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ISDN Holdings Limited FY2008 net earnings climb 16.4% to \$8.2 million as North Asia operations continue to scale upwards; Group revenue grows by 13.2% to \$116.4 million

Singapore, 20 February 2009 – SGX Main Board listed ISDN Holdings Limited (“ISDN” or “The Group”), an integrated engineering solutions provider for diverse industries, grew both full-year revenue and net earnings despite facing some headwinds from the global economic downturn. Net profit for FY2008 rose by 16.4% from \$7.0 million to \$8.2 million, backed by revenue growth of 13.2% to \$116.4 million, from \$102.9 million. Gross profit margin inched higher to 30.0%, from 26.1% last year.

Earnings per share increased by 7.2% from 3.21 cents to 3.44 cents while cash and cash equivalents stood at \$15.5 million, after taking into account acquisition of a joint venture company, Dirak Asia Pte Ltd, and a subsidiary company, TDS Technology Pte Ltd. Net cash generated from operating activities strengthened from \$2.8 million to \$4.0 million.

The Board of Directors has proposed final dividend of 0.25 cents per ordinary share.

Financial Highlights

| (S\$) | FY2008 | FY2007 | % Change |
|--|------------|------------|----------|
| Turnover | 116.4 mil | 102.9 mil | 13.2 |
| Profit Before Tax | 10.7 mil | 8.9 mil | 19.7 |
| Net profit for the year | 8.2 mil | 7.0 mil | 16.4 |
| Net profit attributable to shareholders | 6.8 mil | 5.6 mil | 21.8 |
| EPS | 3.44 cents | 3.21 cents | 7.2 |

Against the backdrop of the encouraging performance, Mr Teo Cher Koon, ISDN Managing Director and President, cautioned, "In view of the current global economic slowdown, the Group will adopt a more cautious stance to its business operations and outlook. Our North Asia segment, in particular China, may benefit from the economic stimulus package by the Chinese government, but the extent of which will only be known when these measures are eventually rolled out."

North Asia accounted for 65.5% of Group revenue, as compared to 59.2% a year ago as demand for both Motion Control and Other Specialised Engineering Solutions continued to rise. The region grew sales by 25.3% from \$60.9 million to \$76.3 million largely due to organic growth in China and further enhanced by contribution from Dirak Asia subsidiaries that were acquired in January 2008.

Revenue from South Asia reduced marginally, from \$41.5 million to \$37.8 million, as orders paced in tandem with the global economic downturn.

In terms of business segments, Other Specialised Engineering Solutions Division, increased sales by 54.8%, from \$19.5 million to \$30.2 million mainly due to contribution by Dirak and its subsidiaries. Revenue from Motion Control grew by 5.2% from \$77.4 million to \$81.3 million as a result of higher demand from North Asia, though this was partially offset by the slower momentum in South Asia.

In line with the Group's proactive approach of introducing new revenue streams and ongoing efforts to effectively diversify into new industry segments, it is presently in the midst of exploring new business opportunities and forging new alliances to enhance shareholder value.

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About ISDN Holdings Limited

Listed on SGX-ST Mainboard on 24 November 2005, ISDN Holdings Limited is an integrated specialist engineering solutions provider, serving manufacturers across a broad range of industries within China and the Asian region. Our engineering solutions serve to engage the productivity and efficiency, as well as improved process control of our clients' manufacturing assets. ISDN is dominant in the niche area of motion control and industrial computing, attending to the needs of customers in the Asian region. ISDN's customized solutions cater to different industrial sectors including medical, robotics, factory automation, oil and gas, water treatment, manufacturing, hard disk and semiconductor industries.

ISDN's core competencies lie in its strong network of customers and manufacturing joint ventures with strategic technology partners to expand its scope of integrated specialist solutions to wider niche areas, including laser services for precision cutting, high precision measurement, gears and special purpose motors and other related engineering solutions.

For more information, please visit www.isdnholdings.com or contact:

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