



## Asia Power Corporation Limited

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### NEWS RELEASE

#### Hydropower Buoy Asia Power's Net Profit By 11% for 1Q 2008

- Gross Profit climbs 13.38% owing to higher margin from hydropower
- Net Profit After Tax gains 11.07% in accordance with gross profit growth
- Hydropower shows steady strength in generating income

Financial Highlights (in S\$'m)	3 months ended 31 March 2008		
	Q1 2007	Q1 2008	% Change
Revenue	39.64	40.84	+3.03
Gross Profit	7.40	8.39	+13.38
Net Profit After Tax	4.97	5.52	+11.07

Singapore, May 14, 2008 – **Mainboard-listed Asia Power Corporation Limited** (“Asia Power” or “Group”) (亚洲电力投资股份有限公司), which is principally involved in the ownership, management and operation of renewable energy power plants in the People’s Republic of China (“PRC”), is pleased to announce its positive set of results for the quarter ending 31 March 2008 (“Q1 2008”).

The Group’s revenue on a YoY basis increased marginally by approximately 3.03% from S\$39.64 million in Q1 2007 to S\$49.84 million in Q1 2008. This increase is mainly attributed to the Group’s hydropower operations and sales of power related products.

On the back of higher gross margins from the Group’s hydropower operations, gross profit for the period increased 13.38% from S\$7.40 million in Q1 2007 to S\$8.39

million in Q1 2008. Higher gross profit margin from the Group's hydropower plants and sales of power-related products played key roles for this improved showing.

Cost of sales was kept similar to the corresponding period at S\$32.45 million, a difference of an increase of S\$0.21 million. However, administrative expenses incurred were slightly higher by S\$0.46 million to register S\$2.28 million in Q1 2008. This increase in administrative expenses is mainly from water pollution related expenses in the Group's Xinbao Heat and Power Co., Ltd ("Xinbao"), and other expenses incurred to generate higher revenue for the period under review.

In accordance with gross profit, net profit after tax continued to display positive growth with an increase of 11.03% on a YoY basis to record a healthy figure of S\$5.52 million.

Mr Sha Guangwen (沙广文), Executive Director and Chief Executive Officer of Asia Power said, "Our efforts in developing hydropower are reaping steady gains over the years. Even though hydropower plants are capital intensive, they have been proven to provide a stable source of income, given the proper maintenance. Despite the energy crisis that China experienced late last year and early this year, our results have shown Asia Power's ability to maintain good profitability even in an energy crunch."

Barring any unforeseen circumstances, the Group is optimistic about the Group's performance for the year ahead.

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***About Asia Power Corporation Limited***

Listed on the Mainboard of Singapore Exchange since October 1999, Asia Power Corporation Limited is principally involved in the investment, management and operation of renewable energy power plants in China. With a focus on hydropower electricity generation plants, the Group, as of 31 March 2008, has invested in eight power plants with a total installed capacity of 549.1 MW and one power-related technology company in China.

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*Issued on behalf of **Asia Power Corporation Ltd.** by iGlobal Consultancy Pte Ltd*

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