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**ISDN HOLDINGS LIMITED**

**億仕登控股有限公司**

*(Incorporated in the Republic of Singapore with limited liability)*

**(Hong Kong stock code: 1656)**

**(Singapore stock code: I07.SI)**

**OVERSEAS REGULATORY ANNOUNCEMENT**

**RESPONSES TO QUESTIONS RECEIVED FOR  
ANNUAL GENERAL MEETING TO BE HELD ON 30 APRIL 2024**

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

Please refer to the attached announcement which has been published by ISDN Holdings Limited (the “**Company**”) on the website of the Singapore Exchange Securities Trading Limited on 25 April 2024.

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

Hong Kong, 25 April 2024

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

# ISDN HOLDINGS LIMITED

(Company Registration Number 200416788Z)  
(Incorporated in the Republic of Singapore)

101 Defu Lane 10  
Singapore 539222  
Tel: 6844 0288 Fax: 6844 0070  
Web: [www.isdnholdings.com](http://www.isdnholdings.com)

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## RESPONSES TO QUESTIONS RECEIVED FOR ANNUAL GENERAL MEETING TO BE HELD ON 30 APRIL 2024

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The Board of Directors (the “**Board**”) of ISDN Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcements dated 28 March 2024 in relation to the Company’s annual report for the financial year ended 31 December 2023 and its annual general meeting to be held on 30 April 2024.

The Company would like to thank all shareholders for their active participation in the upcoming AGM by submitting their questions in advance.

The Company has consolidated the questions submitted by shareholders and have set out responses to the questions at Annex A of this announcement.

By Order of the Board  
**ISDN Holdings Limited**

Teo Cher Koon  
President and Managing Director  
25 April 2024

## Annex A Responses to Questions from Shareholders

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### Query 1:

**Is there a formal dividend policy for ISDN? From observations, if a company has adopted a dividend policy, it provides some sort of stability in the share price.**

#### Company's Response:

ISDN has indeed adopted a formal dividend policy that aims to provide shareholders with a target annual dividend payout of 25% of the net profit attributable to shareholders in any financial year, whether as interim and/or final dividends.

The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other relevant factors as the Board may deem appropriate. For FY2023, the Company has declared a first and final tax-exempt (one-tier) dividend of 0.28 Singapore cents (equivalent to approximately 1.63 Hong Kong cents) per ordinary share. This information was disclosed in the company's Annual Report on page 56.

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### Query 2:

**FY23, we are dragged by business from mainland China. Moving forward, are we focusing on China? Or are there plans to seek geographical diversification?**

#### Company's Response:

ISDN will remain focused on its core market in China, but also continue to grow its presence outside of China, consistent with the strategy we have articulated for investors.

**In China**, we note that ISDN's China business grew +2.4% in FY2023 over FY2022 and +6.6% yoy on a constant currency basis. China continues to remain a key strategic market for industrial automation, and ISDN gained market share in China's industrial automation market in 2023. Leading industry analysts continue to forecast growth in industrial automation in China, driven by a broad range of factors including economic development, government policy, the need to automate labour as the population ages, and the need to advance industrial capability to compete globally as China's labour costs rise.

In line with the above factors, China's Central Commission for Financial and Economic Affairs has put forth incentive proposals to guide a new round of large-scale equipment renewals and lower logistics costs in China. Analysts anticipate that these initiatives will stimulate equipment renewals in traditional industries and foster increased demand for equipment in sectors with promising long-term prospects, such as shipbuilding, machine tools, construction machinery, and robotics industries. Given the broad applicability of industrial automation across diverse sectors, especially those poised to benefit from the incentives for large-scale equipment renewals, the industrial automation market is expected to benefit significantly.

**Outside of China**, ISDN has already expanded its presence in Southeast Asia in the past few years including significant pushes into the Vietnam market. Southeast Asia's industrial sector has been a beneficiary of the "China+1" re-organisation of the global supply chain in the post-COVID period, and ISDN believes its Southeast Asia business continues to be well-positioned to capitalise on the growth of industrial production in the region.

Overall, the Group believes its strategic position in China and in Southeast Asia provide a diversified and productive frontier for growth in the coming years, as long-term fundamental demand for industrial automation remains solid in both regions.

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**Query 3:**

**From the slides on SGX, I understand we all are working towards the commercialisation of 2 more hydropower plants. Are there any more hydropower plants in the pipeline?**

**Company's Response:**

The company has seven additional hydropower plants in the pipeline, beyond the two currently under development.

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**Query 4:**

**Riding on Q3, are we seeking IPO/spin off to unlock the value of ISDN in coming years?**

**Company's Response:**

ISDN has noted before, and reaffirms today, that its overall goal is to grow shareholder value. As part of this objective, the Group has stated that it is open to considering IPO or spinoff approaches to maximise overall shareholder value.

However, the Group cautions investors against speculating on such activities, as the feasibility and suitability of these approaches must be considered thoroughly, is subject to market conditions, and must follow due process and responsible disclosure to investors.

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**Query 5:**

**Can you paint us a picture of ISDN in the coming 3-5 years?**

**Company's Response:**

ISDN seeks to continue realising its growth strategy in the next 3 to 5 years, seeking to continue growing based on its strengths in:

- **ISDN's core industrial automation business**, which remains well-positioned to benefit from long-term growth in industrial automation (IA) throughout Asia. IA growth is supported by many positive shifts in Asia, including the need to upgrade and expand industrial production, increase labour automation to offset wage inflation, and keep up with the global technology supply chain as new applications such as artificial intelligence, edge computing, internet-of-things, Industry 4.0 drive greater performance demands for industrial production.
- ISDN's clean energy business, which has demonstrated clear ability to generate high-quality, cash-rich and recurring earnings for the Group, with three mini-hydropower plants operating commercially, and two more plants under-construction.

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**Query 6:**

**There is notable impact from the semiconductor industry on ISDN's business performance in Southeast Asia in 2023. Does the company see any sector/s in the region that may offer strong growth opportunities or resilience where more resources could be committed for expansion to mitigate the impact from semiconductor industry weakness?**

**Company's Response:**

Although the semiconductor industry experiences occasional cyclical downturns, it remains a large and solidly growing global sector. Leading industry analyst Gartner forecasts the semiconductor industry to grow 9.6% in 2024 and ~9% CAGR until 2027, significantly faster than overall economic growth in both China and Southeast Asia. Furthermore, leading global market intelligence firms have also forecasted annual semiconductor revenues to reach US\$1 trillion in 2029.

Despite the cyclical impact to its revenues, ISDN has not lost any of its semiconductor customers and believes that it has not lost any significant market share in Southeast Asia. As such, the Group believes it is well-positioned to benefit from the recovery of the semiconductor industry in 2024 onwards.

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**Query 7:**

**With a relatively stable recurring income from the hydropower plants from Indonesia, but a currency that tends to depreciate against the Singapore dollar over time, does the company hedge the income?**

**Company's Response:**

The company mitigates currency risk associated with the Indonesian Rupiah by denominating the tariff income of its two hydropower plants in United States Dollar. Additionally, excess funds are promptly transferred back to the immediate holding company within the same month, minimizing exposure to foreign exchange fluctuations.

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**Query 8:**

**Is the recurring income from hydropower plants backed by local or central government in Indonesia?**

**Company's Response:**

The recurring tariff income from hydropower plants are supported by the central government in Indonesia.