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FOR IMMEDIATE RELEASE

ISDN Holdings Ltd's hydropower business to receive boost from Indonesian Government's upward revision of electricity tariff rates

Singapore, 20 June 2014 -- SGX Main Board listed ISDN Holdings Limited ("ISDN" or "The Group"), an integrated engineering solutions provider for diverse industries, hydropower business is expected to benefit from a recent upward revision of electricity tariff rates to be paid to mini-hydropower developers by the Indonesian Government.

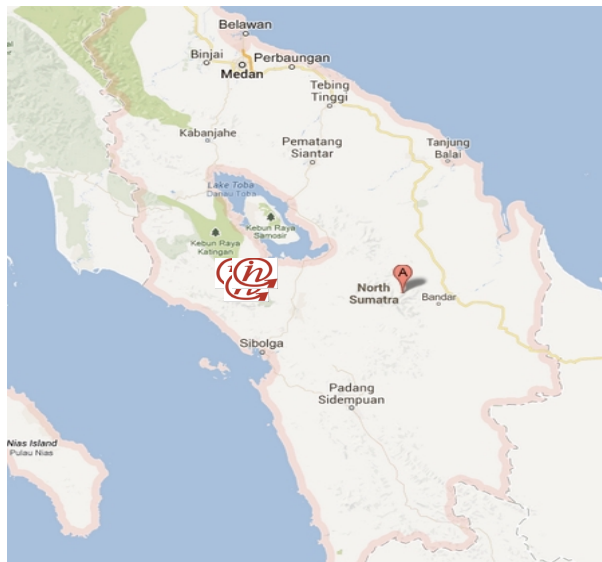
In early May this year, the Indonesian energy authority announced an increase in the amount that it will pay electricity producers with capacity of 10MW or less from the current base rate of Rp 656 (USD 0.06) to Rp 1,075 (USD .09) per Kwh. The Minister for Energy and Mineral Resources, Mr Jero Wacik, was quoted by Antara news agency as saying the higher rates aim to expand the pool of mini-hydropower producers.

Under the new tariff rate structure, the higher base rate of Rp 1,075 (USD 0.09) will apply from the 1st to 8th year of the mandatory power purchase or concession period of 20 years. From the 9th to 20th year, these producers will also gain from a higher tariff rate of Rp 750 (USD 0.06) as compared to previously.

Earlier Return of Investment

Mr Teo Cher Koon, ISDN Managing Director and President said, "The hike in the tariff rates is certainly a boon to our mini-hydropower ventures as it means that our return of investment (ROI) would be significantly shorter. Presently, our ROI is calculated based on the tariff rate of Rp 787 (USD 0.07) Kwh fixed over the entire concession period of 20 years.

"The new upward rate revision translates to at least 50 per cent increase in tariffs especially for the first eight years of the concession period. As such, we now expect our ROI to be significantly earlier," Mr Teo asserts.





No.	Installed Base Capacity	Location/ Province	Sale Price (Rp/ Kwh) <i>Year 1 to 8</i>	Sale Price (Rp/ Kwh) <i>Year 9 to 20</i>	Factor (F)
1.	Up to 10 MW	Sumatra	1,075 x F	750 x F	1.1
2.	Up to 10 MW	Sulawesi	1,075 x F	750 x F	1.2

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Mr Teo added, "We are currently negotiating additional projects in Sumatra and Sulawesi, two clusters that have formed the focus of our mini-hydropower development in the Indonesian archipelago. Securing the mandate for these new projects would mean that we could exceed our target of 100 MW by FY2014. This excludes the in-principle approval that we are seeking for the larger scale 126 MW Laa River hydropower facility in Sulawesi."

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About ISDN Holdings Limited

Founded on its precision and motion control engineering capabilities in 1987 and listed on the Singapore Exchange Main Board since 2005, ISDN Holdings Limited has today transformed into a multi-industry corporation with diverse strengths. With more than 90 offices spanning key Asian growth markets, ISDN's business interests now include, in addition to engineering, the energy and agriculture sectors

ISDN is dominant in the niche area of motion control and industrial computing, attending to the needs of customers in the Asian region. ISDN's customised solutions cater to different industrial sectors including medical, robotics, factory automation, oil and gas, water treatment, manufacturing, hard disk and semiconductor industries. By leveraging on its alliances with strategic partners in Europe, Asia and Australia, ISDN is able to combine and thereupon benefit from the best-in-class technology and business systems these collaborations have to offer.

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