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MEDIA RELEASE

ISDN Ups Stake in Indonesia-Focused Hydropower Producer Aenergy to 50%

- *Capital injection comes as first hydropower plant prepares to start production by mid-2019*

Singapore, 27 December 2018 – ISDN Holdings Limited (“ISDN”) has raised its stake in hydropower producer Aenergy Holdings Company Limited (“Aenergy”) to 50.0% from 39.9% through a capital injection of US\$6.9 million, increasing its exposure to the growing market in Indonesia for sustainable clean energy.

ISDN incorporated Aenergy as a wholly-owned subsidiary in 2013 to spearhead its investments in the hydropower sector, particularly in Indonesia. The move was an effort to diversify beyond integrated precision engineering, its core business of more than three decades now. To help bankroll the hydropower business and spread its risks, ISDN subsequently roped other investors into Aenergy, reducing its own stake in the process.

With the outlook for the hydropower sector increasingly favourable amid robust energy consumption in Indonesia, ISDN has now injected new capital into Aenergy, which is working on rolling out a series of mini-hydropower plants in North Sumatra and Sulawesi with a combined production capacity of more than 84 megawatts of electricity.

The first plant will start production by the middle of next year. The second and third plants will commence in the third quarter of 2019 and the last quarter of 2020 respectively. These three plants, located in North Sumatra, will be able to generate a total of 23.6 megawatts of electricity, enough to power more than 12,000 homes. Aenergy will sell the electricity to PT PLN (Persero), Indonesia's state-run power distribution company.

“Mini-hydropower plants are the best option yet for many remote and rural areas in Indonesia. These places face an acute shortage of electricity but diesel-fuelled power plants are not the solution because it is costly to operate such facilities, which only push up electricity prices,” said Mr Teo Cher Koon, ISDN’s Managing Director and President.

Setting up a mini-hydropower plant costs about US\$2.2 million to US\$2.4 million per megawatt on average, including land acquisition expenses, with each megawatt able to generate revenue of about US\$0.3 million to US\$0.5 million a year, according to Mr Teo.

The abundance of natural water sources in Indonesia also makes hydropower a sustainable clean energy source, one with huge potential yet to be tapped, he added. “The water resources available in Indonesia are more than enough to support the production of some 78,000 megawatts of electricity, but only less than 10 percent of this capacity has been licensed for hydropower generation.”

Workers putting together Aenergy’s mini-hydropower plants in North Sumatra.



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About ISDN Holdings Limited

Founded on its precision and motion control engineering capabilities in 1986 and listed on the Main Board of the Singapore Exchange Securities Trading Limited since 2005, ISDN Holdings Limited has today transformed into a multi-industry corporation with more than 60 offices spanning key Asian growth markets. ISDN is also listed on the Main Board of the Stock Exchange of Hong Kong Limited since 12 January 2017.

ISDN is dominant in the niche areas of motion control, other engineering solutions and industrial computing. ISDN's customised engineering solutions cater to different industrial sectors including medical, robotics, factory automation, energy, manufacturing, hard disk and semiconductor industries. By leveraging its alliances with strategic partners in Europe and Asia, 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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