

**FOR IMMEDIATE RELEASE**

**ISDN Holdings Ltd awards master engineering, procurement and construction contract to China Huadian Engineering Co. Ltd for the development of mini-hydropower plants in Indonesia**

***ISDN has earmarked three North Sumatra mini-hydropower plants to be the first projects to be constructed by China Huadian***

**Singapore, 17 February 2014** -- SGX Main Board listed ISDN Holdings Limited ("ISDN" or "The Group"), an integrated engineering solutions provider for diverse industries, has through its wholly owned subsidiary, Aenergy Holdings Pte Ltd, inked a master engineering, procurement and construction (EPC) contract with China Huadian Engineering Co. Ltd (China Huadian), one of China's leading state-owned power and industrial play, to pave the way for the construction of the cluster of mini-hydropower projects across Indonesia that ISDN has amassed in its energy business segment. The signing of today's agreement follows the earlier Memorandum of Understanding signed in April last year which spelt out the intent of both companies to collaborate on energy-related projects in South-east Asia.



*Official Signing Ceremony of EPC contract between ISDN Holdings (Mr Teo Cher Koon, ISDN President and MD, middle L, and Mr Ding Jianguo, GM, China Huadian, International Trade)*

China Huadian is a Chinese wholly state-owned enterprise established in 2002 with a registered capital of RMB 12 billion with mainstay businesses in electricity generation and power supply as well as clean energies including wind power, nuclear power, bio-energy and solar power. Its total assets are valued at RMB 330 billion and its annual power output reached up to 300 billion kW/h in 2009. China Huadian also controls shares in limited companies such as Huadian Power International Co., Ltd, Huadian Power Co.,Ltd, State Power Nanjing Automation Co.,Ltd. and Huadian Jinshan Power Co.,Ltd.

Mr Teo Cher Koon, ISDN Managing Director and President said, “We view this partnership as a long-term commitment to build on the strengths of both parties and as a bridge into the future. China Huadian with its stellar reputation as an infrastructure builder brings with it engineering and construction capabilities that are essential to developing mini-hydropower facilities that offer the most optimal yield; that are cost-effective and best suited for the local terrains and climate. This requires a wealth of technical expertise and on-the-ground experience that could only be garnered through an established track record such as one that China Huadian has developed through its portfolio of power generation projects.”

China Huadian’s breadth of businesses include other businesses in heavy machinery, environmental protection and water treatment, general contracting, new energy technology development, international trade and business; covering power, chemical, port, metallurgy, mining, municipal and other fields. China Huadian has a foreign project contracting business qualification and is a national high-tech enterprise with “AAA” grade credit rating. It has various Class A grade qualifications to provide engineering consulting and design services.

ISDN has earmarked three mini-hydropower plants - PT Charma Paluta Energy, PT Alabama Energy and PT Prima Paluta Energy with a combined installed capacity of 24.6 megawatt located within a 25 kilometre-radius of each other in North Sumatra - to be the first projects that are to be undertaken and developed by China Huadian.

Mr Teo said, “Due to its proximity, we expect China Huadian to reap economies of scale in terms of its logistics and manpower utilization that would have a positive bearing on its returns.” The power purchase agreement with PT PLN (Persero), Indonesia's state-run power distribution company is based on a 20-year tenure at a tariff rate of IDR 787 or 6.7 USD cents per KWh. Running costs are expected to cost between 0.4 and 0.6 USD cents per KWh.

“On its end, China Huadian have reciprocated with favourable terms and conditions to ISDN under the master EPC contract. As agreed, the contract price for each installed megawatt shall be about USD \$1.5 million. ISDN expects revenue to approximate USD \$0.45 million per megawatt annually.”

Mr Teo added, “We look at our relationship with China Huadian beyond these three initial projects. It is a shared vision for the two companies to chart our footprint in the hydropower business across the Indonesian archipelago and in the process grow to cement our reputation and stamp our competitive advantage for this to be replicated in other geographies in the energy sphere.”

North Sumatra with a population of 13 million based on the 2010 Census is currently underserved of its energy needs that is presently significantly reliant on diesel generator-power plants that are relatively more expensive. In addition to the demand by diverse industries such as plantations, minerals and manufacturing, there is also huge potential of cross-island supply to Java.

Mr Teo said, “In addition to its role as an EPC contractor, China Huadian may possibly play the role of equity owner as well as plant operator when the mini-hydropower plants are finally commissioned. Construction for each facility is expected to take 18 to 24 months.

“We expect the construction of the first of the three mini-hydropower plants, PT Charma Paluta Energy, to commence at the start of the second quarter. We are now ready to break ground,” he concluded.

- ends -

### **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.

For more information, please visit [www.isdnholdings.com](http://www.isdnholdings.com) or contact:

Eruwin Sudirman

**NRA Capital Pte Ltd**

Tel : (65) 6236 6878

Fax : (65) 6222 0093

Email : [eruwin.sudirman@nracapital.com](mailto:eruwin.sudirman@nracapital.com)