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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)

OVERSEAS REGULATORY ANNOUNCEMENT

This overseas regulatory announcement is issued pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Please refer to the attached announcement which has been published by ISDN Holdings Limited (the “**Company**”) on the website of the Singapore Exchange Securities Trading Limited on 8 November 2019.

By Order of the Board
ISDN HOLDINGS LIMITED
Teo Cher Koon
President and Managing Director

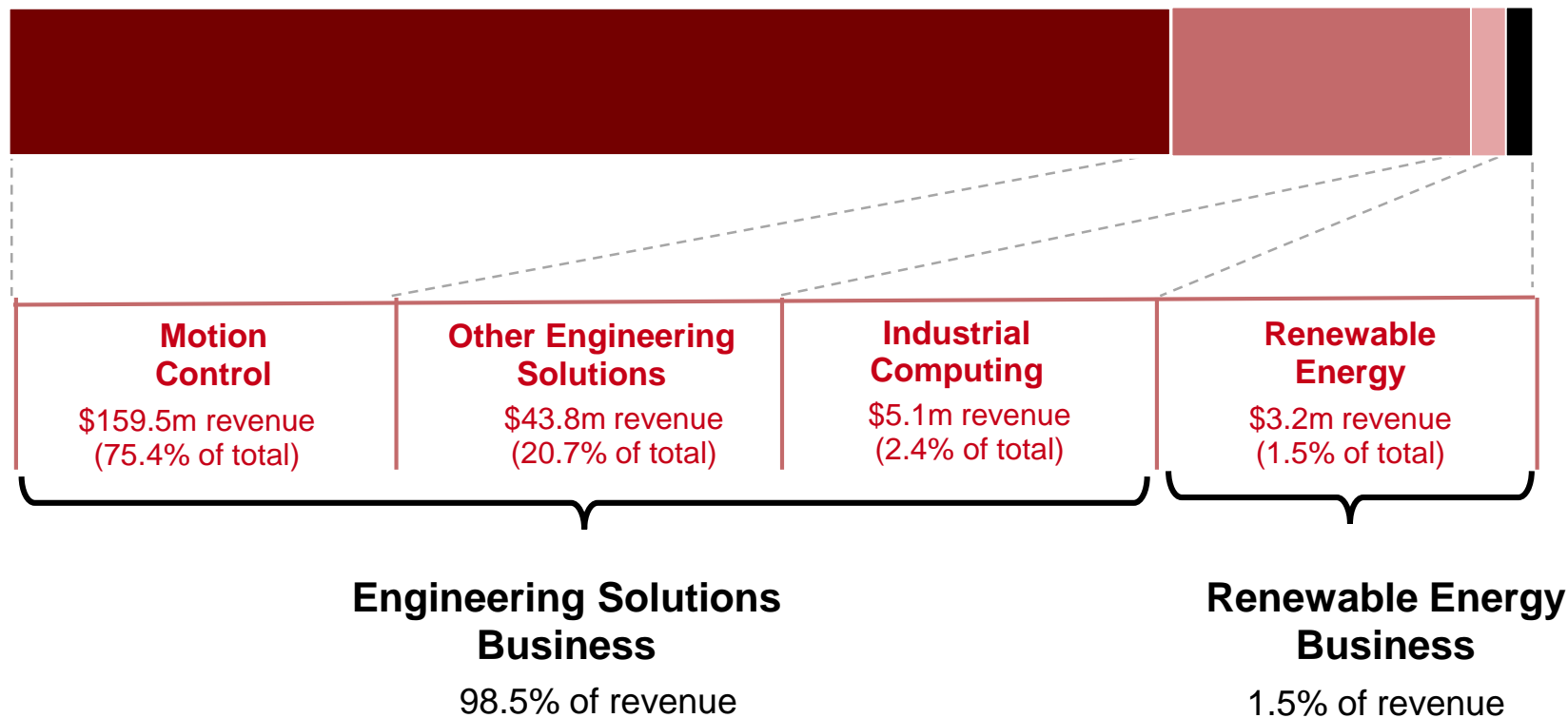
Hong Kong, 8 November 2019

As at the date of this announcement, the board of directors of the Company comprises Mr. Teo Cher Koon and Mr. Kong Deyang as executive directors of the Company; Mr. Toh Hsiang-Wen Keith as non-executive director of the Company; and Mr. Lim Siang Kai (Chairman), Mr. Soh Beng Keng and Mr. Tan Soon Liang as independent non-executive directors of the Company.



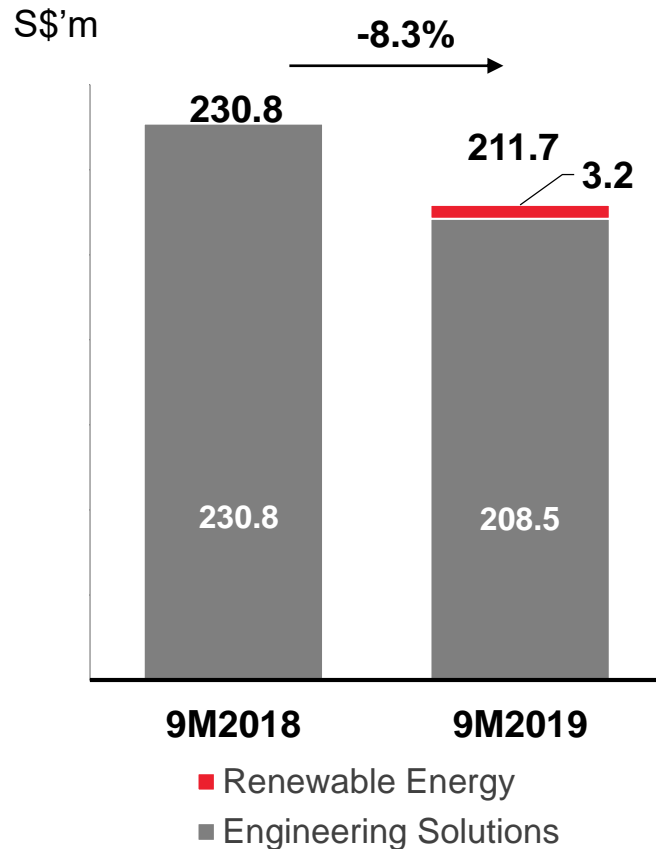
FINANCIAL HIGHLIGHTS

9M2019 REVENUE BREAKDOWN BY SEGMENT

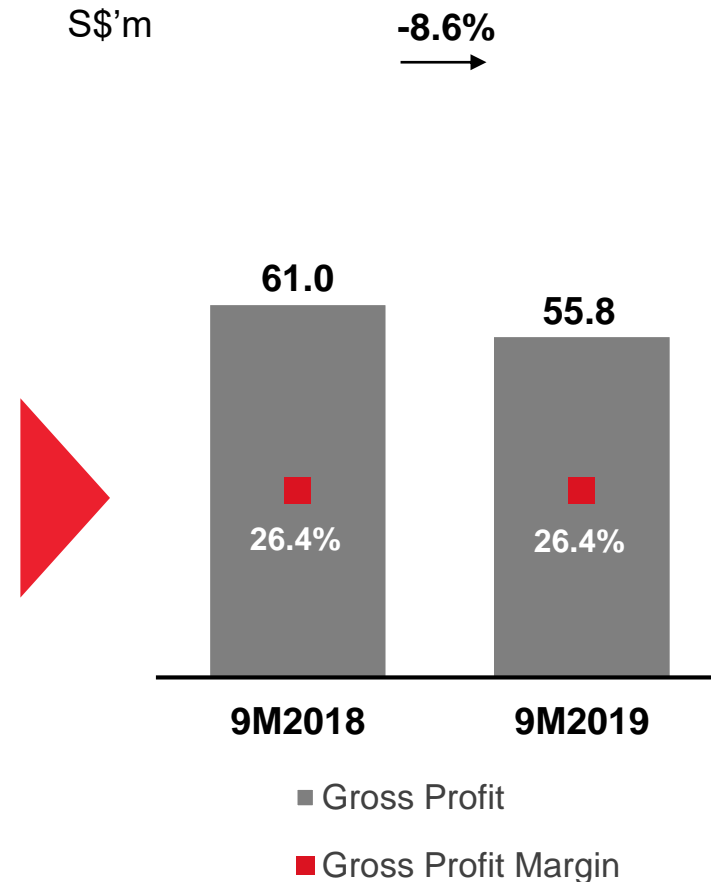


Financial Snapshot: 9M2019

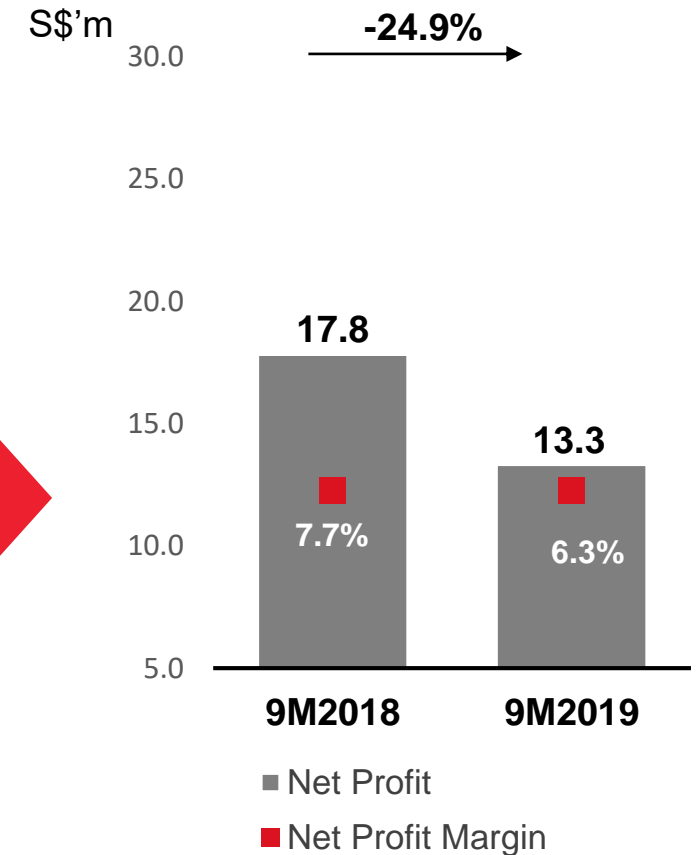
TOTAL REVENUE



GROSS PROFIT AND GROSS PROFIT MARGIN



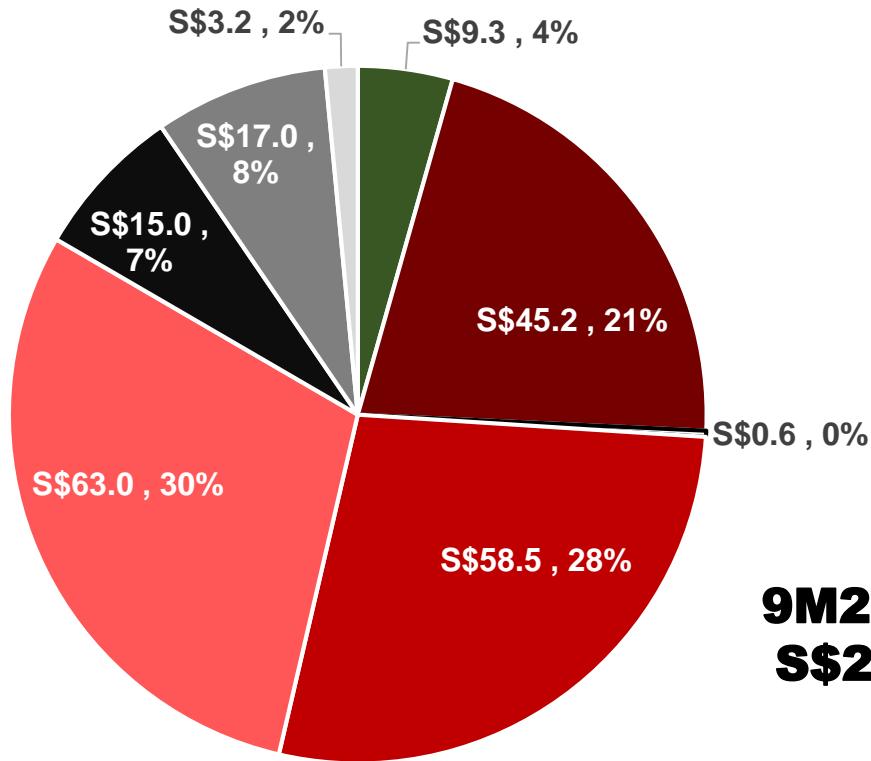
NET PROFIT AND NET PROFIT MARGIN



9M2019: Amid global trade tensions, cyclical in the semiconductor industry, and the weakening of RMB against the SGD, ISDN posts a 8.3% revenue fall YoY. The Group's gross margin discipline and conservative approach to sales renewals have cushioned the medium-term volatilities associated with the trade war. At the same time, ISDN has also remained vigilant in controlling expenses amidst the softer economic conditions

9M2019 Revenue Breakdown

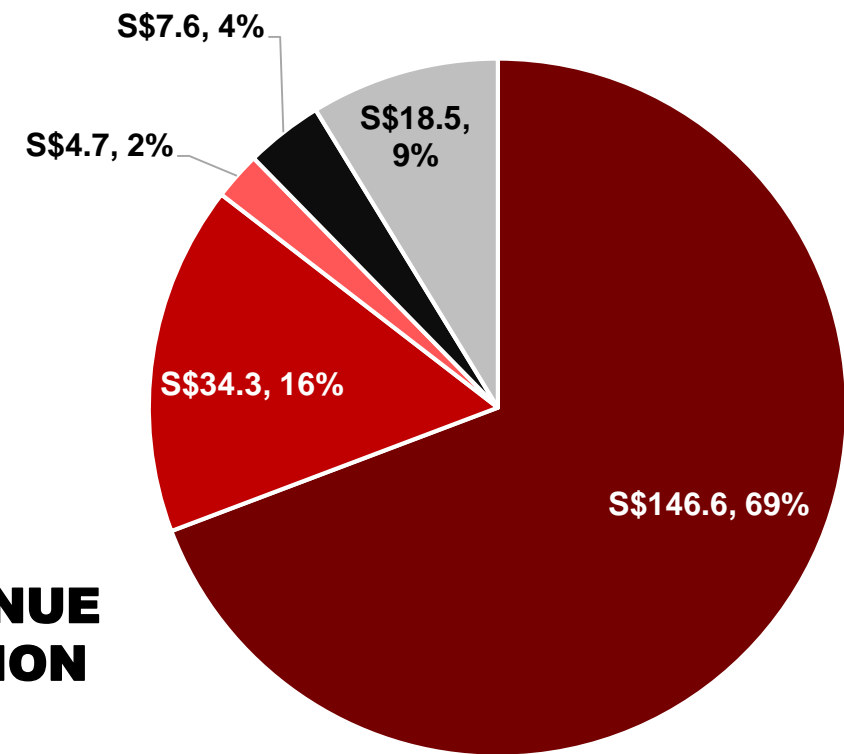
BY END-INDUSTRIES



**9M2019 REVENUE
S\$211.7 MILLION**

- Automotive
- Food & Beverage Packaging Machinery
- Machine Tools
- Others
- Electronic & Semiconductor
- Industrial Robotic/ Automation
- Medical Device
- Renewable Energy

BY GEOGRAPHY



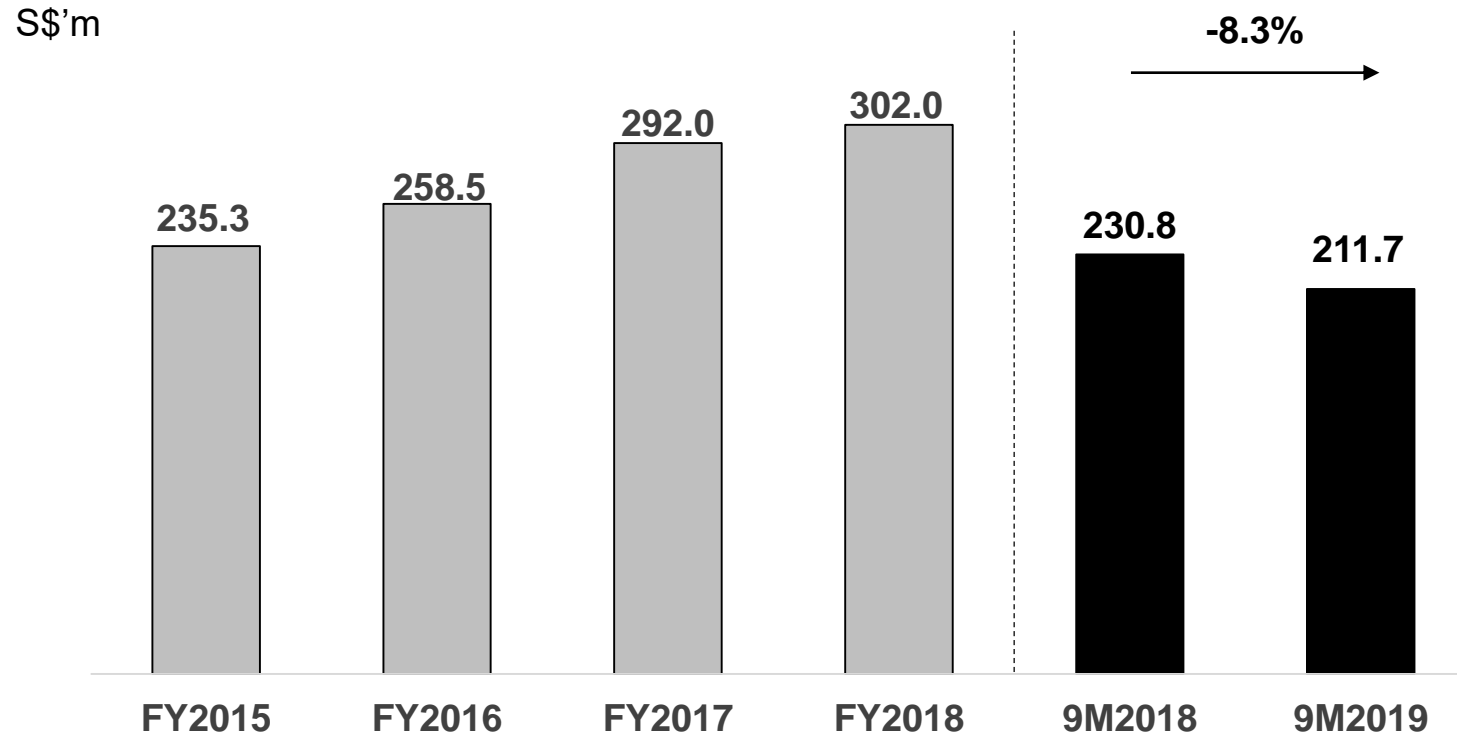
- PRC
- Singapore
- Hong Kong
- Others
- Malaysia

Strong end-industry diversification and strategic geographical mix

Revenue Trend

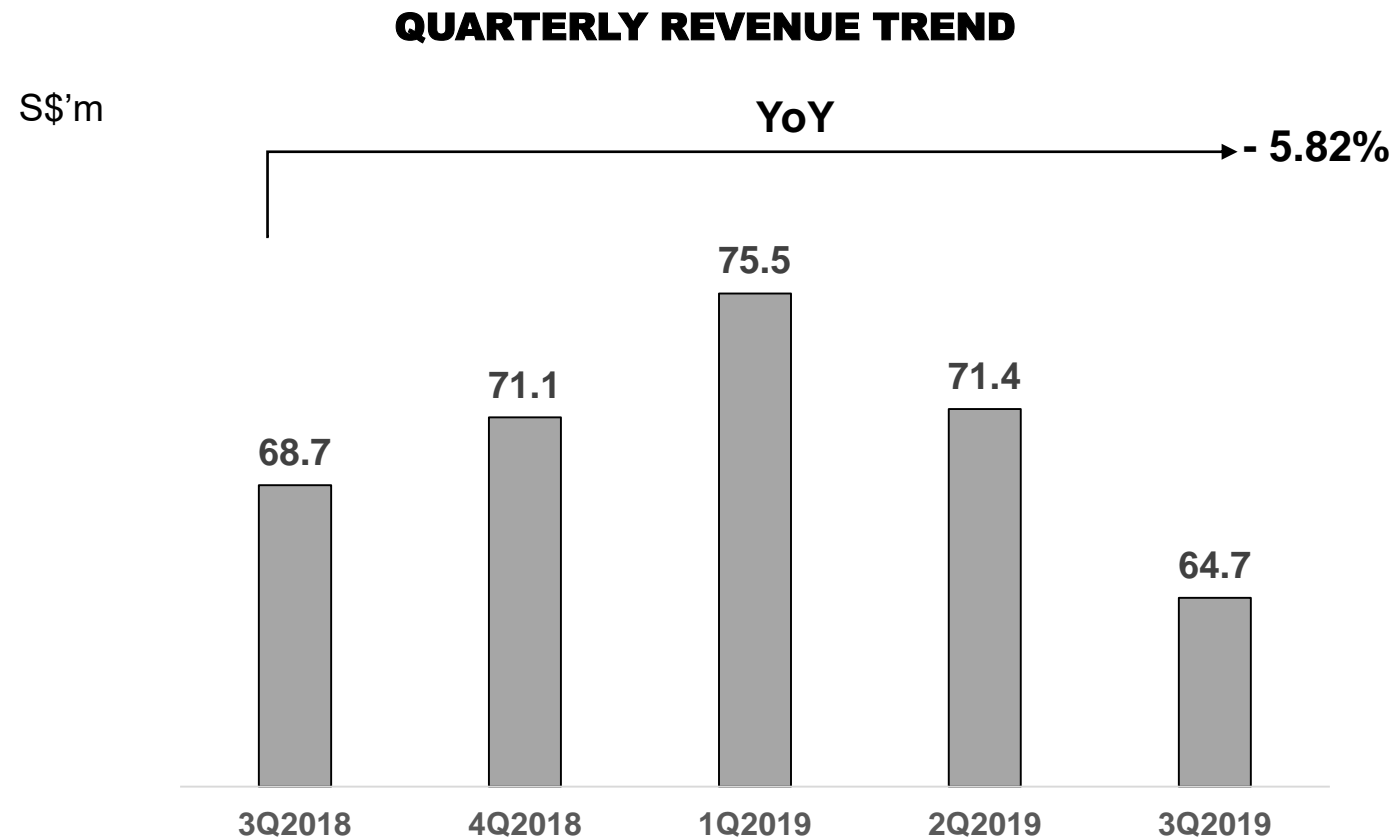
ANNUAL REVENUE TREND

9M REVENUE COMPARISON



9M2019: Against the backdrop of global trade tensions, cyclicality in the semiconductor industry, and the weakening RMB against the SGD, ISDN manages its counterparty risk by not renewing certain sales account.

Revenue Trend



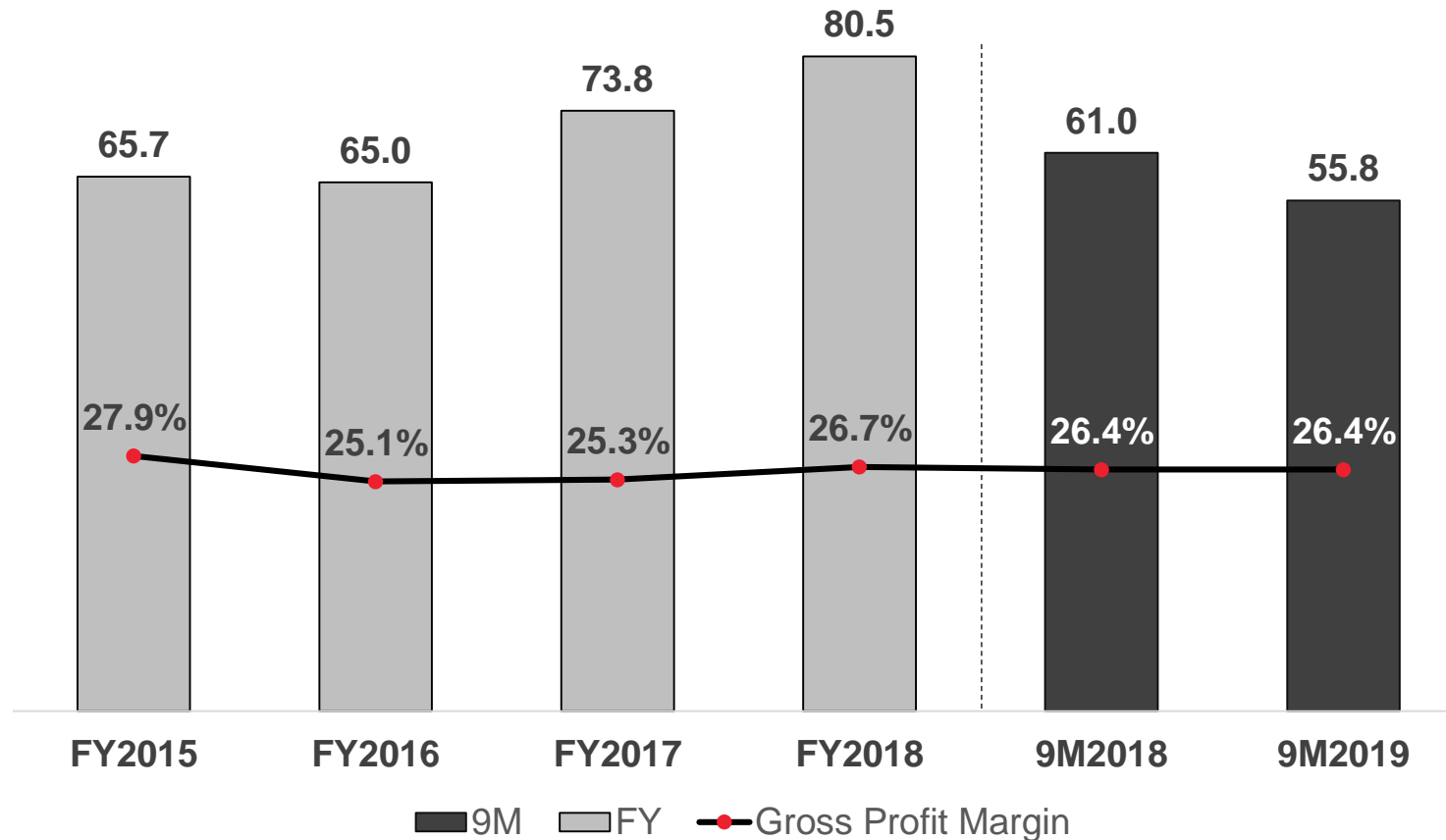
3Q2019: ISDN's quarterly revenues have declined 5.82% YoY, mirroring the wider volatility trend in the short-to-medium term

Gross Profit Trend

S\$'m

ANNUAL GROSS PROFIT TREND

9M GROSS PROFIT COMPARISON

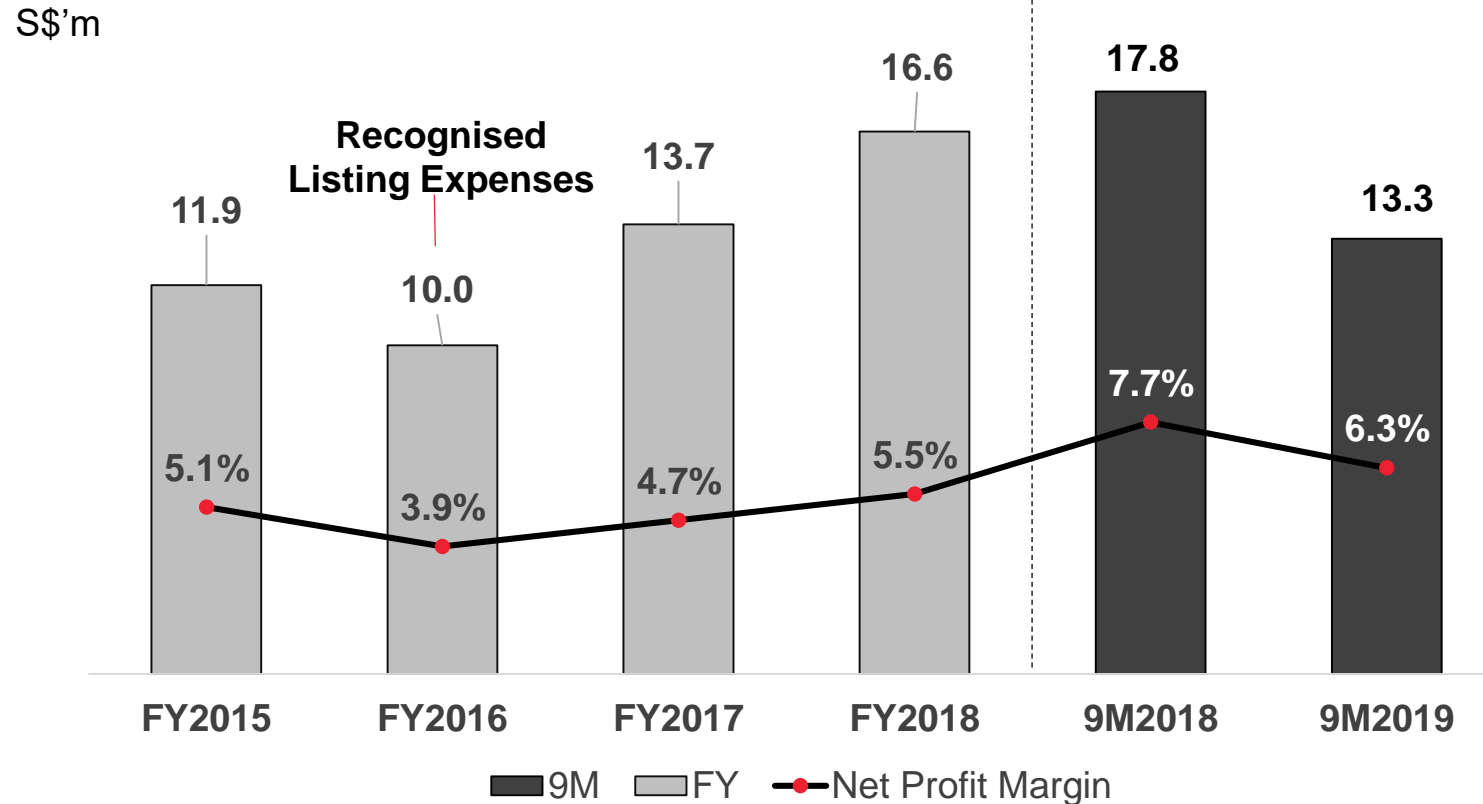


Annually, gross profit margin hovers **between 25 – 28%**. Excluding gross profit from the two mini-hydropower plants construction, the Group's **core Industrial Automation segment's gross margin** would have inched up marginally by 0.2 percentage point to 26.6% in 9M2019.

Net Profit Trend

ANNUAL NET PROFIT TREND

9M NET PROFIT COMPARISON

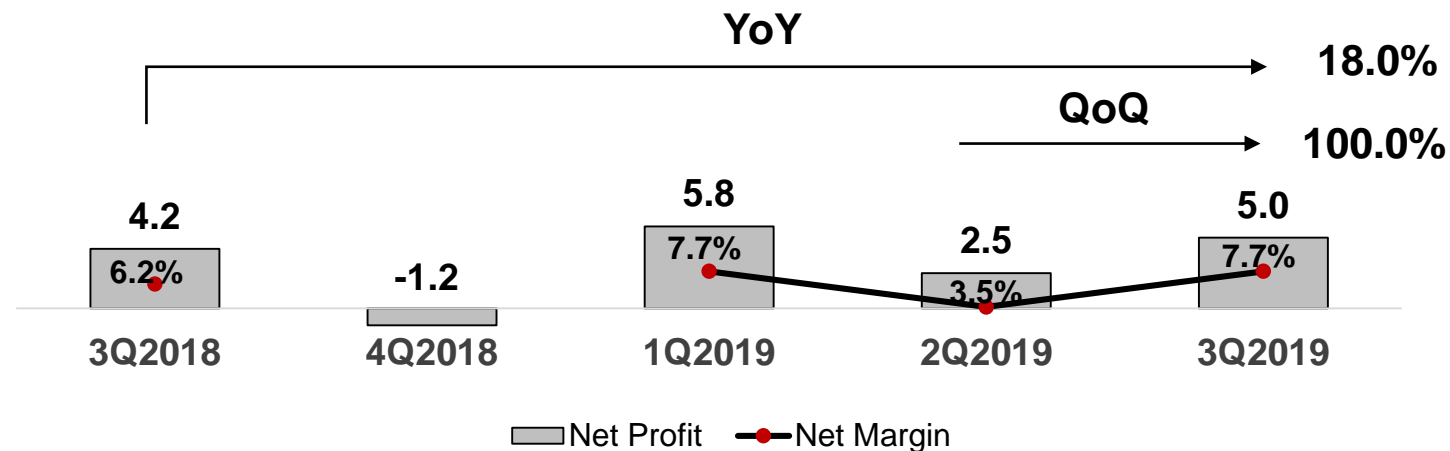


The Group has been **profitable since listing in 2005**. Annually, net profit margin hovers **between 4-8%**. **Net profit margin was 6.3% for 9M2019**, with OPEX largely flat YoY – the Group prudently managed its expenses, balancing the short-term volatility with long-term growth investment.

Net Profit Trend

QUARTERLY NET PROFIT TREND

S\$'m



Mirroring the global macroeconomic trends, ISDN's net profit has seen some fluctuation since the onset of trade war in mid-2018. **Balancing cost management and long-term investment growth** are key to power through this period of short-to-medium term volatilities

Balance Sheet Highlights

S\$'000

As at 30 September 2019

As at 31 December 2018

Assets

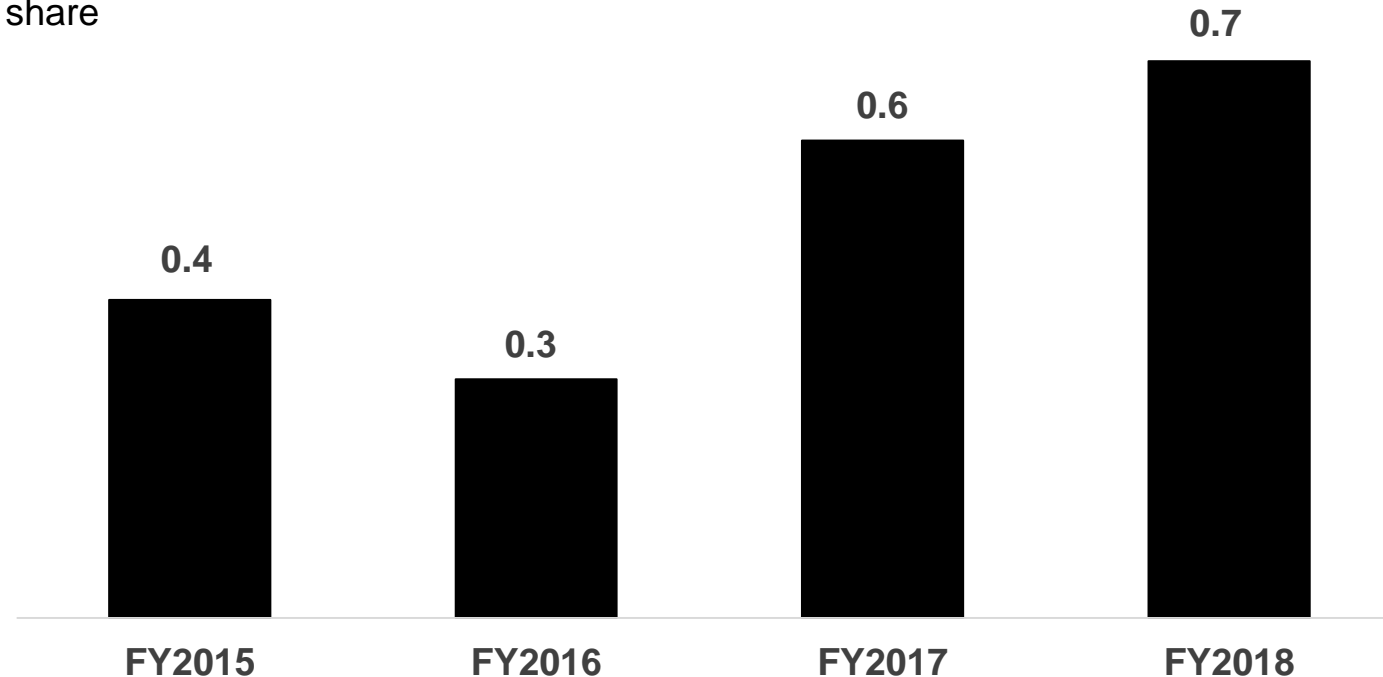
| | | |
|--------------------------------|----------------|----------------|
| Inventories | 52,896 | 55,183 |
| Trade and Other Receivables | 104,045 | 96,225 |
| Cash and Bank Balances | 38,451 | 41,877 |
| Property, Plant, and Equipment | 39,166 | 39,314 |
| Goodwill | 12,227 | 12,227 |
| Service Concession Receivables | 32,541 | 30,233 |
| Other Assets | 8,703 | 8,042 |
| Total Assets | 288,029 | 283,101 |

Liabilities

| | | |
|------------------------------------|----------------|----------------|
| Trade and Other Payables (current) | 65,020 | 69,380 |
| Bank Borrowings (current) | 15,496 | 16,423 |
| Bank Borrowings (non-current) | 11,927 | 11,842 |
| Other Liabilities | 3,158 | 3,248 |
| Total Liabilities | 95,601 | 100,893 |
| Net Assets or Total Equity | 192,428 | 182,208 |

Dividend Trend

Singapore cents
per share



The Group's new dividend policy from FY2017 targets to provide shareholders an **annual dividend payout of 25% of the net profit attributable to shareholders**