



ASIA POWER CORPORATION LIMITED
(Company Registration No:-199701487G)

Unaudited First Quarter Financial Statement Announcement for Financial Period Ended 31 March 2008

**PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
HALF-YEAR AND FULL YEAR RESULTS**

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		%
	S\$'000		
	Q1 2008	Q1 2007	Increase / (Decrease)
Revenue	40,838	39,642	3.0
Cost of sales	(32,445)	(32,240)	0.6
Gross profit	8,393	7,402	13.4
Other operating income	759	515	47.4
Administrative expenses	(2,276)	(1,812)	25.6
Other operating expenses	(1)	(261)	(99.6)
Finance costs	(1,109)	(982)	12.9
Share of profit of associates	713	809	(11.9)
Profit before income tax	6,479	5,671	14.2
Income tax expense	(964)	(703)	37.1
Net profit for the year	5,515	4,968	11.0
Attributable to:			
Shareholders of the Company	3,012	2,590	16.3
Minority interests	2,503	2,378	5.3
	5,515	4,968	



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	Group		
	S\$'000		%
	Q1 2008	Q1 2007	Increase / (Decrease)

Notes to income statement:

- (a) Income statement includes the following:

Interest income	15	213	(93.0)
Foreign exchange gain (loss)	362	(249)	N.M.
Interest on borrowings	1,109	982	12.9
Depreciation of property, plant and equipment	2,988	2,492	19.9
Gain on disposal of property, plant and equipment	13	-	N.M.

N.M denotes not meaningful.



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1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group S\$'000		Company S\$'000	
	As at 31/3/2008	As at 31/12/2007	As at 31/3/2008	As at 31/12/2007
<u>ASSETS</u>				
Current assets				
Cash and bank balances	37,452	28,152	14,582	1,308
Trade receivables	25,092	22,120	-	-
Other receivables	8,473	7,381	7,665	4,455
Inventories	6,435	5,765	-	-
Held-for-trading investments	2,657	99	99	99
	<u>80,109</u>	<u>63,517</u>	<u>22,346</u>	<u>5,862</u>
Non-current investments held for sale	1,273	1,273	1,273	1,273
Property held-for-sale	-	-	-	-
Total current assets	<u>81,382</u>	<u>64,790</u>	<u>23,619</u>	<u>7,135</u>
Non-current assets				
Subsidiaries	-	-	53,537	53,537
Associates	24,227	23,515	8,791	8,791
Held-to-maturity investments	6,567	6,567	6,567	6,567
Goodwill	18,126	18,123	-	-
Other asset	10	10	10	10
Property, plant and equipment	115,210	117,128	5	9
Leasehold prepayments	13,486	13,486	-	-
Deferred tax assets	801	801	-	-
Total non-current assets	<u>178,427</u>	<u>179,630</u>	<u>68,910</u>	<u>68,914</u>
Total assets	<u>259,809</u>	<u>244,420</u>	<u>92,529</u>	<u>76,049</u>
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Current portion of long-term loans	7,427	7,427	-	-
Trade payables	32,988	24,088	-	-
Other payables	23,273	29,704	16,003	16,089
Income tax payable	1,353	1,645	34	34
Total current liabilities	<u>65,041</u>	<u>62,864</u>	<u>16,037</u>	<u>16,123</u>
Non-current liabilities				
Long-term loans	43,340	45,310	-	-
Total non-current liabilities	<u>43,340</u>	<u>45,310</u>	<u>-</u>	<u>-</u>
Share capital and reserves				
Share capital	52,762	39,457	52,762	39,457
Reserves	60,505	57,507	23,730	20,469
Equity attributable to shareholders	<u>113,267</u>	<u>96,964</u>	<u>76,492</u>	<u>59,926</u>
Minority interests	38,161	39,282	-	-
Total equity	<u>151,428</u>	<u>136,246</u>	<u>76,492</u>	<u>59,926</u>
Total liabilities and equity	<u>259,809</u>	<u>244,420</u>	<u>92,529</u>	<u>76,049</u>



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1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31/3/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
7,427	-	7,427	-

Amount repayable after one year

As at 31/3/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
43,340	-	45,310	-

Details of any collateral

The bank loan are secured by leasehold prepayments, property, plant and equipment of the subsidiaries.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	S\$'000	
	Q1 2008	Q1 2007
Operating activities		
Profit before income tax	6,479	5,670
Adjustments for:		
Depreciation expense	2,988	2,492
Gain on disposal of property, plant and equipment	(13)	-
Interest income	(15)	(213)
Interest expense	1,109	982
Share of profit of associates	(713)	(809)
Operating cash flows before movements in working capital	9,835	8,122



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	S\$'000	
	Q1 2008	Q1 2007
Inventories	(671)	175
Trade receivables	(2,972)	(3,947)
Other receivables	(1,034)	(178)
Trade payables	8,900	3,433
Other payables	(6,488)	9,153
Cash generated from operations	<u>7,570</u>	<u>16,758</u>
Interest received	15	212
Income taxes paid	(1,256)	1,203
Net cash inflow from operating activities	<u>6,329</u>	<u>18,173</u>
Investing activities		
Dividends received from associates	-	2,577
Net cash outflow from acquisition of subsidiary	-	-
Net cash outflow from acquisition of an associate	-	-
Proceeds from disposal of associates	-	-
Purchase of other assets	(2,557)	-
Net cash outflow from leasehold prepayments	-	-
Proceeds from disposal of held-for-sale property	-	-
Purchase of property, plant and equipment	(539)	(3,659)
Proceeds on disposal of property, plant and equipment	12	2,842
Net cash outflow from investing activities	<u>(3,084)</u>	<u>1,760</u>
Financing activities		
Interest expense paid	(1,109)	(982)
Dividends paid to shareholders of the Company	-	-
Dividends paid to minority shareholders	(3,649)	(2,077)
Repayment from related parties	-	(22,026)
Net proceeds from issue of shares	13,305	966
Capital contribution from minority shareholders	-	613
(Repayment of) proceeds from bank loans	(1,967)	392
Net cash outflow from financing activities	<u>6,580</u>	<u>(23,114)</u>
Net effect of exchange rate changes on balances held in foreign currency	(525)	109
Net increase in cash and cash equivalents	9,300	(3,072)
Cash and cash equivalents at beginning of year	<u>28,152</u>	<u>24,205</u>
Cash and cash equivalents at end of year	<u><u>37,452</u></u>	<u><u>21,133</u></u>



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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Capital contribution by minority shareholders	-	-	-	-	-	-	-	-	613	613
Transfer from retained profits	-	-	136	-	-	-	(136)	-	-	-
Translation differences	-	-	-	-	-	91	-	91	(16)	75
Additional investment in subsidiary	-	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	2,590	2,590	2,377	4,967
Dividend paid	-	-	-	-	-	-	-	-	(2,420)	(2,420)
At 31 March 2007	<u>38,827</u>	<u>-</u>	<u>4,789</u>	<u>2,386</u>	<u>204</u>	<u>(2,754)</u>	<u>47,042</u>	<u>90,494</u>	<u>34,671</u>	<u>125,165</u>
At 1 January 2008	39,457	-	5,669	2,727	122	(2,528)	51,517	96,964	39,282	136,246
Issue of shares	13,200	-	-	-	-	-	-	13,200	-	13,200
Issue of shares on exercise of share options	105	-	-	-	-	-	-	105	-	105
Share-based payment expense	-	-	-	-	-	-	-	-	-	-
Capital contribution by minority shareholders	-	-	-	-	-	-	-	-	-	-
Transfer from retained profits	-	-	-	-	-	-	-	-	-	-
Translation differences	-	-	-	-	-	(14)	-	(14)	25	11
Additional investment in subsidiary	-	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	3,012	3,012	2,503	5,515
Dividend paid	-	-	-	-	-	-	-	-	(3,649)	(3,649)
At 31 March 2008	<u>52,762</u>	<u>-</u>	<u>5,669</u>	<u>2,727</u>	<u>122</u>	<u>(2,542)</u>	<u>54,529</u>	<u>113,267</u>	<u>38,161</u>	<u>151,428</u>



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(\$'000) Company	Share Capital	Share option Reserve	Retained Profits	Total
At 1 January 2007	37,861	204	17,443	55,508
Issue of shares on exercise of share options	966	-	-	966
Share-based payment expense	-	-	-	-
Net profit for the period	-	-	6,420	6,420
Dividend paid	-	-	-	-
At 31 March 2007	38,827	204	23,863	62,894
At 1 January 2008	39,457	122	20,347	59,926
Issue of shares	13,200	-	-	13,200
Issue of shares on exercise of share options	105	-	-	105
Share-based payment expense	-	-	-	-
Net profit for the period	-	-	3,262	3,262
Dividend paid	-	-	-	-
At 31 March 2008	52,762	122	23,609	76,493

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During Q1 2008, the issued and paid up capital of the Company was increased from \$39,457,210 to \$52,762,533. This was due to: i) a share placement of 40,000,000 new ordinary shares issued at an issue price of \$0.33 for each placement shares ; ii) 453,333 shares at exercise price of \$0.17 and 108,679 shares at an exercise price of \$0.26 were issued upon exercise of options granted under Asia Power Corporation Limited Option Scheme to employees during the financial period.



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	As at 31/3/2008	As at 31/3/2007
The number of ordinary shares that may be issued on conversion of all outstanding options granted pursuant to the Asia Power Share Option Scheme	6,926,345	6,120,370

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 31 March 2008, share capital of the Company comprised 405,572,022 ordinary shares (2007: 365,010,010).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company does not have any treasury shares.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The same accounting policies and methods of computations as in the Company's most recently audited annual financial statements have been applied.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

None.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.



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Group	
Q1 2008	Q1 2007

Earnings per ordinary share based on profit attributable to shareholders after deducting any provision for preference dividends:

(i) Based on existing issued share capital	0.75	cents	0.72	cents
(ii) On a fully diluted basis	0.75	cents	0.71	cents

- (i) Basic earnings per ordinary share is computed based on the weighted average share capital of 401,509,618 ordinary shares as at 31 March 2008 (360,998,202 ordinary shares as at 31 March 2007).
- (ii) Earnings per ordinary share on a fully diluted basis is computed based on the weighted average share capital of 402,015,656 ordinary shares as at 31 March 2008 (365,682,043 ordinary shares as at 31 March 2007).

- 7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
- (a) current financial period reported on; and**
 - (b) immediately preceding financial year.**

As at 31/03/2008	As at 31/12/2007
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Net asset value (excluding goodwill) per ordinary share based on issued share capital:

For the group	23.11 cents	19.61 cents
For the company	18.86 cents	17.38 cents

Net asset value (excluding goodwill) per ordinary share is computed based on the issued and paid-up capital of 405,572,022 ordinary shares as at 31 March 2008 (365,010,010 ordinary shares as at 31 December 2007).

- 8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**



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Financial results

The Group's revenue increased slightly by about 3% from S\$39.6 million in Q1 2007 to S\$ 40.8 million in Q1 2008. The increase mainly attributed to Group's hydropower plant operations and sales of power related products. Xinbao continued to be the main revenue generator of the Group, contributing 82.3% of Group revenue.

Compared to Q1 2007, gross profit improved by 13.4%, mainly due to higher revenue from hydropower plant operations and sales of power related products which both enjoy higher gross profit margin.

Other operating income increased from \$515,000 in Q1 2007 to \$759,000 in Q1 2008, this was mainly due to foreign exchange gain amounting to \$362,000 in Q1 2008.

Administrative expenses increased by S\$0.4 million or 25.6% to S\$2.3 million in Q1 2008 compared to S\$1.8 million in Q1 2007. This was mainly due to additional expense incurred for water pollution treatment related expenses in Xinbao and higher operating expenses in hydropower plants which was in line with higher revenue generated in the reporting period.

Other operating expenses incurred in Q1 2007 were largely due foreign exchange loss amounting to \$246,000, compare to a foreign exchange gain in Q1 2008.

Finance costs increased by 12.9% in Q1 2008 compared to Q1 2007. The increase was mainly due to higher interest rate charged for bank borrowings.

Income tax expenses increased by 37.1% from \$703,000 to \$964,000, this was mainly due to an income tax rate increased from 15% to 18% in Xinbao.

As a result of the above fluctuations, net profit attributable to shareholders of the Company increased by 16.3% to S\$3.0 million in Q1 2008 as compare to S\$2.6 million in Q1 2007.

Balance Sheet and cash flow

Cash and bank balances increased from S\$28.1 million as at 31 Dec 2007 to S\$37.5 million, this was mainly due to S\$13.2 million cash received from issuing new placement shares.

Held-for-trading investment increased from S\$99,000 to S\$2,657,000 was due to one of subsidiaries making short-term investment in quoted equity.

The increased investment in associates was due to the sharing of associates' result for the period, net of dividends declared.

Trade payable increased from S\$24.1 million at 31 December 2007 to S\$33.0 million as at 31 March 2008. The increased in trade payable was mainly attributable to longer credit period from suppliers obtained by Xinabao.

Other payable as at 31 March 2008 were reduced to \$23.3 million from \$29.7 million as at 31 December 2007 resulted from a loan repayment of \$4.0 million to an associated company and \$2.4 million settlement of non-trade accounts.

Bank borrowings decreased by \$2.0 million as at 31 Mach 2008 as compared to 31 December 2007 was due to repayments made during the financial period.



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Share capital rose from S\$39.5 million to S\$52.8 million as resulted of Group's 40 million placement shares issued at S\$ 0.33 each shares and shares issued upon employee share options exercised.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's results for Q1 2008 are in line with the commentary made in paragraph 10 of the Group's full year Financial Statement and Dividend Announcement released on 28 February 2008.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

With our successful placement of 40 million shares to Renewable Energy Holdings Private Limited on 6 February 2008, the Group is well poised to strengthen our financial strength to increase effective interest in Asia Power (Leibo) Hydroelectricity Co., Ltd, a subsidiary of the Company. In addition, these proceeds can also lend support to the Group's general working requirements.

With regards to the earthquake in China, the Group wishes to advise that the operations of its power plants are unaffected and all of its personnel are safe. To date, operations are running smoothly and the Group does not expect any significant damage or disruption to be caused to its operations due to this earthquake. Nonetheless, the Group will continue to closely monitor the situation and update shareholders via announcements when necessary.

The Group believes the above mentioned factors will be positive and barring any unforeseen circumstances, the Group expects to remain profitable for the year.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not Applicable

(d) Books closure date

Not Applicable



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12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable

Sha Guangwen
Executive Director and CEO
BY ORDER OF THE BOARD
14 May 2008

Statement Pursuant to SGX Listing Rule 705(4) of the Listing Manual

The Directors of Asia Power Corporation Limited, do hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the period ended 31 March 2008 to be false or misleading in any material respect.

On behalf of the Board of Directors

Sha Guangwen
Director

Zhao Shuheng
Director

14 May 2008