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NEWS RELEASE

ISDN Holdings further penetrates Asia’s renewable energy sector as it participates in a hydroelectric power plant in the Kingdom of Cambodia

- ISDN is taking 33% in a joint venture that will handle this project to build an 80 MW hydroelectric power plant in Pursat Province, Kingdom of Cambodia
- ISDN is partnering with Tokyo listed eREX Co. Ltd. And Cambodian company, Asia Energy Power Co. Ltd for this project
- The project is critical as one of the Cambodian Government’s new initiatives

Singapore, 4 November 2019 – ISDN Holdings Limited (“**ISDN**”, and with its subsidiaries, the “**Group**”), a leading industrial automation firm, today announced that it has collaborated through a joint venture (“**JV**”) with Tokyo-listed eREX Co. Ltd (“**eREX**”) and Cambodian company, Asia Energy Power Co. Ltd (“**Asia Energy**”) to build an 80 MW hydroelectric power plant (the “**Project**”), with a large-scale water storage capacity in Pursat Province, Kingdom of Cambodia. ISDN has participated in this JV through its wholly owned subsidiary, ISDN Energy Pte Ltd (“**ISDN Energy**”). The Project has already received confirmation and guarantee from the Cambodian Government for the business rights for the construction of the power plants and for the sale of electricity at a fixed price to the Cambodia Electric Power Corporation.

The JV company is incorporated in Singapore and called SPHP Co Pte Ltd (“**SPHP**”) with ISDN Energy, eREX and Asia Energy having ownership of 33%, 34% and 33% respectively. ISDN will inject US\$0.5 million as equity and another US\$2.5 million as shareholder loan during the initial development phase of the Project which represents the expected investment sum. At the end of 35 years from the start of operations for the Project, SPHP will transfer operating rights of the Project to the Cambodia Electric Power Corporation.

Looking at the Group’s renewable energy initiatives, ISDN is on track to begin production for its first two mini-hydropower plants towards the end of 2019 and the third to start in financial year 2020, bringing the total capacity to 24.2 megawatts of power. All three are located in North Sumatra, Indonesia, with the Group looking to develop a further 60 megawatts of capacity post-completion. With experience of these plants, the Group will be the technical project lead for this Cambodian Project. This Project is critical as one of the Cambodian Government’s new initiatives¹ set to ease the strain on the country’s

¹ Radio Free Asia, Cambodia announces hydropower, solar projects amid widespread electricity shortages, 5 April 2019
<https://www.rfa.org/english/news/cambodia/plants-04052019162511.html/ampRFA>

electricity grid. On the back of rapid population growth and industry expansion, the Asia Development Bank² has projected Cambodia's peak electricity demand to more than double to 2,401 megawatts between 2015 and 2025. The Kingdom of Cambodia's electricity demand is expected to increase by 7.5 times from 2015 to 2040, according to the Economic Research Institute for ASEAN and East Asia's (ERIA) report³.

Commenting on this JV, **Mr Teo Cher Koon, ISDN's Managing Director and President**, said, *"In our endeavour to further grow and diversify our greener energy segment, the Group has been looking for lucrative opportunities to penetrate further into Asia's renewable energy sector. In line with our strategy, we are pleased to have the opportunity to build this hydroelectric power plant as one of the clean energy investors to bring clean, affordable, and reliable electricity to the Cambodian people. We seek to extend our expertise in building hydropower plants in Cambodia, helping to alleviate widespread blackouts in the country in the near future."*



Conceptual Drawing at Completion



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² Open Development Cambodia, Energy, updated 21 April 2019
<https://opendevelopmentcambodia.net/topics/energy/>

³ Cambodia Basic Energy Plan Report
www.eria.org/uploads/media/CAMBODIA_BEP_Fullreport_1.pdf

About eREX Co., Ltd

eREX is a Japan-based power producer and supplier (PPS), engaged in the electric power distribution via power grid owned by general electric utilities. eREX's electric power businesses include electric power retail, electric market trading and power supplies development. In its electric power retail business, it involves in the retail of electric power in an inexpensive price than electric utilities. In its power supplies development business, it involves in the planning, design and construction of power-generating equipment.

About Asia Energy Power Co. Ltd

Asia Energy Power Co. Ltd is a newly incorporated Cambodian company that engages in the building of electric power plants.

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.

For more information, please visit www.isdnholdings.com

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