



MEDIA RELEASE

ISDN delivers +18% revenue growth and +26% core profit ¹ growth in FY2025 as industrial automation demand keeps growing in Asia

- **Group revenue** increased by +18.2% YoY to S\$440.2 million in FY2025, attributed to stronger performance across its strategic business segments and geographies.
- **Industrial Automation** delivered 8.9% YoY growth (+5.4% YoY in China, +18.3% YoY in Southeast Asia) amid rising market demand for efficiency, productivity, and precision in production and business processes.
- **Renewable energy business** continues to generate stable income for the Group, with revenue from the three operational mini-hydropower plants accounting for 2.2% of total revenue and 8.3% of gross profit.
 - The renewable energy business generated S\$7 million of free cash flow in FY2025, consistent with its strength as a producer of high-quality, cash-rich, recurring earnings for the Group.
 - With two additional plants targeted to commence operations in 2026, total capacity is expected to increase by 81.3% to 44.6 MW, contributing meaningfully to the Group's recurring profits.
- **Core profit attributable to shareholders**, excluding unrealised foreign exchange losses/gains, grew by 25.9% YoY to S\$9.7 million, driven by operational momentum and higher utilisation levels.
- **As-reported net income to shareholders** declined by 20.7% in FY2025, impacted predominantly by non-recurring, non-cash, revaluation of long-dated receivables related to the renewable energy business.
 - The Group continues to focus on core profits to shareholders as its primary metric for shareholder value growth, as it believes its long-dated renewable energy contracts create significant non-cash, non-recurring volatility in its reported net income.
- **Proposed final dividend** of 0.53 Singapore cents for FY2025, translating to 25% payout ratio based on core profit of S\$9.7 million.
- **ISDN continues to see positive growth outlook** underpinned favourable global demand industrial automation and continued positive execution in its Renewable energy business.

Singapore, 27 February 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 twelve-month ended 31 December 2025 (“**FY2025**”).

¹ Core attributable profit, or core profit attributable to equity holders, excluded the impact from unrealised foreign exchange losses/gains and non-recurring items.

Financial summary

The Group's continued focus on capability building amid ongoing volatile macroeconomic environment continued to deliver resilient results. In FY2025, ISDN recorded a +18.2% year-on-year ("YoY") growth in revenue, driven by resilient performance across all key business segments and geographies.

Gross profit grew by +10.8% YoY in FY2025, primarily attributable to improved profitability from the industrial automation segment and higher contribution from the renewable energy segment. However, gross profit margin declined marginally by 1.6 ppts YoY, mainly due to the recognition of construction revenue from the renewable energy business, which typically carries a lower margin profile.

S\$'million	FY2024	FY2025	YoY change	2H2024	2H2025	Seq. change
Revenue	372.4	440.2	+18.2%	197.9	227.3	+14.9%
Gross profit	94.9	105.2	+10.8%	50.5	54.7	+8.2%
Gross profit margin (%)	25.5%	23.9%	(1.6ppts)	25.5%	24.1%	(1.4ppts)
Operating expenses ^a	71.5	74.6	+4.3%	37.4	40.0	+7.1%
Profit before tax	19.7	21.1	+7.2%	11.1	13.6	+22.1%
Profit after tax	14.0	13.6	(2.7%)	8.2	9.7	+19.3%
Profit attributable to shareholders	8.5	6.8	(20.7%)	4.7	5.5	+15.4%
Net profit margin ^b (%)	3.7%	3.1%	(0.6ppt)	4.1%	4.3%	+0.2ppt
Adjustments for unrealised and non-recurring items:						
Unrealised foreign exchange gain/(loss)	1.1	(4.5)	n.m	1.6	0.2	(44.6%)
Core profit attributable to shareholders ^c	7.7	9.7	+25.9%	4.3	5.2	+18.7%

ppt percentage points

n.m. not meaningful

^a Operating expenses comprise distribution costs and administrative expenses

^b Net profit margin = profit after tax/revenue

^c Core profit attributable to shareholders excluded the impact from unrealised foreign exchange losses/gains and non-recurring items

The Group's net profit to shareholders declined by 20.7% YoY in FY2025, primarily due to unrealised foreign exchange losses in its energy business:

- ISDN incurred S\$4.5 million of unrealised, non-cash foreign exchange revaluation losses in FY2025 as the United States Dollars weakened against Singapore Dollars during the period. The Group's renewable energy business generates recurring revenue and profits from long-term contracts of up to 25 years. Under this business model, long-term receivables and payables are revalued each period, resulting in non-cash, unrealised foreign exchange gains or losses.

Excluding the foreign exchange revaluation, ISDN's core profit attributable to shareholders grew by 25.9% YoY in FY2025, reflecting underlying operational improvement.

Review of FY2025 performance

As a beneficiary of improving conditions in China and growing Southeast Asia markets, ISDN continues to harness its diversified business portfolio and industry-leading capabilities to drive growth.

- **ISDN's China industrial automation business** (63.7% of total revenue) grew by +5.4% YoY in FY2025, supported by the sustained demand for automation solutions in China. Reported revenue was dampened by the strengthening Singapore Dollars during FY2025, and on a constant currency basis, ISDN's revenue in China grew by +6.9% YoY in FY2025, surpassing China's GDP growth of +5.0% and manufacturing value-added growth of +6.4%². This faster-than-GDP growth aligns with the Group's long-standing view that industrial automation remains strategically important to China's economic future, particularly with the support from China's newly released 15th Five-Year Plan³ which aims to create growth opportunities across a wide range of sectors, including advanced manufacturing, high-tech industries, green energy, digital and AI-driven services.
- **ISDN's Southeast Asia industrial automation business** (20.3% of total revenue) rose by +18.3% YoY in FY2025, primarily driven by demand in Singapore and Malaysia. Leveraging its strategic regional presence, the Group continued to deliver advanced in-house industrial automation solutions for industrial and manufacturing facilities and has entered into collaboration agreements with global technology partners to launch and scale their regional sales, further strengthening the Group's product portfolio.
- **ISDN's hydropower business** (13.4% of total revenue) more than doubled to S\$58.9 million in FY2025. The growth was primarily attributable to the recognition of construction revenue from the fourth and the fifth mini-hydropower plant, Lau Biang 2 and Lau Biang 3, while the three operational plants continued to generate stable earnings for the Group.

Gross profit increased by 10.8% YoY with margin edging down by 1.6 ppts, mainly due to the recognition of construction revenue from the two mini-hydropower plants currently under development, which typically carry a relatively lower margin profile.

Other operating expenses increased by S\$5.9 million in FY2025, mainly due to a net foreign exchange loss of S\$5.1 million, of which S\$4.5 million comprised unrealised foreign exchange losses arising from long-term contracts in the renewable energy business. These non-cash adjustments are expected to have limited long-term impact on the Group's underlying profitability.

Consequently, the Group registered a profit attributable to shareholders of S\$6.8 million in FY2025, compared to S\$8.5 million in the preceding year. Excluding the unrealised foreign exchange losses primarily from the renewable energy business, the Group achieved a 25.9% growth in core shareholder profit in FY2025.

² National Bureau of Statistics of China: [National Economy Pushed Forward with Innovation-led and High-quality Development and Expected Targets Achieved Successfully in 2025](#)

³ China Briefing: [China's 15th Five-Year Plan Recommendations – Key Takeaways for Foreign Businesses](#)

FY2026 outlook

ISDN continues to see broad-based demand growth for industrial automation, as well as positive prospects for its renewable energy business.

The Group continues to grow its industrial automation business by:

- **Enhancing technological capabilities** by developing and introducing advanced industrial automation solutions that address evolving customer needs, thereby supporting both upgrade-driven demand and replacement-led sales.
- **Expanding geographical presence across Asia** to capture emerging opportunities from new markets, such as Malaysia and Taiwan amid ongoing global supply chain diversification. ISDN intends to leverage its extensive sales network and regional footprint to advance the Group's growth trajectory.
- **Accelerating commercialisation of strategic investments** to unlock their commercial value. Notably, the Group's subsidiary, NovaPeak Pte. Ltd. ("**NovaPeak**"), secured a S\$1.0 million AI-powered building inspection contract for Housing & Development Board buildings in Singapore. Through NovaPeak, ISDN has expanded its core capabilities by integrating AI-driven analytics with drone-based façade inspections, transforming manual inspection workflows into scalable, data-driven compliance systems. This advancement has strengthened our competitive positioning and enabled us to secure major contracts.

ISDN continues to grow its renewable energy business, with 2 additional mini hydropower plants are scheduled for completion in 2026, increasing total power output by +81%, adding more recurring earnings for the Group. The Group continues to strengthen its position at the forefront of Indonesia's renewable energy expansion.

The Group will remain prudent in capital management and exercise a disciplined investment and business incubation strategy to prioritise delivering sustainable value to shareholders.

CEO remarks

Reflecting on ISDN's strategic position and performance in FY2025, **Mr Teo Cher Koon, ISDN's Managing Director and President** remarked that, *"FY2025 reflects the underlying structural demand for industrial automation across our core markets. As manufacturers in China and Southeast Asia continue to upgrade capabilities, automation, robotics and AI-enabled solutions are becoming increasingly essential to productivity and competitiveness. Particularly in China, industrial automation remains strategically important under the country's long-term industrial development agenda.*

While near-term conditions remain measured, the structural direction is clear. ISDN's established presence, technical depth and long-standing customer relationships position us well to support this ongoing transition."

— End —

About ISDN Holdings Limited

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

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

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

For more information, please visit www.isdnholdings.com

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ISDN HOLDINGS LIMITED

億仕登控股有限公司

(Incorporated in the Republic of Singapore with limited liability)

(Hong Kong stock code: 1656)

(Singapore stock code: I07.SI)

ANNUAL RESULTS ANNOUNCEMENT FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

	Six months ended 31 December			Twelve months ended 31 December		
	2025 S\$'000	2024 S\$'000	Change %	2025 S\$'000	2024 S\$'000	Change %
Revenue	227,286	197,870	14.9%	440,181	372,443	18.2%
Gross profit	54,684	50,522	8.2%	105,212	94,915	10.8%
Profit after tax	9,735	8,159	19.3%	13,582	13,965	-2.7%
Profit for the period/year attributable to equity holders of the Company	5,470	4,741	15.4%	6,756	8,522	-20.7%
Basic earnings per share (Singapore cents)	1.21	1.06	14.2%	1.50	1.91	-21.5%

The Board has resolved to recommend a final dividend of 0.53 Singapore cents (equivalent to 3.28 Hong Kong cents) for the year ended 31 December 2025 (2024 final: 0.47 Singapore cents (equivalent to 2.71 Hong Kong cents)).



Table of Contents

A.	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income.....	3
B.	Condensed Consolidated Statements of Financial Position	4
C.	Condensed Consolidated Statements of Changes in Equity	5
D.	Condensed Consolidated Statement of Cash Flows	7
E.	Notes to the Condensed Consolidated Financial Statements	9
F.	Management Discussion and Analysis	31
G.	Other information required by SGX-ST Listing Rule Appendix 7.2 and SEHK Listing Rules Appendix D2.....	45

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of ISDN Holdings Limited (the “**Company**” or “**ISDN**”) hereby announces the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 31 December 2025 (“**2H2025**”) and annual results for the year ended 31 December 2025 (the “**FY2025**”), together with the relevant comparative audited or unaudited figures. The Group’s results for 2H2025 and FY2025 are unaudited but have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

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

		GROUP					
		Six months ended 31 December			Twelve months ended 31 December		
		2025	2024	% change	2025	2024	% change
Note		S\$'000	S\$'000	+/(-) % change	S\$'000	S\$'000	+/(-) % change
		<i>(unaudited)</i>	<i>(unaudited)</i>		<i>(unaudited)</i>	<i>(audited)</i>	
	Revenue	227,286	197,870	14.9%	440,181	372,443	18.2%
	Cost of sales	(172,602)	(147,348)	17.1%	(334,969)	(277,528)	20.7%
	Gross profit	54,684	50,522	8.2%	105,212	94,915	10.8%
	Other operating income	2,343	2,265	3.4%	3,831	4,224	-9.3%
	Distribution costs	(17,693)	(15,392)	14.9%	(32,792)	(29,773)	10.1%
	Administrative expenses	(22,355)	(21,989)	1.7%	(41,814)	(41,764)	0.1%
	Net impairment (losses)/gains on financial assets	(148)	1	n.m.	(135)	(76)	77.6%
	Other operating expenses	(638)	(1,098)	-41.9%	(7,707)	(1,788)	n.m.
	Finance costs	(2,717)	(2,701)	0.6%	(5,253)	(5,468)	-3.9%
	Share of profit/(loss) of associates, net	122	(469)	n.m.	(269)	(616)	-56.3%
	Profit before income tax	13,598	11,139	22.1%	21,073	19,654	7.2%
	Income tax	(3,863)	(2,980)	29.6%	(7,491)	(5,689)	31.7%
	Profit for the period/year	9,735	8,159	19.3%	13,582	13,965	-2.7%
	Other comprehensive income, net of tax:						
	<u>Items that may be subsequently reclassified to profit or loss</u>						
	- net fair value changes on cash flow hedge	7	(81)	n.m.	9	(26)	n.m.
	- fair value loss recognised on financial asset at fair value through other comprehensive income	(555)	-	n.m.	(555)	(345)	60.8%
	- exchange differences on translation	3,041	243	n.m.	(2,621)	680	n.m.
		2,493	162	n.m.	(3,167)	309	n.m.
	Total comprehensive income for the period/year	12,228	8,321	47.0%	10,415	14,274	-27.0%
	Profit for the period/year attributable to:						
	Equity holders of the Company	5,470	4,741	15.4%	6,756	8,522	-20.7%
	Non-controlling interests	4,265	3,418	24.8%	6,826	5,443	25.4%
		9,735	8,159	19.3%	13,582	13,965	-2.7%
	Total comprehensive income for the period/year attributable to:						
	Equity holders of the Company	7,452	4,422	68.5%	4,131	8,546	-51.7%
	Non-controlling interests	4,776	3,899	22.5%	6,284	5,728	9.7%
		12,228	8,321	47.0%	10,415	14,274	-27.0%
	Earnings per share for profit for the period/year attributable to the owners of the Company:						
	Basic and diluted (Singapore cents)	1.21	1.06	14.2%	1.50	1.91	-21.5%

n.m.: Not meaningful

B. Condensed Consolidated Statements of Financial Position

	Note	GROUP		COMPANY	
		As at	As at	As at	As at
		31 December	31 December	31 December	31 December
		2025	2024	2025	2024
		S\$'000	S\$'000	S\$'000	S\$'000
		(unaudited)	(audited)	(unaudited)	(audited)
ASSETS					
Non-current Assets					
Property, plant and equipment	13	65,980	65,758	555	585
Investment properties		363	381	-	-
Land use rights		1,844	1,009	-	-
Goodwill	14	15,732	12,911	-	-
Subsidiaries		-	-	87,304	87,304
Associates		6,421	6,746	-	-
Service concession receivables	15	123,930	81,654	-	-
Other financial assets	19	-	555	-	-
Deferred tax assets		379	513	8	6
Total non-current assets		214,649	169,527	87,867	87,895
Current Assets					
Inventories		65,599	67,411	-	-
Trade and other receivables and contract assets	15	108,399	119,455	830	766
Service concession receivables	15	2,993	2,993	-	-
Amounts owing by subsidiaries		-	-	48,717	43,211
Dividend receivables		-	-	6,800	3,600
Cash and bank balances		68,122	56,519	286	978
Total current assets		245,113	246,378	56,633	48,555
Total Assets		459,762	415,905	144,500	136,450
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	16	86,833	85,467	86,833	85,467
Reserves		123,075	121,264	53,038	44,312
		209,908	206,731	139,871	129,779
Non-controlling interests		43,555	40,481	-	-
Total Equity		253,463	247,212	139,871	129,779
Non-current Liabilities					
Bank borrowings	17	44,031	48,884	-	-
Leases liabilities		5,404	5,915	571	595
Deferred tax liabilities		531	720	-	-
Total non-current liabilities		49,966	55,519	571	595
Current Liabilities					
Bank borrowings	17	32,625	21,227	-	-
Leases liabilities		2,003	1,886	24	23
Trade and other payables	18	103,254	74,709	4,034	6,053
Contract liabilities		16,631	13,776	-	-
Current tax liabilities		1,820	1,576	-	-
Total current liabilities		156,333	113,174	4,058	6,076
Total Liabilities		206,299	168,693	4,629	6,671
Total Equity and Liabilities		459,762	415,905	144,500	136,450

C. Condensed Consolidated Statements of Changes in Equity

	← Attributable to equity holders of the Group →					Total	Non-controlling interests	Total equity
	Share capital	Merger reserve	Exchange translation reserve	Other reserves	Retained earnings			
Group 2025	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2025 (<i>audited</i>)	85,467	(436)	(9,181)	6,175	124,706	206,731	40,481	247,212
Profit for the year	-	-	-	-	6,756	6,756	6,826	13,582
Other comprehensive loss for the year	-	-	(2,079)	(546)	-	(2,625)	(542)	(3,167)
Total comprehensive (loss)/income for the year	-	-	(2,079)	(546)	6,756	4,131	6,284	10,415
Dividend paid in cash relating to financial year ended 31 December 2024 (" FY2024 ")	-	-	-	-	(702)	(702)	-	(702)
Shares issued in-lieu of cash for dividend relating to FY2024	1,366	-	-	-	(1,366)	-	-	-
Dividends to non-controlling interests (" NCI ")	-	-	-	-	-	-	(5,670)	(5,670)
Transfer to other reserves	-	-	-	426	(401)	25	(25)	-
Capital contribution from NCI	-	-	-	-	-	-	341	341
Acquisition of NCI	-	-	-	-	-	-	1,867	1,867
Acquisition of NCI without a change in controlling subsidiary	-	-	-	(277)	-	(277)	277	-
Balance at 31 December 2025 (<i>unaudited</i>)	86,833	(436)	(11,260)	5,778	128,993	209,908	43,555	253,463
2024								
Balance at 1 January 2024 (<i>audited</i>)	84,755	(436)	(9,576)	6,495	117,384	198,622	42,043	240,665
Profit for the year	-	-	-	-	8,522	8,522	5,443	13,965
Other comprehensive income/(loss) for the year	-	-	395	(371)	-	24	285	309
Total comprehensive income/(loss) for the year	-	-	395	(371)	8,522	8,546	5,728	14,274
Dividend paid in cash relating to financial year ended 31 December 2023 (" FY2023 ")	-	-	-	-	(539)	(539)	-	(539)
Shares issued in-lieu of cash for dividend relating to FY2023	712	-	-	-	(712)	-	-	-
Dividends to NCI	-	-	-	-	-	-	(7,202)	(7,202)
Transfer to other reserves	-	-	-	51	51	102	(102)	-
Capital contribution from NCI	-	-	-	-	-	-	52	52
Acquisition of NCI	-	-	-	-	-	-	(38)	(38)
Balance at 31 December 2024 (<i>audited</i>)	85,467	(436)	(9,181)	6,175	124,706	206,731	40,481	247,212

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

Company	Share capital S\$'000	Other reserves S\$'000	Retained earnings S\$'000	Total S\$'000
2025				
Balance at 1 January 2025 (audited)	85,467	(178)	44,490	129,779
Net profit for the year	-	-	10,794	10,794
Total comprehensive income for the year	-	-	10,794	10,794
Dividend paid in cash relating to FY2024	-	-	(702)	(702)
Shares issued in-lieu of cash for dividend relating to FY2024	1,366	-	(1,366)	-
Balance at 31 December 2025 (unaudited)	86,833	(178)	53,216	139,871
2024				
Balance at 1 January 2024 (audited)	84,755	(178)	40,062	124,639
Net profit for the year	-	-	5,679	5,679
Total comprehensive income for the year	-	-	5,679	5,679
Dividend paid in cash relating to FY2023	-	-	(539)	(539)
Shares issued in-lieu of cash for dividend relating to FY2023	712	-	(712)	-
Balance at 31 December 2024 (audited)	85,467	(178)	44,490	129,779

D. Condensed Consolidated Statement of Cash Flows

Note	GROUP			
	Six months ended		Twelve months	
	31 December		ended 31 December	
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
Cash Flows from Operating Activities:				
Profit before income tax	13,598	11,139	21,073	19,654
Adjustments for:				
Allowance for impairment of trade and other receivables	130	26	262	136
Allowance for inventories obsolescence	786	999	2,409	1,494
Amortisation of land use rights	25	16	43	32
Depreciation of investment properties	10	10	19	19
Depreciation of property, plant and equipment	3,722	3,400	7,230	6,534
Gain on termination of leases	(20)	(29)	(20)	(29)
Interest expenses	2,717	2,701	5,253	5,468
Interest income	(133)	(111)	(227)	(330)
Inventories written off	19	2	21	9
Loss/(Gain) on disposal of property, plant and equipment, net	5	(9)	11	(230)
Loss on deemed disposal of interest in an associate	-	41	-	41
Property, plant and equipment written off	-	9	3	9
Share of (profit)/loss of associates, net	(122)	469	269	616
Trade and other receivables written off	-	-	-	5
Write back of allowance for impairment loss on trade and other receivables	18	(27)	(127)	(60)
Write back of allowance for inventories obsolescence	(74)	-	(74)	-
Foreign currency (gain)/loss on translation of foreign operations	(426)	(839)	4,532	(1,105)
Operating cash flow before working capital changes	20,255	17,797	40,677	32,263
Changes in working capital:				
Inventories	1,279	1,274	(544)	4,287
Trade and other receivables	7,894	(1,222)	16,515	(4,212)
Trade and other payables	12,088	770	17,767	7,950
Cash from operating activities before service concession arrangements	41,516	18,619	74,415	40,288
Change in receivables from service concession arrangements	(21,787)	(10,452)	(42,276)	(11,152)
Cash generated from operations after service concession arrangements	19,729	8,167	32,139	29,136
Interest paid	(2,292)	(2,561)	(4,389)	(5,207)
Interest received	133	111	227	330
Income tax paid	(4,213)	(2,882)	(7,402)	(5,878)
Net cash generated from operating activities	13,357	2,835	20,575	18,381

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

	GROUP			
	Six months ended		Twelve months	
	31 December		ended 31 December	
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
Cash Flows from Investing Activities:				
Acquisition of land use rights	(28)	-	(889)	-
Dividends from associates	-	-	69	47
Net cash inflow/(outflow) on acquisition of subsidiaries	781	(376)	(1,158)	(376)
Proceeds from disposal of property, plant and equipment	2	70	161	909
Purchase of property, plant and equipment	(3,122)	(2,994)	(5,827)	(7,523)
Net cash used in investing activities	(2,367)	(3,300)	(7,644)	(6,943)
Cash Flows from Financing Activities:				
Decrease in bank deposits pledged	-	377	390	377
Dividends to equity holders of the Company	(702)	(539)	(702)	(539)
Dividends to NCI	(2,514)	(3,794)	(4,443)	(5,704)
Interest expense on lease liabilities	(122)	(140)	(253)	(261)
Investment in associates	-	-	-	(2,203)
Proceeds from bank borrowings	19,106	5,542	28,403	9,344
Proceeds from NCI	341	2,742	341	2,742
(Repayment)/Proceeds from trust receipts, net	(1,530)	(321)	(408)	1,479
Repayment of bank borrowings	(11,933)	(6,222)	(21,881)	(16,713)
Repayment of lease liabilities, net	(1,442)	(1,371)	(3,020)	(2,571)
Net cash generated from/(used in) financing activities	1,204	(3,726)	(1,573)	(14,049)
Net increase/(decrease) in cash and cash equivalents	12,194	(4,191)	11,358	(2,611)
Cash and cash equivalents at the beginning of financial period	56,071	60,071	56,131	59,262
Effect of currency translation on cash and cash equivalents	(143)	249	633	(522)
Cash and cash equivalents at the end of financial period/year	68,122	56,129	68,122	56,129
Additional information:				
Cash and bank balances	65,179	53,709	65,179	53,709
Fixed deposits	2,943	2,810	2,943	2,810
Cash and bank balances	68,122	56,519	68,122	56,519
Less: bank deposits pledged	-	(390)	-	(390)
Total cash and cash equivalents	68,122	56,129	68,122	56,129

E. Notes to the Condensed Consolidated Financial Statements

1 Corporate Information

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

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

2 Basis of Preparation

The annual results set out in this announcement do not constitute the Group’s annual report for the FY2025 but are extracted from that report.

The unaudited condensed consolidated financial statements for the second half and full year ended 31 December 2025 have been prepared in accordance with Singapore Financial Reporting Standard (International) (“**SFRS(I)**”) 1-34 “*Interim Financial Reporting*” (“**SFRS(I) 1-34**”) issued by the Accounting Standards Council Singapore (“**ASC**”) and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**SEHK Listing Rules**”). The unaudited condensed consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since last annual financial statements for FY2024.

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

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

3 Adoption of New and Amended Standards

The Group has adopted all the new and revised SFRS(I)s that are relevant to its operations and effective for annual period beginning on 1 January 2025. The application of the new and revised standards and interpretations has no material effect on the consolidated financial statements.

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

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

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

The accounting policies adopted are consistent with those of the previous financial year except in the current financial period, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2025.

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

(ii) Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2025.

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

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

Note 14 – Impairment test of goodwill

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

4 Seasonal operations

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

5 Segment Information

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

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

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



ISDN Holdings Limited
Financial Statements Announcement
For the Second Half and Full Year Ended 31 December 2025

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

5 Segment Information (Cont'd)

(a) Reportable Operating Segments

	Engineering Solutions - Motion Control		Other Specialised Engineering Solutions		Industrial Computing Solutions		Renewable Energy		Others		Elimination		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1 July to 31 December														
Revenue														
External sales	152,825	134,485	43,769	43,265	3,588	2,242	26,377	17,333	727	545	-	-	227,286	197,870
Inter-segment sales	1,192	2,527	2,100	2,412	17	252	-	-	-	2	(3,309)	(5,193)	-	-
	154,017	137,012	45,869	45,677	3,605	2,494	26,377	17,333	727	547	(3,309)	(5,193)	227,286	197,870
Results														
Segment results	9,951	8,770	4,218	1,899	(475)	(51)	3,798	3,298	(909)	(311)	-	-	16,583	13,605
Share of profit/(loss) of associates, net	122	(469)	-	-	-	-	-	-	-	-	-	-	122	(469)
Corporate (expenses)/income													(898)	250
Rental income													375	343
Interest income													133	111
Finance costs													(2,717)	(2,701)
Profit before income tax													13,598	11,139
Income tax													(3,863)	(2,980)
Profit for the year ended 31 December													9,735	8,159
Assets														
Segment assets	150,611	159,818	60,588	57,860	2,035	1,519	154,102	121,856	6,788	4,011	(5,000)	(5,716)	369,124	339,348
Goodwill	2,862	2,862	11,501	9,508	-	-	680	541	689	-	-	-	15,732	12,911
Associates	6,421	6,746	-	-	-	-	-	-	-	-	-	-	6,421	6,746
Investment properties													363	381
Cash and bank balances													68,122	56,519
Consolidated total assets as at 31 December													459,762	415,905
Liabilities														
Segment liabilities	60,101	52,617	25,338	26,419	758	1,050	35,342	11,102	1,097	1,793	(5,000)	(5,716)	117,636	87,265
Bank borrowings and lease liabilities													84,063	77,912
Income tax liabilities													1,820	1,576
Others unallocated corporate liabilities													2,780	1,940
Consolidated total liabilities as at 31 December													206,299	168,693



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

5 Segment Information (Cont'd)

(a) Reportable Operating Segments (Cont'd)

1 July to 31 December	Engineering Solutions - Motion Control		Other Specialised Engineering Solutions		Industrial Computing Solutions		Renewable Energy		Others		Elimination		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Other information														
Cost of sales	115,816	95,693	33,308	38,173	2,251	1,571	20,725	11,557	502	354	-	-	172,602	147,348
Capital expenditure on														
-Property, plant and equipment	624	1,511	1,690	1,398	1	-	581	58	235	-	-	-	3,131	2,967
Other non-cash expenses:														
- Allowance for inventories obsolescence	768	778	34	247	-	-	-	-	(16)	(26)	-	-	786	999
- Allowance for impairment loss on trade and other receivables	129	7	1	17	-	(2)	2	4	(2)	-	-	-	130	26
- Amortisation of land use rights	16	16	-	-	-	-	-	-	9	-	-	-	25	16
- Depreciation of investment properties	10	10	-	-	-	-	-	-	-	-	-	-	10	10
- Depreciation of property, plant and equipment	2,005	2,111	1,132	819	47	(1)	532	440	6	31	-	-	3,722	3,400
- Inventories written off	8	2	11	(0)	-	-	-	-	-	-	-	-	19	2
- Property, plant and equipment written off	-	9	-	-	-	-	-	-	-	-	-	-	-	9
- Write back of allowance for impairment loss on trade and other receivables	6	(7)	1	(19)	-	-	-	-	11	(1)	-	-	18	(27)



ISDN Holdings Limited
Financial Statements Announcement
For the Second Half and Full Year Ended 31 December 2025

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

5 Segment Information (Cont'd)

(a) Reportable Operating Segments

	Engineering Solutions - Motion Control		Other Specialised Engineering Solutions		Industrial Computing Solutions		Renewable Energy		Others		Elimination		Consolidated	
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
1 January to 31 December														
Revenue														
External sales	284,613	265,583	88,310	78,070	6,754	5,343	58,856	22,294	1,648	1,153	-	-	440,181	372,443
Inter-segment sales	2,499	4,667	4,342	3,279	50	453	-	-	-	7	(6,891)	(8,406)	-	-
	287,112	270,250	92,652	81,349	6,804	5,796	58,856	22,294	1,648	1,160	(6,891)	(8,406)	440,181	372,443
Results														
Segment results	15,959	15,258	7,517	3,488	141	122	3,343	5,606	372	(628)	-	-	27,332	23,846
Share of loss of associates, net	(269)	(616)	-	-	-	-	-	-	-	-	-	-	(269)	(616)
Corporate (expenses)/income													(1,683)	960
Rental income													719	602
Interest income													227	330
Finance costs													(5,253)	(5,468)
Profit before income tax													21,073	19,654
Income tax													(7,491)	(5,689)
Profit for the year ended 31 December													13,582	13,965
Assets														
Segment assets	150,611	159,818	60,588	57,860	2,035	1,519	154,102	121,856	6,788	4,011	(5,000)	(5,716)	369,124	339,348
Goodwill	2,862	2,862	11,501	9,508	-	-	680	541	689	-	-	-	15,732	12,911
Associates	6,421	6,746	-	-	-	-	-	-	-	-	-	-	6,421	6,746
Investment properties													363	381
Cash and bank balances													68,122	56,519
Consolidated total assets as at 31 December													459,762	415,905
Liabilities														
Segment liabilities	60,101	52,617	25,338	26,419	758	1,050	35,342	11,102	1,097	1,793	(5,000)	(5,716)	117,636	87,265
Bank borrowings and lease liabilities													84,063	77,912
Income tax liabilities													1,820	1,576
Others unallocated corporate liabilities													2,780	1,940
Consolidated total liabilities as at 31 December													206,299	168,693



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

5 Segment Information (Cont'd)

(a) Reportable Operating Segments (Cont'd)

1 January to 31 December	Engineering Solutions - Motion Control		Other Specialised Engineering Solutions		Industrial Computing Solutions		Renewable Energy		Others		Elimination		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Other information														
Cost of sales	215,099	198,748	68,763	62,923	3,765	3,152	46,251	11,986	1,091	719	-	-	334,969	277,528
Capital expenditure on														
- Property, plant and equipment	2,008	3,428	2,977	4,276	10	7	1,002	58	304	2	-	-	6,301	7,771
Other non-cash expenses:														
- Allowance for inventories obsolescence	2,070	1,012	297	447	-	-	-	-	42	35	-	-	2,409	1,494
- Allowance for impairment loss on trade and other receivables	172	57	10	19	-	-	2	4	78	56	-	-	262	136
- Amortisation of land use rights	31	32	-	-	-	-	-	-	12	-	-	-	43	32
- Depreciation of investment properties	19	19	-	-	-	-	-	-	-	-	-	-	19	19
- Depreciation of property, plant and equipment	3,966	3,464	2,180	2,003	84	75	988	980	12	12	-	-	7,230	6,534
- Inventories written off	9	8	12	1	-	-	-	-	-	-	-	-	21	9
- Property, plant and equipment written off	-	9	3	-	-	-	-	-	-	-	-	-	3	9
- Trade and other receivables written off	-	1	-	4	-	-	-	-	-	-	-	-	-	5
- Write back of allowance for impairment loss on trade and other receivables	(11)	(33)	(13)	(26)	-	-	-	-	(103)	(1)	-	-	(127)	(60)

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

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

Segments	Group					Total S\$'000
	Six months ended 31 December 2025					
	Engineering Solutions - Motion Control S\$'000	Other Specialised Engineering Solutions S\$'000	Industrial Computing Solutions S\$'000	Renewable Energy* S\$'000	Others S\$'000	
Geographical markets						
Singapore	18,178	1,911	2,993	-	727	23,809
China	104,080	32,054	409	-	-	136,543
Hong Kong	7,014	2	-	-	-	7,016
Malaysia	5,558	639	3	-	-	6,200
Indonesia	460	35	-	26,377	-	26,872
Vietnam	9,374	406	3	-	-	9,783
Others	8,161	8,722	180	-	-	17,063
Total revenue from contracts with customers	152,825	43,769	3,588	26,377	727	227,286
Goods or services transferred at a point in time	151,695	43,620	3,588	-	99	199,002
Services transferred over time	1,130	149	-	23,995	628	25,902
Finance income from service concession arrangements	-	-	-	2,382	-	2,382

*Included in renewable energy is construction income, operating income and finance income from service concession arrangements of S\$22,205,000, S\$1,790,000 and S\$2,382,000, respectively for 2H2025 (2H2024: S\$12,007,000, S\$2,679,000 and S\$2,647,000, respectively).

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

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

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

Segments	Group						Total S\$'000
	Twelve months ended 31 December 2025						
	Engineering Solutions - Motion control S\$'000	Other Specialised Engineering Solutions S\$'000	Industrial Computing Solutions S\$'000	Renewable Energy* S\$'000	Others S\$'000		
Geographical markets							
Singapore	30,658	3,613	5,594	-	1,646	41,511	
China	201,377	66,723	722	-	-	268,822	
Hong Kong	11,434	37	63	-	-	11,534	
Malaysia	11,640	1,330	3	-	2	12,975	
Indonesia	613	85	75	58,856	-	59,629	
Vietnam	15,252	720	3	-	-	15,975	
Others	13,639	15,802	294	-	-	29,735	
Total revenue from contracts with customers	284,613	88,310	6,754	58,856	1,648	440,181	
Goods or services transferred at a point in time	282,010	87,341	6,528	-	566	376,445	
Services transferred over time	2,603	969	226	53,993	1,082	58,873	
Finance income from service concession arrangements	-	-	-	4,863	-	4,863	

*Included in renewable energy is construction income, operating income and finance income from service concession arrangements of S\$49,332,000, S\$4,661,000 and S\$4,863,000, respectively for FY2025 (FY2024: S\$12,007,000, S\$4,964,000 and S\$5,323,000, respectively).

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

5 Segment Information (Cont'd)

(b) Disaggregation of Revenue (Cont'd)

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

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)
5 Segment Information (Cont'd)
(c) Geographical information

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

	Group					
	Revenue from external customers				Non-current assets	
	Six months ended 31 December		Twelve months ended 31 December		As at 31 December	As at 31 December
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
Singapore	23,809	18,108	41,511	33,915	26,107	23,054
China	136,543	128,361	268,822	256,032	33,146	33,115
Hong Kong	7,016	5,616	11,534	9,884	152	105
Malaysia	6,200	6,981	12,975	11,839	4,242	4,078
Indonesia	26,872	17,602	59,629	22,792	148,340	106,413
Vietnam	9,783	10,708	15,975	18,574	420	825
Others	17,063	10,494	29,735	19,407	2,242	1,937
Total	227,286	197,870	440,181	372,443	214,649	169,527

(d) Information about Major Customers

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

(e) A breakdown of sales as follows:

	Group		
	2025 S\$'000	2024 S\$'000	Increase/ (Decrease)
Sales reported for the first half year	212,895	174,573	22.0%
Operating profit after tax before deducting NCI reported for the first half year	3,847	5,806	-33.7%
Sales reported for the second half year	227,286	197,870	14.9%
Operating profit after tax before deducting NCI reported for the second half year	9,735	8,159	19.3%

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)
6 Other Operating Income

	Group			
	Six months		Twelve months	
	ended 31 December		ended 31 December	
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Interest income	133	111	227	330
Commission income	199	-	210	134
Foreign exchange gains, net	-	295	-	295
Gain on disposal of property, plant and equipment, net	-	9	-	230
Gain on termination of leases	20	29	20	29
Government grants	98	228	210	404
Operating lease rental income:				
- investment properties	34	34	67	67
- sub-let of office/warehouse premises	341	309	652	535
Property management income	348	336	630	580
Technical service income	305	255	451	524
Write back of allowance of inventories obsolescence	74	-	74	-
Miscellaneous income	791	659	1,290	1,096
	2,343	2,265	3,831	4,224

7 Finance Costs

	Group			
	Six months		Twelve months	
	ended 31 December		ended 31 December	
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Interest expense on:				
- bank loans	2,115	2,016	4,024	4,182
- trust receipts	97	82	193	169
- leases liabilities	122	140	253	261
- others	383	463	783	856
	2,717	2,701	5,253	5,468

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)
8 Profit before Income Tax
(a) Significant Items

	Group			
	Six months ended 31 December 2025 2024		Twelve months ended 31 December 2025 2024	
	S\$'000	S\$'000	S\$'000	S\$'000
Profit before income tax has been arrived at after charging:				
Amortisation of land use rights	25	16	43	32
Depreciation of property, plant and equipment				
- recognised in cost of sales	1,208	1,044	2,275	1,944
- recognised in distribution costs	200	148	360	324
- recognised in administrative expenses	2,314	2,208	4,595	4,266
	3,722	3,400	7,230	6,534
Depreciation of investment properties	10	10	19	19
Other operating expense included:				
- trade and other receivables written off	-	-	-	5
- allowance for inventories obsolescence	786	999	2,409	1,494
- inventories written off	19	2	21	9
- foreign exchange (gains)/losses, net	-	(95)	5,151	-
- property, plant and equipment written off	-	9	3	9
- loss on disposal of property, plant and equipment, net	5	-	11	-
- loss on deemed disposal of interest in an associate	-	41	-	41
Operating lease rental expenses	147	(37)	290	73

(b) Related Party Transactions

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

	Group			
	Six months ended 31 December 2025 2024		Twelve months ended 31 December 2025 2024	
	S\$'000	S\$'000	S\$'000	S\$'000
Sales to associates	(22)	(97)	(70)	(180)
Sales to related parties	(10,884)	(8,044)	(18,846)	(12,928)
Purchases from associates	40	86	68	93
Purchases from related parties	31,655	35,103	62,310	66,012
Administrative income charged to associate	(13)	(13)	(26)	(31)
Administrative income charged to related parties	(71)	(90)	(139)	(231)
Rental charged to associate	-	-	-	(1)
Rental charged to related parties	(474)	(424)	(887)	(679)
Interest income charged to related party	(4)	(5)	(8)	(9)
Other expenses charged by related parties	196	172	398	384
Other income charged to related parties	(159)	(139)	(312)	(216)
Other income charged to associate	-	(47)	-	(47)
Service income charged to an associate	(1)	(20)	(1)	(84)

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

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

	Group			
	Six months		Twelve months	
	ended 31 December	ended 31 December	ended 31 December	ended 31 December
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax				
- Singapore	266	116	348	256
- China	3,199	2,520	6,022	4,762
- Outside Singapore and China	475	256	647	475
- Under provision in respect of prior year	88	111	543	273
	4,028	3,003	7,560	5,766
Deferred taxation				
- Withholding tax on the profits or the Group's subsidiaries	(34)	-	(34)	-
- Deferred tax expenses relating to the origination and reversal of temporary differences	(131)	(23)	(35)	(77)
	(165)	(23)	(69)	(77)
	3,863	2,980	7,491	5,689

The corporate tax rate applicable to the Company and those entities of the Group incorporated in Singapore for the years ended 31 December 2025 and 2024 is 17%. The corporate tax rate applicable to those entities of the Group incorporated in Malaysia for the years ended 31 December 2025 and 2024 is 24%.

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

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

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

E. Notes to the Condensed 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 31 December		Twelve months ended 31 December	
	2025	2024	2025	2024
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)	5,470	4,741	6,756	8,522
Weighted average number of ordinary shares for the purpose of basic earnings per share	452,015,999	447,830,041	450,330,324	446,920,125
Basic and fully diluted earnings per share (Singapore cents)	1.21	1.06	1.50	1.91

The calculation of basic earnings per share was based on profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding. The Group has no dilution in its per shares for the six months and twelve months ended 31 December 2025 and 2024.

11 Dividends

	Group	
	31 December 2025 S\$'000	31 December 2024 S\$'000
	Ordinary dividends paid during the financial year: Tax exempt (one-tier) final dividend of 0.47 Singapore cents per ordinary share (2024: 0.28 Singapore cents) in respect of the previous year	2,068

On 22 August 2025, a final dividend of 0.47 Singapore cents per ordinary share, which included scrip dividend alternatives offered to the shareholders of the Company (the “**Shareholders**”) was paid to the shareholders as the final dividend in respect of FY2024.

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

	Group	
	31 December 2025 S\$'000	31 December 2024 S\$'000
	Dividends: Cash Scrip dividend	702 1,366 2,068

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

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)
12 Net Asset Value

	Group		Company	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Net assets (S\$'000)	209,908	206,731	139,871	129,779
Issued share capital at the end of the year (net of treasury shares)	453,402,040	448,590,125	453,402,040	448,590,125
Net assets value per ordinary share based on issued share capital as at respective year (Singapore cents)	46.30	46.08	30.85	28.93

13 Property, Plant and Equipment

During the FY2025, the Group acquired property, plant and equipment with an aggregate cost amounting to S\$8,637,000 (31 December 2024: S\$11,520,000), of which S\$2,336,000 (31 December 2024: S\$3,749,000) relates to right-of-use assets and S\$474,000 (31 December 2024: S\$248,000) were acquired by means of finance lease. Cash payments of S\$5,827,000 (31 December 2024: S\$7,523,000) were made to purchase property, plant and equipment.

As at 31 December 2025, the Group's carrying amount of pledged property, plant and equipment to secure the bank borrowings in Note 17 was S\$22,552,000 (2024: S\$23,583,000); and the Group's carrying amount of property, plant and equipment held under lease liabilities was S\$1,062,000 (2024: S\$568,000).

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

	Group	
	31 December 2025 S\$'000	31 December 2024 S\$'000
Balance at 1 January	12,911	12,911
Additions	2,821	-
Balance at 31 December	15,732	12,911

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	
	As at 31 December 2025 S\$'000	As at 31 December 2024 S\$'000
Engineering Solutions – Motion Control		
- Servo Dynamics (Thailand) Co., Ltd	75	75
- TDS Technology (S) Pte Ltd	2,103	2,103
- IDI Laser Services Pte. Ltd. ("IDI Laser")	684	684
Other Specialised Engineering Solution		
- Dirak Asia Pte Ltd ("Dirak Asia")	9,508	9,508
- IFME Works Pte. Ltd.	1,993	-
Renewable Energy		
- Aenergy Holdings Company Limited	541	541
- PT Funda Konstruksi Engineering ("PT Funda")	139	-
Others		
- Singpilot Holding Pte. Ltd. ("Singpilot Holding")	689	-
	15,732	12,911

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

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

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)
15 Trade and Other Receivables and Contract Assets

	<u>Group</u>		<u>Company</u>	
	<u>31 December 2025</u>	<u>31 December 2024</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<u>Non-current:</u>				
Service concession receivables	123,930	81,654	-	-
<u>Current:</u>				
Service concession receivables	2,993	2,993	-	-
<u>Current:</u>				
Trade receivables, net of impairment:				
- note receivables	15,376	19,443	-	-
- trade receivables	70,725	69,160	-	-
- associates	81	126	-	-
- related parties	4,928	5,069	-	-
	91,110	93,798	-	-
Other receivables, net of impairment:				
Advances to associates	89	55	3	3
Advances to related parties	187	126	-	-
Deposits	1,076	719	1	1
Loan to associates	226	27	-	-
Sundry debtors	3,058	4,879	704	700
Amounts owing from NCI	3,440	1,695	-	-
	8,076	7,501	708	704
Contract assets	-	453	-	-
Advances paid to suppliers	5,719	14,624	-	-
Prepayment	3,494	3,079	122	62
	108,399	119,455	830	766

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

	<u>Group</u>	
	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Within 30 days	36,593	40,337
31 - 90 days	32,664	29,197
Over 90 days	21,853	24,264
	91,110	93,798

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

E. Notes to the Condensed Consolidated Financial Statements (Cont'd)
15 Trade and Other Receivables and Contract Assets (Cont'd)
ECL assessment

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

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

16 Share Capital

	Group and Company			
	31 December 2025		31 December 2024	
	No. of shares	S\$'000	No. of shares	S\$'000
Issued and fully paid:				
At the beginning of period/year	448,590,125	85,467	446,000,209	84,755
Shares issued-in-lieu of cash for dividend	4,811,915	1,366	2,589,916	712
At the end of period/year	<u>453,402,040</u>	<u>86,833</u>	<u>448,590,125</u>	<u>85,467</u>

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

On 22 August 2025, the Company issued 4,811,915 New Shares under the Company's Scrip Dividend Scheme at an issue price of S\$0.284 (for Singapore Shareholders) and HK\$1.744 (for Hong Kong Shareholders).

Following the allotment and issuance of New Shares, the number of ordinary shares as at 31 December 2025 is 453,402,040 (31 December 2024: 448,590,125). No treasury shares were held as at 31 December 2025 (31 December 2024: nil). The number of shares held as subsidiary holdings as at 31 December 2025 is nil (31 December 2024: nil).

As at 31 December 2025 till the date of this announcement, the Company does not have any existing warrants or convertibles (31 December 2024: nil).

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

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

	Group		Company	
	31 December 2025 S\$'000	31 December 2024 S\$'000	31 December 2025 S\$'000	31 December 2024 S\$'000
<i>Amount repayable within one year or on demand</i>				
- secured	8,441	10,376	-	-
- unsecured	24,184	10,851	-	-
	<u>32,625</u>	<u>21,227</u>	-	-
 <i>Amount repayable after one year</i>				
- secured	41,804	46,749	-	-
- unsecured	2,227	2,135	-	-
	<u>44,031</u>	<u>48,884</u>	-	-

The bank loans of the Group are secured over leasehold properties, service concession receivables and land use rights. These facilities are also secured by corporate guarantees provided by the Company and other subsidiaries as well as personal guarantees by the directors of the subsidiaries.

18 Trade and Other Payables

	Group		Company	
	31 December 2025 S\$'000	31 December 2024 S\$'000	31 December 2025 S\$'000	31 December 2024 S\$'000
Trade payables:				
- trade payables	39,638	32,703	-	-
- associates	37	119	-	-
- related parties	6,331	9,644	-	-
	<u>46,006</u>	<u>42,466</u>	-	-
Accrued operating expenses	2,742	2,170	122	417
Accrued salaries and bonuses	9,913	8,915	2,539	1,385
Amount owing to NCI	11,549	11,265	-	-
Amounts owing to subsidiaries	-	-	-	4,114
Other payables	33,044	9,893	1,373	137
	<u>103,254</u>	<u>74,709</u>	<u>4,034</u>	<u>6,053</u>

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

18 Trade and Other Payables

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

	Group	
	31 December 2025 S\$'000	31 December 2024 S\$'000
Within 30 days	25,745	26,613
31 - 90 days	13,715	11,490
Over 90 days	6,546	4,363
	46,006	42,466

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

19 Financial Assets and Financial Liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2025 and 31 December 2024:

	Group		Company	
	31 December 2025 S\$'000	31 December 2024 S\$'000	31 December 2025 S\$'000	31 December 2024 S\$'000
Financial Assets				
Other Financial assets at fair value through other comprehensive income	-	555	-	-
Cash and bank balances, service concession receivables and trade and other receivables (Amortised cost)	294,231	242,465	56,511	48,493
	294,231	243,020	56,511	48,493
Financial Liabilities				
Trade and other payables and borrowings (Amortised cost)	187,317	152,621	4,629	6,671
	187,317	152,621	4,629	6,671

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

20 Subsequent events

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 acquired all of the issued share capital of AR Biotech Pte. Ltd. ("**AR Biotech**") from AR Robotics and Automation Pte. Ltd. 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%.

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 INR 32,760,000 (equivalent to S\$483,000) by subscription for an additional 2,160,000 ordinary shares at the subscription price of INR 10 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 INR 10 per share in the capital of ISDN Engineering representing 90.0% of the issued and paid-up share capital of ISDN Engineering.

Other than the above, no major subsequent event has occurred since the end of the financial year ended 31 December 2025 up to the date of this announcement.

F. Management Discussion and Analysis

BUSINESS REVIEW

In FY2025, ISDN continued to realise benefits of its disciplined investments during the past downcycle, delivering a +18.2% year-on-year (“YoY”) growth in revenue. On a constant currency basis, revenue would have increased by 21.1% YoY.

Growth in the Group driven by stronger performance across all business segments and geographies as ISDN continues to capitalise on long-term growth in industrial automation throughout Asia, as well as recurring profits from its renewable energy business:

- **Core industrial automation continues its long-term growth momentum:** ISDN reported +8.9% YoY revenue growth in industrial automation (+10.4% on a constant currency basis), supported by solid demand in both China and Southeast Asia. ISDN continued to grow its addressable market in industrial automation in FY2025, inaugurating new geographical expansions into the Malaysia and Taiwan.
- **Growing contribution from the renewable energy segment (13.4% of total revenue):** In FY2025, revenue from the renewable energy segment rose +164.1% from S\$22.3 million in FY2024 to S\$58.9 million in FY2025. Growth was driven by the progressive recognition of construction revenue from S\$12.0 million in FY2024 to S\$49.3 million in FY2025 as ISDN advanced two new mini-hydropower projects in Indonesia (Lau Biang 2 and Lau Biang 3) towards projected completion in FY2026.

Excluding unrealised foreign exchange losses and non-recurring income, the Group’s core shareholder profits¹ grew 25.9% YoY in FY2025, driven by revenue growth and solid price and margin performance across its businesses. ISDN continues to benefit from:

- **Favourable exposure to secular growth in industrial automation in Asia**, as the continent continues to advance economically as a global manufacturing powerhouse.
- **Long-term returns from its disciplined technology investments**, including investments during the recent downcycle aimed at expanding the Group’s geographical presence and range of technology solutions.
- **Growing contribution from renewable energy**, which provides stable recurring income and, with the planned capacity expansion, is expected to expand the Group’s recurring revenue base and enhance earnings resilience.

Review of FY2025 Revenue Performance

China Industrial Automation Business (63.7% of total revenue)

Revenue contribution from China industrial automation business grew 5.4% YoY to S\$280.4 million in FY2025. Adjusting for foreign exchange fluctuations, China revenue would have increased by 6.9% YoY on a constant currency basis, surpassing China GDP growth of 5% and manufacturing value-added growth of 6.4%².

¹ Core profit attributable to equity holders, excluded the impact from unrealized foreign exchange losses/gains and non-recurring items. ISDN focuses on core profit as a key driver of shareholder growth, because its long-term, recurring clean energy contracts are subject to periodic FX revaluations which cause non-cash, non-recurring accounting adjustments to net profit.

² National Bureau of Statistics of China: [National Economy Pushed Forward with Innovation-led and High-quality Development and Expected Targets Achieved Successfully in 2025](#)

F. Management Discussion and Analysis (cont'd)

BUSINESS REVIEW (cont'd)

Growth was driven by continued adoption of Industry 4.0, the Internet of Things (“IoT”) and artificial intelligence (“AI”), which are enabling smarter, more connected and data-driven operations. As both the public and private sectors accelerate smart manufacturing to address labour shortages and demographic challenges, ISDN remains cautiously optimistic on the long-term demand outlook for automation tools and is staying ahead of the technology curve to deliver more advanced solutions to support the newly released 15th Five-Year Plan.

Southeast Asia Industrial Automation Business (20.3% of total revenue)

Revenue from Southeast Asia industrial automation business grew by 18.3% YoY to S\$89.4 million, primarily driven by Singapore (+18.7% YoY) and Malaysia (+9.6% YoY). Supported by its strategic regional presence, ISDN continued to bring advanced in-house industrial automation solutions to meet demand from newly built and upgrading industrial and manufacturing facilities across the region. Leveraging its established sales network, the Group also entered into several collaboration agreements with global leading technology partners to launch and scale regional sales, further enhancing ISDN's sales product portfolio.

The Group believes that ISDN is gaining market share in Southeast Asia and remains confident in the region's growth prospects, as global supply chain diversification continues advancing in this region.

Renewable Energy Business (13.4% of total revenue)

In FY2025, renewable energy revenue more than doubled to S\$58.9 million. The three operational mini-hydropower plants continued to generate stable recurring income streams for the Group. With two additional projects expected to complete construction and commence commercial operations in 2026, the Group's total hydropower capacity is projected to increase by a further 20 megawatts (“MW”) to 44.6 MW, materially expanding its recurring income base. While foreign exchange movements may continue to weigh on reported performance, ISDN views these impacts as non-cash accounting impact and remains confident in the segment's long-term strategic value to the Group.

Review of FY2025 Profitability

The Group's gross profit increased by 10.8% YoY to S\$105.2 million in FY2025, mainly attributable to profitability growth across both industrial automation and renewable energy segments.

- **Steady profitability growth in industrial automation:** Gross profit and gross profit margin for the industrial automation segment rose by 9.5% YoY and 0.1 percentage points (“ppts”) YoY respectively in FY2025. Growth was primarily driven by an improved sales mix comprised larger proportion of higher-margin products and solutions, as well as the Group's improved project execution efficiencies.
- **Growing profitability base in the renewable energy segment:** Gross profit for the renewable energy segment increased by 22.3% YoY to S\$12.6 million while gross profit margin declined by 24.8 ppts YoY. This was mainly attributable to the recognition of construction revenue from Lau Biang 2 and Lau Biang 3, which typically carries a lower margin profile. Excluding construction-related revenue, the gross margin from the three operating plants would have remained high at 91.5% in FY2025.

F. Management Discussion and Analysis (cont'd)

BUSINESS REVIEW (cont'd)

Distribution costs increased by 10.1% YoY to S\$32.8 million in FY2025, mainly attributed to higher staff related costs of S\$2.2 million following the consolidation of new subsidiaries acquired and incorporated during the period.

Other operating expenses increased by S\$5.9 million to S\$7.7 million, largely driven by a net foreign exchange loss of S\$5.1 million, of which S\$4.5 million comprised unrealised exchange losses mainly arising from long-term contracts in the renewable energy business.

Finance costs decreased by 3.9% YoY to S\$5.3 million, primarily due to lower bank interest rates.

Share of loss from associates narrowed by 56.3% YoY, mainly due to the absence of losses from IDI Laser following the Group's stake increase from 33.3% to 70.0% and its reclassification from an associate to a subsidiary.

Consequently, ISDN registered net profit attributable to shareholders of S\$6.8 million in FY2025, compared to S\$8.5 million in FY2024. Excluding the unrealised foreign exchange losses primarily from the renewable energy business, the Group achieved a 25.9% growth in core shareholder profit in FY2025.

F. Management Discussion and Analysis (cont'd)

BUSINESS OUTLOOK

ISDN's Growth Strategy

In FY2025, the Group continued to realise growth from its favourable exposures to industrial automation and renewable energy in Asia. Both of these markets have solid, long-term growth momentum as Asia continues to grow economically. In FY2026, the Group remains focused on:

- **Continuing to extend its market presence in industrial automation** as it capitalises on long-term growth in its core geographies and offerings; continues building its new markets in Malaysia and Taiwan; and continues to grow its broad portfolio of technology solutions.
- **Continuing to scale its renewable energy business** with the targeted commercialisation of its next 2 mini hydropower plants in FY2026. The completion of these new plants is expected to increase total power output by +81.3% to 44.6MW per year, creating meaningful growth in recurring profits from the Group's renewable energy business.

While the Group anticipates growth conditions for the year, it remains vigilant to systemic risks in the global economy and global supply chain. Persistent geopolitical tensions, trade and tariff volatility, and inflationary risks can create headwinds for the macro-economy. ISDN does not have direct exposure to US tariffs as it does not have meaningful business in the United States, but we remain cautious on expense growth as Asia navigates a careful industrial growth trajectory in 2026.

Therefore, the Group will remain prudent in capital management, aiming to advance its disciplined investment and business incubation strategy while prioritising delivering sustainable value to shareholders.

Key Addressable Markets Outlook

China Industrial Automation Business

In 2025, China's total value added of industrial enterprises above the designated size increased by 5.9% YoY. In terms of sectors, manufacturing value added rose 6.4% YoY, while equipment manufacturing and high-tech manufacturing expanded by 9.2% and 9.4% YoY respectively³. These figures reflect resilient industrial output and sustained momentum in equipment and high-tech manufacturing in China.

Building on this momentum, China released the official recommendations for the 15th Five-Year Plan in October 2025, outlining the country's strategy for high-quality, innovation-driven growth, focusing on industrial upgrading, technological self-reliance, increased domestic demand, and expanded openness⁴.

In addition, in earlier 2025, China announced to set up a state-backed venture capital fund focused on robotics, AI and cutting-edge innovation. The long-term fund is expected to attract nearly 1 trillion yuan (approximately US\$138 billion) in capital from local governments and the private sectors over 20 years, focusing on advancing China's technology-driven success in manufacturing⁵.

Capitalising on both government and private sector led industrial growth momentum, the Group will remain focused on technological advancement and delivering solutions that support the expansion of high-end industries, while meeting rising automation demand across the broader private sector. The Group continues to expand its customer base and market share in China and expects this momentum to continue going forward.

³ National Bureau of Statistics of China: [National Economy Pushed Forward with Innovation-led and High-quality Development and Expected Targets Achieved Successfully in 2025](#)

⁴ China Briefing: [China's 15th Five-Year Plan Recommendations – Key Takeaways for Foreign Businesses](#)

⁵ IFR International Federation of Robotics: [China to Invest 1 Trillion Yuan in Robotics and High-Tech Industries](#)

F. Management Discussion and Analysis (cont'd)

BUSINESS OUTLOOK (cont'd)

Non-China Industrial Automation Business

Amidst continued geopolitical tensions across the world, broad-based industrial relocations have pushed globalisation forward, focusing on cross-border integration while assigning distinct roles to different regions. In particular, Asia is evolving beyond its traditional role as the world's workshop, moving towards building a more integrated industrial value chain and ecosystem. This shift reflects a transition from fragmented, multi-chain competition to stronger single-chain leadership, and from homogeneous rivalry to more complementary and collaborative specialisation.⁶

Many companies have increased their footprint in markets like Malaysia, Indonesia, Cambodia, India, and Vietnam. As such, the Asian Development Bank has raised its growth forecasts for Southeast Asia to 4.5% in 2025 and 4.4% in 2026 from 4.3% for both years in December 2025, following the stronger-than-expected third quarter performance in Indonesia, Malaysia, Singapore, and Vietnam. Growth is projected to be largely driven by expansion in electronics exports, robust AI-related demand, and increased foreign direct investment.⁷

As a Singapore-headquartered company, ISDN believes that it is well positioned to ride this broad-based industrial growth and further strengthen its regional footprint across Asia.

Renewable Energy Business Outlook

Indonesia recently announced its latest Electricity Supply Business Plan (RUPTL) 2025 – 2035, which aims to add around 50,000MW of renewable energy capacity over the next 10 years, primarily from hydro, solar, and other renewables, with an estimated total investment of around Indonesia Rupiah (“IDR”) 1,650 trillion (approximately US\$98 billion)⁸.

As a forefront runner in Indonesia's renewable energy ambition, ISDN has successfully commercialised three mini-hydropower plants with a total installed capacity of 24.6MW. With two additional mini-hydropower projects expected to be completed construction and commercialised in 2026, the Group's total installed capacity is expected to be boosted to 44.6MW.

On the back of the supportive government policies, the Group is proactively exploring opportunities to expand its renewable energy portfolio. The Group believes that renewable energy will be the key to power growth of advanced industries such as AI data centres and remains dedicated to scale this business to expand long-term recurring income base.

⁶ Roland Berger: [Asia's supply chain reconfiguration](#)

⁷ BIMP-EAGA: [ADB Sees Higher Growth for Southeast Asia in 2025 and 2026](#)

⁸ Indonesia Business Post: [Indonesia targets 50GW of renewable energy, IDR1,650T investment sought](#)

F. Management Discussion and Analysis (cont'd)
FINANCIAL REVIEW
STATEMENT OF COMPREHENSIVE INCOME
Revenue and gross profit margin

	Group					
	Six months ended 31 December			Twelve months ended 31 December		
	2025 S\$'000	2024 S\$'000	% change +/(-)	2025 S\$'000	2024 S\$'000	% change +/(-)
Revenue						
Industrial Automation Solutions	200,909	180,537	11.3%	381,325	350,149	8.9%
Renewable Energy	26,377	17,333	52.2%	58,856	22,294	n.m.
- Operating and finance income	4,172	5,326	-21.7%	9,524	10,287	-7.4%
- Construction income	22,205	12,007	84.9%	49,332	12,007	n.m.
Total Revenue	227,286	197,870	14.9%	440,181	372,443	18.2%
Gross Profit						
Industrial Automation Solutions	49,033	44,746	9.6%	92,607	84,607	9.5%
Renewable Energy	5,651	5,776	-2.2%	12,605	10,308	22.3%
- Operating and finance income	3,774	4,886	-22.8%	8,718	9,418	-7.4%
- Construction income	1,877	890	n.m.	3,887	890	n.m.
Total Gross Profit	54,684	50,522	8.2%	105,212	94,915	10.8%
Gross Profit Margin						
Industrial Automation Solutions	24.4%	24.8%	-0.4 ppt	24.3%	24.2%	0.1 ppt
Renewable Energy	21.4%	33.3%	-11.9 ppt	21.4%	46.2%	-24.8 ppt
- Operating and finance income	90.5%	91.7%	-1.2 ppt	91.5%	91.6%	-0.1 ppt
- Construction income	8.5%	7.4%	1.1 ppt	7.9%	7.4%	0.5 ppt
Total Gross Profit Margin	24.1%	25.5%	-1.4 ppt	23.9%	25.5%	-1.6 ppt

n.m.: Not meaningful

The Group's revenue increased in both the 2H2025 and FY2025 compared to the same periods in 2024. For 2H2025, the Group's revenue grew by 14.9% from S\$197.9 million in the second half of 2024 ("2H2024") to S\$227.3 million in 2H2025. For FY2025, the Group's revenue increased by approximately S\$67.7 million or 18.2% from S\$372.4 million in FY2024 to S\$440.2 million in FY2025.

Revenue from our industrial automation solutions segment was higher mainly driven by the strong demand for industrial automation in both China and Southeast Asia. The industrial automation market continues to expand due to rising demand for efficiency, productivity, and precision in production and business processes. Key drivers of this growth include advancements in Industry 4.0, the IoT, and artificial intelligence, enabling more intelligent, data-driven processes. China remained the largest contributor to the industrial automation solutions segment, accounting for approximately 71% to the Group's revenue in this segment. The long-term growth prospects in China remain strong, supported by both government and private sector initiatives aimed at addressing labour shortages and demographic challenges through smart manufacturing and advanced technology adoption.

Revenue from the renewable energy in Indonesia increased by S\$9.0 million and S\$36.6 million in 2H2025 and FY2025 respectively. This increase was primarily driven by construction revenue from two mini-hydropower plants, Lau Biang 2 and Lau Biang 3, which contributed increases of S\$10.2 million and S\$37.3 million in 2H2025 and FY2025 respectively. In contrast, revenue from the Group's three operating hydropower plants decreased slightly by S\$1.2 million and S\$0.8 million in 2H2025 and FY2025 respectively, mainly due to the depreciation of IDR currency against the Group's reporting currency, S\$. The IDR depreciated by approximately 8.3% in FY2025 compared to FY2024. A total of S\$12.5 million was billed to PT PLN (Persero) ("PLN") for FY2025 and was received as of February 2026.

F. Management Discussion and Analysis (cont'd)

FINANCIAL REVIEW (Cont'd)

STATEMENT OF COMPREHENSIVE INCOME (Cont'd)

Revenue and gross profit margin (Cont'd)

Gross profit for 2H2025 and FY2025 increased by S\$4.2 million or 8.2% and S\$10.3 million or 10.8%, respectively as compared to corresponding periods last year. Gross profit margin of the Group in 2H2025 decreased by 1.4 percentage point from 25.5% to 24.1%, while for FY2025, the gross profit margin of the Group decreased by 1.6 percentage point from 25.5% to 23.9%. In FY2025, the gross profit and gross profit margin for the industrial automation solutions segment rose by S\$8.0 million or 0.1 percentage point in FY2025. This was primarily driven 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, supported by rising demand for efficiency, productivity, and precision across various production and business processes. In contrast, gross profit for renewable energy declined by 2.2% in 2H2025 and 22.3% in FY2025, despite higher segment revenue. This was due to a significant increase in lower-margin construction income, which diluted overall segment margins. As a result, the renewable energy gross profit margin fell sharply by 11.9 percentage points in 2H2025 and 24.8 percentage points in FY2025. Excluding the gross profit arising from the construction revenue of mini-hydropower plants under the service concession arrangement, gross profit margin would have remained at 90.5% in 2H2025 and 91.5% in FY2025.

Other operating income

Other operating income increased by S\$0.1 million, or 3.4% to S\$2.3 million in 2H2025. The increase was mainly due to the increase in commission income of S\$0.2 million, increase in miscellaneous income of S\$0.1 million, increase in write back of allowance for inventories obsolescence of S\$0.1 million and increase in technical service income of S\$0.1 million; partially offset by the absence of net foreign exchange gains of S\$0.3 million and decrease in government grants of S\$0.1 million.

For FY2025, other operating income decreased by S\$0.4 million, or 9.3% to S\$3.8 million. The decrease was mainly due to the absence of net foreign exchange gains of S\$0.3 million, absence of gain on disposal of property, plant and equipment of S\$0.2 million, decrease in government grant of S\$0.2 million, decrease in interest income of S\$0.1 million and decrease in technical service income of S\$0.1 million; partially offset by increase in miscellaneous income of S\$0.2 million, increase in rental income of S\$0.1 million, increase in commission income of S\$0.1 million and increase in write back of allowance for inventories obsolescence of S\$0.1 million.

Distribution costs

Distribution costs increased by S\$2.3 million, or 14.9% to S\$17.7 million in 2H2025. The increase was primarily due to increase in staff and related costs of S\$1.6 million, mainly arising from higher sales commissions to sales personnel in line with the increase in revenue, as well as the consolidation of new subsidiaries acquired and incorporated during 2H2025 and subsidiaries that commenced business activities in 2H2025. increase in sales and marketing expenses of S\$0.4 million and increase in travelling and accommodation of S\$0.3 million.

For FY2025, distribution costs increased by \$3.0 million, or 10.1% to S\$32.8 million. The increase was primarily attributed to an increase in staff and related costs of S\$2.2 million, which was mainly due to higher sales commissions to sales personnel in line with the increase in revenue, as well as the consolidation of new subsidiaries acquired and incorporated during FY2025 and subsidiaries that commenced business activities in FY2025, increase in sales and marketing expenses of S\$0.4 million, increase in travelling and accommodation of S\$0.3 million and increase in office and other expenses of S\$0.1 million.

F. Management Discussion and Analysis (cont'd)

FINANCIAL REVIEW (Cont'd)

STATEMENT OF COMPREHENSIVE INCOME (Cont'd)

Administrative expenses

Administrative expenses increased by S\$0.4 million, or 1.7% to S\$22.4 million in 2H2025. The increase was mainly due to increase in staff and related costs of S\$0.9 million mainly arising from the consolidation of new subsidiaries incorporated during 2H2025, increase in travelling and accommodation of S\$0.1 million, increase in professional fees of S\$0.1 million. This was partially offset by the decrease in office and other expenses of S\$0.7 million.

For FY2025, administrative expenses increased by S\$0.1 million, or 0.1% to S\$41.8 million. The increase was mainly due to increase in staff and related costs of S\$1.2 million mainly arising from the consolidation of new subsidiaries incorporated during FY2025, increase in travelling and accommodation of S\$0.1 million; partially offset by the decrease in office and other expenses of S\$0.8 million, decrease in performance bonus for executive Directors of S\$0.2 million and decrease in professional fees of S\$0.2 million.

Net impairment losses on financial assets

Net impairment losses on financial assets increased by S\$0.1 million in 2H2025 and FY2025 respectively was primarily due to increase in provision of impairment loss which following ECL assessment.

Other operating expenses

Other operating expenses decreased by S\$0.5 million, or 41.9% to S\$0.6 million in 2H2025. The decrease was mainly due to the decrease in allowance for inventories obsolescence of S\$0.2 million, decrease in other operating expenses of S\$0.1 million and lower net foreign exchange losses of S\$0.1 million.

In FY2025, other operating expenses increased by S\$5.9 million to S\$7.7 million, mainly due to foreign exchange loss arising from currency movement during the year. These losses amounted to S\$5.1 million, of which S\$4.5 million was unrealised, and were primarily related to long-term energy contracts in the Group's renewable energy business. The unrealised foreign currency losses were mainly due to the weakening of the United States Dollar ("USD") against S\$ and strengthening of USD against IDR, which affected the valuation of certain financial assets and financial liabilities. The unrealised foreign exchange losses are non-cash in nature, and the Group continues to closely monitor its foreign currency exposure. In addition, there was an increase in allowance for inventories obsolescence of S\$0.9 million. These increases were partially offset by the decrease in other operating expenses of S\$0.1 million.

Finance costs

Finance costs decreased by S\$0.2 million, or 3.9% to S\$5.3 million for FY2025, primarily due to lower bank interest rates.

Share of loss of associates, net

Share of loss of associates, net decreased by S\$0.6 million in 2H2025 and S\$0.3 million or 56.3% in FY2025. This was primarily due to absence of the share of loss from IDI Laser. In August 2024, the Group increased its equity interest in IDI Laser from 33.3% to 70.0% which led to a change from an associate to a subsidiary of the Group.

F. Management Discussion and Analysis (cont'd)

FINANCIAL REVIEW (Cont'd)

STATEMENT OF COMPREHENSIVE INCOME (Cont'd)

Income tax expense

Income tax expense increased by S\$0.9 million, or 29.6% to S\$3.9 million, and S\$1.8 million, or 31.7% to S\$7.5 million for 2H2025 and FY2025, respectively. The increase was mainly due to higher taxable profits.

STATEMENT OF FINANCIAL POSITION ITEMS

Property, plant and equipment

Property, plant and equipment increased by S\$0.2 million, or 0.3% as at 31 December 2025. The increase was mainly due to purchase of plant and equipment of S\$3.6 million, recognition of right-of-use assets of S\$2.3 million, addition of property, plant and equipment of S\$1.8 million via acquisition through business combination, purchase of furniture and fitting of S\$1.0 million, renovation of leasehold properties of S\$0.9 million, purchase of motor vehicles of S\$0.3 million, and increase in capital expenditure of S\$0.3 million for the construction of our Jiangxi office in China. This was partially offset by the depreciation charge of S\$7.2 million, translation loss of S\$2.6 million mainly arising from the weakening of the IDR and Renminbi (“**RMB**”) against S\$ in FY2025, disposal of property, plant and equipment with net book value of S\$0.2 million.

Associates

Interests in associates decreased by S\$0.3 million, or 4.8% to S\$6.4 million as at 31 December 2025 due to share of loss of associates of S\$0.3 million and dividends from associates of S\$0.1 million.

Service concession receivables (current and non-current)

Service concession receivables increased by S\$42.2 million, or 51.8% to S\$126.9 million as at 31 December 2025. Service concessions 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 FY2025, the Group recognised construction income of S\$18.4 million and S\$30.9 million from the construction of mini-hydropower plant, Lau Biang 2 and Lau Biang 3, respectively. Additionally, a foreign exchange revaluation gain of S\$2.9 million was recognised due to the appreciation of the USD against the IDR. This was partially offset by a total of S\$2.9 million in service concession receivables were derecognised upon invoicing to PLN for Lau Biang 1 and Anggoci, as well as a translation loss of S\$7.1 million resulting from the weakening of IDR against the S\$.

Inventories

Inventories decreased by S\$1.8 million or 2.7% to S\$65.6 million as at 31 December 2025 primarily due to fulfilment of customer orders in FY2025.

Trade and other receivables and contract assets

Trade and other receivables and contract assets decreased by S\$11.1 million or 9.3% to S\$108.4 million as at 31 December 2025 mainly due to decrease in advances to trade suppliers of S\$8.8 million, decrease in trade receivables of S\$2.7 million, loan repayment of S\$1.4 million from the Engineering, Procurement, and Construction of Lau Biang 3, absence of contract assets of S\$0.5 million and decrease in tax receivables of S\$0.6 million; partially offset by the increase in amount owing from NCI of S\$1.7 million, increase in prepayment of S\$0.4 million, increase in deposits of S\$0.4 million, increase on loans to associates of S\$0.2 million and increase in sundry receivables of S\$0.2 million.

Subsequent receipt of about S\$24.6 million was received from customers as at 31 January 2026. The collection represented approximately 27.0% of trade receivables as at 31 December 2025.

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\$28.5 million or 38.2% to S\$103.3 million as at 31 December 2025. The increase was primarily due to increase in accrued construction cost of S\$22.2 million relating to construction of mini-hydropower plants, Lau Biang 2 and Lau Biang 3. In addition, increase in trade payables of S\$3.5 million arose from increase in trade purchases during the financial year, increase in dividend payable to NCI of S\$1.2 million, increase in accrued salaries and bonuses of S\$1.0 million, increase in accrued operating expenses of S\$0.6 million and increase in amount owing to NCI of S\$0.3 million. This was partially offset by the decrease in other payables and taxes payable of S\$0.2 million and S\$0.1 million, respectively.

Contract liabilities

The increase in contract liabilities of S\$2.9 million or 20.7% to S\$16.6 million as at 31 December 2025 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\$6.5 million or 9.3% to S\$76.7 million as at 31 December 2025. The increase was primarily due to proceeds from bank borrowings (inclusive of trust receipts) of S\$28.4 million and the consolidation of bank borrowings of S\$0.4 million following the acquisition of a new subsidiary during the year, offset by repayment of bank borrowings of S\$22.3 million.

CASH FLOW STATEMENT

Changes in Cash Flow from Operating Activities

For 2H2025, net cash generated from operating activities before changes in working capital amounted to S\$20.2 million. Cash used in working capital of S\$0.5 million mainly due to the increase in receivables from service concession arrangements of S\$21.8 million; partially offset by an increase in trade and other payables of S\$12.1 million, decrease in trade and other receivables of S\$7.9 million and decrease in inventories of S\$1.3 million. In addition, there was income tax paid of S\$4.2 million and net interest payment of S\$2.1 million. As a result of the above, the net cash generated from operating activities amounted to S\$13.4 million.

For FY2025, net cash generated from operating activities before changes in working capital amounted to S\$40.7 million. Cash used in working capital of S\$8.5 million mainly due to an increase in receivables from service concession arrangements of S\$42.3 million and increase in inventories of S\$0.5 million; partially offset by the increase in trade and other payables of S\$17.8 million and decrease in trade and other receivables of S\$16.5 million. In addition, there was income tax paid of S\$7.4 million and net interest payment of S\$4.2 million. As a result of the above, the net cash generated from operating activities amounted to S\$20.6 million.

Changes in Cash Flow from Investing Activities

For 2H2025, net cash used in investing activities of S\$2.4 million was primarily attributed to the purchase of property, plant and equipment of S\$3.1 million; partially offset by the net cash inflow on acquisition of subsidiaries of S\$0.8 million.

F. Management Discussion and Analysis (cont'd)

FINANCIAL REVIEW (Cont'd)

STATEMENT OF FINANCIAL POSITION ITEMS (Cont'd)

CASH FLOW STATEMENT (Cont'd)

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

For FY2025, net cash used in investing activities of S\$7.6 million was primarily attributed to the purchase of property, plant and equipment of S\$5.8 million, net cash outflow on acquisition of subsidiaries of S\$1.2 million and acquisition of land of S\$0.9 million for the construction of a plant in Jiangxi, China. This was partially offset by the proceeds from disposal of property, plant and equipment of S\$0.2 million as well as the dividends received from an associate of S\$0.1 million.

Changes in Cash Flow from Financing Activities

For 2H2025, net cash generated from financing activities amounted to S\$1.2 million was primarily attributed to net proceeds of bank borrowings (inclusive of trust receipts) of S\$5.6 million and proceeds from NCI of S\$0.3 million; partially offset by dividends to NCI of S\$2.5 million, repayment of lease liabilities (inclusive interest paid) of S\$1.5 million and dividends to equity holders of the Company of S\$0.7 million.

For FY2025, net cash used in financing activities amounted to S\$1.6 million was primarily attributed to dividends paid to NCI of S\$4.4 million, repayment of lease liabilities (inclusive interest paid) of S\$3.3 million and dividends to equity holders of the Company of S\$0.7 million; partially offset by net proceeds of bank borrowings (inclusive of trust receipts) of S\$6.1 million, decrease in bank deposit pledge of S\$0.4 million and proceeds from NCI of S\$0.3 million.

As at 31 December 2025, the Group maintained a healthy cash and cash equivalents balance of S\$68.1 million.

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

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

LIQUIDITY AND FINANCIAL RESOURCES

During FY2025, the Group's working capital was financed by both internal resources and bank borrowings. As at 31 December 2025, cash and bank balances amounted to approximately S\$68.1 million increased by approximately 20.5% as compared to S\$56.5 million as at 31 December 2024. The quick ratio of the Group was approximately 1.1 times (31 December 2024: 1.6 times).

As at 31 December 2025, the Group has long and short-term bank borrowings of approximately S\$76.7 million. Among the borrowings, the bank borrowings due within one year amounted to approximately S\$32.6 million (31 December 2024: S\$21.2 million) while the bank borrowings due after one year amounted to approximately S\$44.0 million (31 December 2024: S\$48.9 million).

As at 31 December 2025, the weighted average effective interest rates on bank borrowings is 4.9% (31 December 2024: 5.0%) 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. Other than the above, the Group does not have fixed rate bank borrowings as at 31 December 2025 and 31 December 2024. Together with the obligation under finance leases of approximately S\$0.2 million (31 December 2024: S\$0.2 million), the Group's total borrowings amounted to S\$76.7 million (31 December 2024: S\$70.1 million).

F. Management Discussion and Analysis (cont'd)

GEARING RATIO

During FY2025, the gearing ratio of the Group was about 36.6% (31 December 2024: 34.0%) which was calculated on the Group's total borrowings (including total borrowings and finance lease but excluding trade and other payables) to total Shareholders' equity (excluding NCI).

TREASURY POLICIES

The Group has adopted a prudent treasury policy and thus maintained a healthy liquidity position throughout the FY2025. The Group strives to reduce credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. In the event of capital need, the Group may borrow funds from banks in the currency that coincident with the functional currency of the subsidiary as a natural hedge against foreign exchange fluctuation. During the FY2025, the Group did not enter into any hedges in respect of the interest rate risk we are exposed to.

FOREIGN EXCHANGE EXPOSURE

The Group's foreign currency transactions are mainly denominated in RMB and USD. The Group has currency exposure as certain sourced parts and components incurred in China were denominated in RMB. Certain of the subsidiaries of the Company have their assets and liabilities denominated in RMB and other currencies. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in RMB. During FY2025, the Group did not commit to any financial instruments to hedge its exposure to foreign currency risk.

CAPITAL EXPENDITURES

During FY2025, the Group's capital expenditure consists of additions to property, plant and equipment and construction in progress amounting to approximately S\$5.8 million (2024: S\$7.5 million).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, there were 1,366 (2024: 1,283) employees in the Group. Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical and life insurance.

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

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

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

F. Management Discussion and Analysis (cont'd)

SIGNIFICANT INVESTMENT HELD

Except for investments in subsidiaries and associates, the Group did not hold any significant investment in equity interest in any other company during FY2025.

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 FY2025.

Charge on the Group's Assets

As at 31 December 2025, the Group's bank deposits, service concession receivables, net book value of property, plant and equipment and land use rights of approximately S\$nil, S\$126.9 million, S\$22.6 million and S\$1.0 million, respectively (31 December 2024: S\$0.4 million, S\$84.6 million, S\$23.6 million and S\$1.0 million) were pledged to banks to secure banking facilities granted to the Group.

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

During FY2025 and up to the date of this announcement, the Company did not redeem any of its securities listed on the Main Board of the Stock Exchange and SGX-ST, neither did the Company nor any of its subsidiaries purchase or sell any of the Company's listed securities (including sale of treasury shares, if any).

As at 31 December 2025, the Company did not hold any treasury shares.

PROPOSED FINAL DIVIDEND

The Board has resolved to recommend the payment of a final dividend of 0.53 Singapore cents (equivalent to 3.28 Hong Kong cents) per ordinary share for FY2025. The proposed dividend payment is subject to approval by the Shareholders at the annual general meeting to be held on Thursday, 30 April 2026 (the "AGM") at 9:30 a.m. (Singapore Time). Upon Shareholders' approval at the upcoming AGM, the proposed final dividend will be paid on or about Tuesday, 25 August 2026 to the Shareholders whose names shall appear on the register of members of the Company on Tuesday, 7 July 2026.

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

A circular containing details of the scrip dividend proposal will be despatched to the Shareholders together with the form of election for scrip dividend on or about Wednesday, 15 July 2026. It is expected that the final dividend warrants and share certificates for the scrip dividend will be despatched to the Shareholders on or about Tuesday, 25 August 2026.

F. Management Discussion and Analysis (cont'd)

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM

For Hong Kong Shareholders

The Hong Kong Branch Share Register will be closed from Monday, 27 April 2026 to Thursday, 30 April 2026 both days inclusive. During this period, no transfer of shares in the capital of the Company will be registered. In order to be entitled to attend and vote at the AGM, the non-registered Hong Kong Shareholders must lodge all completed transfer forms accompanied by the relevant share certificates with the Company's Hong Kong Branch Share Registrar and Transfer Office, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Friday, 24 April 2026.

For Singapore Shareholders

The share transfer books and the Singapore Principal Share Register will be closed at 5:00 p.m. on Monday, 27 April 2026 for the purpose of determining the entitlement of Singapore Shareholders to attend and vote at the AGM. Duly completed registrable transfers received by the Company's Singapore Principal Share Registrar and Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632 up to 5:00 p.m. on Monday, 27 April 2026 shall be registered to determine Shareholders' entitlements to attend and vote at the AGM.

For determining the entitlement to the proposed final dividend

For Hong Kong Shareholders

The Hong Kong Branch Share Register will not be closed for the purpose of determining Shareholders' entitlement to receive the first and final tax-exempt (one-tier) dividend. In order to qualify for the Final Dividend, Shareholders who wish to hold their Shares on the Hong Kong Register of Members of the Company must lodge all completed transfer forms accompanied by the relevant share certificates with the Company's Hong Kong Branch Share Registrar and Transfer Office, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration no later than 4.30 p.m. on Tuesday, 7 July 2026.

For Singapore Shareholders

For the avoidance of doubt, where the registered holder is The Central Depository (Pte) Limited ("CDP"), the final dividend shall be paid to the CDP and credited to the depositors' securities accounts with the CDP in proportion to the number of shares standing to the credit of each depositor's securities account with the CDP as at 5:00 p.m. on Tuesday, 7 July 2026. Duly completed registrable transfers received by the Company's Singapore Principal Share Registrar and Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632 up to 5:00 p.m. on Tuesday, 7 July 2026 shall be registered to determine Shareholders' entitlements to the final dividend.

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

1. Review

The condensed consolidated statement of financial position of the Group as at 31 December 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the second half and full year ended 31 December 2025 and certain explanatory notes have not been audited or reviewed by the Company's auditors.

2. Review of performance of the Group

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

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The Group's latest audited financial statements for the FY2024 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the auditors.

4. Where a forecast, or a prospect statement, has been previously disclosed to Shareholders, any variance between it and the actual results.

No specific forecast statement was previously disclosed to Shareholders.

5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

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

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

6. Dividend Information

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes.

Name of Dividend	Proposed Final
Dividend Type	Cash and/or Scrip
Dividend Amount per Share (in Singapore cents)	0.53 cents
Tax Rate	Tax exempt (One-Tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	Proposed Final
Dividend Type	Cash and/or Scrip
Dividend Amount per Share (in Singapore cents)	0.47 cents
Tax Rate	Tax exempt (One-Tier)

(c) Date Payable

Upon the Shareholders' approval at the upcoming AGM, the proposed final dividend will be paid on or about 25 August 2026 to the Shareholders whose names shall appear on the register of members of the Company on 7 July 2026.

(d) Books Closure Date

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

The book closure date shall be on 7 July 2026.

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

Not applicable.

8. Interested Person Transactions ("IPTs")

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

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

9. Use of proceeds

(a) Use of Net Proceeds from the Second Placement

The Company has re-allocated the unutilised net proceeds from the Second Placement, which was originally allocated for working capital requirements of the mining-related business of the Group, in particular for coal trading to funding for construction and working capital requirement of the 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 the Second Placement are materially disbursed.

(b) Use of Net Proceeds from the issuance of new shares under general mandate

There has been no material usage till the date of this announcement after the last announcement made on 14 October 2025. The Company will make further announcement(s) on the utilisation of proceeds from the subscription as and when the funds are materially disbursed.

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

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

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

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

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

On 18 June 2025, the Company's indirect wholly-owned subsidiary, Suzhou Dirak Co., Ltd ("**Suzhou Dirak**") increased its registered share capital from USD1,000,000 (equivalent to approximately RMB7,407,000) to RMB10,000,000 (the "**Increase in Share Capital**"). Following the completion of Increase in Share Capital, the Group's effective interest rate in Suzhou Dirak remains unchanged at 49.0%.

On 3 July 2025, the Company's indirect wholly-owned subsidiary, ISDN (Zhejiang) Precision Technology Co., Ltd., ("**ISDN ZJ**"), effected a reduction in its registered share capital from USD20,000,000 to USD1,500,000 (the "**Decrease in Share Capital**"). Following the Decrease in Share Capital, the Group's effective interest in ISDN ZJ remains unchanged at 100.0%.

On 7 July 2025, the Company's direct wholly-owned subsidiary, MCG made a further capital injection into its 75.5% effective-owned subsidiary, Fuji Master (Penang) Sdn. Bhd. ("**FM Penang**"), by increasing FM Penang's paid-up share capital from Malaysian Ringgit ("**MYR**") 650,000 to MYR975,000 (equivalent to approximately S\$198,000 to S\$297,000) through the subscription of an additional 325,000 ordinary shares at the subscription price of MYR1 per share (the "**July 2025 Additional Subscription**"). Following the July 2025 Additional Subscription, the Group's effective interest in FM Penang remains unchanged at 75.5%.

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

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

On 18 July 2025, the Company's indirect 70.0%-owned subsidiary, IDI Laser entered a joint venture with Accelerate Technologies Pte. Ltd. ("**Accelerate**") to subscribe additional shares in the capital of IDI Dynamics Pte. Ltd. ("**IDI Dynamics**"). IDI Laser has agreed to subscribe for an additional 189,999 ordinary shares in IDI Dynamics (together with the existing 1 ordinary share held by IDI Laser, (representing 95.0% of the total issued shares capital of IDI Dynamics) for a total consideration of S\$189,999 (the "**Subscription**") and Accelerate agreed to subscribe for 10,000 ordinary shares in IDI Dynamics for a total consideration of S\$10,000. Following the Subscription, the Group's effective interest in IDI Dynamics is 66.5%.

On 12 August 2025, the Company's indirect wholly-owned subsidiary, Dirak Asia capitalised a dividend payment of RMB8,262,000 (equivalent to approximately S\$1,485,000) declared by its wholly-owned subsidiary, Suzhou Dirak. Following the capitalisation of the dividend payment, the total paid-up share capital increased from RMB1,738,000 (equivalent to approximately S\$376,000) to RMB10,000,000 (equivalent to approximately S\$1,861,000). Upon the completion of the capitalisation of dividend payment, the Group's effective interest in Suzhou Dirak remains unchanged at 49.0%.

On 15 August 2025, the Company's indirect wholly-owned subsidiary, ISDN (Jiangxi) Technologies Co., Ltd ("**ISDN Jiangxi**") effected a reduction in its registered share capital from USD20,000,000 to USD5,000,000 (the "**Decrease in Share Capital of ISDN Jiangxi**") Following the completion of the Decrease in Share Capital of ISDN Jiangxi, the Group's effective interest in ISDN Jiangxi remains unchanged at 100.0%.

On 3 September 2025, the Company's indirect wholly-owned subsidiary, ISDN Advanced Manufacturing Pte. Ltd. ("**ISDN Advanced**") acquired 51.0% of the share capital of Singpilot Holding for a purchase consideration of S\$300,000 (the "**Singpilot Acquisition**"). Singpilot Holding owns 100% of Singpilot. Following the completion of the Singpilot Acquisition, ISDN Advanced holds 10,409 ordinary shares in the share capital of Singpilot Holding, representing 51.0% of its total issued and paid-up capital. As a result, the Group has an effective interest of 51.0% in both Singpilot Holding and Singpilot. Subsequently, ISDN Advanced changed its Company name to ISDN Green Energy Pte. Ltd. on 3 October 2025.

On 9 October 2025, the Company's wholly-owned subsidiary, MCG entered into an agreement (the "**Share Transfer Agreement**") with Weiyi M&E Equipment Co., Ltd to acquire the remaining 49.0% shareholding in the share capital of Weiyi M&E Equipment (Shanghai) Co., Ltd ("**Weiyi**") at a consideration price of RMB1 (the "**Weiyi Acquisition**"). Following the completion of the Weiyi Acquisition, Weiyi became a wholly-owned subsidiary of MCG and an indirect wholly-owned subsidiary of the Company.

On 15 October 2025, the Company's wholly-owned subsidiary, Servo Dynamic Pte. Ltd. ("**Servo Dynamic**"), invested 15,000 ordinary shares, representing 30.0% of the issued share capital of Dafang AI Pte. Ltd. ("**Dafang AI**") for a total consideration of S\$15,000 (the "**Investment**"). Following the completion of the Investment in Dafang AI, the Group's effective interest in Dafang AI is 30.0%, which is accordingly accounted for as an associate of the Company. The principal activities of Dafang AI are (i) engineering design and consultancy activities N.E.C.; and (ii) renting of other machinery, equipment and tangible goods N.E.C.

On 1 December 2025, the Company's direct wholly-owned subsidiary, MCG further financed the working capital of its 70.0%-owned subsidiary, ISDN Precision System Co Ltd ("**ISDN Taiwan**") by increasing its capital injection from TWD14,000,000 to TWD28,000,000 (equivalent to approximately S\$572,000 to S\$1,152,000) by subscription for an additional 1,400,000 ordinary shares at the subscription price of TWD10 per share in the capital of ISDN Taiwan (the "**Further Investment in ISDN Taiwan**"). Following the Further Investment in ISDN Taiwan, MCG shall hold a total of 2,800,000 ordinary shares at TWD10 per share in the capital of ISDN Taiwan representing 70.0% of the issued and paid-up share capital of ISDN Taiwan.

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

On 3 December 2025, the Company's indirect 80.0%-owned subsidiary, ISDN Energy Storage Solutions Co Ltd ("**ISDN Solution**") incorporated a 70.0%-owned subsidiary namely, ISDN Renewable Energy Co Ltd (亿仕登新能源科技(江西)有限公司) ("**ISDN Renewable**") in China (the "**Incorporation**"). Upon the Incorporation, the total registered capital is RMB16,000,000 (equivalent to approximately S\$2,930,000) ("**Registered Capital**"). ISDN Renewable is principally engaged in the business of providing technical services, technology development and consulting, technology transfer and technology promotion, and research and development of new energy technologies. Following the Incorporation, ISDN Solutions make a capital injection of RMB3,500,000 (equivalent to approximately S\$641,000) in ISDN Renewable for working capital purposes (the "**ISDN Renewable Capital Injection**"). Following the ISDN Renewable Capital Injection and a separate capital injection of RMB1,000,000 (equivalent to S\$183,000) by a NCI, the paid-up capital of ISDN Renewable is RMB4,500,000 (equivalent to approximately S\$824,000).

On 18 December 2025, the Company's indirect wholly-owned subsidiary, ISDN Jiangxi made a capital injection of RMB3,500,000 (equivalent to approximately S\$641,000) to its 80.0%-owned subsidiary, ISDN Solutions (the "**ISDN Solution Capital Injection**"). Following the ISDN Solution Capital Injection, the paid-up capital of ISDN Solutions increased from RMB1,000,000 to RMB4,500,000 (equivalent to approximately S\$187,000 to S\$828,000). Upon the completion of the ISDN Solution Capital Injection, the Group's effective interest in ISDN Solutions remains unchanged at 80.0%.

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

Pursuant to Rule 704(13) of the Listing Manual of SGX-ST, the Company set out below the persons holding managerial positions in the Group who are related to the Directors, Chief Executive Officer or substantial shareholders of the Company or of any of its principal subsidiaries:

Name	Age	Family Relationship with any Director and/or Substantial Shareholder	Current position and duties, and the year position was held	Details of changes in duties and position held, if any, during the year
Thang Yee Chin	66	Spouse of:- Teo Cher Koon - managing director and substantial shareholder	Company's name: Servo Dynamics Pte Ltd A principal Subsidiary of the Company Position in the Company: Director Appointed on: 26 September 2005 Duties: Managing the administrative functions of the subsidiary.	No change

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

14. Compliance with Corporate Governance Codes

The Group has applied the principles and the extent of compliance with the guidelines as set out in the Singapore Revised Code of Corporate Governance 2018 (the “**Code**”) and the applicable code provisions of the Corporate Governance Code (the “**HK CG Code**”) as set out in Part 2 of Appendix C1 to the SEHK Listing Rules to provide the structure through which the objectives of protection of Shareholders’ interest and enhancement of long-term Shareholders’ value are met. In the event of any conflict between the Code and the HK CG Code, the Group will comply with the more onerous provisions. Throughout FY2025, the Group has complied with the Code and the HK CG Code.

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

In compliance with Rules 1207(19) of the Listing Manual (the “**Singapore Listing Manual**”) of the SGX-ST and the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the SEHK Listing Rules (the “**Model Code**”), the Company has adopted its own internal compliance code pursuant to the SGX-ST’s and the Model Code’s best practices on dealings in securities and these are applicable to all officers in relation to their dealings in the Company’s securities. In furtherance, specific enquiry has been made with all the Directors and the Directors have confirmed that they have complied with the Model Code during FY2025.

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

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

16. Audit Committee

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

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

The financial information in this announcement has not been audited or reviewed by the auditor of the Company, but the Audit Committee has reviewed the unaudited consolidated results of the Group for the FY2025 and is of the opinion that such results complied with the applicable accounting standards, the requirements under Singapore Listing Manual and the SEHK Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

17. Scope of Work of The Independent Auditor

The figures in respect of the preliminary announcement of the Group’s results for FY2025 have been agreed by the independent auditor, Moore Stephens LLP, to the amounts set out in the Group’s draft consolidated financial statements for FY2025 and the amounts were found to be in agreement. The work performed by the independent auditor in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the independent auditor on this announcement.



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

18. Publication of Financial Information

The annual results announcement for FY2025 is published on the website of the SGX-ST at <https://www.sgx.com/securities/company-announcements>, the website of the Stock Exchange at <https://www.hkexnews.hk>, and the website of the Company at <https://www.isdnholdings.com/sgx-singapore-exchange>. The annual report of the Company for FY2025 containing, among others, the financial information of the Group will be published on the above websites in due course.

By Order of the Board
ISDN Holdings Limited

Teo Cher Koon
Managing Director and President
Singapore and Hong Kong, 27 February 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 Mr. Tan Soon Liang (Chairman), Mr. Sho Kian Hin and Ms. Heng Su-Ling Mae as independent non-executive Directors.