



ISDN SYSTEMS



ISDN PRECISION MANUFACTURING

ISDN SOFTWARE



ISDN RENEWABLE ENERGY

INTERIM REPORT 2025
Powering Asia's Industrial Future

# TABLE OF CONTENTS

Corporate Information

- Ol Condensed Consolidated Statement of Comprehensive Income
- Condensed Consolidated Statement of Financial Position
- Condensed Consolidated Statement of Changes in Equity
- Condensed Consolidated Statement of Cash Flows
- Notes to the Condensed Consolidated Financial Statements
- **26** Management Discussion and Analysis
- **37** Other Information

\* In case of any discrepancies between the English version and the Chinese version, the English version shall prevail.

## **CORPORATE INFORMATION**

## **COMPANY REGISTRATION NUMBER**

200416788Z

## **BOARD OF DIRECTORS**

Tan Soon Liang (Chairman)
Teo Cher Koon
Kong Deyang
Toh Hsiang-Wen Keith
Sho Kian Hin
Heng Su-Ling Mae

### **REGISTERED OFFICE**

101 Defu Lane 10 Singapore 539222

## **JOINT COMPANY SECRETARIES**

Gn Jong Yuh Gwendolyn LLB (Hons) 1 Robinson Road #18-00 AIA Tower Singapore 048542

Tung Wing Yee Winnie (FCPA, FCPA (Aust.)) 31/F., 148 Electric Road North Point Hong Kong

## **AUDIT COMMITTEE**

Heng Su-Ling Mae (Chairman) Sho Kian Hin Tan Soon Liang

## **REMUNERATION COMMITTEE**

Sho Kian Hin *(Chairman)* Heng Su-Ling Mae Tan Soon Liang

## **NOMINATING COMMITTEE**

Sho Kian Hin *(Chairman)* Heng Su-Ling Mae Teo Cher Koon

## **RISK MANAGEMENT COMMITTEE**

Heng Su-Ling Mae (Chairman) Sho Kian Hin Tan Soon Liang

## SINGAPORE PRINCIPAL SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd 1 Harbourfront Avenue Keppel Bay Tower, #14-07 Singapore 098632

## HONG KONG BRANCH SHARE REGISTRAR

Boardroom Share Registrars (HK) Limited Room 2103B, 21/F 148 Electric Road North Point Hong Kong

## **AUDITOR**

Moore Stephens LLP 10 Anson Road #29-15, International Plaza Singapore 079903



## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the "Board") of directors (the "Directors") of ISDN Holdings Limited (the "Company") hereby announces the consolidated condensed interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2025 (the "1H2025"), together with the relevant comparative audited or unaudited figures. The Group's interim results for 1H2025 are unaudited but have been reviewed by the audit committee of the Company (the "Audit Committee").

	<u>Notes</u>		onths 30 June
		2025 S\$'000	2024 S\$'000
		(unaudited)	(unaudited)
Revenue	5b	212,895	174,573
Cost of sales		(162,367)	(130,180)
Gross profit		50,528	44,393
Other operating income	6	1,488	1,959
Distribution costs		(15,099)	(14,381)
Administrative expenses		(19,459)	(19,775)
Net impairment gains/(losses) on financial assets		13	(77)
Other operating expenses		(7,069)	(690)
Finance costs	7	(2,536)	(2,767)
Share of loss of associates, net		(391)	(147)
Profit before income tax	8	7,475	8,515
Income tax	9	(3,628)	(2,709)
Profit for the period		3,847	5,806
Other comprehensive (loss)/income, net of tax:			
Items that may be subsequently reclassified to profit or loss			
- net fair value changes on cash flow hedge		2	55
- fair value loss recognised on financial asset at fair value			
through other comprehensive income		-	(345)
- exchange differences on translation		(5,662)	437
		(5,660)	147
Total comprehensive (loss)/income for the period		(1,813)	5,953
Profit for the period attributable to:			
Equity holders of the Company		1,286	3,781
Non-controlling interests		2,561	2,025
		3,847	5,806
Total comprehensive (loss)/income for the period attributable to:			
Equity holders of the Company		(3,321)	4,124
Non-controlling interests		1,508	1,829
g		(1,813)	5,953
Earnings per share for profit for the period attributable to the owners			
of the Company: Basic and diluted (Singapore cents)	10	0.29	0.85

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

Note	As at 30 June 2025 \$\$'000 (unaudited)	As at 31 December 2024 \$\$'000 (audited)
ASSETS	(anadanca)	(dddiccd)
Non-current Assets		
Property, plant and equipment 12	63,486	65,758
Investment properties	371	381
Land use rights	1,819	1,009
Goodwill 13	14,904	12,911
Associates	6,231	6,746
Service concession receivables 15	102,144	81,654
Other financial assets 14	555	555
Deferred tax assets	255	513
Total non-current assets	189,765	169,527
Command Accord		
Current Assets Inventories	67.600	67 411
Trade and other receivables and contract assets 15	67,608 106,929	67,411 119,455
Service concession receivables 15	2,993	2,993
Cash and bank balances	56,071	56,519
Total current assets	233,601	246,378
Total carrent assets	233,001	240,370
Total Assets	423,366	415,905
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital 16	85,467	85,467
Reserves	117,941	121,264
	203,408	206,731
Non-controlling interests	41,784	40,481
Total Equity	245,192	247,212
Non-current Liabilities		
Bank borrowings 17	40,852	48,884
Leases liabilities	5,832	5,915
Deferred tax liabilities	569	720
Total non-current liabilities	47,253	55,519
Current Liabilities	20.721	21 227
Bank borrowings 17	29,731	21,227
Leases liabilities	2,137	1,886
Trade and other payables 18 Contract liabilities	81,380 15,666	74,709 13,776
Current tax liabilities	2,007	13,776
Total current liabilities	130,921	113,174
Total Carterit Habilities	130,321	113,174
Total Liabilities	178,174	168,693
Total Equity and Liabilities	423,366	415,905

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		- Attributab	Attributable to equity holders of the Company	olders of th	e Company			
	Share	Merger	<b>Exchange</b> translation	Other	Retained		Non- controlling	Total
	capital S\$'000	reserve S\$'000	reserve S\$'000	reserves S\$'000	earnings S\$'000	Total S\$'000	interests S\$'000	equity S\$'000
<b>2025</b> 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 period	1		1		1,286	1,286	2,561	3,847
Other comprehensive (loss)/income for the period	'	1	(4,609)	2	,	(4,607)	(1,053)	(2,660)
Total comprehensive (loss)/income for the period	ı	1	(4,609)	7	1,286	(3,321)	1,508	(1,813)
Dividends to non-controlling interests (" <b>NCI</b> ")	ı	1	1	ı	ı	ı	(694)	(694)
Transfer to other reserves	ı	•	•	•	(2)	(2)	_	(1)
Acquisition of NCI	1	•	-	•	•	•	488	488
Balance at 30 June 2025 (unaudited)	85,467	(436)	(13,790)	6,177	125,990	203,408	41,784	245,192
<b>2024</b> 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 period	1	1	ı		3,781	3,781	2,025	5,806
Otner comprenensive income/(loss) for the period		,	633	(290)	1	343	(196)	147
Total comprehensive income/(loss) for the period	•	•	633	(290)	3,781	4,124	1,829	5,953
Dividends to NCI	ı	ı		1	,	1	(739)	(739)
Balance at 30 June 2024 (unaudited)	84,755	(436)	(8,943)	6,205	121,165	202,746	43,133	245,879

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		onths 30 June
	2025	2024
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Cash Flows from Operating Activities:		
Profit before income tax	7,475	8,515
Adjustments for:		
Allowance for impairment of trade and other receivables	132	110
Allowance for inventories obsolescence	1,623	495
Amortisation of land use rights	18	16
Depreciation of investment properties	9	9
Depreciation of property, plant and equipment	3,508	3,134
Loss/(Gain) on disposal of property, plant and equipment, net	6	(221)
Interest expenses	2,536	2,767
Interest income	(94)	(219)
Inventories written off	2	7
Property, plant and equipment written off	3	-
Share of loss of associates, net	391	147
Trade and other receivables written off	-	5
Write back of allowance for impairment loss on trade and other receivables	(145)	(33)
Foreign currency loss/(gain) on translation of foreign operations	4,958	(266)
Operating cash flow before working capital changes	20,422	14,466
Changes in working capital:		
Inventories	(1,823)	3,013
Trade and other receivables	8,621	(2,990)
Trade and other payables	5,679	7,180
Cash from operating activities before service concession arrangements	32,899	21,669
Change in receivables from service concession arrangements	(20,489)	(700)
Cash generated from operations after service concession arrangements	12,410	20,969
Interest paid	(2,097)	(2,646)
Interest received	94	219
Income tax paid	(3,189)	(2,996)
Net cash generated from operating activities	7,218	15,546

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

Cash Flows from Investing Activities:         (1,939)         2024           Net cash outflow on acquisition of a subsidiary         (1,939)         -           Dividends from associates         69         47           Proceeds from disposal of property, plant and equipment         159         839           Purchase of property, plant and equipment         (2,705)         (4,529)           Acquisition of land use rights         (861)         -           Net cash used in investing activities         (5,277)         (3,643)           Decrease in bank deposits pledged         390         -           Dividends to NCI         (1,929)         (1,910)           Interest expense on lease liabilities         (131)         (121)           Investment in associates         -         (2,203)           Proceeds from bank borrowings         9,297         3,802           Proceeds from trust receipts, net         1,122         1,800		_	onths 30 June
Cash Flows from Investing Activities:(1,939)-Net cash outflow on acquisition of a subsidiary(1,939)-Dividends from associates6947Proceeds from disposal of property, plant and equipment159839Purchase of property, plant and equipment(2,705)(4,529)Acquisition of land use rights(861)-Net cash used in investing activities(5,277)(3,643)Cash Flows from Financing Activities:Decrease in bank deposits pledged390-Dividends to NCI(1,929)(1,910)Interest expense on lease liabilities(131)(121)Investment in associates-(2,203)Proceeds from bank borrowings9,2973,802Proceeds from trust receipts, net1,1221,800		2025	2024
Cash Flows from Investing Activities:Net cash outflow on acquisition of a subsidiary(1,939)-Dividends from associates6947Proceeds from disposal of property, plant and equipment159839Purchase of property, plant and equipment(2,705)(4,529)Acquisition of land use rights(861)-Net cash used in investing activities(5,277)(3,643)Cash Flows from Financing Activities:Decrease in bank deposits pledged390-Dividends to NCI(1,929)(1,910)Interest expense on lease liabilities(131)(121)Investment in associates-(2,203)Proceeds from bank borrowings9,2973,802Proceeds from trust receipts, net1,1221,800			
Net cash outflow on acquisition of a subsidiary  Dividends from associates  Proceeds from disposal of property, plant and equipment  Purchase of property, plant and equipment  Acquisition of land use rights  Net cash used in investing activities  Cash Flows from Financing Activities:  Decrease in bank deposits pledged  Dividends to NCI  Interest expense on lease liabilities  Proceeds from bank borrowings  Proceeds from bank borrowings  Proceeds from trust receipts, net  (1,939)  47  47  47  47  47  47  47  47  47  4		(unaudited)	(unaudited)
Dividends from associates6947Proceeds from disposal of property, plant and equipment159839Purchase of property, plant and equipment(2,705)(4,529)Acquisition of land use rights(861)-Net cash used in investing activities(5,277)(3,643)Cash Flows from Financing Activities:Decrease in bank deposits pledged390-Dividends to NCI(1,929)(1,910)Interest expense on lease liabilities(131)(121)Investment in associates-(2,203)Proceeds from bank borrowings9,2973,802Proceeds from trust receipts, net1,1221,800			
Proceeds from disposal of property, plant and equipment159839Purchase of property, plant and equipment(2,705)(4,529)Acquisition of land use rights(861)-Net cash used in investing activities(5,277)(3,643)Cash Flows from Financing Activities:Decrease in bank deposits pledged390-Dividends to NCI(1,929)(1,910)Interest expense on lease liabilities(131)(121)Investment in associates-(2,203)Proceeds from bank borrowings9,2973,802Proceeds from trust receipts, net1,1221,800	•		-
Purchase of property, plant and equipment Acquisition of land use rights  Net cash used in investing activities  Cash Flows from Financing Activities:  Decrease in bank deposits pledged  Dividends to NCI Interest expense on lease liabilities  Investment in associates  Proceeds from bank borrowings Proceeds from trust receipts, net  (2,705) (4,529) (3,643)  (5,277) (3,643)  (1,943)  (1,929) (1,910) (1,910) (1,929) (1,910) (1,920) (1,910) (1,920) (1,910) (1,920) (1,910) (1,920) (1,910) (1,920) (1,910) (1,920) (1,910) (1,920) (1,910) (1,920) (1,910) (1,920) (1,910) (1,920) (1,910) (1,920) (1,910) (1,920) (1,910) (1,920) (1,910) (1,920) (1,910) (1,920) (1,910) (1,920) (1,910) (1,920) (1,91			
Acquisition of land use rights  Net cash used in investing activities  Cash Flows from Financing Activities:  Decrease in bank deposits pledged  Dividends to NCI  Interest expense on lease liabilities  Investment in associates  Proceeds from bank borrowings  Proceeds from trust receipts, net  (861)  - (861)  - (1,943)  (1,943)  (1,910)  (1,929)  (1,910)  (121)  (121)  (122)  (131)  (121)  (131)  (121)  (131)  (121)  (131)  (121)  (131)  (121)  (131)  (121)  (131)  (121)  (131)			839
Net cash used in investing activities(5,277)(3,643)Cash Flows from Financing Activities:390-Decrease in bank deposits pledged390-Dividends to NCI(1,929)(1,910)Interest expense on lease liabilities(131)(121)Investment in associates-(2,203)Proceeds from bank borrowings9,2973,802Proceeds from trust receipts, net1,1221,800			(4,529)
Cash Flows from Financing Activities:  Decrease in bank deposits pledged  Dividends to NCI  Interest expense on lease liabilities  Investment in associates  Proceeds from bank borrowings  Proceeds from trust receipts, net  Cash Flows from Financing Activities:  390  - (1,910)  (1,929)  (1,910)  (121)  (121)  (122)  1,800	-	(861)	_
Decrease in bank deposits pledged390-Dividends to NCI(1,929)(1,910)Interest expense on lease liabilities(131)(121)Investment in associates-(2,203)Proceeds from bank borrowings9,2973,802Proceeds from trust receipts, net1,1221,800	Net cash used in investing activities	(5,277)	(3,643)
Decrease in bank deposits pledged390-Dividends to NCI(1,929)(1,910)Interest expense on lease liabilities(131)(121)Investment in associates-(2,203)Proceeds from bank borrowings9,2973,802Proceeds from trust receipts, net1,1221,800	Cash Flows from Financing Activities:		
Dividends to NCI(1,929)(1,910)Interest expense on lease liabilities(131)(121)Investment in associates-(2,203)Proceeds from bank borrowings9,2973,802Proceeds from trust receipts, net1,1221,800		390	-
Interest expense on lease liabilities(131)(121)Investment in associates-(2,203)Proceeds from bank borrowings9,2973,802Proceeds from trust receipts, net1,1221,800		(1,929)	(1,910)
Proceeds from bank borrowings9,2973,802Proceeds from trust receipts, net1,1221,800	Interest expense on lease liabilities	(131)	(121)
Proceeds from trust receipts, net 1,122 1,800	Investment in associates	-	(2,203)
·	Proceeds from bank borrowings	9,297	3,802
	Proceeds from trust receipts, net	1,122	1,800
Repayment of bank borrowings (9,948) (10,491)	Repayment of bank borrowings	(9,948)	(10,491)
Repayment of lease liabilities, net (1,578) (1,200)	Repayment of lease liabilities, net	(1,578)	(1,200)
Net cash used in financing activities (2,777) (10,323)	Net cash used in financing activities	(2,777)	(10,323)
Net (decrease)/increase in cash and cash equivalents (836) 1,580	·		1,580
Cash and cash equivalents at the beginning of financial period 56,131 59,262	Cash and cash equivalents at the beginning of financial period	56,131	
Effect of currency translation on cash and cash equivalents 776 (771)	· · · · · · · · · · · · · · · · · · ·		<u>`</u>
Cash and cash equivalents at the end of financial period 56,071 60,071	Cash and cash equivalents at the end of financial period	56,071	60,071
Additional information:	Additional information:		
Cash and bank balances 54,191 56,982		5/1 101	56 982
Fixed deposits 1,880 3,843			
Cash and bank balances 56,071 60,825	·		
Less: bank deposits pledged - (754)		-	
Total cash and cash equivalents 56,071 60,071		56,071	

FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 1 General

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

The immediate and ultimate holding company is Assetraise Holdings Limited ("**Assetraise**"), a company incorporated in the British Virgin Islands. Assetraise is beneficially owned by Mr. Teo Cher Koon ("**Mr. Teo**"), the Managing Director and President of the Company and his spouse, Ms. Thang Yee Chin ("**Ms. Thang**").

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

## 2 Basis of Preparation

The interim results set out in the announcement do not constitute the Group's interim report for the six months ended 30 June 2025 but are extracted from that report.

The unaudited condensed interim consolidated financial statements for the six months ended 30 June 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 interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2024.

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

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

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 3 Adoption of New or Amended Standards

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

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.

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

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) <u>Use of judgements and estimates</u>

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2024.

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

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

Note 13 - Impairment test of goodwill

Note 15 - Measurement of expected credit loss ("ECL") allowance for trade and other receivables.

## 4 Seasonal operations

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

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 5 Segment Information

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

- Provision of 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 (loss)/profit of associates, interest income and finance costs, and income tax expense. Segment assets/liabilities are all operating assets/liabilities that are employed by a segment in its operating activities and are either directly attributable to the segment or can be allocated to the segment on a reasonable basis. This is the measure reported to the management for the purposes of resource allocation and assessment of segment performance. Segment revenue includes transfer between operating segments. Such transfers are accounted for at competitive market prices charged to unaffiliated customers for similar goods. The transfers are eliminated on consolidation. No operating segments have been aggregated to form the reportable segments above.

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS** FOR THE SIX MONTHS ENDED 30 JUNE 2025

4302         2024         2025         2024         2025         2024         2025         2024         2025         2024         2025         2024         2025         2020         55000         55000         5500         <		Engineering Solutions - Motion Control	g Solutions Control	Other Specialised Engineering Solutions	ecialised g Solutions	Industrial Computing Solutions	trial uting ions	Renewable Energy	e Energy	Others	ers	Elimination	ation	Consolidated	dated
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	1 January to 30 June	2\$,000	2\$,000	2\$,000	2\$,000	2\$,000	2\$,000	2\$,000	2\$,000	2\$,000	2\$,000	2\$,000	2\$,000	2\$,000	2\$,000
137.78   131.78   44541   34.805   31.66   31.01   32479   4.961   921   608		(unaudited)	(unaudited)	(unaudited)	(unaudited)	unaudited) (	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
137.086   131.088   44,541   34,805   31.166   31.01   32,479   4,961   921   608     5   (3,582)   (3,213)   212,895   1   1   1   1   1   1   1   1   1	Revenue														
1,307   2,140   2,242   867   33   201     5   (3,582)   (3,213)   2,12,895   1   1   1   1   1   1   1   1   1	External sales	131,788	131,098	44,541	34,805	3,166	3,101	32,479	4,961	921	809	•	٠	212,895	174,573
133,095   133,238   46,783   35,672   3,199   3,302   32,479   4,961   921   613   (3,582)   (3,513)   212,895   17     6,008   6,488   3,299   1,589   616   173   (455)   2,308   1,281   (317)     (391)   (785)   (391)     7,475   7,475   7,880   1,552   1,519   128,045   121,856   4,557   4,011   (5,867)   (5,716)   345,789   37     5,4049   5,2,617   2,8,369   2,6,419   867   1,050   17,341   11,102   905   1,793   (5,867)   (5,716)   9,5664   1,951     6,007   1,007   1,007   1,007   1,007   1,007   1,007     7,407   1,007   1,007   1,007   1,007     7,407   1,007   1,007   1,007   1,007     7,407   1,007   1,007   1,007     7,407   1,007   1,007     7,407   1,007   1,007     7,407   1,007   1,007     7,407   1,007   1,007     7,407   1,007   1,007     7,407   1,007   1,007     7,407   1,007   1,007     7,407     7,407     7	Inter-segment sales	1,307	2,140	2,242	867	33	201	•		•	5	(3,582)	(3,213)	•	•
6,008 6,488 3,299 1,589 616 173 (455) 2,308 1,281 (317) - 10,749 - 10,749 (31) (147) - 10,749 - 10,749 (31) (147) - 10,749 (31) (147) - 10,749 (31) (147) - 10,749 (31) (147) - 10,749 (31) (318) (147) - 10,749 (318) (147) (	-	133,095	133,238	46,783	35,672	3,199	3,302	32,479	4,961	921	613	(3,582)	(3,213)	212,895	174,573
6.008 6.488 3.299 1.589 616 173 (455) 2.308 1.281 (317) 10749 (391) (147) 10749 (391) (147)	Results														
(391)   (147)   (148	segment results	6,008	6,488	3,299	1,589	616	173	(455)	2,308	1,281	(317)	•	٠	10,749	10,241
1543   1443	Share of loss of associates, net	(391)	(147)	•		•	•	٠	•	٠	٠	•	•	(391)	(147)
344  154.51	Corporate (expenses)/income													(785)	710
154,531   159,818   62,971   57,860   1,552   1,519   128,045   121,856   4,557   4,011   (5,867)   (5,716)   345,789   37   3.847	Rental income													344	259
15453    159818   62,971   57,860   1,552   1,519   128,045   121,856   4,557   4,011   (5,867)   (5,716)   345,789   33,47     154,531   159818   62,971   57,860   1,552   1,519   128,045   121,856   4,557   4,011   (5,867)   (5,716)   345,789   33,47     2,862   2,862   11,501   9,508   -	nterest income													94	219
154.531   159,818   62,971   57,860   1,552   1,519   128,045   121,856   4,557   4,011   (5,867)   (5,716)   345,789   3.	inance costs												'	(2,536)	(2,767)
3,628    3,847     3,845   1,551   1,552   1,519   128,045   121,856   4,557   4,011   (5,867)   (5,716)   345,789   33   371   2,862   2,862   11,501   9,508   -	rofit before income tax													7,475	8,515
154,531 159,818 62,971 57,860 1,552 1,519 128,045 121,856 4,557 4,011 (5,867) (5,716) 345,789 33 2,862 2,862 11,501 9,508 - 541 541 6,231 6,746 6,231 6,746 541 541 541 6,231 56,071 5 54,049 52,617 28,369 26,419 867 1,050 17,341 11,102 905 1,793 (5,867) (5,716) 95,664 8 1,951 1,951	ncome tax												•	(3,628)	(2,709)
154,531 159,818 62,971 57,860 1,552 1,519 128,045 121,856 4,557 4,011 (5,867) (5,716) 345,789 33 2,862 2,862 11,501 9,508 541 541 14,904 1 6,231 6,746 541 541 6,231	rofit for the six months ended 30 June												ıı	3,847	5,806
154,531 159,818 62,971 57,860 1,552 1,519 128,045 121,856 4,557 4,011 (5,867) (5,716) 345,789 33  2,862 2,862 11,501 9,508 541 541 14,904 1  6,231 6,746 14,904 1  5,231 6,746 14,904 1  5,231 5,007 1,050 17,341 11,102 905 1,793 (5,867) (5,716) 95,664 8  7,862 2,617 28,369 26,419 867 1,050 17,341 11,102 905 1,793 (5,867) (5,716) 95,664 8  1,951 1,951	ssets														
2,862       2,862       11,501       9,508       -       -       541       541       -       -       -       14,904       11         6,231       6,746       -       -       -       -       -       -       -       -       6,231         371       371         56,071       5       5       6,241       867       1,050       17,341       11,102       905       1,793       (5,867)       (5,716)       95,664       8         78,552       7       78,552       7       78,552       7         1,951       -	egment assets	154,531	159,818	62,971	27,860	1,552	1,519	128,045	121,856	4,557	4,011	(2,867)	(5,716)	345,789	339,348
6,231     6,746     -     -     -     -     -     6,231       56,071     5       54,049     52,617     28,369     26,419     867     1,050     17,341     11,102     905     1,793     (5,867)     (5,716)     95,664     8       78,552     7       2,007	soodwill	2,862	2,862	11,501	805'6	•	•	541	541	•	•	•	•	14,904	12,911
371       56,071     5       423,366     41,050       1,793     (5,867)       78,552     7       2,007     1,951	ssociates	6,231	6,746	•	•	•	•	•	•	•	•	•	•	6,231	6,746
56,071     5       54,049     52,617     28,369     26,419     867     1,050     17,341     11,102     905     1,793     (5,867)     (5,716)     95,664     8       78,552     7       2,007	nvestment properties													371	381
54,049     52,617     28,369     26,419     867     1,050     17,341     11,102     905     1,793     (5,867)     (5,716)     95,664     8       78,552     7       2,007       1,951	ash and bank balances													56,071	56,519
54,049 52,617 28,369 26,419 867 1,050 17,341 11,102 905 1,793 (5,867) (5,716) 95,664 8 78,552 7 2,007	onsolidated total assets as at 30 June/31 December												"	423,366	415,905
54,049 52,617 28,369 26,419 867 1,050 17,341 11,102 905 1,793 (5,867) (5,716) 95,664 8 78,552 7 2,007 1,951	iabilities														
78,552 7 2,007 1,951	egment liabilities	54,049	52,617	28,369	26,419	867	1,050	17,341	11,102	902	1,793	(2,867)	(5,716)	95,664	87,265
2,007	sank borrowings and lease liabilities													78,552	77,912
7, 55, 55, 55, 55, 55, 55, 55, 55, 55, 5	Income tax liabilities													2,007	1,576
	Others unallocated corporate liabilities													1,951	1,940
	Consolidated total liabilities as at												ı	170 177	160 602

## **NOTES TO THE CONDENSED** CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

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Segment Information (Continued)

	Engineering Solutions - Motion Control	g Solutions Control	Other Specialised Engineering Solution	Other Specialised Igineering Solutions	Industrial Computing Solutions	trial uting ions	Renewable Energy	le Energy	Others	ers	Elimination	ation	Consolidated	idated
1 January to 30 June	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	2\$,000	2\$,000	2\$,000	2\$,000	2\$,000	S\$'000	2\$,000	2\$,000	2\$,000	2\$,000	2\$,000	2\$,000	S\$'000	S\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Other information														
Cost of goods sold	99,283	103,055	35,455	24,750	1,514	1,581	25,526	429	589	365	•	•	162,367	130,180
Capital expenditure on: - Property, plant and equip-		7	, ,	070	c	٢	,		Q	r			, , ,	00
ווייי	,504	(16,1	/07/1	2,070	ת		174		n D	N			0/1/6	4,004
Other non-cash expenses:														
- Allowance for inventories obsolescence	1,302	234	263	200	•	•	•	•	28	61	•	•	1,623	495
- Allowance for impairment loss on trade and other receivables	43	50	o	2		2	,	1	80	56			132	110
- Amortisation of land use rights	15	16	•	•	,	•	,		м	•	•	•	18	16
- Depreciation of investment properties	σ	0		1	•	•	1			,	,	,	6	6
<ul> <li>Depreciation of property, plant and equipment</li> </ul>	1,961	1,353	1,048	1,184	37	92	456	488	9	33	•	•	3,508	3,134
- Inventories written off	_	9	_	_	٠	٠	•	•	•	٠	٠	٠	2	7
- Property, plant and equip- ment written off	•	•	ю	•	•	•	•	•	•	•	•	•	М	
- Trade and other receivables written off		<b>~</b>	•	4	•	•	•	•	•	•	•	•		5
- Write back of allowance for impairment loss on trade and other receivables	(17)	(26)	(14)	(7)	•	•	•	•	(114)	•	i	•	(145)	(33)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 5 Segment Information (Continued)

## (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.

		Six	months end	ed 30 June 20	)25	
Segments	Engineering Solutions - Motion Control S\$'000	Other Specialised Engineering Solutions S\$'000	Industrial Computing Solutions S\$'000	Renewable Energy Solutions S\$'000	Others S\$'000	Total S\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Geographical markets						
Singapore	12,480	1,702	2,601	-	919	17,702
China	97,297	34,669	313	-	-	132,279
Hong Kong	4,420	35	63	-	-	4,518
Malaysia	6,082	691	-	-	2	6,775
Indonesia	153	50	75	32,479	-	32,757
Vietnam	5,878	314	-	-	-	6,192
Others	5,478	7,080	114	-	-	12,672
Total revenue from contracts with customers	131,788	44,541	3,166	32,479	921	212,895
Goods or services transferred at a point in time	130,315	43,721	2,940	-	921	177,897
Services transferred over time Finance income from service concession	1,473	820	226	29,998	-	32,517
arrangements			-	2,481	_	2,481

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 5 Segment Information (Continued)

(b) Disaggregation of Revenue (Continued)

		Six	months end	ed 30 June 20	)24	
Segments	Engineering Solutions - Motion Control S\$'000	Other Specialised Engineering Solutions S\$'000	Industrial Computing Solutions S\$'000	Renewable Energy Solutions S\$'000	Others S\$'000	Total S\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Geographical markets						
Singapore	10,964	1,514	2,724	-	605	15,807
China	100,054	27,608	9	-	-	127,671
Hong Kong	4,260	8	_	-	-	4,268
Malaysia	4,401	454	-	-	3	4,858
Indonesia	202	27	-	4,961	-	5,190
Vietnam	7,841	25	-	-	-	7,866
Others	3,376	5,169	368	-	-	8,913
Total revenue from contracts with						
customers	131,098	34,805	3,101	4,961	608	174,573
Goods or services transferred at a point in time	130,723	34,325	2,942	-	608	168,598
Services transferred over time Finance income from	375	480	159	2,285	-	3,299
service concession arrangements		_	-	2,676	_	2,676

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 5 Segment Information (Continued)

## (c) Geographical information

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

	Revenue fro	om external	Non-curr	ent assets
	custo	mers	as	s at
	Six months e	nded 30 June	30 June	31 December
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
Singapore	17,702	15,807	25,436	23,054
China	132,279	127,671	32,134	33,115
Hong Kong	4,518	4,268	124	105
Malaysia	6,775	4,858	3,992	4,078
Indonesia	32,757	5,190	125,146	106,413
Vietnam	6,192	7,866	543	825
Others	12,672	8,913	2,390	1,937
Total	212,895	174,573	189,765	169,527

## (d) Information about major customers

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

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## **6** Other Operating Income

	Six months ended 30 June	
	2025	2024
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Interest income	94	219
Commission income	11	134
Gain on disposal of property, plant and equipment, net	-	221
Government grants	112	176
Operating lease rental income:		
- investment properties	33	33
- sub-let of office/warehouse premises	311	226
Property management income	282	244
Technical service income	146	269
Miscellaneous income	499	437
	1,488	1,959

## **7** Finance Costs

2025         2024           \$\$000         \$\$000           (unaudited)         (unaudited)           Interest expenses on:         1,909         2,166           - bank loans         1,909         2,166           - trust receipts         96         87           - leases liabilities         131         121           - others         400         393           2,536         2,767			Six months ended 30 June	
(unaudited)       (unaudited)         Interest expenses on:       (unaudited)         - bank loans       1,909       2,166         - trust receipts       96       87         - leases liabilities       131       121         - others       400       393		2025	2024	
Interest expenses on:       1,909       2,166         - bank loans       1,909       2,166         - trust receipts       96       87         - leases liabilities       131       121         - others       400       393		S\$'000	S\$'000	
- bank loans       1,909       2,166         - trust receipts       96       87         - leases liabilities       131       121         - others       400       393		(unaudited)	(unaudited)	
- trust receipts       96       87         - leases liabilities       131       121         - others       400       393	Interest expenses on:			
- leases liabilities 131 121 - others 400 393	- bank loans	1,909	2,166	
- others 400 393	- trust receipts	96	87	
	- leases liabilities	131	121	
2,536 2,767	- others	400	393	
		2,536	2,767	

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 8 Profit Before Income Tax

		Six months ended 30 June	
	2025	2024	
	S\$'000	S\$'000	
	(unaudited)	(unaudited)	
Profit before income tax has been arrived at after charging:			
Amortisation of land use rights	18	16	
Depreciation of property, plant and equipment			
- recognised in cost of sales	1,067	900	
- recognised in distribution costs	160	176	
- recognised in administrative expenses	2,281	2,058	
	3,508	3,134	
Depreciation of investment properties	9	9	
Other operating expense included:			
- trade and other receivables written off	-	5	
- allowance for inventories obsolescence	1,623	495	
- inventories written off	2	7	
- foreign exchange losses, net	5,371	95	
- property, plant and equipment written off	3	-	
- loss on disposal of property, plant and equipment, net	6	-	
Operating lease rental expenses	143	110	

FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 9 Income Tax

		Six months ended 30 June	
	2025	2024	
	S\$'000	S\$'000	
	(unaudited)	(unaudited)	
Current income tax			
- Singapore	82	140	
- China	2,823	2,242	
- Outside Singapore and China	172	219	
- Under provision in respect of prior year	455	162	
	3,532	2,763	
Deferred taxation			
- Current year	61	(28)	
- Under/(over) provision in respect of prior year	35	(26)	
	96	(54)	
	3,628	2,709	

The corporate tax rate applicable to the Company and those entities of the Group incorporated in Singapore for the financial periods ended 30 June 2025 and 2024 is 17%. The corporate tax rate applicable to those entities of the Group incorporated in Malaysia for the financial periods ended 30 June 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 enterprises is at 25%.

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

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 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:

	Six months ended 30 June	
	2025	2024
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Earnings for the purpose of basic and diluted earnings per share, being profit for the period attributable to equity holders of the Company		
(S\$'000)	1,286	3,781
Weighted average number of ordinary shares for the purpose of basic	449 500 125	446.000.209
earnings per share	448,590,125	446,000,209
Basic and fully diluted earnings per share (Singapore cents)	0.29	0.85

Basic earnings per share is calculated by dividing the Group's net profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the six months ended 30 June 2025 and 2024, excluding treasury shares.

The weighted average number of ordinary shares takes into account the weighted average effect of changes in treasury shares, if any, during the six months ended 30 June 2025 and 2024.

## 11 Dividends Paid

	Six months ended 30 June		
	2025 2024	2025 2024	2024
	S\$'000	S\$'000	
	(unaudited)	(unaudited)	
Ordinary dividends paid:			
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		-	

The Board recommended a final tax-exempt dividend of 0.47 Singapore cents (the "**Final Dividend**") (2024: 0.28 Singapore cents) per ordinary share (the "**Shares**"), amounting to S\$2,108,000 (2024: S\$1,251,000) under the exempt one-tier system.

The Final Dividend has been approved by the Shareholders at the annual general meeting of the Company held on 30 April 2025 and will be paid on 25 August 2025 to the eligible Shareholders whose names appeared on the register of members of the Company on 7 July 2025.

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 12 Property, Plant and Equipment

During the six months ended 30 June 2025, the Group acquired property, plant and equipment with an aggregate cost amounting to \$\$4,429,000 (30 June 2024: \$\$5,841,000), of which \$\$1,260,000 (30 June 2024: \$\$1,037,000) relates to right-of-use assets and \$\$464,000 (30 June 2024: \$\$275,000) were acquired by means of finance lease. Cash payments of \$\$2,705,000 (30 June 2024: \$\$4,529,000) were made to purchase of property, plant and equipment.

As at 30 June 2025, the Group's carrying amount of pledged property, plant and equipment to secure the bank borrowings in Note 17 was \$\$22,358,000 (31 December 2024: \$\$23,583,000); and the Group's carrying amount of property, plant and equipment held under lease liabilities was \$\$1,090,000 (31 December 2024: \$\$419,000).

### 13 Goodwill

	As at 30 June 2025 S\$'000 (unaudited)	As at 31 December 2024 S\$'000 (audited)
Balance at 1 January	12,911	12,911
Additions	1,993	
Balance at 30 June/31 December	14,904	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.

	As at	As at
	30 June	31 December
	2025	2024
	S\$'000	S\$'000
	(unaudited)	(audited)
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. (" <b>IDI Laser</b> ")	684	684
Other Specialised Engineering Solution		
- Dirak Asia Pte Ltd (" <b>Dirak Asia</b> ")	9,508	9,508
- IFME Works Pte. Ltd. (" <b>IFME Works</b> ")	1,993	-
Renewable Energy		
- Aenergy Holdings Company Limited	541	541
	14,904	12,911

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## **13 Goodwill** (Continued)

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

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

## 14 Other Financial Assets

As at 30 June 2025 S\$'000	As at 31 December 2024 S\$'000	
(unaudited)		
555	555	

This represents 10% on unquoted equity interest in a company which specialises in the development of the lithium power battery system and the energy storage system.

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 15 Trade and Other Receivables and Contract Assets

	As at 30 June	As at 31 December
	2025 S\$'000	2024 S\$'000
	(unaudited)	(audited)
Non-current:		
Service concession receivables	102,144	81,654
<u>Current:</u>		
Service concession receivables	2,993	2,993
		,
Current:		
Trade receivables, net of impairment:		
- note receivables	12,646	19,443
- trade receivables	73,925	69,160
- associates	127	126
- related parties	6,189	5,069
	92,887	93,798
Other receivables, net of impairment:		
Advances to associates	70	55
Advances to related parties	184	126
Deposits	1,314	719
Loan to associates	26	27
Sundry debtors	3,025	4,879
Amounts owing from NCI	1,574	1,695
	6,193	7,501
Contract assets		453
Contract assets	- E 100	
Advances paid to suppliers	5,189	14,624
Prepayment	2,660	3,079
	106,929	119,455

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 15 Trade and Other Receivables and Contract Assets (Continued)

The aging analysis of trade receivables after net of allowance for impairment loss, of the Group based on invoice date is as follows:

	As at 30 June 2025 S\$'000	As at 31 December 2024 \$\$'000
	(unaudited)	(audited)
Within 30 days	38,624	40,337
31 - 90 days	32,078	29,197
Over 90 days	22,185	24,264
	92,887	93,798

### 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

As	As at		As at	
30 June	30 June 2025 31		er 2024	
No. of shares	S\$'000	No. of shares	S\$'000	
(unaudited)	(unaudited)	(audited)	(audited)	
448,590,125	85,467	446,000,209	84,755	
	-	2,589,916	712	
448,590,125	85,467	448,590,125	85,467	
	30 June No. of shares (unaudited) 448,590,125	30 June 2025 No. of shares \$\$'000 (unaudited) (unaudited) 448,590,125 85,467	30 June 2025 31 December 31 December 31 December 32 S\$'000 No. of shares (unaudited) (unaudited) (audited) 448,590,125 85,467 446,000,209 - 2,589,916	

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

There are no changes in the Company's share capital arising from right issue, bonus issue, subdivision of the issues of equity securities, issue of shares or as consideration for acquisition or for any other purpose during 1H2025.

The number of ordinary shares excluding treasury shares as at 30 June 2025 is 448,590,125 (30 June 2024: 446,000,209). No treasury shares were held as at 30 June 2025 (30 June 2024: nil). The number of shares held as subsidiary holdings as at 30 June 2025 is nil (30 June 2024: nil).

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 17 Bank Borrowings

	As at 30 June 2025 S\$'000	As at 31 December 2024 S\$'000
	(unaudited)	(audited)
Non-current liabilities		
Secured bank loans	38,881	46,749
Unsecured bank loans	1,971	2,135
	40,852	48,884
Current liabilities		
Secured bank loans	9,700	10,376
Unsecured bank loans	14,923	6,865
Trust receipts	5,108	3,986
	29,731	21,227
Total interest-bearing liabilities	70,583	70,111

The bank loans of the Group are secured over leasehold properties with a carrying amount of S\$22,358,000 (2024: S\$23,583,000) (Note 12), service concession receivables with a carrying amount of S\$105,137,000 (2024: S\$84,647,000) and land use rights with carrying amounts of S\$1,819,000 (2024: S\$1,009,000).

## 18 Trade and Other Payables

	As at 30 June 2025 S\$'000	As at 31 December 2024 \$\$'000
	(unaudited)	(audited)
Trade payables:		
- trade payables	37,737	32,703
- associates	50	119
- related parties	7,988	9,644
	45,775	42,466
Accrued operating expenses	2,063	2,170
Accrued salaries and bonuses	7,614	8,916
Amount owing to NCI	11,187	11,264
Other payables	14,741	9,893
	81,380	74,709

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## **18** Trade and Other Payables (Continued)

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

	As at 30 June	As at 31 December
	2025 S\$′000	2024 S\$'000
	(unaudited)	(audited)
Within 30 days	26,065	26,613
31 - 90 days	12,670	11,490
Over 90 days	7,040	4,363
	45,775	42,466

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

## 19 Capital Commitments

Capital expenditure contracted for at the statement of financial position date but not recognised in the financial statements is as follows:

As at	As at
30 June	31 December
2025	2024
S\$'000	S\$'000
(unaudited)	(audited)
30,462	51,162
	30 June 2025 \$\$'000 (unaudited)

<sup>\*</sup>Capital expenditures mainly in relation to the construction of mini hydropower plants in Indonesia.

## 20 Corporate Guarantees

As at 30 June 2025, the Company has provided corporate guarantees to banks in connection with banking facilities granted to subsidiaries, amounting to \$\$57,954,000 (31 December 2024: \$\$57,299,000).

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 21 Related Party Transactions

In addition to the related party information disclosed, the following are significant transactions of the Group with related parties at mutually agreed amounts during the six months ended 30 June 2025 and 2024.

	_	onths 30 June
	2025	2024
	S\$'000	S\$'000
Notes	(unaudited)	(unaudited)
Sales to:		
- associates	(48)	(83)
- related parties (i) & (ii)	(7,962)	(4,884)
Purchases from:		
- associates	28	7
- related parties (i) & (ii)	30,655	30,909
Administrative income charged to:		
- associate	(13)	(18)
- related parties (i) & (ii)	(68)	(141)
Rental charged to:		
- associate	-	(1)
- a related party (i) & (ii)	(413)	(255)
Interest income charged to related party (i)	(4)	(4)
Other expenses charged by related parties (i) & (ii)	202	212
Other income charged to related parties (i) & (ii)	(153)	(77)
Service income charged to an associate	-	(64)

## Notes:

- (i) The related parties mainly pertain to non-controlling interest of certain subsidiaries and the related parties of the non-controlling interest.
- (ii) Mr. Teo, the Managing Director and President of the Company, is a director of the related party.

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 22 Subsequent Events

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 United States Dollar ("USD") 20,000,000 to USD 1,500,000 (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, Motion Control Group Pte. Ltd. ("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 \$\$198,000 to \$\$297,000) through the subscribing 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%.

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 (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%.

Other than the above, no major subsequent event has occurred since the end of the financial period ended 30 June 2025 up to the date of this interim report.



>> BUSINESS REVIEW

SDN reported 22.0% year-on-year ("YoY") revenue growth to \$\$212.9 million in 1H2025, with growth across all major business segments (industrial automation and renewable energy), and major regions (China, Southeast Asia, and Taiwan). Revenue was impacted by the strengthening of the \$\$ during 1H2025, and on a constant currency basis revenue grew +27.0% YoY in 1H2025.

The overall YoY growth was driven by:

 Broad-based growth in the Group's core industrial automation business (84.7% of total revenue).
 The Group delivered +6.4% YoY revenue growth in industrial automation, with growth across all major geographies and business groups. Reported revenue growth was impacted by the strengthening S\$ during the 1H2025, and on a constant-currency basis revenue growth in industrial automation would have been +10.4% YoY in 1H2025.

Growing contribution from the Group's renewable energy business (15.3% of total revenue): +7.9% YoY organic increase in revenue to S\$5.4 million from the three operational minihydropower plants in Indonesia. The Group also recorded construction revenue of S\$27.1 million in 1H2025 from the ongoing construction of two additional mini-hydropower plants which are expected to commence operations in 2026. Once operational, these two plants will boost the Group's total installed capacity by +81.3% to 44.6 megawatts ("MW"). Profit attributable to equity holders was S\$1.3 million in 1H2025, down from S\$3.8 million from the 1H2024. The decline was mainly attributable to S\$3.2 million unrealised foreign exchange losses from the revaluation of receivables and payables primarily from ISDN's renewable energy business.

ISDN's renewable energy business generates attractive recurring revenue and profits from long-term contracts (up to 25 years). However, this long-term business model requires the revaluation of the long-term receivables and payables in each reporting period, resulting in non-cash, unrealised gains and losses as foreign exchange rates fluctuate over time.

Excluding unrealised foreign exchange losses, the Group's core shareholder profits<sup>1</sup> grew +35.1% YoY in 1H2025 compared to 1H2024, reflecting overall growth in revenues and gross profits, with positive operating leverage from operating expenses.

The Group believes that its overall core growth in 1H2025 represents positive results from its multi-year strategy of:

- Growing ISDN's business model by broadening its industrial automation capabilities, and expanding its renewable energy business; and
- Diversifying ISDN geographically in strategic markets throughout Asia as the global supply chain continues to diversify geographically.

<sup>&</sup>lt;sup>1</sup> Group's core shareholder profits means: Group profit attributable to equity holders excluding non-cash, unrealised gains and losses from foreign exchange revaluation.

## >> BUSINESS REVIEW (CONTINUED)

## **Review of Group Revenue in 1H2025**

China Industrial Automation Business (64.3% of revenue)

Revenue from China grew +3.7% YoY in 1H2025, as demand for automation solutions in China continued to recover. Reported revenue growth in China was dampened by the strengthening S\$ during 1H2025. On a constant China Renminbi ("RMB") currency basis, ISDN revenue in China grew +9.7% YoY in 1H2025, significantly faster than China's 5.3% YoY GDP growth during the same period. This faster-than-GDP growth is consistent with the Group's long-established view that industrial automation remains strategically important to the economic future of China. ISDN remains cautious about the emerging cyclical recovery in China, but it maintains conviction in long-term automation growth as China's economy advances.

Southeast Asia Industrial Automation Business (20.4% of revenue)

Revenue from Southeast Asia industrial automation business rose by +15.1% YoY in 1H2025. The Group believes ISDN is gaining market share in Southeast Asia as the global supply chain diversifies outside of China, and Southeast Asia continues to upgrade its industrial and manufacturing capabilities. ISDN's emerging geographies posted attractive growth, with Malaysia recording a threefold increase, with Thailand and Taiwan growing over 40% YoY. These results represent positive early returns from ISDN's strategic expansion in key industrial markets in Asia.

Renewable Energy Business (15.3% of revenue)

Renewable energy revenue grew by S\$27.5 million to S\$32.5 million in 1H2025. 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, with the three operational plants continuing to generate high-quality and stable earnings for the Group.

## ISDN's Group Profitability in 1H2025

Gross profit of \$\$50.5 million in 1H2025 was \$\$6.1 million higher, representing a +13.8% YoY increase compared to 1H2024.

- Stable, growing profitability in the industrial automation solutions segment: Gross profit increased by +9.3% YoY and margin improved by 0.7 percentage points ("ppts") YoY in 1H2025, this growth was supported by a favourable product mix and improved project execution efficiencies.
- business: Gross profit rose 53.4% YoY, though margin declined by 70 ppts due to revenue recognition of construction revenue from Lau Biang 2 and Lau Biang 3. Such construction revenue carries lower margins as the plants are not operating during construction. Excluding construction revenue, the three operational minihydropower plants would have delivered a gross profit margin of 92.4% in 1H2025, representing a 1 ppt expansion of profit margins compared to 1H2024.

Other operating expenses increased by S\$6.4 million to S\$7.1 million in 1H2025, mainly due to an increase of S\$5.3 million in unrealised foreign exchange losses from the revaluation of receivables and payables amid currency fluctuations. These non-cash adjustments, which are likely to be offset by ongoing foreign exchange fluctuations, are expected to have limited impact on the Group's profitability over the long-term. Additional provisions for aged inventories held for over three to four years also contributed to the increase.

Finance costs decreased by 8.3% YoY to S\$2.5 million in 1H2025, mainly due to lower interest rates during the period. Income tax expense increased by S\$0.9 million to S\$3.6 million in 1H2025, reflecting higher taxable profits.

Consequently, the Group delivered a profit attributable to equity holders of S\$1.3 million, compared to S\$3.8 million in the preceding year. Excluding the unrealised foreign exchange losses primarily from ISDN's renewable energy business, the Group delivered +35.1% YoY growth in core shareholder profit in 1H2025.

## >> FUTURE PROSPECTS

hile the Group is encouraged by growing industrial activity in China and Southeast Asia, it remains cautious of pronouncing a clear cyclical recovery. Instead, ISDN is focused on continuing to grow its capabilities, reach, and addressable markets to drive sustained "alpha" growth (that is, sustained growth at levels that are higher than GDP and/or cycle growth). ISDN believes the growth results in 1H2025 are representative of this overall strategy of:

- Growing its business model by broadening its industrial automation capabilities, and expanding its renewable energy business; and
- Diversifying geographically in strategic markets throughout Asia as the global supply chain continues to diversify geographically

The Group believes this disciplined strategy of growing both the scope and the scale of its business across Asia should continue to deliver long-term growth for shareholders and customers.

## **Industrial Automation Business**

ISDN's industrial automation business should continue to grow in China and throughout Asia as industry advances throughout the continent. The Group is encouraged by the strong early progress in its strategic market entries in Thailand, Malaysia and Taiwan, adding to its core geographies in China, Singapore and Vietnam.

## China market outlook

The Group believes that both the private sector and the administration in China remain committed to advancing industrial automation, creating good conditions for long-term growth in the Group's products and services. For example:

Earlier in 2025, the National Development and Reform Commission set up a state-backed venture capital fund focused on robotics, Al and cuttingedge innovation. The fund is expected to attract nearly 1 trillion RMB (USD138 billion) in capital from local governments and the private sector over 20 years<sup>2</sup>.



- China is stepping up development of Al-powered robots aimed at transforming manufacturing as it seeks long-term solutions to a declining population, maturing economic growth<sup>3</sup>, and long-term geopolitical 'decoupling' from the USA.
- 2025 represents the final year of China's 14th Five-Year Plan, and attention now turns to the 15th Five-Year Plan, which will cover the period from 2026 to 2030. The upcoming plan is expected to prioritise economic resilience, technology, and innovation capabilities<sup>4</sup>.

The Group believes that the continued prioritisation of advanced industry, as well as private sector demand for increasing automation, establishes good conditions for long-term growth of ISDN's products and services in China.

<sup>&</sup>lt;sup>2</sup> China to Invest 1 Trillion Yuan in Robotics and High-Tech Industries

<sup>&</sup>lt;sup>3</sup> China's Al-powered humanoid robots aim to transform manufacturing

<sup>&</sup>lt;sup>4</sup> China's 15th Five-Year Plan: What We Know So Far

## >> FUTURE PROSPECTS (CONTINUED)

Non-China market outlook

The Group has made strategic investments in recent years to expand its addressable markets outside China. In recent years, ISDN has successfully expanded its business into Malaysia, Thailand, Taiwan and Vietnam.

The Group reported good growth from its Southeast Asia business in 1H2025, reflecting positive early momentum from its geographical expansion. Malaysia delivered a threefold increase in revenue YoY, with Thailand and Taiwan growing revenue over 40% YoY in 1H2025.

The Group believes it is positioned for continued growth in its non-China regions as Southeast and East Asia continue to advance their industrial and manufacturing capabilities.

## Renewable energy business outlook

ISDN's three operational mini-hydropower plants contributed approximately 2.5% of total revenue but accounted for around 9.8% of total gross profit in

1H2025. With the two additional mini-hydropower plants targeted to commence operations in 2026, the Group's total installed capacity is expected to increase by 81.3% to 44.6 MW. The expanding high-quality recurring income is expected to further optimise the Group's earnings structure, complement the cyclical nature of its core industrial automation segment, and strengthen long-term business resilience.

In the recently released Electricity Supply Business Plan 2025 – 2034 ("RUPTL"), the Indonesian government announced an ambitious move to double its renewable energy capacity target compared to the previous plan. In the new RUPTL, Indonesia aims to add 42.6 gigawatts ("GW") of renewables and 10.3 GW of storage capacity by 2034, increasing the share of renewables (excluding battery storage) to 74% of the national energy mix from 52% previously. Among these, hydropower is projected to account for 27.5% of the planned additional capacity, making it the second largest source of expansion under this new plan.<sup>5</sup>

Consequently, the Group continues to believe that its renewable energy business is poised to delivered continued growth and a recurring long-term revenue and profits in the future.

## >> FINANCIAL REVIEW

Revenue and gross profit margin	1H2025 S\$'000	1H2024 S\$'000	% change +/(-)
Revenue			
Industrial Automation Solutions	180,416	169,612	6.4%
Renewable Energy	32,479	4,961	n.m.
- Operating and finance income	5,352	4,961	7.9%
- Construction income	27,127	-	n.m.
Total Revenue	212,895	174,573	22.0%
Gross profit			
Industrial Automation Solutions	43,574	39,861	9.3%
Renewable Energy	6,954	4,532	53.4%
- Operating and finance income	4,944	4,532	9.1%
- Construction income	2,010	-	n.m.
Total Gross Profit	50,528	44,393	13.8%
Gross Profit Margin			
Industrial Automation Solutions	24.2%	23.5%	0.7 ppt
Renewable Energy	21.4%	91.4%	-70 ppt
- Operating and finance income	92.4%	91.4%	1 ppt
- Construction income	7.4%	n.m.	n.m.
Total Gross Profit Margin	23.7%	25.4%	-1.7 ppt

n.m.: Not meaningful

<sup>5</sup> The risks of fossil fuel dependence in Indonesia's Electricity Supply Business Plan (RUPTL) 2025–2034

## MANAGEMENT DISCUSSION

AND ANALYSIS

## >> FINANCIAL REVIEW (CONTINUED)

## Revenue and gross profit margin (Continued)

he Group's revenue of S\$212.9 million for 1H2025 was higher by 22.0% as compared to 1H2024 of S\$174.6 million. Revenue from our industrial automation solutions segment increased by S\$10.8 million or 6.4% in 1H2025. China continues to be the dominant market, contributing approximately 74% to the segment's revenue. The robust demand for automation solutions in China continues to drive revenue, underscoring its importance to the overall business.

Indonesia's renewable energy revenue increased by \$\$27.5 million to \$\$32.5 million in 1H2025. This was driven by construction revenue and income from three operating plants. In 1H2025, the Group recognised approximately \$\$27.1 million in construction revenue from the construction of two mini-hydropower plants in Indonesia, Lau Biang 2 and Lau Biang 3. The Group three operating plants' operating and finance income increased by \$\$0.4 million to \$\$5.4 million. A total of \$\$6.8 million was billed to PT PLN (Persero) ("PLN") for 1H2025 and was received as of July 2025.

Gross profit of \$\$50.5 million was \$\$6.1 million, or 13.8% higher in 1H2025 as compared to 1H2024. Overall, the gross profit margins of the Group declined in 1H2025 as compared to 1H2024 by 1.7 percentage points from 25.4% to 23.7%. In 1H2025, the gross profit and gross profit margin for the industrial automation solutions segment rose by S\$3.7 million and 0.7 percentage points, respectively. 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. As a result, the Group experienced an increase in its gross profit margin. The gross profit margin for renewable energy declined from 91.4% to 21.4% in 1H2025. Excluding the gross profit arising from the construction revenue of mini-hydropower plants under the service concession arrangement, gross profit margin would have been at 92.4% in 1H2025.

## Other operating income

Other operating income decreased by \$\$0.5 million, or 24.0% to \$\$1.5 million for 1H2025. This decline was primarily due to the absence of gain on disposal of property, plant and equipment of \$\$0.2 million, lower interest income of \$\$0.1 million, decrease in



commission income of S\$0.1 million and decrease in technical service income of S\$0.1 million.

## **Distribution costs**

Distribution costs increased by \$\$0.7 million, or 5.0% to \$\$15.1 million for 1H2025. The increase was mainly due to increase in staff and related costs of \$\$0.6 million, arising from the consolidation of new subsidiaries acquired and incorporated in 2H2024 and 1H2025 and increase in office and other expenses of \$\$0.1 million.

## Administrative expenses

Administrative expenses decreased by \$\$0.3 million, or 1.6% to \$\$19.5 million in 1H2025 mainly due to by the performance bonus for the executive director was lower by \$\$0.2 million, and decrease in staff and related costs of \$\$0.1 million.

## Other operating expenses

Other operating expenses increased by S\$6.4 million in 1H2025 primally due to an increase in net foreign exchange losses of S\$5.3 million. These losses arose mainly from unrealised foreign exchange loss from the weakening of the USD against the S\$, which resulted in revaluation losses on accounts receivables, and the strengthening of the USD against the Indonesian Rupiah ("IDR"), which led to additional foreign exchange losses upon the revaluation of accounts payable balances. In addition, an increase in allowance for inventories obsolescence of S\$1.1 million was recorded, attributed to a higher volume of aged inventories held for over 3 to 4 years.

## >> FINANCIAL REVIEW (CONTINUED)

## **Finance costs**

Finance costs decreased by S\$0.2 million, or 8.3% to S\$2.5 million for 1H2025, primarily due to lower interest rates during the 1H2025.

## Share of loss of associates, net

Share of loss of associates increased by S\$0.3 million to S\$0.4 million was primarily due to the decline in business activity of our associated companies.

### Income tax

Income tax increased by S\$0.9 million, or 33.9% to S\$3.6 million for 1H2025, mainly due to higher taxable profits in 1H2025.

## Property, plant and equipment

Property, plant and equipment decreased by S\$2.3 million, or 3.5% as at 30 June 2025. The decrease was mainly due to depreciation charge of S\$3.5 million, and translation loss of S\$3.1 million arising from the weakening of the IDR and RMB against the S\$ in 1H2025. This was partially offset by purchase of plant and equipment of S\$1.7 million, recognition of right-of-use assets of S\$1.3 million, purchase of furniture and fittings of S\$0.5 million, renovation of leasehold properties of S\$0.5 million, and purchase of motor vehicles of S\$0.2 million.

## **Associates**

Interests in associates decreased by \$\$0.5 million, or 7.6% as at 30 June 2025 due to share of loss of associates of \$\$0.4 million and dividend from associates of \$\$0.1 million.

## Service concession receivables (current and noncurrent)

Service concession receivables increased by \$\$20.5 million, or 24.2% as at 30 June 2025. Service concession receivables are classified as long-term assets which will be collected across the tenure of the various operational concessions in tandem with agreed power supply agreements. In 1H2025, the Group recognised construction income of \$\$8.9 million and \$\$18.2 million from the construction of mini-hydropower plant, Lau Biang 2 and Lau Biang 3, respectively. Additionally, a foreign exchange revaluation gain of \$\$0.9 million was recognised due to the appreciation of the USD against

the IDR. This was partially offset by derecognition of S\$1.5 million in service concession receivables upon invoicing to PLN for Lau Biang 1 and Anggoci, as well as a translation loss of S\$6.0 million arising from the weakening of IDR against the S\$.

## **Inventories**

Inventories increased by S\$0.2 million or 0.3% to S\$67.6 million as at 30 June 2025 primarily due to an increase in revenue in 1H2025.

## Trade and other receivables and contract assets

Trade and other receivables and contract assets decreased by \$\$12.5 million or 10.5% to \$\$106.9 million as at 30 June 2025. The decrease was mainly attributable to a decrease in advances to trade suppliers of \$\$9.4 million, loan repayment of \$\$1.4 million from the Engineering, Procurement, and Construction of Lau Biang 3 and decrease in other receivables of \$\$0.5 million, decrease in trade receivables of \$\$0.9 million, absence of contract assets of \$\$0.5 million, and decrease in prepayment of \$\$0.4 million, partially offset by increase in deposits of \$\$0.6 million.

Subsequent receipt of about \$\$24.9 million was received from customers as at 31 July 2025. The collection represented approximately 26.8% of trade receivables as at 30 June 2025.

## Trade and other payables

Trade and other payables increased by S\$6.7 million or 8.9% to S\$81.4 million as at 30 June 2025. The increase was mainly due to increase in trade payables of S\$3.3 million and increase in accrued construction cost of S\$6.7 million. These were partially offset by decrease in accrued salaries and bonuses of S\$1.3 million, the repayment of dividend payable to NCI amounting to S\$1.2 million, decrease in other payables of S\$0.6 million, and decrease in accrued operating expenses of S\$0.1 million and decline in amount owing to noncontrolling interest of S\$0.1 million.

## **Contract liabilities**

Contract liabilities increased by \$\$1.9 million or 13.7% to \$\$15.7 million was mainly due to an increase in advances received from customers for sales of goods largely from our China subsidiaries to mitigate credit risk exposure on sales. Contract liabilities are recognised as revenue when the performance obligation of transferring the goods is satisfied at a point in time.

## **Bank borrowings (current and non-current)**

Bank borrowings increased by S\$0.5 million or 0.7% to S\$70.6 million as at 30 June 2025. The increase was primarily due to proceeds from bank borrowings (inclusive of trust receipts) of S\$10.4 million offset by repayment of bank borrowings of S\$9.9 million.

## >> CAPITAL EXPENDITURES

During the financial period ended 30 June 2025, the Group's capital expenditure consists of additions to property, plant and equipment and construction in progress amounting to approximately \$\$2,705,000 (30 June 2024: \$\$4,529,000).

## >> MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 28 February 2025, the Company's direct whollyowned subsidiary, ISDN Energy Pte. Ltd. ("ISDN **Energy**") intended to acquire an aggregate amount of 25,500 common shares at a nominal value of IDR1,000,000 (equivalent to S\$84) from the following shareholders: (a) 250 common shares from Zhang Jitao, (b) 10,500 common shares from Chen Dong, and (c) 14,750 common shares from Wu Lei (collectively, the "Acquisition from ISDN Energy Shareholders"). Following the Acquisition from the ISDN Energy Shareholders, ISDN Energy will hold 25,500 common shares in PT Funda Konstruksi Engineering ("PT Funda") and its effective shareholding in PT Funda will be 51.0%. PT Funda is principally engaged in the construction and installation of electrical power installations, power generation, and hydroelectric power plants. As at date of this interim report, the Acquisition has not been completed.

On 20 March 2025, the Company's direct wholly-owned subsidiary, ISDN Investments Pte. Ltd. ("ISDN Investments") incorporated a wholly owned subsidiary, ISDN Jiangxi Management Co Ltd. ("ISDN Jiangxi Management"), with a total registered capital of USD15 million. ISDN Jiangxi Management is wholly owned by ISDN Investments and will be principally engaged in the business of management services and properties holding.

On 24 March 2025, the Company's direct whollyowned subsidiary, MCG made a further capital injection into its 75.5% effective-owned subsidiary, FM Penang, by increasing FM Penang's paid-up share capital from MYR455,000 to MYR650,000 (equivalent to approximately S\$138,000 to S\$198,000) through the subscribing for an additional 195,000 ordinary shares at the subscription price of MYR1 per share in the capital of FM Penang (the "March 2025 Additional Subscription"). Following the March 2025 Additional Subscription, the Group's effective interest in FM Penang remains unchanged at 75.5%.

On 29 April 2025, the Company's direct wholly-owned subsidiary, MCG capitalised a dividend payment of USD290,000 (equivalent to \$\$375,000) declared by its wholly-owned subsidiary, Gateway Motion (Shanghai) Co., Ltd ("Gateway"). Following the capitalisation of the dividend, the total paid-up share capital of Gateway increased from USD210,000 (equivalent to \$\$293,000) to USD500,000 (equivalent to \$\$668,000). Upon the completion of capitalisation, the Group's effective interest in Gateway remains unchanged at 100.0%.

On 15 May 2025, the Company's direct wholly-owned subsidiary, MCG acquired 79,102 ordinary shares in IFME Works, representing 51.0% of the entire issued and paid up capital at a consideration of \$\$2,500,000 (the "Acquisition"). Following the Acquisition, IFME Works became subsidiary of MCG and the Group with an effective interest of 51.0%.



## >> FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for those mentioned under the section headed "Use of Proceeds from Issues of Securities", there was no specific plan for material investments or capital assets as at 30 June 2025.

## >> LIQUIDITY AND FINANCIAL RESOURCES

During the financial period ended 30 June 2025, the Group's working capital was financed by both internal resources and bank borrowings. As at 30 June 2025, cash and bank balances amounted to approximately \$\$56.1 million, which decreased by approximately 0.8% as compared to \$\$56.5 million as at 31 December 2024. The quick ratio of the Group was approximately 1.3 times (31 December 2024: 1.6 times).

As at 30 June 2025, the Group has long and short-term bank borrowings of approximately \$\$70.6 million. Among the borrowings, the bank borrowings due within one year amounted to approximately \$\$29.7 million (31 December 2024: \$\$21.2 million) while the bank borrowings due after one year amounted to

approximately \$\$40.9 million (31 December 2024: \$\$48.9 million).

As at 30 June 2025, the weighted average effective interest rates on bank borrowings is 4.5% (31 December 2024: 4.8%) 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. In addition, the Group obtained a loan from a financial institution of S\$0.4 million with fixed interest rate of 4.25% per annum in financial year ended 2023, which the loan has been fully repaid during the 1H2025. Other than the above, the Group does not have fixed rate bank borrowings as at 30 June 2025 and 31 December 2024. Together with the obligation under finance leases of approximately S\$0.4 million (31 December 2024: S\$0.2 million), the Group's total borrowings amounted to S\$70.6 million (31 December 2024: S\$70.1 million).

As at 30 June 2025, the carrying amounts of the Group's cash and bank balances and bank borrowings are denominated in the below currencies:

	RMB S\$'000	USD S\$'000	SGD S\$'000	HKD S\$'000	CHF S\$'000	EUR S\$'000	Others S\$'000	
<b>30 June 2025</b> Cash and bank balances	28,124	10,831	8,219	247	1,397	1,472	5,781	56,071
Bank borrowings	13,489	43,879	12,136	-	-	373	706	70,583
<b>31 December 2024</b> Cash and bank balances	25,785	8,548	12,597	223	1,505	1,132	6,729	56,519
Bank borrowings	13,406	42,807	13,437	-	-	199	262	70,111

## >> USE OF PROCEEDS FROM ISSUES OF SECURITIES

Use of net proceeds from the placement of 23,730,000 new ordinary shares in the capital of the Company at an issue price of \$\$0.45 which was completed on 8 May 2013 (the "**Placement**").

As disclosed in the announcement of the Company dated 7 July 2023 in relation to the change of use of proceeds from placement of shares, the Company intends to re-allocate the unutilised net proceeds from the 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 renewal energy business of the Group. As there is a change in the business plan of the Company from mining to renewal energy business, the Company intends to re-allocate the amount of unutilised proceeds of S\$6,100,000 to renewal energy business.

The Group's utilisation of net proceeds of approximately S\$10,415,000 (after deducting expenses of approximately S\$263,500) from the Placement is set out below:



Prospects / Future Plans	Amount of net proceeds re-allocated S\$'000	Amount utilised from 08/05/2013 to 31/12/2024 \$\$'000	Amount utilised during 1H2025 S\$'000	Amount unutilised as at 30/06/2025 S\$'000	Expected timeline of full utilisation of unutilised proceeds \$\$'000
Partial funding of the planning and construction of additional facilities within the ISDN High-Tech Industrial Park	1,815	1,815	-	-	N/A
Working capital requirements of the mining-related business of the Group (in particular, coal trading)	500	500	-	-	N/A
Funding for construction and working capital requirement of the renewal energy business	6,100	1,074	-	5,026	December 2026
Exploration of power plant opportunities	2,000	2,000	-	-	N/A
Total	10,415	5,389	-	5,026	

## >> USE OF PROCEEDS FROM ISSUES OF SECURITIES (CONTINUED)

The allocation and utilisation of the proceeds from the Placement is in accordance with the intended use.

Use of net proceeds from the issue of 26,987,295 new ordinary shares in the capital of the Company at the offer price of S\$0.20 (equivalent to approximately

HK\$1.16) per share in connection with the subscription agreement entered with NTCP SPV VI ("**NTSP**") on 27 February 2019 (the "**Subscription**").

The Group's utilisation of the net proceeds of approximately S\$5,300,000 (after deducting expenses of approximately S\$62,000) from the Subscription, as set out below:

Prospects / Future Plans	Amount of net proceeds allocated S\$'000	Amount utilised from 27/02/2019 up to 31/12/2024 S\$'000	Amount utilised during 1H2025 S\$'000	Amount unutilised as at 30/06/2025 S\$'000	Expected timeline of full utilisation of unutilised proceeds
Business development	4,770	3,032	-	1,738	December 2026
General working capital	530	530	-	-	N/A
Total	5,300	3,562	-	1,738	

The Company will make further announcements when the remaining net proceeds from the Placement and Subscription are materially disbursed.

## >> GEARING RATIO

As at 30 June 2025, the gearing ratio of the Group was about 34.9% (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 non-controlling interests).

## >> TREASURY POLICIES

The Group has adopted a prudent treasury policy and thus maintained a healthy liquidity position throughout the six months ended 30 June 2025. The Group strives to reduce credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding

requirements from time to time. In the event of capital need, the Group may borrow funds from banks in the currency that coincide with the functional currency of the subsidiary as a natural hedge against foreign exchange fluctuation. During the six months ended 30 June 2025, 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 the Mainland China were denominated in RMB. Certain of the subsidiaries of the Company have their assets and liabilities denominated in RMB and other currencies. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in RMB. During the financial period ended 30 June 2025, the Group did not commit to any financial instruments to hedge its exposure to foreign currency risk.

## >> EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, there were 1,330 (31 December 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.

## >> SIGNIFICANT INVESTMENT HELD

Except for investments in subsidiaries and associates, the Group did not hold any significant investment in equity interest in any other company during the financial period ended 30 June 2025.

### >> RISK MANAGEMENT

## **Contingent Liabilities**

The Group did not have any significant contingent liabilities or outstanding guarantees in respect of payment obligations to any third parties as at 30 June 2025

## **Charge on the Group's Assets**

As at 30 June 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\$105.1 million, S\$22.4 million and S\$1.8 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.

## Interim dividend

The Board has resolved not to declare any interim dividend for the 1H2025 (30 June 2024: S\$Nil).

Directors' and Chief Executive's Interests and Short Position in the Shares, Underlying Shares and Debentures and its Associated Corporations

As at 30 June 2025, the interests or short positions of the Directors and the Chief Executive of the Company (the "Chief Executive") in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO"), as may be amended or modified from time to time which were required to be notified

to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Hong Kong Listing Rules (the "Model Code"), were as follows:

(i) Long position in the Shares, underlying Shares or debentures of the Company

### **Number of Shares**

Name of directors	Capacity	Personal interests	Corporate interests	Total	Approximate percentage of the issued Share (Note 3)
Mr. Teo (Note 1)	Interest of controlled corporation	-	145,422,758	145,422,758	32.42%
Mr. Kong Deyang	Beneficial owner	2,050,000	-	2,050,000	0.46%
Mr. Toh Hsiang-Wen Keith (" <b>Mr. Toh</b> ") (Note 2)	Interest of controlled corporation	-	38,669,868	38,669,868	8.62%

## Notes:

- (1) The Shares were held by Assetraise, which is beneficially owned by Mr. Teo and his spouse, Ms. Thang. Accordingly, Mr. Teo was deemed to be interested in these 145,422,758 Shares by virtue of the SFO.
- (2) The Shares were held by NTSP. Novo Tellus PE Fund 2, L.P. ("**NT Fund 2**") is the owner of 100% of the shares of the NTSP and is therefore treated as having an interest in the Shares. New Earth Group 2 Ltd. ("**NEG 2**") is the general partner of NT Fund 2 and therefore NEG 2 is deemed to have an interest in the Shares. Mr. Toh is entitled to control not less than 20% of the votes attached to the voting shares in NEG 2, and therefore are deemed to be interested in all of the Shares held by NTSP.
- (3) The percentage of shareholding was calculated based on 448,590,125 Shares in issue as at 30 June 2025.

## (ii) Long position in the shares, underlying shares and debentures of the associated corporations of the Company

As at 30 June 2025, Mr. Teo had the personal interests in the following associated corporations:-

- 1. in 5,547 ordinary shares, representing 1% of the issued shares, in Dirak Asia held in his capacity as a beneficial owner; and
- 2. in 1 ordinary share, representing 50% of the issued shares, in Assetraise held in his capacity as a beneficial owner.

Save as disclosed above, as at 30 June 2025, none of the Directors or the Chief Executive had registered an interest or short position in the shares, or underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## **Employee Performance Share Plan ("ISDN PSP")**

On 31 January 2023 (the "Adoption Date"), the Company adopted a new share incentive scheme, namely, the ISDN PSP 2022.

The plan is administrated by the remuneration committee of the Board comprising the Independent Non-executive Directors, Mr. Sho Kian Hin, Ms. Heng Su-Ling Mae and Mr. Tan Soon Liang.

The following persons shall be eligible to participate in the ISDN PSP 2022:

- a) full time Group employees (including Group executive directors);
- b) having attained the age of 21 years on or before the date in which the ISDN PSP 2022 is granted;
- c) not be an undischarged bankrupt; and
- d) not have entered into a composition with his/her creditors.

The remaining life of the ISDN PSP 2022:

The ISDN PSP 2022 shall be valid and effective for a period of ten (10) years from the Adoption Date until 30 January 2033. The expiry or termination of the ISDN PSP 2022 shall not affect awards which have been granted prior to such expiry or termination, whether such awards have been released (whether fully or partially) or not.

The number of Shares available for grant under the ISDN PSP 2022 as at 1 January 2025 and 30 June 2025 is 41,033,853 respectively.

Since the Adoption Date, no share awards have been granted to the Directors, controlling Shareholders of the Company or associates of controlling Shareholders of the Company. No employee of the Group has received 5% or more of the total number of awards available under the ISDN PSP 2022.

Since the Adoption Date to the financial period ended 30 June 2025, an aggregate of 2,830,000 (30 June 2024: 2,830,000) shares have been granted.

During the financial period ended 30 June 2025, no (2024: nil) shares have been granted under the ISDN PSP 2022.

Since Adoption Date, no shares awards were granted under ISDN PSP at a discount.

As of the date of this interim report, there are no outstanding share awards issued under the ISDN PSP 2022.

## Arrangements to purchase, sale or redemption of Listed Securities

During the 1H2025 and up to the date of this interim report, the Company did not redeem any of its securities (including sale of treasury shares, if any) 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 30 June 2025, the Company did not hold any treasury shares.

## **Deed of Non-competition**

The Company has received the written confirmations from Mr. Teo and Ms. Thang in respect of the compliance with the provisions of the deed of non-competition (the "Deed of Non-competition"), entered into between the controlling shareholders and the Company as set out in the section headed "Relationship with Controlling Shareholders - Non-Competition Undertaking" of the prospectus of the Company dated 30 December 2016, during the 1H2025 and up to the date of this interim report.

The independent non-executive Directors had reviewed and confirmed that the controlling shareholders have complied with the Deed of Non-competition and the Deed of Non-competition has been enforced by the Company in accordance with its terms during the 1H2025 and up to the date of this interim report.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares of the Company

As at 30 June 2025, the entities or persons (other than a Director or the Chief Executive) who have interests

or short positions in the Shares and underlying Shares which have been disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

## **Number of Shares**

Name	Capacity	Personal interests	Corporate interests	Total	Approximate percentage of the issued Share (Note 3)
Assetraise (Note 1)	Beneficial owner	145,422,758	-	145,422,758	32.42%
Ms. Thang (Note 1)	Interest of controlled corporation	-	145,422,758	145,422,758	32.42%
NTSP (Note 2)	Beneficial owner	38,669,868	-	38,669,868	8.62%
Mr. Loke Wai San (" <b>Mr. Loke</b> ") (Note 2)	Interest of controlled corporation	-	38,669,868	38,669,868	8.62%
NEG 2 (Note 2)	Interest of controlled corporation	-	38,669,868	38,669,868	8.62%
NT Fund 2 (Note 2)	Interest of controlled corporation	-	38,669,868	38,669,868	8.62%
Tuas Fund Investments Pte Ltd (" <b>TF</b> ") (Note 2)	Interest of controlled corporation	-	38,669,868	38,669,868	8.62%
Fullerton Fund Investments Pte Ltd (" <b>FF</b> ") <sup>(Note 2)</sup>	Interest of controlled corporation	-	38,669,868	38,669,868	8.62%
Temasek Holdings (Private) Limited (" <b>TH</b> ") (Note 2)	Interest of controlled corporation	-	38,669,868	38,669,868	8.62%

## Notes:

(1) Assetraise, which is beneficially owned by Mr. Teo and his spouse Ms. Thang, are the beneficial owner of 145,422,758 Shares. By virtue of the SFO, Mr. Teo and his spouse Ms. Thang, are deemed to be interested in all of the Shares held by Assetraise.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares of the Company (Continued)

- These Shares were held by NTSP. NT Fund 2 is the owner of 100% of the shares of the NTSP and is therefore treated as having an interest. TF is a limited partner of NT Fund 2, with an investment amount of not less than one-third. TF is directly wholly owned by FF. FF is directly wholly owned by TH. Therefore, each of TF, FF and TH is deemed to be interested in the 38,669,868 Shares held by NTSP pursuant to SFO. For the avoidance of doubt, each of TF, FF and TH do not have a deemed interest in the 38,669,868 Shares held by NTSP under The Securities and Futures Act, Cap. 289, of Singapore ("SFA"). NEG 2 is the general partner of NT Fund 2 and therefore NEG 2 is deemed to have an interest in the Shares. Mr. Loke is entitled to control not less than 20% of the votes attached to the voting shares in NEG 2, and therefore are deemed to be interested in all of the Shares held by NTSP.
- (3) The percentage of shareholding was calculated based on 448,590,125 issued shares of the Company as at 30 June 2025.

Save as disclosed above, as at 30 June 2025, the Directors were not aware of any entities or persons (who were not a Directors or the Chief Executive) who had an interest or short position in the Shares and underlying Shares which have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## >> CORPORATE GOVERNANCE

The Group has applied the principles and the extent of compliance with the guidelines as set out in the Singapore Revised Code of Corporate Governance 2018 (the "Code") and the mandatory disclosure requirements and applicable code provisions of the Corporate Governance Code (the "HK CG Code") as set out in Part 2 of Appendix C1 to the Hong Kong Listing Rules to provide the structure through which the objectives of protection of Shareholders' interest and enhancement of long-term Shareholders' value are met. In the event of any conflict between the Code and the HK CG Code, the Group will comply with the more onerous provisions. Throughout the 1H2025, the Group has complied with the Code and the HK CG Code.

Compliance with Singapore Listing Manual and Hong Kong Model Code for Securities Transaction

In compliance with Rules 1207(19) of the Listing Manual (the "Singapore Listing Manual") of the SGX-ST and the Model Code, the Company has adopted its own internal compliance code pursuant to the SGX-ST's and the Model Code's best practices on dealings in securities and these are applicable to all officers in relation to their dealings in the Company's securities. In furtherance, specific enquiry has been made with all the Directors and the Directors have confirmed that they have complied with the Model Code during the 1H2025 and up to the date of this interim report.

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

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.



## **Change in Information of Director**

Subsequent to the date of the 2024 annual report of the Company, the change in Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules is set out below:

## Name of Director

Mr. Sho Kian Hin

Appointed as independent non-executive director of Brook Crompton Holdings Ltd. (stock code: AWC), a company listed on Main-Board of the SGX ST, with effect from 19 May 2025

### **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 report has not been audited or reviewed by the auditor of the Company, but the Audit Committee has reviewed the unaudited consolidated results of the Group for the financial period ended 30 June 2025 and is of the opinion that such results complied with the applicable accounting standards, the requirements under Singapore Listing Manual and the Hong Kong Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

## **Publication of the interim report**

The interim report of the Company for 1H2025 is published on the website of the SGX-ST at <a href="https://www.sgx.com/securities/company-announcements">https://www.sgx.com/securities/company-announcements</a>, website of the Stock Exchange at <a href="https://www.hkexnews.hk/">https://www.hkexnews.hk/</a>, and the website of the Company at <a href="https://www.isdnholdings.com/sgx-singapore-exchange">https://www.isdnholdings.com/sgx-singapore-exchange</a>.

By order of the Board

ISDN HOLDINGS LIMITED Tan Soon Liang Chairman

Singapore, 11 August 2025



101 Defu Lane 10, Singapore 539222 Company registration No. 200416788Z