MEDIA RELEASE

ISDN 1H2026 revenue rises to all-time high of S$254 million as profits to shareholders grow to S$10 million (over 700% YoY growth)

- **ISDN continues to see compounding returns and long-term growth** from its strategy of delivering advanced Industrial Automation solutions to Asia, and providing Renewable Energy through hydropower plants.
- **Industrial Automation** revenue rose 31.9% year-on-year ("**YoY**") to S$238.0 million (+26.3% YoY in China, +53.0% YoY in Southeast Asia), with growth across all geographies and almost all segments in industrial automation for the Group.
- **ISDN continued to benefit from the growth in AI, semiconductors and advanced electronics**, as its Industrial Automation has favourable exposure to technology and manufacturing growth trends in these sectors.
- **ISDN's Industrial Automation order book doubled in 1H2026**, and intake continues to grow across segments and regions for the business.
- **Renewable energy** revenue declined 52.1% YoY to S$15.6 million, mainly due to lower construction income from the two new mini-hydropower plants as they approach completion. However, upon commencement in 2026, the two plants are expected to generate an additional S$6.0 million of recurring net cash income, bringing the total recurring net cash income to approximately S$14.0 million annually.
- **Favourable industry tailwinds continue to support the Group's industrial automation and renewable energy businesses**, fuelled by the accelerating adoption of advanced manufacturing, robotics and artificial intelligence, together with high conventional energy costs and the global transition towards clean and sustainable energy.

Singapore, 14 August 2026 – ISDN Holdings Limited ("**ISDN**" or together with its subsidiaries, the "**Group**"), a leading industrial automation firm in Asia, today announced its financial results for the six months ended 30 June 2026 ("**1H2026**").

Financial summary

Group revenue increased +19.1% year-on-year ("**YoY**") to a record S$253.6 million in 1H2026, driven by strong growth across the Group's Industrial Automation segment.

Gross profit rose +24.9% to S$63.1 million, outpacing revenue growth, with gross margin expanding by 1.2 percentage points to 24.9% as a result of both (a) mix shift towards higher-margin products; and (b) positive operating leverage as the ISDN grows.

ISDN delivered excellent profit growth from its broad-based revenue growth and operating leverage. Profit before tax (+172.0% YoY), profit after tax (+262.8% YoY) and profit attributable to shareholders (+707.2% YoY) grew significantly in 1H2026.

S$'000	**1H2025**	**1H2026**	**YoY change**
Revenue	212,895	253,572	**+19.1%**
Gross profit	50,528	63,094	**+24.9%**
Gross profit margin (%)	23.7%	24.9%	**1.2ppt**
Operating expenses[a]	34,558	41,342	**+19.6%**
Profit before tax	7,475	20,330	**n.m.**
Profit after tax	3,847	13,955	**n.m.**
Profit attributable to shareholders	1,286	10,381	**n.m.**
Net profit margin[b] (%)	1.8%	5.5%	**+3.7ppts**

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 1H2026 performance

Core Industrial Automation

ISDN's industrial automation business (93.9% of Group revenue) grew +31.9% YoY to S$238.0 million in 1H2026, with revenue growth recorded across all business groups and the majority of the Group's addressable markets.

China remained the Group's primary revenue contributor, accounting for approximately 71.3% of segment revenue, while Singapore led the broader Southeast Asian expansion with +57.9% YoY growth as ISDN deepens its presence in Asia's fast-growing advanced manufacturing economies and continues to drive commercial progress of its strategic investments in advanced technologies.

Industrial Automation gross profit grew +33.9% YoY to S$58.3 million, supported by growth momentum from higher-margin products and solutions as well as improved project execution efficiencies.

Hydropower Business

The Group's renewable energy segment revenue (6.1% of Group revenue) declined 52.1% YoY to S$15.6 million in 1H2026. The drop was primarily attributable to lower construction income from the two new mini-hydropower plants in Indonesia — Lau Biang 2 and Lau Biang 3 — as both plants approached completion.

Revenue from the Group's three operating hydropower plants was S$4.3 million in 1H2026, down from S$5.4 million in 1H2025, mainly due to highly unusual weather variations, which led to lower generation output from Lau Biang 1 and Anggoci during the period. The Group billed a total of S$4.7 million to Indonesia's state electricity utility for the output generated during 1H2026, with payment received in July 2026.

Excluding the gross profit arising from the construction revenue of Lau Biang 2 and Lau Biang 3, the three operational mini-hydropower plants delivered strong gross margin of 86.0% in 1H2026.

Group-Level Profitability

Gross profit grew +24.9% YoY to S$63.1 million, outpacing the revenue growth in 1H2026. This was supported by a higher contribution from higher-margin products and solutions, as well as improved project execution efficiencies, partially offset by lower construction revenue from the renewable energy business.

Other operating expenses fell by S$6.5 million in 1H2026, mainly due to lower net foreign exchange losses of S$5.2 million, and a lower provision for inventory obsolescence of S$1.4 million, partially offset by an increase in loss on disposal of property, plant and equipment of S$0.1 million.

Correspondingly, the Group delivered a profit attributable to equity holders of S$10.4 million, compared to S$1.3 million in the preceding year.

Business outlook

Industrial Automation outlook

ISDN continues to see long-term growth in its Industrial Automation business, driven by:

- **Growth in end-markets** that require advanced automation solutions, such as AI applications, datacentres, semiconductor production, and advanced electronics;
- **Growth in advanced industrial automation** as Asia's industries seek to meet technology, policy, labour, and cost priorities to sustain growth and competitiveness;
- **Growth in ISDN's industrial automation capabilities**, as it is able to deliver the "full stack" of technologies from automation components to full hardware, software, cloud and AI solutions for customers across Asia; and
- **Growth in ISDN's geographical markets** as the Group now operates in Singapore, Malaysia, Thailand, Taiwan and Vietnam. Revenue grew 57.9% YoY in Singapore, 46.6% in Vietnam and 19.0% in Malaysia in 1H2026, and the Group expects continued

industrialisation, manufacturing upgrades and automation adoption across Southeast and East Asia to support further growth.

Reflecting the strength and breadth of the industrial automation business, ISDN's **order book has more than doubled** from a year ago.

Renewable Energy outlook

The Group continued to make good progress building out its long-term renewable energy business, despite short-term periodic decline in in 1H2026.

ISDN made good progress advancing two new hydropower plants — Lau Biang 2 and Lau Biang 3 — towards commission this year. Construction revenue declined as a reflection of progress made towards commissioning. As the plants are commissioned, the Group expects to benefit from over S$6.0 million in recurring, profitable, and long-lived net cash income.

The significant increase in global energy costs over the last 2 years reinforce ISDN's strategy of providing dependable, renewable energy that doesn't rely on imports or transport costs. Indeed, Indonesia's Electricity Supply Business Plan for 2025 to 2034 now targets 42.6 GW of additional renewable capacity, with hydropower as the second largest renewable source at 27.5%[1], and the country is pursuing cross-border electricity exports alongside wider ASEAN grid connectivity efforts[2].

CEO remarks

Reflecting on ISDN's strategic position and performance in 1H2026, **Mr Teo Cher Koon, ISDN's Managing Director and President**, remarked:

"We are pleased to deliver record first-half performance as ISDN's strategy continues to deliver diversified growth with solid long-term prospects.

We are seeing broad-based demand across our industrial automation business as our addressable market grows. AI and semiconductors continue to grow robustly, but our industrial automation business is also benefiting from broad and long-lived advancements in industry across many segments and geographies throughout Asia.

We have worked hard to invest in growing our range of offerings and the geographies we operate in, to expand our addressable market. This approach of (a) expanding market access in addition to (b) benefiting from fundamental long-term automation demand continues to position ISDN favourably for growth.

Reflecting these fundamentals, our order book has more than doubled from a year ago on the back of broad-based demand.

We've made excellent progress advancing our two newest hydropower plants — Lau Biang 2 and Lau Biang 3 — towards commercialisation in 2026. The commissioning should increase recurring net cash income from approximately S$8 million today to S$14 million annually, further strengthening the Group's earnings profile.

[1] The risks of fossil fuel dependence in Indonesia's Electricity Supply Business Plan (RUPTL) 2025–2034

[2] Investing in Indonesia's Renewable Energy Sector: A Market Entry Guide for Foreign Investors

With the significant rise in global energy costs in the last few years, and increasing demand for energy to power AI infrastructure, we believe ISDN's energy business is distinguished by its ability to deliver clean, renewable, long-term and locally-sourced energy for communities that is protected from external shocks and competing demand.

We believe ISDN has developed the right capabilities, in the right markets, with a solid long-term strategy for growth. We are mindful of the volatile macro-economic environment today, and remain disciplined with our investment levels as we continue to build growth for the Group in the industrial automation and renewable energy markets."

—— 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 75 offices spanning key Asian growth markets, and a 39-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 dual-listed on 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:

Kamal Samuel
Email: kamal@financialpr.com.sg

Louise Lim

Email: louise@financialpr.com.sg

Stanley Chen

Email: stanley.chen@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

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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		
	2026	2025	Change
	S$'000	S$'000	%
Revenue	**253,572**	212,895	19.1%
Gross profit	**63,094**	50,528	24.9%
Profit after tax	**13,955**	3,847	n.m.
Profit for the period and attributable to equity holders of the Company	**10,381**	1,286	n.m.
Basic earnings per share (Singapore cents)	**2.29**	0.29	

n.m.: Not meaningful

The Board has resolved not to declare interim dividend for the current period (2025 interim: nil).

Table of Contents

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of ISDN Holdings Limited (the "**Company**") hereby announces the condensed interim consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 June 2026 (the "**1H2026**"), together with the relevant comparative audited or unaudited figures. The Group's interim results for 1H2026 are unaudited but have been reviewed by the audit committee of the Company (the "**Audit Committee**").

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

		GROUP		
		Six months ended 30 June		
		2026	2025	% change
	Note	S$'000	S$'000	+/(-)
		(unaudited)	*(unaudited)*	
Revenue	5	253,572	212,895	19.1%
Cost of sales		(190,478)	(162,367)	17.3%
Gross profit		63,094	50,528	24.9%
Other operating income	6	1,707	1,488	14.7%
Distribution costs		(17,645)	(15,099)	16.9%
Administrative expenses		(23,697)	(19,459)	21.8%
Net impairment (losses)/gains on financial assets		(10)	13	n.m.
Other operating expenses		(562)	(7,069)	-92.0%
Finance costs	7	(2,695)	(2,536)	6.3%
Share of profit/(loss) of associates, net		138	(391)	n.m.
Profit before income tax	8	20,330	7,475	n.m.
Income tax	9	(6,375)	(3,628)	75.7%
Profit for the period		13,955	3,847	n.m.
Other comprehensive income/(loss), net of tax:				
Items that may be subsequently reclassified to profit or loss				
- net fair value changes on cash flow hedge		17	2	n.m.
- exchange differences on translation		4,050	(5,662)	n.m.
		4,067	(5,660)	n.m.
Total comprehensive income/(loss) for the period		18,022	(1,813)	n.m.
Profit for the period attributable to:				
Equity holders of the Company		10,381	1,286	n.m.
Non-controlling interests		3,574	2,561	39.6%
		13,955	3,847	n.m.
Total comprehensive income/(loss) for the period attributable to:				
Equity holders of the Company		13,762	(3,321)	n.m.
Non-controlling interests		4,260	1,508	n.m.
		18,022	(1,813)	n.m.
Earnings per share for profit for the period attributable to the owners of the Company:				
Basic and diluted (Singapore cents)	10	2.29	0.29	n.m.

n.m.: Not meaningful

B. Condensed Interim Consolidated Statements of Financial Position

		GROUP		COMPANY	
	Note	As at 30 June 2026 S$'000	As at 31 December 2025 S$'000	As at 30 June 2026 S$'000	As at 31 December 2025 S$'000
		(unaudited)	*(audited)*	*(unaudited)*	*(audited)*
ASSETS					
Non-current Assets					
Property, plant and equipment	13	65,657	65,980	534	555
Investment properties		354	363	-	-
Land use rights		1,879	1,844	-	-
Goodwill	14	15,732	15,732	-	-
Subsidiaries		-	-	87,304	87,304
Associates		6,262	6,421	-	-
Service concession receivables	15	135,145	123,930	-	-
Other financial assets		-	-	-	-
Deferred tax assets		452	379	9	8
Total non-current assets		225,481	214,649	87,847	87,867
Current Assets					
Inventories		77,114	65,599	-	-
Trade and other receivables	15	140,645	108,399	746	830
Service concession receivables	15	2,993	2,993	-	-
Amounts owing by subsidiaries		-	-	57,377	48,717
Dividend receivables		-	-	853	6,800
Cash and bank balances		65,967	68,122	112	286
Total current assets		286,719	245,113	59,088	56,633
Total Assets		512,200	459,762	146,935	144,500
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	16	86,833	86,833	86,833	86,833
Reserves		136,771	123,075	55,178	53,038
		223,604	209,908	142,011	139,871
Non-controlling interests		46,532	43,555	-	-
Total Equity		270,136	253,463	142,011	139,871
Non-current Liabilities					
Bank borrowings	17	37,950	44,031	-	-
Leases liabilities		5,340	5,404	571	571
Deferred tax liabilities		574	531	-	-
Total non-current liabilities		43,864	49,966	571	571
Current Liabilities					
Bank borrowings	17	43,348	32,625	-	-
Leases liabilities		1,865	2,003	12	24
Trade and other payables	18	128,341	103,254	4,341	4,034
Contract liabilities		21,319	16,631	-	-
Current tax liabilities		3,327	1,820	-	-
Total current liabilities		198,200	156,333	4,353	4,058
Total Liabilities		242,064	206,299	4,924	4,629
Total Equity and Liabilities		512,200	459,762	146,935	144,500

C. Condensed Interim Consolidated Statements of Changes in Equity

	Attributable to equity holders of the Group							
	Share capital	Merger reserve	Exchange translation reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Group	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
2026								
Balance at 1 January 2026 *(audited)*	86,833	(436)	(11,260)	5,778	128,993	209,908	43,555	253,463
Profit for the period	-	-	-	-	10,381	10,381	3,574	13,955
Other comprehensive income for the period	-	-	3,364	17	-	3,381	686	4,067
Total comprehensive income for the period	-	-	3,364	17	10,381	13,762	4,260	18,022
Dividends to non-controlling interests ("**NCI**")	-	-	-	-	-	-	(1,349)	(1,349)
Transfer to other reserves	-	-	-	(130)	64	(66)	66	-
Balance at 30 June 2026 *(unaudited)*	86,833	(436)	(7,896)	5,665	139,438	223,604	46,532	270,136
2025								
Balance at 1 January 2025 *(audited)*	85,467	(436)	(9,181)	6,175	124,706	206,731	40,481	247,212
Profit for the period	-	-	-	-	1,286	1,286	2,561	3,847
Other comprehensive (loss)/income for the period	-	-	(4,609)	2	-	(4,607)	(1,053)	(5,660)
Total comprehensive (loss)/income for the period	-	-	(4,609)	2	1,286	(3,321)	1,508	(1,813)
Dividends to NCI	-	-	-	-	-	-	(694)	(694)
Transfer to other reserves	-	-	-	-	(2)	(2)	1	(1)
Acquisition of NCI	-	-	-	-	-	-	488	488
Balance at 30 June 2025 *(unaudited)*	85,467	(436)	(13,790)	6,177	125,990	203,408	41,784	245,192

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

Company	Share capital S$'000	Other reserves S$'000	Retained earnings S$'000	Total S$'000
2026				
Balance at 1 January 2026 *(audited)*	86,833	(178)	53,216	139,871
Net profit for the period	-	-	2,140	2,140
Total comprehensive income for the period	-	-	2,140	2,140
Balance at 30 June 2026 *(unaudited)*	86,833	(178)	55,356	142,011
2025				
Balance at 1 January 2025 *(audited)*	85,467	(178)	44,490	129,779
Net profit for the period	-	-	1,749	1,749
Total comprehensive income for the period	-	-	1,749	1,749
Balance at 30 June 2025 *(unaudited)*	85,467	(178)	46,239	131,528

D. Condensed Interim Consolidated Statement of Cash Flows

	GROUP	
	Six months ended 30 June	
	2026 S$'000	2025 S$'000
	(unaudited)	*(unaudited)*
Cash Flows from Operating Activities:		
Profit before income tax	20,330	7,475
Adjustments for:		
Allowance for impairment of trade and other receivables	44	132
Allowance for inventories obsolescence	251	1,623
Amortisation of land use rights	25	18
Depreciation of investment properties	9	9
Depreciation of property, plant and equipment	3,962	3,508
Interest expenses	2,695	2,536
Interest income	(124)	(94)
Inventories written off	7	2
Loss on disposal of property, plant and equipment, net	116	6
Property, plant and equipment written off	-	3
Share of (profit)/loss of associates, net	(138)	391
Write back of allowance for impairment loss on trade and other receivables	(34)	(145)
Foreign currency (gain)/loss on translation of foreign operations	(361)	4,958
Operating cash flow before working capital changes	26,782	20,422
Changes in working capital:		
Inventories	(11,772)	(1,823)
Trade and other receivables	(29,851)	8,621
Trade and other payables	34,128	5,679
Cash from operating activities before service concession arrangements	19,287	32,899
Change in receivables from service concession arrangements	(11,214)	(20,489)
Cash generated from operations after service concession arrangements	8,073	12,410
Interest paid	(2,302)	(2,097)
Interest received	124	94
Income tax paid	(4,898)	(3,189)
Net cash generated from operating activities	997	7,218

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

	GROUP	
	Six months ended 30 June	
	2026 S$'000	2025 S$'000
	(unaudited)	*(unaudited)*
Cash Flows from Investing Activities:		
Acquisition of land use rights	-	(861)
Dividends from associates	300	69
Net cash outflow on acquisition of subsidiaries	-	(1,939)
Proceeds from disposal of property, plant and equipment	151	159
Purchase of property, plant and equipment	(2,915)	(2,705)
Net cash used in investing activities	(2,464)	(5,277)
Cash Flows from Financing Activities:		
Decrease in bank deposits pledged	-	390
Dividends to NCI	(3,489)	(1,929)
Interest expense on lease liabilities	(118)	(131)
Proceeds from bank borrowings	6,237	9,297
Proceeds from trust receipts, net	3,682	1,122
Repayment of bank borrowings	(5,278)	(9,948)
Repayment of lease liabilities, net	(1,440)	(1,578)
Net cash used in financing activities	(406)	(2,777)
Net decrease in cash and cash equivalents	(1,873)	(836)
Cash and cash equivalents at the beginning of financial period	68,122	56,131
Effect of currency translation on cash and cash equivalents	(282)	776
Cash and cash equivalents at the end of financial period	65,967	56,071
Additional information:		
Cash and bank balances	62,271	54,191
Fixed deposits	3,696	1,880
Total cash and cash equivalents	65,967	56,071

E. Notes to the Condensed Interim 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 at 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 construction of hydropower plants.

2 Basis of Preparation

The interim results set out in the announcement do not constitute the Group's interim report for the six months ended 30 June 2026 but are extracted from that report.

The unaudited condensed interim consolidated financial statements for the six months ended 30 June 2026 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 interim 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 the last annual financial statements for the year ended 31 December 2025.

The unaudited condensed interim 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 interim 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 or 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 2026. The application of the new and revised standards and interpretations has no material effect on the interim consolidated financial statements.

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

3 Adoption of New or 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 2026.

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 interim 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 2025.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are 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 period.

5 Segment Information

The business of the Group is organised into the following main business segments:
- Industrial Automation 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 and 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.

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

5 Segment Information (Cont'd)

(a) Reportable Operating Segments

	Industrial Automation Solutions		Renewable Energy		Elimination		Consolidated	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
1 January to 30 June	**S$'000**	S$'000	**S$'000**	S$'000	**S$'000**	S$'000	**S$'000**	S$'000
Revenue								
External sales	**238,003**	180,416	**15,569**	32,479	**-**	-	**253,572**	212,895
Inter-segment sales	**-**	-	**146**	-	**(146)**	-	**-**	-
	238,003	180,416	**15,715**	32,479	**(146)**	-	**253,572**	212,895
Results								
Segment results	**20,400**	11,204	**1,935**	(455)	**-**	-	**22,335**	10,749
Share of profit/(loss) of associates, net	**138**	(391)	**-**	-	**-**	-	**138**	(391)
Corporate income/(expenses)							**49**	(785)
Rental income							**379**	344
Interest income							**124**	94
Finance costs							**(2,695)**	(2,536)
Profit before income tax							**20,330**	7,475
Income tax							**(6,375)**	(3,628)
Profit for the six months ended 30 June							**13,955**	3,847
Assets								
Segment assets	**258,108**	215,022	**165,955**	154,102	**(178)**	-	**423,885**	369,124
Goodwill	**15,052**	15,052	**680**	680	**-**	-	**15,732**	15,732
Associates	**6,262**	6,421	**-**	-	**-**	-	**6,262**	6,421
Investment properties							**354**	363
Cash and bank balances							**65,967**	68,122
Consolidated total assets as at 30 June/31 December							**512,200**	459,762
Liabilities								
Segment liabilities	**105,792**	82,294	**40,365**	35,342	**(178)**	-	**145,979**	117,636
Bank borrowings and lease liabilities							**88,503**	84,063
Income tax liabilities							**3,327**	1,820
Other unallocated corporate liabilities							**4,255**	2,780
Consolidated total liabilities as at 30 June/31 December							**242,064**	206,299

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

5 Segment Information (Cont'd)

(a) Reportable Operating Segments (Cont'd)

1 January to 30 June	Industrial Automation Solutions 2026 S$'000	Industrial Automation Solutions 2025 S$'000	Renewable Energy 2026 S$'000	Renewable Energy 2025 S$'000	Elimination 2026 S$'000	Elimination 2025 S$'000	Consolidated 2026 S$'000	Consolidated 2025 S$'000
Other information								
Cost of sales	**179,661**	136,842	**10,817**	25,525	**-**	-	**190,478**	162,367
Capital expenditure on								
- Property, plant and equipment	**2,163**	2,748	**752**	421	**-**	-	**2,915**	3,169
Other non-cash expenses:								
- Allowance for inventories obsolescence	**251**	1,623	**-**	-	**-**	-	**251**	1,623
- Allowance for impairment loss on trade and other receivables	**44**	132	**-**	-	**-**	-	**44**	132
- Amortisation of land use rights	**25**	18	**-**	-	**-**	-	**25**	18
- Depreciation of investment properties	**9**	9	**-**	-	**-**	-	**9**	9
- Depreciation of property, plant and equipment	**3,410**	3,052	**552**	456	**-**	-	**3,962**	3,508
- Inventories written off	**7**	2	**-**	-	**-**	-	**7**	2
- Property, plant and equipment written off	**-**	3	**-**	-	**-**	-	**-**	3
- Write back of allowance for impairment loss on trade and other receivables	**(34)**	(145)	**-**	-	**-**	-	**(34)**	(145)

E. Notes to the Condensed Interim 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 30 June 2026		
Segments	**Industrial Automation Solutions S$'000**	**Renewable Energy* S$'000**	**Total S$'000**
Geographical markets			
Singapore	27,949	-	27,949
China	167,189	212	167,401
Hong Kong	5,291	-	5,291
Malaysia	8,064	-	8,064
Indonesia	160	15,357	15,517
Vietnam	9,079	-	9,079
Others	20,271	-	20,271
Total revenue from contracts with customers	238,003	15,569	253,572
Goods or services transferred at a point in time	236,012	212	236,224
Services transferred over time	1,991	13,058	15,049
Finance income from service concession arrangements	-	2,299	2,299

*Included in renewable energy is construction income, operating income and finance income from service concession arrangements of S$11,300,000, S$1,970,000 and S$2,299,000, respectively for 1H2026 (six months ended 30 June 2026 ("**1H2025**"): S$27,127,000, S$2,871,000 and S$2,481,000, respectively).

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

5 Segment Information (Cont'd)

(b) Disaggregation of Revenue (Cont'd)

Segments	Group Six months ended 30 June 2025 Industrial Automation Solutions S$'000	Renewable Energy* S$'000	Total S$'000
Geographical markets			
Singapore	17,702	-	17,702
China	132,279	-	132,279
Hong Kong	4,518	-	4,518
Malaysia	6,775	-	6,775
Indonesia	278	32,479	32,757
Vietnam	6,192	-	6,192
Others	12,672	-	12,672
Total revenue from contracts with customers	180,416	32,479	212,895
Goods or services transferred at a point in time	177,897	-	177,897
Services transferred over time	2,519	29,998	32,517
Finance income from service concession arrangements	-	2,481	2,481

(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 as at	
	Six months ended 30 June		30 June	31 December
	2026	2025	2026	2025
	S$'000	S$'000	S$'000	S$'000
Singapore	27,949	17,702	25,113	26,107
China	167,401	132,279	35,718	33,146
Hong Kong	5,291	4,518	129	152
Malaysia	8,064	6,775	4,416	4,242
Indonesia	15,517	32,757	157,784	148,340
Vietnam	9,079	6,192	250	420
Others	20,271	12,672	2,071	2,242
Total	253,572	212,895	225,481	214,649

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

5 Segment Information (Cont'd)

(d) Information about Major Customers

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

6 Other Operating Income

	Group	
	Six months ended 30 June	
	2026	2025
	S$'000	S$'000
Interest income	124	94
Commission income	2	11
Government grants	209	112
Operating lease rental income:		
- investment properties	33	33
- sub-let of office/warehouse premises	346	311
Property management income	307	282
Technical service income	185	146
Miscellaneous income	501	499
	1,707	1,488

7 Finance Costs

	Group	
	Six months ended 30 June	
	2026	2025
	S$'000	S$'000
Interest expense on:		
- bank loans	2,082	1,909
- trust receipts	126	96
- leases liabilities	118	131
- others	369	400
	2,695	2,536

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

8 Profit before Income Tax

(a) Significant items

	Group	
	Six months ended 30 June	
	2026	2025
	S$'000	S$'000
Profit before income tax has been arrived at after charging:		
Amortisation of land use rights	25	18
Depreciation of property, plant and equipment		
- recognised in cost of sales	1,329	1,100
- recognised in distribution costs	149	160
- recognised in administrative expenses	2,484	2,248
	3,962	3,508
Depreciation of investment properties	9	9
Other operating expenses included:		
- allowance for inventories obsolescence	251	1,623
- inventories written off	7	2
- foreign exchange losses, net	147	5,371
- property, plant and equipment written off	-	3
- loss on disposal of property, plant and equipment, net	116	6
Operating lease rental expenses	146	143

(b) Related party transactions

In addition to the related party information disclosed elsewhere in this results announcement, the following are significant transactions of the Group with their related parties at mutually agreed amounts for 1H2026 and 1H2025:

	Group	
	Six months ended 30 June	
	2026	2025
	S$'000	S$'000
Sales to associates	(157)	(48)
Sales to related parties	(10,388)	(7,962)
Purchases from associates	109	28
Purchases from related parties	40,234	30,655
Administrative income charged to associate	(1)	(13)
Administrative expenses charged by associate	12	-
Administrative income charged to related parties	(66)	(68)
Rental charged to related parties	(444)	(413)
Interest charged to associates	(2)	-
Interest income charged to related party	(4)	(4)
Other expenses charged by related parties	330	202
Other income charged to related parties	(145)	(153)
Rental charged by related party	(2)	-

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

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 interim consolidated statement of profit or loss are:

	Group	
	Six months ended 30 June	
	2026	2025
	S$'000	S$'000
Current income tax		
- Singapore	329	82
- China	4,365	2,823
- Outside Singapore and China	1,554	172
- Under provision in respect of prior year	151	455
	6,399	3,532
Deferred taxation		
- Deferred tax expenses relating to the origination and reversal of temporary differences	(24)	96
	6,375	3,628

The corporate tax rate applicable to the Company and those entities of the Group incorporated in Singapore for the financial periods ended 30 June 2026 and 2025 is 17%. The corporate tax rate applicable to those entities of the Group incorporated in Malaysia for the financial periods ended 30 June 2026 and 2025 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 enterprises 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.

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

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 30 June	
	2026	2025
Earnings for the purpose of basic and diluted earnings per share, being profit for the period/year attributable to equity holders of the Company (S$'000)	10,381	1,286
Weighted average number of ordinary shares for the purpose of basic earnings per share	453,402,040	448,590,125
Basic and fully diluted earnings per share (Singapore cents)	2.29	0.29

The basic and diluted earnings per share are the same as there were no potential dilutive ordinary share in issue during the financial periods ended 30 June 2026 and 2025.

11 Dividends

	Group	
	Six months ended 30 June	
	2026	2025
	S$'000	S$'000
Ordinary dividends paid during the financial year:		
Tax exempt (one-tier) final dividend of 0.53 Singapore cents per ordinary share (2025: 0.47 Singapore cents) in respect of the previous year	-	-

The Board recommended a final tax-exempt dividend of 0.53 Singapore cents (the "**Final Dividend**") for the year ended 31 December 2025 (2025: 0.47 Singapore cents) per ordinary share (the "**Shares**"), amounting to S$2,403,000 (2025: S$2,108,000) under the exempt one-tier system.

The Final Dividend has been approved by the Shareholders at the annual general meeting of the Company held on 30 April 2026 and will be paid on 25 August 2026 to the eligible Shareholders whose names appeared on the register of members of the Company on 7 July 2026.

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

12 Net Asset Value

	Group		Company	
	30 June 2026	31 December 2025	30 June 2026	31 December 2025
Net assets (S$'000)	223,604	209,908	142,011	139,871
Issued share capital at the end of the period/year (net of treasury shares)	453,402,040	453,402,040	453,402,040	453,402,040
Net assets value per ordinary share based on issued share capital as at respective period/year (Singapore cents)	49.32	46.30	31.32	30.85

13 Property, Plant and Equipment

During the six months ended 30 June 2026, the Group acquired property, plant and equipment with an aggregate cost amounting to S$4,153,000 (30 June 2025: S$4,429,000), of which S$1,238,000 (30 June 2025: S$1,260,000) relates to right-of-use assets. No property, plant and equipment was acquired by means of finance lease (30 June 2025: S$464,000). Cash payments of S$2,915,000 (30 June 2025: S$2,705,000) were made for purchase of property, plant and equipment.

As at 30 June 2026, the Group's carrying amount of pledged property, plant and equipment to secure the bank borrowings in Note 17 was S$22,857,000 (31 December 2025: S$22,552,000); and the Group's carrying amount of property, plant and equipment held under lease liabilities was S$984,000 (31 December 2025: S$1,062,000).

14 Goodwill

	Group	
	30 June 2025 S$'000	31 December 2025 S$'000
Balance at 1 January	15,732	12,911
Additions	-	2,821
Balance at 30 June/31 December	15,732	15,732

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.

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

14 Goodwill (Cont'd)

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	
	30 June 2026 S$'000	**31 December 2025 S$'000**
Industrial Automation Solutions:		
- Servo Dynamics (Thailand) Co., Ltd	75	75
- TDS Technology (S) Pte Ltd	2,103	2,103
- IDI Laser Services Pte. Ltd.	684	684
- Dirak Asia Pte Ltd	9,508	9,508
- IFME Works Pte. Ltd.	1,993	1,993
- Singpilot Holding Pte. Ltd.	689	689
Renewable Energy:		
- Aenergy Holdings Company Limited	541	541
- PT Funda Konstruksi Engineering	139	139
	15,732	15,732

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 period and previous financial years, the recoverable amount of the CGUs was determined to be higher than the carrying amount and thus, no impairment loss needs to be recognised.

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

15 Trade and Other Receivables

	Group		Company	
	30 June 2026 S$'000	31 December 2025 S$'000	30 June 2026 S$'000	31 December 2025 S$'000
Non-current:				
Service concession receivables	135,145	123,930	-	-
Current:				
Service concession receivables	2,993	2,993	-	-
Current:				
Trade receivables, net of impairment:				
- note receivables	16,372	15,376	-	-
- trade receivables	99,459	70,725	-	-
- associates	188	81	-	-
- related party	4,769	4,928	-	-
	120,788	91,110	-	-
Other receivables, net of impairment:				
Advances to associates	77	89	3	3
Advances to related parties	186	187	-	-
Deposits	957	1,076	1	1
Loan to associates	26	226	-	-
Sundry debtors	2,984	3,058	700	704
Amounts owing from NCI	3,216	3,440	-	-
	7,446	8,076	704	708
Advances paid to suppliers	9,502	5,719	-	-
Prepayment	2,909	3,494	42	122
	140,645	108,399	746	830

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

	Group	
	30 June 2026 S$'000	31 December 2025 S$'000
Within 30 days	57,284	36,593
31 - 90 days	38,758	32,664
Over 90 days	24,746	21,853
	120,788	91,110

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

15 Trade and Other Receivables (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			
	30 June 2026		31 December 2025	
	No. of shares	S$'000	No. of shares	S$'000
Issued and fully paid:				
At the beginning of period/year	453,402,040	86,833	448,590,125	85,467
Shares issued-in-lieu of cash for dividend	-	-	4,811,915	1,366
At the end of period/year	453,402,040	86,833	453,402,040	86,833

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.

There are no changes in the Company's share capital arising from right issue, bonus issue, subdivision of the issues of equity securities, issue of shares or as consideration for acquisition or for any other purpose during 1H2026.

The number of ordinary shares excluding treasury shares as at 30 June 2026 is 453,402,040 (30 June 2025: 448,590,125). No treasury shares were held as at 30 June 2026 (30 June 2025: nil). The number of shares held as subsidiary holdings as at 30 June 2026 is nil (30 June 2025: nil).

The Company does not have any existing warrants or convertibles as at the date of this announcement.

There were no sales, transfer, disposal, cancellation and/or use of treasury shares during the 1H2026.

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

17 Bank Borrowings

	Group		Company	
	30 June 2026 S$'000	31 December 2025 S$'000	30 June 2026 S$'000	31 December 2025 S$'000
Amount repayable within one year or on demand				
- secured	10,131	8,441	-	-
- unsecured	33,217	24,184	-	-
	43,348	32,625	-	-
Amount repayable after one year				
- secured	2,209	2,227	-	-
- unsecured	35,741	41,804	-	-
	37,950	44,031	-	-

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	
	30 June 2026 S$'000	31 December 2025 S$'000	30 June 2026 S$'000	31 December 2025 S$'000
Trade payables:				
- trade payables	56,843	39,638	-	-
- associates	98	37	-	-
- related parties	11,148	6,331	-	-
	68,089	46,006	-	-
Accrued operating expenses	2,646	2,742	68	122
Accrued salaries and bonues	10,801	9,913	4,023	2,539
Amount owing to NCI	11,850	11,549	-	-
Amounts owing to subsidiaries	-	-	134	1,255
Other payables	34,955	33,044	116	118
	128,341	103,254	4,341	4,034

E. Notes to the Condensed Interim 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	
	30 June 2026 S$'000	31 December 2025 S$'000
Within 30 days	39,001	25,745
31 - 90 days	18,539	13,715
Over 90 days	10,549	6,546
	68,089	46,006

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 30 June 2026 and 31 December 2025:

	Group		Company	
	30 June 2026 S$'000	31 December 2025 S$'000	30 June 2026 S$'000	31 December 2025 S$'000
Financial Assets				
Cash and bank balances, service concession receivables and trade and other receivables (Amortised cost)*	332,339	294,231	59,046	56,511
Financial Liabilities				
Trade and other payables and borrowings (Amortised cost)	216,844	187,317	4,924	4,629

*: Excluded prepayments and advances to suppliers.

20 Subsequent Events

The Company's indirect wholly-owned subsidiary, Servo Dynamics (H.K.) limited ("**Servo Hong Kong**") made capital injections of Renminbi ("**RMB**") 200,000 (equivalent to approximately S$38,000) each on 7 July 2026 and 26 July 2026 in Jundawei Technology Co. Ltd. ("**Jundawei**") for working capital purposes (the "**Jundawei Capital Injection**"). Following the completion of Jundawei Capital Injection, the paid-up capital of Jundawei is RMB400,000 (equivalent to approximately S$76,000) and the Group's effective interest in Jundawei remains unchanged at 100.0%.

Other than the above, no major subsequent event has occurred since the end of the financial period ended 30 June 2026 up to the date of this announcement.

F. Management Discussion and Analysis

BUSINESS REVIEW

ISDN reported 19.1% year on year ("**YoY**") revenue growth to S$253.6 million in 1H2026, primarily attributable to the strong growth in the Group's industrial automation business across all major geographies and business groups. This was partially offset by a decline in renewable energy revenue, mainly due to lower construction income recognised from the two new mini-hydropower plants.

The overall net YoY growth was driven by:

- **Broad-based growth in the Group's core industrial automation business** (93.9% of total revenue). Industrial automation revenue grew +31.9% YoY, supported by growth across all major geographies and business groups.

- **ISDN continued to benefit from the growth in AI, semiconductors and advanced electronics**, as its industrial automation has favourable exposure to technology and manufacturing growth trends in this sector.

- **Lower construction income recognised from the Group's renewable energy business (6.1% of total revenue)**. Revenue from the renewable energy business declined -52.1% YoY, primarily due to lower construction income recognised by Lau Biang 2 and Lau Biang 3 as the construction projects progressed towards completion.

Upon commencement, targeted in 2026, the two new plants are expected to generate an additional S$6.0 million of net cash income, bringing the total recurring net cash income to S$14.0 million annually.

The Group believes its core growth in 1H2026 underscores the successful execution of its multi-year strategy of:

- Deepening its industrial automation capabilities and growing its renewable energy portfolio; and

- Expanding across strategic Asian markets to capture structural growth from global supply chain diversification

Review of Group Revenue in 1H2026

Industrial Automation Business (93.9% of revenue)

ISDN's industrial automation business (93.9% of Group revenue) grew +31.9% YoY to S$238.0 million in 1H2026, with revenue growth recorded across all business groups and the majority of the Group's addressable markets.

China remained the Group's primary revenue contributor, accounting for approximately 71.3% of segment revenue, while Singapore led the broader Southeast Asian expansion with +57.9% YoY growth as ISDN deepens its presence in Asia's fast-growing advanced manufacturing economies and continues to drive commercial progress of its strategic investments in advanced technologies.

ISDN continued to benefit from the growth in AI, semiconductors and advanced electronics, as its industrial automation has favourable exposure to technology and manufacturing growth trends in these sectors.

F. Management Discussion and Analysis (cont'd)

BUSINESS REVIEW (cont'd)

Review of Group Revenue in 1H2026 (cont'd)

Renewable Energy Business (6.1% of revenue)

The Group continued to make good progress building out its long-term renewable energy business, despite short-term periodic decline in 1H2026.

ISDN made good progress advancing two new hydropower plants — Lau Biang 2 and Lau Biang 3 — towards commission this year. Construction revenue declined as a reflection of progress made towards commissioning. As the plants are commissioned, the Group expects to benefit from over S$6.0 million in recurring, profitable, and long-lived net cash income.

ISDN's Group Profitability in 1H2026

Gross profit rose +24.9% to S$63.1 million, outpacing revenue growth, with gross margin expanding by 1.2 percentage points to 24.9% as a result of both (a) mix shift towards higher-margin products; and (b) positive operating leverage as ISDN grows.

Other operating expenses decreased by S$6.5 million in 1H2026, primarily due to a decline in net foreign exchange losses of S$5.2 million and lower provision for inventory obsolescence of S$1.4 million, partially offset by an increase in loss on disposal of property, plant and equipment of S$0.1 million.

Finance costs increased by 6.3% YoY to S$2.7 million in 1H2026, primarily arising from additional bank loan drawdown in 2H2025 and 1H2026 to support the Group's business activities.

Correspondingly, the Group delivered a profit attributable to equity holders of S$10.4 million, up +707.2% in 1H2026 compared to S$1.3 million in 1H2025.

F. Management Discussion and Analysis (cont'd)

BUSINESS OUTLOOK

Favourable industry tailwinds continue to support the Group's long-term business growth in industrial automation and renewable energy businesses. These long-term growth drivers include:

- The accelerating adoption of advanced manufacturing, robotics and artificial intelligence in industrial automation throughout Asia; and

- The global transition towards clean and sustainable energy, compelled by growing conventional energy costs and growing demand for energy as the global economy grows and disruptive new consumers of demand (such as the AI economy) drive the need for broad energy sources and independence.

Industrial Automation Business

ISDN continues to see durable long-term growth in its industrial automation business, driven by:

- **Growth in end-markets** that require advanced automation solutions, such as AI applications, datacentres, semiconductor production, and advanced electronics;

- **Growth in advanced industrial automation** as Asia's industries seek to meet technology, policy, labour, and cost priorities to sustain growth and competitiveness;

- **Growth in ISDN's industrial automation capabilities**, as it is able to deliver the "full stack" of technologies from automation components to full hardware, software, cloud and AI solutions for customers across Asia; and

- **Growth in ISDN's geographical** markets as the Group now operates in Singapore, Malaysia, Thailand, Taiwan and Vietnam. Revenue grew 57.9% YoY in Singapore, 46.6% YoY in Vietnam and 19.0% YoY in Malaysia in 1H2026, and the Group expects continued industrialisation, manufacturing upgrades and automation adoption across Southeast and East Asia to support further growth.

Reflecting the strength and breadth of the industrial automation business, ISDN's **order book has more than doubled** from a year ago.

Renewable energy business outlook

ISDN's renewable energy business continues to strengthen as a high-quality, recurring income pillar. In 1H2026, the Group's three operational mini-hydropower plants contributed approximately 6.1% of total revenue and accounted for approximately 7.5% of the Group's gross profit. With two additional mini-hydropower plants targeted to commence operations in 2026, the Group's total installed capacity is expected to increase by 81.3% to 44.6 megawatts. This expanding base of recurring income is expected to further enhance earnings quality and reinforces the Group's long-term resilience.

The significant increase in global energy costs over the last 2 years reinforces ISDN's strategy of providing dependable, renewable energy that doesn't rely on imports or transport costs. Indeed, Indonesia's Electricity Supply Business Plan for 2025 to 2034 now targets 42.6 gigawatts ("**GW**") of additional renewable capacity, with hydropower as the second largest renewable source at 27.5%[1], and the country is pursuing cross-border electricity exports alongside wider ASEAN grid connectivity efforts[2].

---

[1] The risks of fossil fuel dependence in Indonesia's Electricity Supply Business Plan (RUPTL) 2025–2034

[2] Investing in Indonesia's Renewable Energy Sector: A Market Entry Guide for Foreign Investors

F. Management Discussion and Analysis (cont'd)

BUSINESS OUTLOOK (cont'd)

Beyond domestic demand, regional electricity trade is emerging as the next stage of Indonesia's renewable energy ambitions. Backed by an estimated 3,687 GW of renewable energy potential, Indonesia is pursuing cross-border electricity exports, particularly to Singapore, alongside strengthening cooperation on Green Industrial Corridors and cross-border carbon capture and storage ("**CCS**") initiatives. These developments align with broader ASEAN efforts to strengthen regional electricity connectivity through the ASEAN Power Grid[1].

The Group remains confident that its renewable energy business is well positioned to deliver sustainable long-term growth, supported by recurring high-quality recurring income that provides greater earnings visibility.

[1] Investing in Indonesia's Renewable Energy Sector: A Market Entry Guide for Foreign Investors

F. Management Discussion and Analysis (cont'd)

FINANCIAL REVIEW

STATEMENT OF COMPREHENSIVE INCOME

Revenue and gross profit margin

	Group		
	Six months ended 30 June		
	2026 S$'000	2025 S$'000	% change +/(-)
Revenue			
Industrial Automation Solutions	238,003	180,416	31.9%
Renewable Energy	15,569	32,479	-52.1%
- Operating and finance income	4,269	5,352	-20.2%
- Construction income	11,300	27,127	-58.3%
Total Revenue	**253,572**	**212,895**	**19.1%**
Gross Profit			
Industrial Automation Solutions	58,342	43,574	33.9%
Renewable Energy	4,752	6,954	-31.7%
- Operating and finance income	3,672	4,944	-25.7%
- Construction income	1,080	2,010	-46.3%
Total Gross Profit	**63,094**	**50,528**	**24.9%**
Gross Profit Margin			
Industrial Automation Solutions	24.5%	24.2%	0.3 ppt
Renewable Energy	30.5%	21.4%	9.1 ppt
- Operating and finance income	86.0%	92.4%	-6.4 ppt
- Construction income	9.6%	7.4%	2.2 ppt
Total Gross Profit Margin	24.9%	23.7%	1.2 ppt

The Group's revenue of S$253.6 million for 1H2026 was higher by 19.1% as compared to 1H2025 of S$212.9 million. Revenue from our industrial automation solutions segment increased by S$57.6 million or 31.9% from S$180.4 million in 1H2025 to S$238.0 million in 1H2026. The increase was primarily driven by continued strong demand for automation solutions in China, which remained the segment's largest market and contributed approximately 71.3% of segment revenue. Other key markets, including Singapore, Vietnam and Malaysia, also recorded growth during 1H2026, contributing to the segment's overall strong performance. The broad-based growth across major markets underscores the resilience of the segment and its importance to the Group's overall business.

Indonesia's renewable energy revenue decreased by S$16.9 million, or 52.1% from S$32.5 million in 1H2025 to S$15.6 million in 1H2026. The decline was mainly attributable to lower construction income recognised from Lau Biang 3 and Lau Biang 2, which decreased by S$13.9 million and S$1.9 million, respectively, as the construction projects progressed towards completion. In addition, electricity generation output from the operating plants, Lau Biang 1 and Anggoci, was lower due to highly unusual weather variations, resulting in revenue declines of S$1.0 million and S$0.3 million, respectively. A total of S$4.7 million was billed to PT PLN (Persero) ("**PLN**") for 1H2026 and was received as of July 2026.

F. Management Discussion and Analysis (cont'd)

FINANCIAL REVIEW (Cont'd)

STATEMENT OF COMPREHENSIVE INCOME (Cont'd)

Gross profit of S$63.1 million was S$12.6 million, or 24.9% higher in 1H2026 as compared to 1H2025. Consequently, the Group recorded a gross margin expansion of 1.2 percentage points, from 23.7% to 24.9%. This was primarily driven by the industrial automation solutions segment, where gross profit and gross profit margin rose by S$14.8 million and 0.3 percentage point, respectively. The increase was supported by a higher proportion of sales from higher-margin products and solutions, as well as better project execution efficiencies. The growth reflects the continued expansion of the industrial automation market, driven by rising demand for efficiency, productivity, and precision across various production and business processes. In addition, the gross profit margin for renewable energy increased from 21.4% to 30.5% in 1H2026. Excluding the gross profit arising from the construction revenue of mini-hydropower, gross profit margin of the service concession would have been at 86.0% in 1H2026.

Other operating income

Other operating income increased by S$0.2 million, or 14.7% to S$1.7 million in 1H2026, mainly arising from the increase in government grant of S$0.1 million, together with the increase in technical service income, rental income and interest income, which collectively contributed an increase of S$0.1 million.

Distribution costs

Distribution costs increased by S$2.5 million, or 16.9% to S$17.6 million in 1H2026. The increase was primarily attributable to higher staff and related costs of S$2.0 million, mainly arising from the higher sales commission to sales personnel which is in tandem with the revenue growth, as well as the consolidation of new subsidiaries acquired, incorporated and commencing business activities in the six months ended 31 December 2025 (the "**2H2025**"). Additionally, sales and marketing expenses increased by S$0.4 million, while travelling and accommodation increased by S$0.1 million.

Administrative expenses

Administrative expenses increased by S$4.2 million, or 21.8% to S$23.7 million in 1H2026 mainly due to increase in staff and related cost of S$3.7 million arising from the consolidation of new subsidiaries acquired, incorporated and commencing activities in 2H2025, together with a higher provision of performance bonus which is in line with the stronger business performance. In addition, an increase in office and other expenses of S$0.3 million, increase in travelling expenses and professional fees of S$0.1 million and S$0.1 million, respectively.

Other operating expenses

Other operating expenses decreased by S$6.5 million in 1H2026 primarily due to a decrease in net foreign exchange losses of S$5.2 million and lower provision for inventories obsolescence of S$1.4 million; partially offset by an increase in loss on disposal of property, plant and equipment of S$0.1 million.

Finance costs

Finance costs increased by S$0.2 million, or 6.3% to S$2.7 million in 1H2026, primarily arising from additional bank loan drawdown in 2H2025 and 1H2026 to support the Group's business activities.

Share of profit/(loss) of associates, net

Due to the increase in business activity of our associated companies, the Group recorded a share of profit of S$0.1 million in 1H2026 compared to a share of loss of S$0.4 million in 1H2025.

F. Management Discussion and Analysis (cont'd)

FINANCIAL REVIEW (Cont'd)

STATEMENT OF COMPREHENSIVE INCOME (Cont'd)

Income tax

Income tax expense increased by S$2.7 million, or 75.7% to S$6.4 million for 1H2026, mainly due to higher taxable profits generated in 1H2026.

STATEMENT OF FINANCIAL POSITION ITEMS

Property, plant and equipment

Property, plant and equipment decreased by S$0.3 million, or 0.5% as at 30 June 2026. The decrease was mainly due to depreciation charge of S$4.0 million, translation loss of S$0.1 million arising from the weakening of the Indonesian Rupiah ("**IDR**") against the S$ in 1H2026 and disposal of the motor vehicles and plant and equipment with a net book value of S$0.2 million and S$0.1 million, respectively. This was partially offset by purchase of plant and equipment of S$2.0 million, recognition of right-of-use assets of S$1.2 million, purchase of furniture and fittings of S$0.4 million, renovation of leasehold properties of S$0.3 million, and increase in capital expenditure of S$0.2 million for the construction of our Jiangxi office in China.

Associates

Interests in associates decreased by S$0.2 million, or 2.5% as at 30 June 2026 due to dividend from associates of S$0.3 million was partially offset by the share of profit of associates of S$0.1 million.

Service concession receivables (current and non-current)

Service concession receivables increased by S$11.2 million, or 8.8% as at 30 June 2026. Service concession receivables are classified as long-term assets which will be collected across the tenure of the various operational concessions in tandem with agreed power supply agreements. In 1H2026, the Group recognised construction income of S$7.0 million and S$4.3 million from the construction of mini-hydropower plant, Lau Biang 2 and Lau Biang 3, respectively. Additionally, a foreign exchange revaluation gain of S$9.6 million was recognised due to the appreciation of the United States dollar ("**USD**") against the IDR. This was partially offset by derecognition of S$1.4 million in service concession receivables upon invoicing to PLN for Lau Biang 1 and Anggoci, as well as a translation loss of S$8.3 million arising from the weakening of IDR against the S$.

Inventories

Inventories increased by S$11.5 million or 17.6% to S$77.1 million as at 30 June 2026 primarily due to fulfilment of customer orders in the second half of 2026.

Trade and other receivables

Trade and other receivables increased by S$32.2 million or 29.7% to S$140.6 million as at 30 June 2026. The increase was mainly attributable to an increase in trade receivables of S$29.7 million and increase in advances to trade suppliers of S$3.7 million, which were consistent with the increase in the Group's revenue in 1H2026. These were partially offset by the decrease in prepayment of S$0.6 million, decrease in amount owing from NCI of S$0.2 million, decrease in loan to associate of S$0.2 million, decrease in deposits and tax receivables of S$0.1 million and S$0.1 million, respectively.

Subsequent receipt of about S$36.0 million was received from customers as at 31 July 2026. The collection represented approximately 29.8% of trade receivables as at 30 June 2026.

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$25.1 million or 24.3% to S$128.3 million as at 30 June 2026 which was mainly due to increase in trade payables of S$22.1 million arose from increase in trade purchase during the financial period, increase in accrued construction cost of S$3.1 million, increase in accrued salaries and bonuses of S$0.9 million, increase in taxes payable of S$0.5 million, increase in amount owing to NCI and other payables of S$0.4 million and S$0.3 million, respectively. These were partially offset by the repayment of dividend payable to NCI amounting to S$2.1 million and decrease in accrued operating expenses of S$0.1 million.

Contract liabilities

Contract liabilities increased by S$4.7 million or 28.2% to S$21.3 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 increased by S$4.6 million or 6.1% to S$81.3 million as at 30 June 2026. The increase was primarily due to proceeds from bank borrowings (inclusive of trust receipts) of S$9.9 million offset by repayment of bank borrowings of S$5.3 million.

CASH FLOW STATEMENT

Changes in Cash Flow from Operating Activities

For 1H2026, net cash generated from operating activities before changes in working capital amounted to S$26.8 million. Cash used in working capital of S$18.7 million mainly due to increase in trade and other receivables of S$29.8 million, increase in inventories of S$11.8 million and increase in receivables from service concession arrangements of S$11.2 million; partially offset by increase in trade and other payables of S$34.1 million. This was partially offset by net interest payment of S$2.2 million and income tax paid of S$4.9 million. As a result of the above, the net cash flow generated from operating activities amounted to S$1.0 million.

Changes in Cash Flow from Investing Activities

For 1H2026, net cash used in investing activities of S$2.5 million was primarily attributed to purchase of property, plant and equipment of S$2.9 million; partially offset by the dividends received from an associate of S$0.3 million and proceeds from disposal of property, plant and equipment of S$0.1 million.

Changes in Cash Flow from Financing Activities

For 1H2026, net cash used in financing activities amounted to S$0.4 million mainly due to dividend paid to NCI of S$3.5 million, and repayment of lease liabilities (inclusive of interest) of S$1.5 million; partially offset by the net proceed of bank borrowings (inclusive of trust receipts) of S$4.6 million.

As at 30 June 2026, the Group maintained a healthy cash and cash equivalents balance of S$66.0 million.

F. Management Discussion and Analysis (cont'd)

FINANCIAL REVIEW (Cont'd)

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

Please refer to Note 9 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 the financial period ended 30 June 2026, the Group's working capital was financed by both internal resources and bank borrowings. As at 30 June 2026, cash and bank balances amounted to approximately S$66.0 million, which decreased by approximately 3.2% as compared to S$68.1 million as at 31 December 2025. The quick ratio of the Group was approximately 1.1 times (31 December 2025: 1.1 times).

As at 30 June 2026, the Group has long and short-term bank borrowings of approximately S$81.3 million. Among the borrowings, the bank borrowings due within one year amounted to approximately S$43.3 million (31 December 2025: S$32.6 million) while the bank borrowings due after one year amounted to approximately S$38.0 million (31 December 2025: S$44.0 million).

As at 30 June 2026, the weighted average effective interest rate on bank borrowings was 4.7% (31 December 2025: 4.9%) 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 which the TBL has been fully repaid during the 1H2026. In addition, following the acquisition of a subsidiary in 2H2025, the Group's fixed interest rate borrowing included an Enterprise Financing Scheme ("**EFS**") loan and a Business Term Loan ("**BTL**"), which bear fixed interest rates of 7.75% and 9.88% per annum, respectively. Other than the above, the Group does not have fixed rate bank borrowings as at 30 June 2026. Together with the obligation under finance leases of approximately S$0.1 million (31 December 2025: S$0.2 million), the Group's total borrowings amounted to S$81.3 million (31 December 2025: S$76.7 million).

GEARING RATIO

As at 30 June 2026, the gearing ratio of the Group was about 36.4% (31 December 2025: 36.6%) 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 non-controlling interests).

TREASURY POLICIES

The Group has adopted a prudent treasury policy and thus maintained a healthy liquidity position throughout the six months ended 30 June 2026. 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 coincide with the functional currency of the subsidiary as a natural hedge against foreign exchange fluctuation. During the six months ended 30 June 2026, the Group did not enter into any hedges in respect of the interest rate risk we are exposed to.

F. Management Discussion and Analysis (cont'd)

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 the Mainland 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 the financial period ended 30 June 2026, the Group did not commit to any financial instruments to hedge its exposure to foreign currency risk.

CAPITAL EXPENDITURES

During the financial period ended 30 June 2026, the Group's capital expenditure consists of additions to property, plant and equipment and construction in progress amounting to approximately S$2,915,000 (30 June 2025: S$2,705,000).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, there were 1,429 (31 December 2025: 1,366) 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.

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 the financial period ended 30 June 2026.

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 30 June 2026.

Charge on the Group's Assets

As at 30 June 2026, the Group's service concession receivables, net book value of property, plant and equipment and land use rights of approximately S$138.1 million, S$22.9 million and S$1.0 million, respectively (31 December 2025: S$126.9 million, S$22.6 million and S$1.0 million) were pledged to banks to secure banking facilities granted to the Group.

F. Management Discussion and Analysis (cont'd)

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

During the financial period ended 30 June 2026 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).

As at 30 June 2026, the Company did not hold any treasury shares.

PROPOSED INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the financial period ended 30 June 2026 (30 June 2025: Nil).

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

1. Review

The condensed interim consolidated statement of financial position of the Company and its subsidiaries as at 30 June 2026 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the six-months ended 30 June 2026 and certain explanatory notes have not been audited or reviewed by the auditor of the Company, but have been reviewed by the Audit Committee.

2. Review of performance of the Group

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

3. 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.

4. 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 Business Outlook.

5. Dividend Information

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

In view of the current economic outlook and business environment uncertainty, no dividend has been declared/recommended by the Board of Directors for the 1H2026 as the Group intends to conserve funds for business development purposes and deems it prudent to defer any decision on dividend until the financial year ending 31 December 2026.

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

5. Dividend Information (Cont'd)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date Payable

Not applicable.

(d) Books Closure Date

Not applicable.

6. Interested Person Transactions ("IPTs")

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

7. 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 renewable 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 11 December 2025. The Company will make further announcements when the remaining net proceeds from Second Placement is 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 14 October 2025. The Company will make further announcements on the utilisation of proceeds from the subscription as and when the funds are materially disbursed.

8. 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 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.

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

On 9 February 2026, the Company's direct wholly-owned subsidiary, ISDN Investments Pte. Ltd. ("**ISDN Investments**") effected an internal restructuring (the "**Internal Restructuring**") of its said direct and indirect subsidiaries by acquiring all of the issued share capital of AR Biotech Pte. Ltd. ("**AR Biotech**") from AR Robotics and Automation Pte. Ltd.("**AR Robotics**") at a consideration of S$1. Following the completion of the Internal Restructuring, AR Biotech became a direct wholly-owned subsidiary of ISDN Investments and the Group's effective interest in AR Biotech remains unchanged at 100.0%.

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

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

On 13 February 2026, the Company's direct wholly-owned subsidiary, Motion Control Group Pte. Ltd. ("**MCG**") further financed the working capital of its 90.0%-owned subsidiary in India, ISDN Engineering Private Limited ("**ISDN Engineering**"), by increasing its capital injection from Rupees ("**INR**") 11,160,000 (equivalent to S$178,000) to INR32,760,000 (equivalent to S$483,000) via subscription for an additional 2,160,000 ordinary shares at the subscription price of INR10 per share in the capital of ISDN Engineering (the "**Further Investment in ISDN Engineering**"). Following the Further Investment in ISDN Engineering, MCG holds a total of 3,276,000 ordinary shares at INR10 per share in the capital of ISDN Engineering representing 90.0% of the issued and paid-up share capital of ISDN Engineering.

On 6 April 2026, the Company's direct wholly-owned subsidiary, ISDN Investments capitalised a loan sum of USD195,000 (equivalent to approximately of S$254,000), being part of the existing amount due and owing by AR Robotics to ISDN Investments, applied towards ISDN Investments' additional capital injection in AR Robotics (the "**Capitalisation of Loan**"). Following the completion of the Capitalisation of Loan, the issued and paid-up share capital of AR Robotics increased from USD500,000 (equivalent to S$661,000) to USD695,000 (equivalent to S$916,000), representing 100% of the total issued and paid-up capital of AR Robotics.

On 10 April 2026, the Company's direct wholly-owned subsidiary, ISDN Investments entered into a share transfer agreement to transfer 278,000 ordinary shares in AR Robotics to Trinity One Lt Limited and 208,500 ordinary shares in AR Robotics to Soradynamics Co., Ltd, for a consideration of S$1 each (the "**Transfer of AR Robotics Shares**"). Following the completion of the Transfer of AR Robotics Shares, ISDN Investments continues to hold 208,500 ordinary shares in AR Robotics, representing 30.0% of the issued share capital of AR Robotics.

On 8 May 2026, the Company's indirect wholly-owned subsidiary, Servo Hong Kong, incorporated a wholly-owned subsidiary namely, Jundawei, in the People's Republic of China (the "**Incorporation**"). Jundawei has a registered capital of RMB1,000,000 (equivalent to approximately S$188,000). Following the Incorporation, Jundawei became an indirect wholly-owned subsidiary of the Company. Jundawei is principally engaged in the provision of technology-related services and development, as well as the sale and research and development of electronic, mechanical, office and computer products, including import and export activities.

10. 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 mandatory disclosure requirements and 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 the financial period ended 30 June 2026, the Group has complied with the Code and the HK CG Code.

The Company and its officers are not allowed to deal in the shares 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.

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

11. 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 the financial period ended 30 June 2026.

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.

12. 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. Lim Teck Chai, Danny and Mr. Sho Kian Hin. Ms. Heng Su-Ling Mae is the chairlady 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 financial period ended 30 June 2026 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.

13. Publication of Financial Information

The interim results announcement for the financial period ended 30 June 2026 is published on the website of the SGX-ST at https://www.sgx.com/securities/company-announcements， 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 interim report of the Company for the financial period ended 30 June 2026 containing, among others, the interim financial information of the Group will be published on the above websites in due course.

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

14. Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six months period ended 30 June 2026 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Teo Cher Koon Managing Director and President	Kong Deyang Executive Director

By Order of the Board
ISDN Holdings Limited

Teo Cher Koon
Managing Director and President

Singapore and Hong Kong, 14 August 2026

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 Ms. Heng Su-Ling Mae (Chairlady), Mr. Sho Kian Hin and Mr. Lim Teck Chai, Danny as independent non-executive Directors.