolidated financial statements for the second half and full year ended 31 December 2024 have been prepared in accordance with Singapore Financial Reporting Standard (International) (“**SFRS(I)**”) 1-34 “*Interim Financial Reporting*” (“**SFRS(I) 1-34**”) issued by the Accounting Standards Council Singapore (“**ASC**”) and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**SEHK Listing Rules**”). The unaudited condensed consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since last annual financial statements for FY2023.

The unaudited condensed consolidated financial information has been prepared on the historical basis, except certain financial assets and liabilities which are carried at fair value. The unaudited condensed consolidated financial information is presented in Singapore dollars (“**S\$**”) and all values are rounded to the nearest thousand (“**S\$’000**”), except otherwise indicated.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 3.

3 Adoption of New and Amended Standards

The Group has adopted all the new and revised SFRS(I)s that are relevant to its operations and effective for annual period beginning on 1 January 2024. The application of the new and revised standards and interpretations has no material effect on the consolidated financial statements.

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

3 Adoption of New and Amended Standards (Cont'd)

(i) Adoption of SFRS(I)s which are effective

The accounting policies adopted are consistent with those of the previous financial year except in the current financial period, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2024.

The adoption of these amendments to SFRS(I)s did not result in substantial changes to the Group's accounting policies and had no material effect on the Group's financial performance or financial position.

(ii) Use of judgements and estimates

In preparing the unaudited condensed consolidated financial statements, management has made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

Note 14 – Impairment test of goodwill

Note 15 – Measurement of expected credit loss (“ECL”) allowance for trade and other receivables

4 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

5 Segment Information

The business of the Group is organised into the following main business segments:

- Engineering Solutions - Motion Control
- Other Specialised Engineering Solutions
- Industrial Computing Solutions
- Renewable Energy

Operating segments are reported in a manner consistent with the internal reporting provided to the management whose members are responsible for allocating resources and assessing performance of the operating segments. Segment results represent the profit earned by each segment without allocation of corporate expenses, rental income, share of profit of associates, interest income, finance costs, and income tax expense. Segment assets/liabilities are all operating assets/liabilities that are employed by a segment in its operating activities and are either directly attributable to the segment or can be allocated to the segment on a reasonable basis. This is the measure reported to the management for the purposes of resource allocation and assessment of segment performance. Segment revenue includes transfer between operating segments. Such transfers are accounted for at competitive market prices charged to unaffiliated customers for similar goods. The transfers are eliminated on consolidation. No operating segments have been aggregated to form the reportable segments above.



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E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

5 Segment Information (Cont'd)

(a) Reportable Operating Segments

	Engineering Solutions - Motion Control		Other Specialised Engineering Solutions		Industrial Computing Solutions		Renewable Energy		Other		Elimination		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1 July to 31 December														
Revenue														
External sales	134,485	128,584	43,265	35,907	2,242	2,184	17,333	4,334	545	346	-	-	197,870	171,355
Inter-segment sales	2,527	1,899	2,412	874	252	290	-	-	2	-	(5,193)	(3,063)	-	-
	137,012	130,483	45,677	36,781	2,494	2,474	17,333	4,334	547	346	(5,193)	(3,063)	197,870	171,355
Results														
Segment results	8,770	6,960	1,899	1,904	(51)	(58)	3,298	143	(311)	(1,467)	-	-	13,605	7,482
Share of loss of associates, net	(469)	(312)	-	-	-	-	-	-	-	-	-	-	(469)	(312)
Corporate income													250	235
Rental income													343	229
Interest income													111	213
Finance costs													(2,701)	(2,320)
Profit before income tax													11,139	5,527
Income tax													(2,980)	(3,416)
Profit for the year ended 31 December													8,159	2,111
Assets														
Segment assets	159,818	150,018	57,860	54,454	1,519	7,377	121,856	110,919	4,011	5,029	(5,716)	(5,286)	339,348	322,511
Goodwill	2,862	2,178	9,508	9,508	-	-	541	541	-	-	-	-	12,911	12,227
Associates	6,746	5,272	-	-	-	-	-	-	-	-	-	-	6,746	5,272
Investment properties													381	396
Cash and bank balances													56,519	60,033
Consolidated total assets as at 31 December													415,905	400,439
Liabilities														
Segment liabilities	52,617	50,713	26,419	14,349	1,050	463	11,102	9,580	1,793	4,470	(5,716)	(5,286)	87,265	74,289
Bank borrowings and lease liabilities													77,912	82,087
Income tax liabilities													1,576	1,684
Others unallocated corporate liabilities													1,940	1,714
Consolidated total liabilities as at 31 December													168,693	159,774



E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

5 Segment Information (Cont'd)

(a) Reportable Operating Segments (Cont'd)

1 July to 31 December	Engineering Solutions - Motion Control		Other Specialised Engineering Solutions		Industrial Computing Solutions		Renewable Energy		Other		Elimination		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	S\$'000	S\$'000	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	1,511	950	1,398	786	-	1	58	118	-	53	-	-	2,967	1,908
Other non-cash expenses:														
- Allowance for inventories obsolescence	778	408	247	46	-	-	-	-	(26)	36	-	-	999	490
- Allowance for impairment loss on trade and other receivables	7	1,185	17	(18)	(2)	-	4	-	-	517	-	-	26	1,684
- Amortisation of land use rights	16	16	-	-	-	-	-	-	-	-	-	-	16	16
- Depreciation of investment properties	10	10	-	-	-	-	-	-	-	-	-	-	10	10
- Depreciation of property, plant and equipment	2,111	1,295	819	1,101	(1)	76	492	441	(21)	119	-	-	3,400	3,032
- Inventories written off	2	3	(0)	9	-	-	-	-	-	-	-	-	2	12
- Property, plant and equipment written off	9	20	-	-	-	-	-	-	-	-	-	-	9	20
- Trade and other receivables written off	-	1	(1)	1	(53)	53	-	-	54	(54)	-	-	-	1
- Write back of allowance for impairment loss on trade and other receivables	(7)	(30)	(19)	(17)	-	5	-	(35)	(1)	-	-	-	(27)	(77)



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E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

5 Segment Information (Cont'd)

(a) Reportable Operating Segments

	Engineering Solutions - Motion Control		Other Specialised Engineering Solutions		Industrial Computing Solutions		Renewable Energy Solutions		Other		Elimination		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1 January to 31 December														
Revenue														
External sales	265,583	260,159	78,070	68,830	5,343	5,301	22,294	6,685	1,153	791	-	-	372,443	341,766
Inter-segment sales	4,667	4,350	3,279	2,255	453	463	-	-	7	3	(8,406)	(7,071)	-	-
	270,250	264,509	81,349	71,085	5,796	5,764	22,294	6,685	1,160	794	(8,406)	(7,071)	372,443	341,766
Results														
Segment results	15,258	16,356	3,488	4,167	122	179	5,606	2,468	(628)	(1,133)	-	-	23,846	22,037
Share of loss of associates, net	(616)	(669)	-	-	-	-	-	-	-	-	-	-	(616)	(669)
Corporate income													960	1,101
Rental income													602	457
Interest income													330	338
Finance costs													(5,468)	(4,391)
Profit before income tax													19,654	18,873
Income tax													(5,689)	(7,701)
Profit for the year ended 31 December													13,965	11,172
Assets														
Segment assets	159,818	150,018	57,860	54,454	1,519	7,377	121,856	110,919	4,011	5,029	(5,716)	(5,286)	339,348	322,511
Goodwill	2,862	2,178	9,508	9,508	-	-	541	541	-	-	-	-	12,911	12,227
Associates	6,746	5,272	-	-	-	-	-	-	-	-	-	-	6,746	5,272
Investment properties													381	396
Cash and bank balances													56,519	60,033
Consolidated total assets as at 31 December													415,905	400,439
Liabilities														
Segment liabilities	52,617	50,713	26,419	14,349	1,050	463	11,102	9,580	1,793	4,470	(5,716)	(5,286)	87,265	74,289
Bank borrowings and lease liabilities													77,912	82,087
Income tax liabilities													1,576	1,684
Others unallocated corporate liabilities													1,940	1,714
Consolidated total liabilities as at 31 December													168,693	159,774



E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

5 Segment Information (Cont'd)

(a) Reportable Operating Segments (Cont'd)

	Engineering Solutions - Motion Control		Other Specialised Engineering Solutions		Industrial Computing Solutions		Renewable Energy Solutions		Other		Elimination		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1 January to 31 December														
Other information														
Capital expenditure on														
-Property, plant and equipment	3,428	2,475	4,276	1,506	7	11	58	379	2	105	-	-	7,771	4,476
Other non-cash expenses:														
- Allowance for inventories obsolescence	1,012	590	447	263	-	-	-	-	35	36	-	-	1,494	889
- Allowance for impairment loss on trade and other receivables	57	1,210	19	3	-	-	4	-	56	535	-	-	136	1,748
- Amortisation of land use rights	32	32	-	-	-	-	-	-	-	-	-	-	32	32
- Depreciation of investment properties	19	19	-	-	-	-	-	-	-	-	-	-	19	19
- Depreciation of property, plant and equipment	3,464	2,645	2,003	2,139	75	144	980	545	12	85	-	-	6,534	5,558
- Inventories written off	8	9	1	21	-	-	-	-	-	-	-	-	9	30
- Property, plant and equipment written off	9	31	-	-	-	-	-	-	-	-	-	-	9	31
- Trade and other receivables written off	1	18	4	87	-	53	-	-	-	-	-	-	5	158
- Write back of allowance for impairment loss on trade and other receivables	(33)	(94)	(26)	(47)	-	(1)	-	(35)	(1)	-	-	-	(60)	(177)
- Write back of allowance for inventories obsolescence	-	(75)	-	(31)	-	-	-	-	-	-	-	-	-	(106)
- Over provision of share-based payment	-	(278)	-	(80)	-	-	-	-	-	-	-	-	-	(358)

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)
5 Segment Information (Cont'd)
(b) Disaggregation of Revenue

The Group's revenue is disaggregated by the type of goods or services provided to customers, geographical markets, and timing of goods or services transferred. The Group operates in six principal geographical areas — Singapore (country of domicile), the People's Republic of China ("China"), Hong Kong, Malaysia, the Republic of Indonesia ("Indonesia") and Vietnam.

Group						
Six months ended 31 December 2024						
Segments	Engineering Solutions - Motion Control	Other Specialised Engineering Solutions	Industrial Computing Solutions	Renewable Energy *	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Geographical markets						
Singapore	13,693	1,934	1,942	-	539	18,108
China	94,278	34,070	13	-	-	128,361
Hong Kong	5,594	22	-	-	-	5,616
Malaysia	6,045	930	-	-	6	6,981
Indonesia	253	11	5	17,333	-	17,602
Vietnam	10,525	174	9	-	-	10,708
Others	4,097	6,124	273	-	-	10,494
Total revenue from contracts with customers	134,485	43,265	2,242	17,333	545	197,870
Goods or services transferred at a point in time	130,470	43,211	2,242	-	545	176,468
Services transferred over time	4,015	54	-	14,686	-	18,755
Finance income from service concession arrangements	-	-	-	2,647	-	2,647

*Included in renewable energy is construction income, operating income and finance income from service concession arrangements of S\$12,007,000, S\$2,679,000 and S\$2,647,000, respectively for 2H2024 (2H2023: S\$NIL, S\$1,958,000 and S\$2,376,000, respectively).

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

5 Segment Information (Cont'd)

(b) Disaggregation of Revenue (Cont'd)

Segments	Group					
	Six months ended 31 December 2023					
	Engineering Solutions - Motion Control	Other Specialised Engineering Solutions	Industrial Computing Solutions	Renewable Energy	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Geographical markets						
Singapore	11,897	1,676	1,809	-	342	15,724
China	93,777	30,171	196	-	-	124,144
Hong Kong	3,711	4	-	-	-	3,715
Malaysia	5,163	438	1	-	3	5,605
Indonesia	221	26	-	4,334	-	4,581
Vietnam	8,774	42	-	-	1	8,817
Others	5,041	3,550	178	-	-	8,769
Total revenue from contracts with customers	128,584	35,907	2,184	4,334	346	171,355
Goods or services transferred at a point in time	128,030	35,289	2,012	-	346	165,677
Services transferred over time	554	618	172	1,958	-	3,302
Finance income from service concession arrangements	-	-	-	2,376	-	2,376

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

5 Segment Information (Cont'd)

(b) Disaggregation of Revenue (Cont'd)

Segments	Group					
	Twelve months ended 31 December 2024					
	Engineering Solutions - Motion control	Other Specialised Engineering Solutions	Industrial Computing Solutions	Renewable Energy *	Others	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Geographical markets						
Singapore	24,657	3,448	4,666	-	1,144	33,915
China	194,332	61,678	22	-	-	256,032
Hong Kong	9,854	30	-	-	-	9,884
Malaysia	10,446	1,384	-	-	9	11,839
Indonesia	455	38	5	22,294	-	22,792
Vietnam	18,366	199	9	-	-	18,574
Others	7,473	11,293	641	-	-	19,407
Total revenue from contracts with customers	265,583	78,070	5,343	22,294	1,153	372,443
Goods or services transferred at a point in time	261,193	77,536	5,184	-	1,153	345,066
Services transferred over time	4,390	534	159	16,971	-	22,054
Finance income from service concession arrangements	-	-	-	5,323	-	5,323

*Included in renewable energy is construction income, operating income and finance income from service concession arrangements of S\$12,007,000, S\$4,964,000 and S\$5,323,000, respectively for FY2024 (FY2023: S\$NIL, S\$3,052,000 and S\$3,633,000, respectively).

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)
5 Segment Information (Cont'd)
(b) Disaggregation of Revenue (Cont'd)

Segments	Group					
	Twelve months ended 31 December 2023					
	Engineering Solutions - Motion Control	Other Specialised Engineering Solutions	Industrial Computing Solutions	Renewable Energy	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Geographical markets						
Singapore	23,259	3,582	4,723	-	771	32,335
China	192,341	56,599	196	-	-	249,136
Hong Kong	6,583	13	-	-	-	6,596
Malaysia	10,668	939	6	-	12	11,625
Indonesia	346	45	-	6,685	7	7,083
Vietnam	16,339	99	71	-	1	16,510
Others	10,623	7,553	305	-	-	18,481
Total revenue from contracts with customers	260,159	68,830	5,301	6,685	791	341,766
Goods or services transferred at a point in time	259,015	67,711	4,514	-	791	332,031
Services transferred over time	1,144	1,119	787	3,052	-	6,102
Finance income from service concession arrangements	-	-	-	3,633	-	3,633

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

5 Segment Information (Cont'd)

(c) Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Group					
	Revenue from external customers				Non-current assets	
	Six months		Twelve months		As at	As at
	ended 31 December	ended 31 December	ended 31 December	ended 31 December	31 December	31 December
	2024	2023	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	18,108	15,724	33,915	32,335	23,054	25,656
China	128,361	124,144	256,032	249,136	33,115	28,390
Hong Kong	5,616	3,715	9,884	6,596	105	2,400
Malaysia	6,981	5,605	11,839	11,625	4,078	915
Indonesia	17,602	4,581	22,792	7,083	106,413	94,822
Vietnam	10,708	8,817	18,574	16,510	825	596
Others	10,494	8,769	19,407	18,481	1,937	987
Total	197,870	171,355	372,443	341,766	169,527	153,766

(d) Information about Major Customers

The Group's revenue from any single external customer is less than 10%.

(e) A breakdown of sales as follows:

	Group		
	2024	2023	Increase/ (Decrease)
	S\$'000	S\$'000	(Decrease)
Sales reported for the first half year	174,573	170,411	2.4%
Operating profit after tax before deducting NCI reported for the first half year	5,806	9,061	-35.9%
Sales reported for the second half year	197,870	171,355	15.5%
Operating profit after tax before deducting NCI reported for the second half year	8,159	2,111	n.m.

n.m.: Not meaningful

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

6 Other Operating Income

	Group			
	Six months		Twelve months	
	ended 31 December		ended 31 December	
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
Interest income	111	213	330	338
Commission income	-	39	134	40
Realised foreign exchange (loss)/ gain	(810)	630	(810)	-
Unrealised foreign exchange gain/ (loss)	1,105	(839)	1,105	-
Gain on disposal of property, plant and equipment, net	9	4	230	8
Gain on termination of leases	(29)	-	(29)	-
Government grants	228	140	404	522
Operating lease rental income:				
- investment properties	197	30	230	52
- sub-let of office/warehouse premises	146	199	372	405
Property management income	336	253	580	526
Technical service income	255	344	524	629
Write back of allowance of inventories obsolescence	-	-	-	106
Miscellaneous income	717	1,546	1,154	2,169
	2,265	2,559	4,224	4,795

7 Finance Costs

	Group			
	Six months		Twelve months	
	ended 31 December		ended 31 December	
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
Interest expense on:				
- bank loans	2,016	1,119	4,182	2,000
- trust receipts	82	110	169	243
- leases liabilities	140	113	261	220
- others	463	978	856	1,928
	2,701	2,320	5,468	4,391

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

8 Profit before Income Tax

(a) Significant Items

	Group			
	Six months		Twelve months	
	ended 31 December		ended 31 December	
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
Profit before income tax has been arrived at after charging:				
Amortisation of land use rights	16	16	32	32
Depreciation of property, plant and equipment				
- recognised in cost of sales	1,044	876	1,944	1,291
- recognised in distribution costs	148	168	324	378
- recognised in administrative expenses	2,208	1,988	4,266	3,889
	3,400	3,032	6,534	5,558
Depreciation of investment properties	10	10	19	19
Other operating expense included:				
- trade and other receivables written off	-	1	5	158
- allowance for inventories obsolescence	999	490	1,494	889
- inventories written off	2	12	9	30
- realised foreign exchange (gain)/loss	(361)	1,126	-	1,126
- unrealised foreign exchange loss	266	1,401	-	1,401
- property, plant and equipment written off	9	20	9	31
- loss on deemed disposal of interest in an associate	41	-	41	-

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

8 Profit before Income Tax (Cont'd)

(b) Related Party Transactions

In addition to the related party information disclosed elsewhere in the results announcement, the following are significant transactions of the Group with their related parties at mutually agreed amounts:

	Group			
	Six months		Twelve months	
	ended 31 December		ended 31 December	
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
Sales to associates	(97)	(37)	(180)	(87)
Sales to related parties	(8,044)	(3,683)	(12,928)	(7,924)
Purchases from associates	86	11	93	89
Purchases from related parties	35,103	33,718	66,012	71,006
Administrative income charged to associates	(13)	(21)	(31)	(41)
Administrative income charged to related parties	(90)	(140)	(231)	(281)
Rental charged to a related party	(424)	(271)	(679)	(536)
Rental charged to associates	-	(2)	(1)	(5)
Interest charged to related party	(5)	(4)	(9)	(8)
Other expenses charged by related parties	172	336	384	605
Other income charged to related parties	(139)	(102)	(216)	(257)
Service income charged to associate	(20)	-	(84)	-

9 Income Tax

The Group calculates income tax expense for the period using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the Condensed Consolidated Statement of Profit or Loss are:

	Group			
	Six months		Twelve months	
	ended 31 December		ended 31 December	
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax				
- Singapore	116	15	256	438
- China	2,501	3,054	4,743	6,443
- Outside Singapore and China	275	221	494	529
- Under provision in respect of prior year	102	124	264	308
	2,994	3,414	5,757	7,718
Deferred taxation				
- Withholding tax on the profits of the Group's subsidiaries	(1)	(120)	(27)	(120)
- (Over)/under provision in respect of prior year	(13)	122	(41)	103
	(14)	2	(68)	(17)
	2,980	3,416	5,689	7,701

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

9 Income Tax (Cont'd)

The corporate tax rate applicable to the Company and those entities of the Group incorporated in Singapore for the years ended 31 December 2024 and 2023 is 17%. The corporate tax rate applicable to those entities of the Group incorporated in Malaysia for the years ended 31 December 2024 and 2023 is 24%.

The statutory tax rate for Hong Kong profit is 16.5% on the assessable profits arising during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rate regime. Under the two-tiered profits tax rate regime, the first Hong Kong Dollar (“HK\$”) 2 million of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits at 16.5%. The Inland Revenue (Amendment) (No. 3) Ordinance 2018 is effective from the year of assessment 2018/2019.

For those entities of the Group operating in China, China income tax is calculated at the applicable tax rate in accordance with the Corporate Income Tax Law. The income tax rate for both domestic and foreign-investment enterprise is at 25%.

The remaining entities of the Group operating in jurisdictions other than the above have either no taxable income or are not material.

10 Earnings Per Share

The calculation of the basic earnings per share attributable to equity holders of the Company is based on the following data:

	Group			
	Six months ended 31 December		Twelve months ended 31 December	
	2024	2023	2024	2023
Earnings for the purpose of basic and diluted earnings per share, being profit for the period/year attributable to owners of the Company (S\$'000)	4,741	372	8,522	4,952
Weighted average number of ordinary shares for the purpose of basic earnings per share	447,830,041	444,645,632	446,920,125	442,511,892
Basic and fully diluted earnings per share (Singapore cents)	1.06	0.08	1.91	1.12

The calculation of basic earnings per share was based on profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding. The Group has no dilution in its per shares for the six months and twelve months ended 31 December 2024 and 2023.

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

11 Dividends

Group	
31 December	31 December
2024	2023
S\$'000	S\$'000

Ordinary dividends paid during the financial year:

Tax exempt (one-tier) final dividend of 0.28 Singapore cents per ordinary share (2023: 0.80 Singapore cents) in respect of the previous year

1,251	3,548
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On 26 August 2024, a final dividend of 0.28 Singapore cents per ordinary share, which included scrip dividend alternatives offered to the shareholders of the Company (the “Shareholders”) was paid to the shareholders as the final dividend in respect of FY2023.

The scrip dividend alternatives were accepted by the Shareholders as follows:

Group	
31 December	31 December
2024	2023
S\$'000	S\$'000
539	1,667
712	1,881
1,251	3,548

Dividends:

Cash

Scrip dividend

The dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

12 Net Asset Value

	Group		Company	
	31 December	31 December	31 December	31 December
	2024	2023	2024	2023
Net assets (S\$'000)	206,731	198,622	129,779	124,639
Issued share capital at the end of the year (net of treasury shares)	448,590,125	446,000,209	448,590,125	446,000,209
Net assets value per ordinary share based on issued share capital as at respective year (Singapore cents)	46.08	44.53	28.93	27.95

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

13 Property, Plant and Equipment

During the FY2024, the Group acquired property, plant and equipment with an aggregate cost amounting to S\$11,520,000 (31 December 2023: S\$6,878,000), of which S\$3,749,000 (31 December 2023: S\$2,402,000) relates to right-of-use assets and S\$248,000 (31 December 2023: S\$115,000) were acquired by means of finance lease. Cash payments of S\$7,523,000 (31 December 2023: S\$4,361,000) were made to purchase property, plant and equipment.

As at 31 December 2024, the Group's carrying amount of pledged property, plant and equipment to secure the bank borrowings in Note 17 was S\$23,583,000 (2023: S\$18,408,000); and the Group's carrying amount of property, plant and equipment held under lease liabilities was S\$419,000 (2023: S\$405,000).

14 Goodwill

	Group	
	31 December	31 December
	2024	2023
	S\$'000	S\$'000
Balance at 1 January and 31 December	12,911	12,227

Impairment testing of goodwill

The goodwill arising on consolidation relates to the excess of the cost of acquisitions over the fair value of the Group's share of the net identifiable assets acquired in the following subsidiaries ("cash-generating units" or "CGUs") under the respective operating segments as set out below.

	Group	
	31 December	31 December
	2024	2023
	S\$'000	S\$'000
Engineering Solutions – Motion Control		
- Servo Dynamics (Thailand) Co., Ltd	75	75
- TDS Technology (S) Pte Ltd	2,103	2,103
- IDI Laser Services Pte. Ltd. ("IDI Laser")	684	-
Other Specialised Engineering Solution		
- Dirak Asia Pte Ltd	9,508	9,508
Renewable Energy		
- Aenergy Holdings Company Limited	541	541
	12,911	12,227

The Group assessed the recoverable amount of each CGU based on value in use calculations, which uses cash flow projections based on financial budgets approved by management covering a five-year period.

As at the end of the current and previous financial years, the recoverable amount of the CGUs were determined to be higher than the carrying amount and thus, no impairment loss needs to be recognised.

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

15 Trade and Other Receivables and Contract Assets

	Group		Company	
	31 December 2024 S\$'000	31 December 2023 S\$'000	31 December 2024 S\$'000	31 December 2023 S\$'000
<u>Non-current:</u>				
Service concession receivables	81,654	70,460	-	-
<u>Current:</u>				
Service concession receivables	2,993	3,036	-	-
<u>Current:</u>				
Trade receivables, net of impairment:				
- note receivables	19,443	18,387	-	-
- trade receivables	69,160	67,403	-	-
- associates	126	36	-	-
- related parties	5,069	1,919	-	-
	93,798	87,745	-	-
Other receivables, net of impairment:				
Advances to associates	55	31	3	2
Advances to related parties	126	110	-	-
Deposits	719	596	1	17
Loan to associates	27	26	-	-
Sundry debtors	4,879	3,714	700	700
Amounts owing from NCI	1,695	1,715	-	-
	7,501	6,192	704	719
Contract assets	453	509	-	-
Advances paid to suppliers	14,624	14,212	-	-
Prepayment	3,079	1,935	62	16
	119,455	110,593	766	735

The aging analysis of trade receivables of the Group based on invoice date is as follows:

	Group	
	31 December 2024 S\$'000	31 December 2023 S\$'000
Within 30 days	40,337	40,995
31 - 90 days	29,197	25,014
Over 90 days	24,264	21,736
	93,798	87,745

Trade receivables are non-interest bearing and are usually due within 30 - 90 days term.

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

15 Trade and Other Receivables and Contract Assets (Cont'd)

ECL assessment

The Group has applied the simplified approach in SFRS(I) 9 to measure the ECL either at lifetime ECL or 12-month ECL for trade and other receivables. The Group determined the ECLs on trade and other receivables by taking into account the historical default experience and the financial position of the counterparties, including their credit characteristics, geographical location, and adjusted for factors that are specific to the receivables and general economic conditions of the industry in which the receivables operate.

The Group continues to monitor its trade and other receivables closely and prudently. The carrying amount of trade and other receivables were measured at fair value by taking into consideration of the above credit risk assessment.

16 Share Capital

	Group and Company			
	31 December 2024		31 December 2023	
	No. of shares	S\$'000	No. of shares	S\$'000
Issued and fully paid:				
At the beginning of year	446,000,209	84,755	438,638,533	81,487
Issue of ordinary shares related to share award	-	-	2,830,000	1,387
Shares issued-in-lieu of cash for dividend	2,589,916	712	4,531,676	1,881
At the end of year	<u>448,590,125</u>	<u>85,467</u>	<u>446,000,209</u>	<u>84,755</u>

Shares do not have any par value. The holders of shares are entitled to receive dividends as and when declared by the Company. All shares carry one vote per share without restrictions and rank equally with respect to the Company's residual assets.

On 26 August 2024, the Company issued 2,589,916 New Shares under the Company's Scrip Dividend Scheme at an issue price of S\$0.275 (for Singapore Shareholders) and HK\$1.592 (for Hong Kong Shareholders).

Following the allotment and issuance of New Shares, the number of ordinary shares as at 31 December 2024 is 448,590,125 (31 December 2023: 446,000,209). No treasury shares were held as at 31 December 2024 (31 December 2023: nil). The number of shares held as subsidiary holdings as at 31 December 2024 is nil (31 December 2023: nil).

As at 31 December 2024 till the date of this announcement, the Company does not have any existing warrants or convertibles (31 December 2023: nil).

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

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

17 Bank Borrowings

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	S\$'000	S\$'000	S\$'000	S\$'000
<i>Amount repayable within one year or on demand</i>				
- secured	10,375	9,691	-	-
- unsecured	10,852	9,968	-	-
	21,227	19,659	-	-
<i>Amount repayable after one year</i>				
- secured	46,749	51,274	-	-
- unsecured	2,135	4,751	-	-
	48,884	56,025	-	-

The bank loans of the Group are secured over leasehold properties, service concession receivables and land use rights. 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.

18 Trade and Other Payables

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	S\$'000	S\$'000	S\$'000	S\$'000
<i>Trade payables:</i>				
- trade payables	32,703	27,166	-	-
- associates	119	36	-	-
- related parties	9,644	8,384	-	-
	42,466	35,586	-	-
Accrued operating expenses	2,170	2,441	417	117
Accrued salaries and bonuses	8,916	8,207	1,385	1,483
Amount owing to NCI	11,264	8,575	-	-
Amounts owing to subsidiaries	-	-	4,114	910
Other payables	9,893	9,815	137	114
	74,709	64,624	6,053	2,624

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

18 Trade and Other Payables (Cont'd)

The aging analysis of trade payables of the Group based on invoice date is as follows:

	Group	
	31 December 2024 S\$'000	31 December 2023 S\$'000
Within 30 days	26,613	23,719
31 - 90 days	11,490	9,706
Over 90 days	4,363	2,161
	42,466	35,586

Trade payables are non-interest bearing and are usually settled within 30 – 90 days term.

19 Financial Assets and Financial Liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2024 and 31 December 2023:

	Group		Company	
	31 December 2024 S\$'000	31 December 2023 S\$'000	31 December 2024 S\$'000	31 December 2023 S\$'000
Financial Assets				
Other Financial assets at fair value through other comprehensive income	555	900	-	-
Cash and bank balances, service concession receivables and trade and other receivables (Amortised cost)	242,465	227,466	48,493	39,970
	243,020	228,366	48,493	39,970
Financial Liabilities				
Trade and other payables and borrowings (Amortised cost)	152,621	146,711	6,671	3,264
	152,621	146,711	6,671	3,264

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

20 Step-up acquisition of IDI Laser, previously an associate

On 5 August 2024, the Company's direct wholly-owned subsidiary, Motion Control Group Pte Ltd ("MCG"), acquired an additional 444,994 ordinary shares in IDI Laser for S\$600,000 (the "Acquisition"). Following the completion of the Acquisition, MCG subscribed for an additional 595,008 new ordinary shares in the share capital of IDI Laser for S\$130,000 (the "Subscription").

Following the completion of the Acquisition and Subscription, the Group's equity interest in IDI Laser increase from 33.33% to 70.00%. Consequently, IDI Laser is considered as subsidiary of the Group.

Details of the assets acquired, liabilities recognised and consideration transferred in respect of the above step-up acquisition are as follow:

	<u>S\$'000</u>
<u>Provisional fair value of assets acquired and liabilities recognised with effect as of 31 July 2024</u>	
Cash and bank balances	354
Trade and other receivables	1,705
Inventories	192
Property, plant and equipment	280
Trade and other payables	(1,512)
Bank borrowings	(317)
Lease liabilities	(186)
Contract liabilities	(391)
Total provisional identifiable net assets at fair value	<u>125</u>
Non-controlling interests	<u>(38)</u>
	87
Less: Fair value of deemed disposal of 33.33% interest in IDI Laser	<u>(41)</u>
Provisional fair value of identifiable net assets acquired	<u>46</u>
<u>Consideration</u>	
Consideration transferred	730
Less: Provisional fair value of identifiable net assets acquired	<u>(46)</u>
Provisional goodwill arising on acquisition of 36.67% interest in IDI Laser	<u>684</u>
<u>Net cash outflow arising from acquisition of subsidiary</u>	
Consideration transferred	730
Less: Cash and cash equivalents acquired	<u>(354)</u>
Net cash outflow from acquisition of subsidiary	<u>376</u>

The initial accounting for the acquisition of IDI Laser in relation to the purchase price allocation has only been determined provisionally based on the management's best estimate of the likely fair value of the net identifiable assets at the date of acquisition. If new information obtained within one year from the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the amounts below or any additional provisions existed at the date of acquisitions, then the accounting for the acquisition will be revised.

Impact of the Acquisition on the results of the Group

Included in the Group's profit for the year is S\$621,000, being share of loss attributable to IDI Laser, that has been accounted for using equity method of accounting. The Group recognised "share of loss of associates" being the operating result of IDI Laser for the period up to the completion of the step-up acquisition date, i.e. with effect on 31 July 2024.

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)

21 Subsequent events

On 28 February 2025, the Company's direct wholly-owned subsidiary, ISDN Energy Pte. Ltd. ("**ISDN Energy**") intends to acquire an aggregate amount of 25,500 common shares at a nominal value of Indonesia Rupiah ("**IDR**") 1,000,000 (equivalent to S\$ 84) from the following shareholders: (a) 250 common shares from Zhang Jitao, (b) 10,500 common shares from Chen Dong, and (c) 14,750 common shares from Wu Lei. Following the Acquisition, ISDN Energy will hold 25,500 common shares in PT Funda and its effective shareholding in PT Funda will be 51.00%. PT Funda is principally engaged in the construction and installation of electrical power installations, power generation, and hydroelectric power plants.

Other than the above, no major subsequent event has occurred since the end of the financial year ended 31 December 2024 up to the date of this announcement.

F. Management Discussion and Analysis

BUSINESS REVIEW

In FY2024 the Group delivered growth across all its key regional and business groups:

- Key regions: China revenue grew 4.0% year-on-year (“YoY”) and Southeast Asia revenue grew 22.4% YoY.
- Key businesses: Industrial Automation grew 4.5% YoY and Hydropower grew 233.5% YoY.

The Group saw early signs of recovery across the industrial automation market in Asia.

In China, the China Caixin Manufacturing Purchasing Managers Index (“PMI”) averaged 50.8 in the period, above the expansionary benchmark of 50.0¹.

In Southeast Asia, the Group saw a gradual recovery gain momentum, supported by rising trade and investment flows into the region. Annual foreign direct investment inflows surged 45% in FY2024, achieving three consecutive years of record inflows since 2021. Regional frameworks such as the ASEAN Investment Facilitation Framework have enhanced economic integration and accelerated growth in strategic sectors such as manufacturing.²

Together with the stable contributions from the renewable energy business, ISDN closed FY2024 with a 9.0% YoY growth in revenue and a 72.1% YoY growth in earnings to Shareholders.

Revenue Review

China Industrial Automation Business

ISDN benefited from the emerging recovery in China’s manufacturing economy, as well as the growth of its capabilities, allowing the Group to offer more services and products to the market. China Industrial Automation revenue grew 4.0% YoY in FY2024.

Southeast Asia Industrial Automation Business

The Group’s Southeast Asia industrial automation business reported a 3.1% YoY increase in FY2024 compared to FY2023. Notably, on a sequential basis, the business grew 25.2% in 2H2024 compared to the first half of 2024.

The Group sees the sequential growth as driven by early momentum in the recovery phase of the industrial cycle in Southeast Asia, which had been in a downcycle for most of FY2023 and FY2024.

ISDN has continued to invest in long-term growth for its non-China regions, and in FY2024 established facilities in new regional markets, Taiwan and Malaysia. These two geographies represent sizeable industrial markets, with particular strengths in industries such as semiconductor and electronics manufacturing where ISDN has proven its differentiated capabilities for many years.

Renewable Energy Business

The Group’s renewable energy segment in Indonesia rose to S\$22.3 million in FY2024, compared to S\$6.7 million in the preceding year. The Group benefited from full-year contributions from its three mini-hydropower plants in FY2024 (vs partial-year contributions in FY2023 as the plants began operations during the year).

The Group also recognised a small amount of construction revenue (approximately S\$0.9 million) for its fourth plant Lau Biang 2 which is under construction and targeting operations in 2026.

¹ [Investing.com: China Caixin Manufacturing Purchasing Managers Index \(PMI\)](#)

² [The Business Times: South-east Asia remains an investment bright spot in uncertain global economy](#)

F. Management Discussion and Analysis (cont'd)

BUSINESS REVIEW (cont'd)

ISDN's FY2024 Profitability Overview

Gross profit for FY2024 increased by 4.1% YoY to S\$94.9 million, with the gross profit margin declining slightly by 1.2 percentage points to 25.5%. The slight decline in gross margin is mainly attributable to cyclical mix shift as weakness in the semiconductor and electronics sectors shifted mix toward solutions with slightly lower margins. The Group is seeing early recovery in the semiconductor and electronics segments, consistent with global trending, and remains confident that these sectors should provide solid long-term growth out of the downcycle.

Other operating income declined by 11.9% YoY to S\$4.2 million, mainly due to the absence of a S\$1.2 million compensation claim from the engineering, procurement and construction (“**EPC**”) contractor for hydropower plant construction. However, this decline was partially offset by higher net foreign exchange gains, increased gains from the disposal of property, plant, and equipment (“**PPE**”), and higher rental income.

Financial cost increased by 24.5% to S\$5.5 million for FY2024, driven by increased bank borrowings and higher interest rates.

Consequently, the Group delivered a net profit attributable to shareholders of S\$8.5 million for FY2024, representing a 72.1% YoY growth from FY2023.

Declaration of dividends

With after-tax profits up 25% and earnings to Shareholders up 72% in FY2024, the Board is pleased to recommend a final dividend of 0.47 Singapore cents (equivalent to 2.71 Hong Kong cents) for FY2024, representing a payout ratio of 25%. This is subject to Shareholders' approval in the forthcoming Annual General Meeting.

F. Management Discussion and Analysis (cont'd)

BUSINESS OUTLOOK

With the expansion of capabilities and regional markets as well as developing recovery momentum from the industrial downcycle, the Group is cautiously optimistic for FY2025.

ISDN notes that:

- Its **core industrial automation business in China** business should benefit from the China's strategic priority to address labour shortages and demographic challenges through automation and advanced manufacturing. ISDN may benefit from both stimulus packages and overall demand growth from technology adoption.
- Its **core industrial automation business in Southeast Asia**, and its recent expansion into Malaysia and Taiwan, should enable it to capture the growth opportunities from the "China+1" re-organisation of the global supply chain as more manufacturing activity shifts to these regions .
- Its focus on developing proven capabilities in **advanced technologies** (such as intelligent automation, the Internet of Things ("IoT"), Industry 4.0 and AI) as well as **strategic growth industries** (such as semiconductors, electronics, and automation machinery) should continue to benefit from secular long-term growth in both technology and the global supply chain.

China market outlook

China's manufacturing sector is showing signs of steady recovery. The Caixin Manufacturing PMI reached 50.1 in January 2025, marking four consecutive months of expansion.

The Group believes that China will continue to focus on industrial automation adoption, to support national strategic priorities to address the ageing workforce and the strategic competitive advantages of advanced manufacturing³. To accelerate this transition, the government has introduced key initiatives, including the "14th Five-Year Plan for Robot Industry Development".

Against this backdrop, China's industrial automation market is expected to continue expanding and reach US\$250 billion by 2029, from US\$150 billion in 2024⁴. ISDN believes that this development provides significant opportunities for industry players like us to deliver advanced automation solutions to support the evolving needs of the manufacturing sector.

Non-China market outlook

Amid rising U.S.-China trade tensions, multinational companies are shifting from a "China+1" strategy to a "China+N" strategy to further diversify their supply chain and minimise risk. Southeast Asia has already been a significant beneficiary of these supply chain shifts⁵, and the Group believes the region will continue to benefit from the long-term strategic re-organisation of the global supply chain.

The regions where ISDN is active in industrial automation — Singapore, Vietnam and Malaysia — have all established strong support for automation. Malaysia's Industry4WRD policy offers tax incentives to attract investment in electronics and semiconductor production⁶. This measure, alongside Vietnam's intelligent manufacturing targets⁷ and Singapore's Industry 4.0 Human Capital Initiative⁸, are demonstrate continued support for the growth of the industrial automation market across the region.

The Group's growth strategy, its proven capabilities, its balanced approach to cost management, and the positive outlook for its market should enable ISDN to continue benefitting from cyclical recovery and secular growth in its markets in 2025 and beyond.

³ [Wall Street Journal: China Needs More Factory Robots. Can It Build Its Own?](#)

⁴ [Asian Insiders: Next Big Thing: Understanding the Growing Industrial Automation Market in China](#)

⁵ [Business Times: South-east Asia stays hot on investors' radars; manufacturing, real estate among biggest draws](#)

⁶ [Source of Asia: Why Southeast Asia is the Next Big Manufacturing Hub?](#)

⁷ [Vn Express: Vietnam has 'intelligent manufacturing' potential: WEF](#)

⁸ [In. Corp. Asia: Industry 4.0: The Growth of Advanced Manufacturing in Southeast Asia](#)

F. Management Discussion and Analysis (cont'd)

FINANCIAL REVIEW

STATEMENT OF COMPREHENSIVE INCOME

Revenue and gross profit margin

	Group					
	Six months ended			Twelve months ended		
	31 December			31 December		
	2024	2023	change	2024	2023	change
	S\$'000	S\$'000	+ / (-)	S\$'000	S\$'000	+ / (-)
Revenue						
Industrial Automation Solutions	180,537	167,021	8.1%	350,149	335,081	4.5%
Renewable Energy	17,333	4,334	n.m.	22,294	6,685	n.m.
- Operating and finance income	5,326	4,334	22.9%	10,287	6,685	53.9%
- Construction income	12,007	-	n.m.	12,007	-	n.m.
Total Revenue	197,870	171,355	15.5%	372,443	341,766	9.0%
Gross profit						
Industrial Automation Solutions	44,746	41,649	7.4%	84,607	85,003	-0.5%
Renewable Energy	5,776	3,901	48.1%	10,308	6,131	68.1%
- Operating and finance income	4,886	3,901	25.2%	9,418	6,131	53.6%
- Construction income	890	-	n.m.	890	-	n.m.
Total Gross Profit	50,522	45,550	10.9%	94,915	91,134	4.1%
Gross Profit Margin						
Industrial Automation Solutions	24.8%	24.9%	-0.1 ppt	24.2%	25.4%	-1.2 ppt
Renewable Energy	33.3%	90.0%	-56.7 ppt	46.2%	91.7%	-45.5 ppt
- Operating and finance income	91.7%	90.0%	1.7 ppt	91.6%	91.7%	-0.1 ppt
- Construction income	7.4%	n.m.	n.m.	7.4%	n.m.	n.m.
Total Gross Profit Margin	25.5%	26.6%	-1.1 ppt	25.5%	26.7%	-1.2 ppt

n.m.: Not meaningful

The Group's revenue increased in both the 2H2024 and FY2024 compared to the same periods in 2023. For 2H2024, the Group's revenue grew by 15.5% from S\$171.4 million in the second half of 2023 ("2H2023") to S\$197.9 million in 2H2024. For FY2024, the Group's revenue increased by approximately S\$30.7 million or 9.0% from S\$341.8 million in FY2023 to S\$372.4 million in FY2024.

Revenue from our industrial automation solutions segment was higher mainly driven by the strong demand for industrial automation in both China and Southeast Asia. The industrial automation market continues to expand due to rising demand for efficiency, productivity, and precision in production and business processes. Key drivers of this growth include advancements in Industry 4.0, the IoT, and artificial intelligence, enabling more intelligent, data-driven processes. China remained the largest contributor to the industrial automation solutions segment, accounting for approximately 76% to the Group's revenue in this segment. The long-term growth prospects in China remain strong, supported by both government and private sector initiatives aimed at addressing labour shortages and demographic challenges through smart manufacturing and advanced technology adoption.

F. Management Discussion and Analysis (cont'd)

FINANCIAL REVIEW (Cont'd)

STATEMENT OF COMPREHENSIVE INCOME (Cont'd)

Revenue and gross profit margin (Cont'd)

Indonesia's renewable energy revenue showed remarkable growth, driven by construction revenue and income from three operating plants. In 2H2024 and FY2024, the Group recognised approximately S\$12.0 million in construction revenue from the construction of mini-hydropower plant in Indonesia, Lau Biang 2. Revenue from three operating plants increased by S\$1.0 million and S\$3.6 million, respectively in 2H2024 and FY2024. The Group's hydropower plant, Lau Biang 1, commenced commercial operations on 31 December 2022. This was followed by the Anggoci and Sisira hydropower plants, which began commercial operations on 15 June 2023. A total of S\$13.4 million was billed to PT PLN (Persero) ("PLN") for FY2024 and was received as of February 2025.

Gross profit for 2H2024 and FY2024 increased by S\$5.0 million or 10.9% and S\$3.8 million or 4.1% respectively as compared to corresponding periods last year. Gross profit margin of the Group in 2H2024 decreased by 1.1 percentage point from 26.6% to 25.5%, while for FY2024, the gross profit margin of the Group decreased by 1.2 percentage point from 26.7% to 25.5%. In FY2024, the gross profit and gross profit margin for the industrial automation solutions segment fell by S\$0.4 million and 1.2 percentage points, respectively. This decline in sales to higher profit margin customers can be attributed to the weakness in cyclical sectors such as semiconductors and electronics, which affected the Group's sales mix. As a result, the Group experienced a marginal decrease in its gross profit margin. The gross profit margin for renewable energy declined from 90.0% to 33.3% in 2H2024 and from 91.7% to 46.2% in FY2024. Excluding the gross profit arising from the construction of mini-hydropower plant under the service concession arrangement, gross profit margin would have been at 91.7% in 2H2024 and 91.6% in FY2024.

Other operating income

Other operating income decreased by S\$0.3 million, or 11.5% to S\$2.3 million in 2H2024. The decrease was mainly due to the absence of claims for compensation for non-performance from the EPC contractor totalling S\$1.2 million for the construction of our hydropower plant in Indonesia; partially offset by the increase in net foreign exchange gains of S\$0.5 million, increase in rental income of S\$0.1 million, increase in government grants of S\$0.1 million and increase in property management income of S\$0.1 million.

For FY2024, other operating income decreased by S\$0.6 million, or 11.9% to S\$4.2 million. The decrease was mainly due to the absence of claims for compensation for non-performance from the EPC contractor totalling S\$1.2 million for the construction of our hydropower plant in Indonesia, partially mitigated by the increase in net gain on foreign exchange of S\$0.3 million, increase in gain on disposal of property, plant and equipment of S\$0.2 million, and increase in rental income of S\$0.1 million.

Distribution costs

Distribution costs increased by S\$1.5 million, or 11.1% to S\$15.4 million in 2H2024. The increase was primarily due to increase in staff and related costs of S\$1.3 million, mainly arising from the consolidation of new subsidiaries acquired and incorporated in 2H2024, as well as the reclassification of these expenses from administrative to distribution costs. Additionally, there was an increase in office and other expenses of S\$0.2 million.

For FY2024, distribution costs increased by \$3.5 million, or 13.1% to S\$29.8 million. The increase was primarily attributed to an increase in staff and related costs of S\$3.2 million, which was mainly due to the consolidation of new subsidiaries acquired and incorporated in FY2024, the reclassification of these expenses from administrative to distribution costs, and the absence of a reversal of over provision of share-based payment. Additionally, there was an increase in travelling expenses of S\$0.2 million and an increase in office and other expenses of S\$0.1 million.

F. Management Discussion and Analysis (cont'd)

FINANCIAL REVIEW (Cont'd)

STATEMENT OF COMPREHENSIVE INCOME (Cont'd)

Administrative expenses

Administrative expenses increased by S\$0.5 million, or 2.5% to S\$22.0 million in 2H2024. The increase was mainly due to an increase in performance bonus for executive Directors of S\$0.6 million which is in line with the increase of the Group's business performance; partially offset by the decrease in travelling expenses of S\$0.1 million.

For FY2024, administrative expenses increased by S\$1.4 million, or 3.4% to S\$41.8 million. The increase was mainly arising from the higher withholding tax of S\$0.9 million on foreign-sourced dividends and interest income upon remittance, increase in professional fee of S\$0.6 million related to the legal fees for hydropower plants, increase in depreciation of property, plant and equipment of S\$0.4 million and increase in performance bonus for executive Directors of S\$0.1 million which is in line with the increase of the Group's business performance. This was partially offset by the decrease in staff and related costs of S\$0.6 million mainly due to the reclassification of engineers' salary and related costs from administrative to distribution costs.

Net impairment gain/(losses) on financial assets

Net impairment loss on financial assets of S\$1.6 million in 2H2023 and S\$1.6 million in FY2023 was primarily attributable to an impairment loss for a customer whose business is inactive, and the guarantors have filed bankruptcy. The Group had been following up with the customer on collection prior to the guarantors filing for bankruptcy and was informed that the overdue balances would be paid once the government grants were received. However, the amount owed remained unpaid. In light of the guarantor's bankruptcy filing and out of prudence, the overdue amount has been reserved for the full receivable amount.

Other operating expenses

Other operating expenses decreased by S\$1.9 million, or 63.9% to S\$1.1 million in 2H2024. The decrease was mainly due to lower net foreign exchange losses of S\$2.6 million. This was partially offset by the increase in allowance for inventories obsolescence of S\$0.5 million and the increase in other operating expenses of S\$0.2 million.

In FY2024, other operating expenses decreased by S\$1.9 million, or 51.8% to S\$1.8 million. The decrease was mainly due to the decrease in net foreign exchange loss of S\$2.5 million; partially offset by the increase allowance for inventories obsolescence of S\$0.6 million.

Finance costs

Finance costs increased by S\$0.4 million and S\$1.1 million respectively for 2H2024 and FY2024, as a result of increase in bank borrowings and higher bank interest rates.

Share of loss of associates, net

Share of loss of associates increased by S\$0.2 million or 50.3% to S\$0.5 million in 2H2024 was due to the decline in business activity of our associated companies.

Income tax expense

Income tax expense decreased by S\$0.4 million, or 12.8% to S\$3.0 million, and S\$2.0 million, or 26.1% to S\$5.7 million for 2H2024 and FY2024 respectively. The decrease was mainly due to lower taxable profits.

F. Management Discussion and Analysis (cont'd)

FINANCIAL REVIEW (Cont'd)

STATEMENT OF FINANCIAL POSITION ITEMS

Property, plant and equipment

Property, plant and equipment increased by S\$2.6 million, or 4.1% as at 31 December 2024. The increase mainly arising from the recognition of right-of-use assets of S\$3.8 million, purchase of plant and machinery of S\$3.0 million, increase in capital expenditure of S\$2.2 million for the construction of our Wujiang office in China, renovation of leasehold properties of S\$1.3 million, purchase of furniture and fitting of S\$0.9 million, purchase of motor vehicles of S\$0.3 million, and addition property, plant and equipment of S\$0.3 million via acquisition through business combination. This was partially offset by the depreciation charge of S\$6.5 million, the reclassification of S\$1.6 million from freehold land to construction cost due to the commencement of construction of mini-hydropower plant in Indonesia, Lau Biang 2 as the nature of the power plant arrangement is build, operate and transfer (“BOT”), disposal of property, plant and equipment with net book value of S\$0.7 million, net book value of property, plant and equipment written off of S\$0.2 million and translation loss of S\$0.2 million arising from the weakening of the IDR against S\$ in FY2024.

Associates

Interests in associates increased by S\$1.5 million, or 28.0% to S\$6.7 million as at 31 December 2024. This increase was attributed to the acquisition of associates, Fuji Master Engineering Sdn Bhd and Centronics Automation Technology Pte Ltd of S\$2.2 million in February 2024, which was partially offset by share of loss of associates of S\$0.6 million and dividends from associates of S\$0.1 million.

Service concession receivables (current and non-current)

Service concession receivables increased by S\$11.2 million, or 15.2% to S\$81.7 million as at 31 December 2024. This was mainly due to recognition of construction revenue of S\$12.0 million from the construction of mini-hydropower plant, Lau Biang 2 under the service concession arrangement and foreign exchange revaluation gain of S\$3.1 million was recognised due to the appreciation of USD against the IDR. This was partially offset by a total of S\$3.1 million in service concession receivables were derecognised upon invoicing to PLN for Lau Biang 1 and Anggoci as well as a translation loss of S\$0.8 million resulting from the weakening of IDR against the S\$.

Inventories

Inventories decreased by S\$5.6 million or 7.7% to S\$67.4 million as at 31 December 2024 primarily due to the fulfilment of customer orders in FY2024.

Trade and other receivables and contract assets

Trade and other receivables increased by S\$8.9 million or 8.0% to S\$119.5 million as at 31 December 2024. The increase was primarily attributed to an increase in trade receivables of S\$6.1 million due to higher revenue in FY2024, increase in prepayment of S\$1.1 million, increase in sundry receivables of S\$1.2 million due to a temporary loan to an EPC for Lau Biang 3 which was fully repaid in January 2025, increase in advance paid to trade suppliers of S\$0.4 million, which predominately resulted from advances made to the EPC for the construction of mini-hydropower plants, Lau Biang 2 and 3, and increase in deposits of S\$0.1 million.

Subsequent receipt of about S\$23.3 million was received from customers as at 31 January 2025. The collection represented approximately 24.8% of trade receivables as at 31 December 2024.

F. Management Discussion and Analysis (cont'd)

FINANCIAL REVIEW (Cont'd)

STATEMENT OF FINANCIAL POSITION ITEMS (Cont'd)

Trade and other payables

Trade and other payables increased by S\$10.1 million or 15.6% to S\$74.7 million as at 31 December 2024, which was mainly due to increase in trade payables of S\$6.9 million with the increase in business activities for FY2024, increase in loan from NCI of S\$2.7 million for the acquisition of land for the construction of mini-hydropower plants, Lau Biang 2 and Lau Biang 3, increase in accrued salaries and bonuses of S\$0.7 million and increase in other payables of S\$0.1 million. This was partially offset by the decrease in accrued operating expenses of S\$0.3 million.

Contract liabilities

The increase in contract liabilities of S\$3.0 million or 27.4% to S\$13.8 million was mainly due to an increase in advances received from customers for sales of goods largely from our China subsidiaries to mitigate credit risk exposure on sales. Contract liabilities are recognised as revenue when the performance obligation of transferring the goods is satisfied at a point in time.

Bank borrowings (current and non-current)

Bank borrowings decreased by S\$5.6 million to S\$70.1 million as at 31 December 2024. The decrease was primarily due to repayment of bank borrowings of S\$16.7 million offset by proceeds from bank borrowings (inclusive of trust receipts) of S\$10.8 million.

CASH FLOW STATEMENT

Changes in Cash Flow from Operating Activities

For 2H2024, net cash generated from operating activities before changes in working capital amounted to S\$17.8 million. Cash used in working capital of S\$9.6 million mainly due to an increase in receivables from service concession arrangements of S\$10.5 million and increase in trade and other receivables of S\$1.2 million; partially offset by increase in trade and other payables of S\$0.8 million and decrease in inventories of S\$1.3 million. In addition, there was income tax paid of S\$2.9 million and net interest payment of S\$2.5 million. As a result of the above, the net cash generated from operating activities amounted to S\$2.8 million.

For FY2024, net cash generated from operating activities before changes in working capital amounted to S\$32.3 million. Cash used in working capital of S\$3.1 million mainly due to an increase in receivables from service concession arrangements of S\$11.2 million and increase in trade and other receivables of S\$4.2 million; partially offset by the decrease in inventories of S\$4.3 million and an increase in trade and other payables of S\$8.0 million. In addition, there was income tax paid of S\$5.9 million and net interest payment of S\$4.9 million. As a result of the above, the net cash generated from operating activities amounted to S\$18.4 million.

Changes in Cash Flow from Investing Activities

For 2H2024, net cash used in investing activities of S\$3.3 million was primarily attributed to the purchase of property, plant and equipment of S\$3.0 million and net cash outflow from acquisition of subsidiaries of S\$0.4 million; partially offset by the proceeds from disposal of property, plant and equipment of S\$0.1 million.

F. Management Discussion and Analysis (cont'd)

FINANCIAL REVIEW (Cont'd)

CASH FLOW STATEMENT (Cont'd)

Changes in Cash Flow from Investing Activities (Cont'd)

For FY2024, net cash used in investing activities of S\$6.9 million was primarily attributed to the purchase of property, plant and equipment of S\$7.5 million and net cash outflow from acquisition of subsidiaries of S\$0.4 million; partially offset by the proceeds from disposal of property, plant and equipment of S\$0.9 million as well as the dividends received from an associate of S\$0.1 million.

Changes in Cash Flow from Financing Activities

For 2H2024, net cash used in financing activities amounted to S\$3.7 million was primary attributed to dividends paid to non-controlling interest of S\$3.8 million, repayment of lease liabilities (inclusive interest paid) of S\$1.5 million, net repayment from bank borrowings (inclusive of trust receipts) of S\$1.0 million, dividends to equity holders of the Company of S\$0.5 million and; partially offset by proceeds from non-controlling interest of S\$2.7 million and a decrease in bank deposits pledged of S\$0.4 million.

For FY2024, net cash used in financing activities amounted to S\$14.0 million was primary attributed to net repayment from bank borrowings (inclusive of trust receipts) of S\$5.9 million, dividends paid to non-controlling interest of S\$5.7 million, repayment of lease liabilities (inclusive interest paid) of S\$2.8 million, acquisition of associate of S\$2.2 million, and dividends to equity holders of the Company of S\$0.5 million; partially offset by proceeds from non-controlling interest of S\$2.7 million and a decrease in bank deposits pledged of S\$0.4 million.

As at 31 December 2024, the Group maintained a healthy cash and cash equivalents balance of S\$56.1 million.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Please refer to Note 12 of Section G - Other information required by SGX-ST Listing Rule Appendix 7.2 and SEHK Listing Rules Appendix D2

LIQUIDITY AND FINANCIAL RESOURCES

During FY2024, the Group's working capital was financed by both internal resources and bank borrowings. As at 31 December 2024, cash and bank balances amounted to approximately S\$56.5 million decreased by approximately 5.9% as compared to S\$60.0 million as at 31 December 2023. The quick ratio of the Group was approximately 1.6 times (31 December 2023: 1.7 times).

As at 31 December 2024, the Group has long and short-term bank borrowings of approximately S\$70.1 million. Among the borrowings, the bank borrowings due within one year amounted to approximately S\$21.2 million (31 December 2023: S\$19.7 million) while the bank borrowings due after one year amounted to approximately S\$48.9 million (31 December 2023: S\$56.0 million).

As at 31 December 2024, the weighted average effective interest rates on bank borrowings is 4.8% (31 December 2023: 5.2%) per annum. The Group obtained the Temporary Bridge Loan (the "TBL") of S\$5.0 million in financial year ended 2021 which was initiated by the Singapore government to help local companies' working capital needs. The term of the TBL is 5 years with fixed interest rate at 2.65% per annum. In addition, the Group obtained a loan from a financial institution of S\$0.4 million with fixed interest rate of 4.25% per annum in financial year ended 2023. Other than the above, the Group does not have fixed rate bank borrowings as at 31 December 2024 and 31 December 2023. Together with the obligation under finance leases of approximately S\$0.2 million (31 December 2023: S\$0.1 million), the Group's total borrowings amounted to S\$70.1 million (31 December 2023: S\$75.7 million).

F. Management Discussion and Analysis (cont'd)

GEARING RATIO

During FY2024, the gearing ratio of the Group was about 34.0% (31 December 2023: 38.2%) which was calculated on the Group's total borrowings (including total borrowings and finance lease but excluding trade and other payables) to total Shareholders' equity (excluding NCI).

TREASURY POLICIES

The Group has adopted a prudent treasury policy and thus maintained a healthy liquidity position throughout the FY2024. The Group strives to reduce credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. In the event of capital need, the Group may borrow funds from banks in the currency that coincident with the functional currency of the subsidiary as a natural hedge against foreign exchange fluctuation. During the FY2024, the Group did not enter into any hedges in respect of the interest rate risk we are exposed to.

FOREIGN EXCHANGE EXPOSURE

The Group's foreign currency transactions are mainly denominated in RMB and USD. The Group has currency exposure as certain sourced parts and components incurred in China were denominated in RMB. Certain of the subsidiaries of the Company have their assets and liabilities denominated in RMB and other currencies. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in RMB. During FY2024, the Group did not commit to any financial instruments to hedge its exposure to foreign currency risk.

CAPITAL EXPENDITURES

During FY2024, the Group's capital expenditure consists of additions to property, plant and equipment and construction in progress amounting to approximately S\$7,523,000 (2023: S\$4,361,000).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, there were 1,283 (2023: 1,149) employees in the Group. Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical and life insurance.

On 31 January 2023, the Company adopted a new share incentive scheme, namely, the ISDN PSP 2022. The purpose of the ISDN PSP 2022 is to (a) foster a culture of ownership within the Group to align the interests of Group Employees and Group Non-executive Directors with the interests of Shareholders; (b) motivate participants to strive towards excellence and to maintain high level of performance to contribute to the Group and to achieve key financial and operational goals of the Company and/or their respective business units; and (c) make total employee remuneration sufficiently competitive to recruit and retain staff whose contributions are important to the long-term growth and profitability of the Group.

On 13 March 2023, an aggregate of 2,830,000 New Shares were granted and vested under ISDN PSP 2022 to selected employees of the Group who are not related to any Directors, chief executives and substantial Shareholders (and each of their associates). The awards were granted without any performance or vesting conditions attached, but subject to a selling moratorium of six (6) months.

There are no outstanding share awards issued under the ISDN PSP 2022.

F. Management Discussion and Analysis (cont'd)

SIGNIFICANT INVESTMENT HELD

Except for investments in subsidiaries and associates, the Group did not hold any significant investment in equity interest in any other company during FY2024.

RISK MANAGEMENT

Contingent Liabilities

The Group did not have any significant contingent liabilities or outstanding guarantees in respect of payment obligations to any third parties as at FY2024.

Charge on the Group's Assets

As at 31 December 2024, the Group's bank deposits, service concession receivables, net book value of property, plant and equipment and land use rights of approximately S\$0.4 million, S\$84.6 million, S\$23.6 million and S\$1.0 million, respectively (31 December 2023: S\$0.8 million, S\$73.5 million, S\$18.4 million and S\$1.0 million) were pledged to banks to secure banking facilities granted to the Group.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES AND CANCELLATION OF TREASURY SHARES

During FY2024 and up to the date of this announcement, the Company did not redeem any of its securities listed on the Main Board of the Stock Exchange and SGX-ST, neither did the Company nor any of its subsidiaries purchase or sell any of the Company's listed securities (including sale of treasury shares, if any).

As at 31 December 2024, the Company did not hold any treasury shares.

PROPOSED FINAL DIVIDEND

The Board has resolved to recommend the payment of a final dividend of 0.47 Singapore cents (equivalent to 2.71 Hong Kong cents) per ordinary share for FY2024. The proposed dividend payment is subject to approval by the Shareholders at the annual general meeting to be held on Wednesday, 30 April 2025 (the "AGM") at 9:30 a.m. (Singapore Time). Upon Shareholders' approval at the upcoming AGM, the proposed final dividend will be paid on or about Monday, 25 August 2025 to the Shareholders whose names shall appear on the register of members of the Company on Monday, 7 July 2025.

The Directors propose that the Shareholders be given the option to receive the final dividend in new shares in lieu of cash. The scrip dividend proposal is subject to: (1) the approval of the proposed final dividend at the AGM; and (2) SGX-ST and the Stock Exchange granting the listing of and permission to deal in the new shares to be issued pursuant to this proposal.

A circular containing details of the scrip dividend proposal will be despatched to the Shareholders together with the form of election for scrip dividend on or about Tuesday, 15 July 2025. It is expected that the final dividend warrants and share certificates for the scrip dividend will be despatched to the Shareholders on or about Monday, 25 August 2025.

F. Management Discussion and Analysis (cont'd)

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM

For Hong Kong Shareholders

The Hong Kong Branch Share Register will be closed from Friday, 25 April 2025 to Wednesday, 30 April 2025 both days inclusive. During this period, no transfer of shares in the capital of the Company will be registered. In order to be entitled to attend and vote at the AGM, the non-registered Hong Kong Shareholders must lodge all completed transfer forms accompanied by the relevant share certificates with the Company's Hong Kong Branch Share Registrar and Transfer Office, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Thursday, 24 April 2025.

For Singapore Shareholders

The share transfer books and the Singapore Principal Share Register will be closed at 5:00 p.m. on Friday, 25 April 2025 for the purpose of determining the entitlement of Singapore Shareholders to attend and vote at the AGM. Duly completed registrable transfers received by the Company's Singapore Principal Share Registrar and Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632 up to 5:00 p.m. on Friday, 25 April 2025 shall be registered to determine Shareholders' entitlements to attend and vote at the AGM.

For determining the entitlement to the proposed final dividend

For Hong Kong Shareholders

The Hong Kong Branch Share Register will be closed from Tuesday, 8 July 2025 to Wednesday, 9 July 2025, both days inclusive. During this period, no transfer of shares in the capital of the Company will be registered. In order to qualify for the final dividend, Shareholders who wish to hold their shares on the Hong Kong register of members of the Company must lodge all completed transfer forms accompanied by the relevant share certificates with the Company's Hong Kong Branch Share Registrar and Transfer Office, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration no later than 4:30 p.m. on Monday, 7 July 2025.

For Singapore Shareholders

For the avoidance of doubt, where the registered holder is The Central Depository (Pte) Limited ("CDP"), the final dividend shall be paid to the CDP and credited to the depositors' securities accounts with the CDP in proportion to the number of shares standing to the credit of each depositor's securities account with the CDP as at 5:00 p.m. on Monday, 7 July 2025. Duly completed registrable transfers received by the Company's Singapore Principal Share Registrar and Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632 up to 5:00 p.m. on Monday, 7 July 2025 shall be registered to determine Shareholders' entitlements to the final dividend.

G. Other information required by SGX-ST Listing Rule Appendix 7.2 and SEHK Listing Rules Appendix D2

1. Review

The condensed consolidated statement of financial position of the Group as at 31 December 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the second half and full year ended 31 December 2024 and certain explanatory notes have not been audited or reviewed by the Company's auditors.

2. Review of performance of the Group

Please refer to section F. Management Discussion and Analysis – Financial Review.

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 FY2023 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the auditors.

4. 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.

5. 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

Please refer to section F. Management Discussion and Analysis – Business Review and Outlook.

G. Other information required by SGX-ST Listing Rule Appendix 7.2 and SEHK Listing Rules Appendix D2 (Cont'd)

6. Dividend Information

(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)	0.47 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)	0.28 cents
Tax Rate	Tax exempt (One-Tier)

(c) Date Payable

Upon the Shareholders' approval at the upcoming AGM, the proposed final dividend will be paid on or about 25 August 2025 to the Shareholders whose names shall appear on the register of members of the Company on 7 July 2025.

(d) Books Closure Date

The date on which Registrable Transfers received by the Company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined.

The book closure date shall be on 7 July 2025.

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

Not applicable.

8. Interested Person Transactions ("IPTs")

The Group has not obtained a general mandate from Shareholders for IPTs.

G. Other information required by SGX-ST Listing Rule Appendix 7.2 and SEHK Listing Rules Appendix D2 (Cont'd)

9. Use of proceeds

(a) Use of Net Proceeds from the Second Placement

The Company has re-allocated the unutilised net proceeds from the Second Placement, which was originally allocated for working capital requirements of the mining-related business of the Group, in particular for coal trading to funding for construction and working capital requirement of the renewal energy business of the Group. For more information, please refer to Company's announcement entitled "Change in Use of Proceeds" dated 7 July 2023.

There has been no material usage till the date of this announcement after the last announcement made on 15 January 2024. 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 the date of this announcement after the last announcement made on 8 November 2023. The Company will make further announcement(s) on the utilisation of proceeds from the subscription as and when the funds are materially disbursed.

10. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its Directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

11. Review of performance of the Group – turnover and earnings

Please refer to section F. Management Discussion and Analysis – Financial Review.

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

On 4 July 2024, the Company's direct wholly-owned subsidiary, MCG incorporated a joint venture subsidiary, Fuji Master (Penang) Sdn. Bhd. ("**FM Penang**"), in Malaysia with Fuji Master Engineering Sdn. Bhd. ("**FM**"), an associate of MCG. FM Penang was incorporated with a registered share capital of Malaysian Ringgit ("**MYR**") 100, with MCG and FM holding 65.0% and 35.0% shareholdings, respectively. Following the incorporation, the Group's effective interest in FM Penang is 75.5%. FM Penang is principally engaged in system integration for semiconductors and robotics systems.

On 5 August 2024, the Company's direct wholly-owned subsidiary, MCG acquired an additional 444,994 ordinary shares in IDI Laser for S\$600,000. Following the completion of the Acquisition, MCG subscribed for an additional 595,008 ordinary shares in IDI Laser for S\$130,000. As a result, MCG's total ordinary shares in IDI Laser increased from 500,015 to 1,540,017, and its effective shareholding rose from 33.33% to 70.00%.

- G. Other information required by SGX-ST Listing Rule Appendix 7.2 and SEHK Listing Rules Appendix D2 (Cont'd)**
- 12. Disclosure of Acquisition (including incorporations) and sale of shares since the end of the previous reporting period under Rule 706A (Cont'd)**

On 15 August 2024, the Company's direct wholly-owned subsidiary, MCG incorporated a 90%-owned subsidiary in India, ISDN Engineering Private Limited ("**ISDN Engineering**"), with an initial capital contribution of Rupees 11,160,000 for 1,116,000 ordinary shares, representing 90% of the equity interest in the share capital of ISDN Engineering. ISDN Engineering is principally engaged in the business of special purpose machine manufacturing, as well as the trading, import, and export of industrial hardware and software.

On 21 August 2024, the Company's indirect wholly-owned subsidiary, ISDN (Jiangxi) Technologies Co Ltd. ("**ISDN Jiangxi**") made a further capital injection of RMB 800,000 (equivalent to approximately S\$149,000) in a wholly-owned subsidiary, in ISDN Energy Storage Solutions Co Ltd ("**ISDN Solutions**") for working capital purposes. Concurrently, a non-controlling interest made a separate capital injection of RMB 200,000 (equivalent to approximately S\$38,000). Following these capital injections, the paid-up capital of ISDN Solutions increased to RMB 1,000,000 (equivalent to approximately S\$187,000).

On 21 August 2024, the Company's direct wholly-owned subsidiary, MCG made a capital injection of MYR400,000 (equivalent to S\$123,797.83) in a wholly-owned subsidiary, Servo Technologies Sdn. Bhd. ("**Servo Technologies**") for working capital purposes. Following the completion of the capital injection, the registered and paid-up capital of Servo Technologies increased from MYR600,000 to MYR1,000,000 (equivalent to approximately S\$172,066.13 to S\$295,863.96) and the Group's effective interest in Servo Technologies remain unchanged at 100%.

On 6 September 2024, the Company's direct wholly-owned subsidiary, MCG acquired 1,400,000 ordinary shares from a non-controlling interest in ISDN Precision System Co Ltd ("**ISDN Taiwan**") for the sum of Taiwan New Dollars ("**TWD**")14,000,000. Following the Acquisition, the Group's effective interest in ISDN Taiwan is 99.29%. ISDN Taiwan is principally engaged in manufacture of direct drive motors, linear actuators, and precision stages. Subsequently, on 11 November 2024, ISDN Taiwan's paid-up share capital was increased from TWD 14,100,000 to TWD 20,000,000 through a capital injection from non-controlling interests. As a result of this capital injection, the Group's effective interest in ISDN Taiwan decreased from 99.29% to 70.00%.

On 26 September 2024, the Company's direct wholly-owned subsidiary, MCG made a further capital injection of MYR400,000 (equivalent to S\$127,116.02) in a wholly-owned subsidiary, Servo Technologies for working capital purposes. the registered and paid-up capital of Servo Technologies will be increased from MYR1,000,000 to MYR1,400,000 (equivalent to approximately S\$295,863.96 to S\$422,979.98) and the Group's effective interest in Servo Technologies remain unchanged at 100%.

On 5 November 2024, the Company's indirect wholly-owned subsidiary, IDI Laser incorporated a wholly owned subsidiary in Singapore known as IDI Dynamics Pte. Ltd. ("**IDI Dynamics**"), with an issue and paid-up share capital of S\$1.00 for 1 ordinary share. IDI Dynamics will be principally engaged in the business of wholesale of medical, professional, scientific and precision equipment and the manufacture and repair of metal additive manufacturing equipment (including metal powder).

On 19 December 2024, the Company's direct wholly-owned subsidiary, MCG completed its capital injection in a 65%-owned subsidiary, FM Penang by increasing its contribution from MYR65 to MYR455,000 (equivalent to approximately S\$20 to S\$138,279) through the subscription of an additional 454,935 ordinary shares at a subscription price of MYR1 per share for working capital purposes. Following the additional subscription, MCG holds a total of 455,000 ordinary shares at MYR1 per share in the capital of FM Penang, representing 65% of the issued and paid-up share capital of FM Penang. As FM is an associate of the Group, through the shareholding of FM in FM Penang, the Group's effective interest in FM Penang is 75.5%.

- G. Other information required by SGX-ST Listing Rule Appendix 7.2 and SEHK Listing Rules Appendix D2 (Cont'd)
12. Disclosure of Acquisition (including incorporations) and sale of shares since the end of the previous reporting period under Rule 706A (Cont'd)

On 27 December 2024, the Company's direct wholly-owned subsidiary, ISDN Investments Pte. Ltd ("ISDN Investments") made a further capital injection of S\$1,350,000 in a wholly-owned subsidiary, ISDN Jiangxi for working capital purposes. Following the completion of the capital injection, the total paid-up share capital of ISDN Jiangxi increased from S\$2,688,900 to S\$4,038,900. Upon the completion of the capital injection, the Group's effective interest in ISDN Jiangxi remains unchanged at 100%.

13. Disclosure of persons occupying managerial positions who are related to a director, chief executive officer or substantial Shareholder

Pursuant to Rule 704(13) of the Listing Manual of SGX-ST, the Company 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	65	Spouse of:- Teo Cher Koon - managing director and substantial shareholder	Company's name: Servo Dynamics Pte Ltd A principal Subsidiary of the Company Position in the Company: Director Appointed on: 26 September 2005 Duties: Managing the administrative functions of the subsidiary.	No change

14. Compliance with Corporate Governance Codes

The Group has applied the principles and the extent of compliance with the guidelines as set out in the Singapore Revised Code of Corporate Governance 2018 (the "Code") and the applicable code provisions of the Corporate Governance Code (the "HK CG Code") as set out in Part 2 of Appendix C1 to the SEHK Listing Rules to provide the structure through which the objectives of protection of Shareholders' interest and enhancement of long-term Shareholders' value are met. In the event of any conflict between the Code and the HK CG Code, the Group will comply with the more onerous provisions. Throughout FY2024, the Group has complied with the Code and the HK CG Code.

15. Compliance with Singapore Listing Manual and Hong Kong Model Code

In compliance with Rules 1207(19) of the Listing Manual (the "Singapore Listing Manual") of the SGX-ST and the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the SEHK Listing Rules (the "Model Code"), the Company has adopted its own internal compliance code pursuant to the SGX-ST's and the Model Code's best practices on dealings in securities and these are applicable to all officers in relation to their dealings in the Company's securities. In furtherance, specific enquiry has been made with all the Directors and the Directors have confirmed that they have complied with the Model Code during FY2024.

G. Other information required by SGX-ST Listing Rule Appendix 7.2 and SEHK Listing Rules Appendix D2 (Cont'd)

15. Compliance with Singapore Listing Manual and Hong Kong Model Code (Cont'd)

The Company and its officers are not allowed to deal in the shares of the Company during the period commencing 30 days immediately before the announcement of the Company's half-year results and 60 days immediately before the announcement of the Company's full year results and ending on the date of the announcement of the relevant results.

The Directors, management and executives of the Group are also expected to observe relevant insider trading laws at all times, even when dealing in securities within permitted trading period or they are in possession of unpublished price-sensitive information and/or inside information of the Company and they are not to deal in the Company's securities on short-term considerations.

16. Audit Committee

The Audit Committee with written terms of reference which deal clearly with its authority and duties. Amongst the Audit Committee's principal duties is to review and supervise the Company's financial reporting process and internal controls.

The Audit Committee comprises three independent non-executive Directors, namely Ms. Heng Su-Ling Mae, Mr. Sho Kian Hin and Mr. Tan Soon Liang. Ms. Heng Su-Ling Mae is the chairman of the Audit Committee.

The financial information in this announcement has not been audited or reviewed by the auditor of the Company, but the Audit Committee has reviewed the unaudited consolidated results of the Group for the FY2024 and is of the opinion that such results complied with the applicable accounting standards, the requirements under Singapore Listing Manual and the SEHK Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

17. Scope of Work of The Independent Auditor

The figures in respect of the preliminary announcement of the Group's results for FY2024 have been agreed by the independent auditor, Moore Stephens LLP, to the amounts set out in the Group's draft consolidated financial statements for FY2024 and the amounts were found to be in agreement. The work performed by the independent auditor in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the independent auditor on this announcement.

18. Publication of Financial Information

The annual results announcement for FY2024 is published on the website of the SGX-ST at <https://www.sgx.com/securities/company-announcements>, the website of the Stock Exchange at <https://www.hkexnews.hk>, and the website of the Company at <https://www.isdnholdings.com/sgx-singapore-exchange>. The annual report of the Company for FY2024 containing, among others, the financial information of the Group will be published on the above websites in due course.

By Order of the Board
ISDN Holdings Limited

Teo Cher Koon
President and Managing Director
Singapore and Hong Kong, 28 February 2025

As at the date of this announcement, the Board comprises Mr. Teo Cher Koon and Mr. Kong Deyang as executive Directors; Mr. Toh Hsiang-Wen Keith as non-executive Director; and Mr. Tan Soon Liang (Chairman), Mr. Sho Kian Hin and Ms. Heng Su-Ling Mae as independent non-executive Directors.