



## Asia Power Corporation Limited

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**For Immediate Release**

### NEWS RELEASE

## Asia Power Maintains Solid Revenue Growth

- Revenue jumps 10.7% to S\$99.8 million in 9M08
- Stronger contributions across all business segments
- Loss in Q308 due to cyclical season changes in the PRC and share of loss from associates
- Net profit attributable to shareholders swells 8.3% to S\$6.0 million in 9M08

<b>Financial Highlights</b> (in S\$m)	<b>Q308</b>	<b>Q307</b>	<b>Change</b> (%)	<b>9M08</b>	<b>9M07</b>	<b>Change</b> (%)
<b>Revenue</b>	25.9	24.3	6.4	99.8	90.1	10.7
<b>Gross Profit</b>	4.7	2.7	72.0	24.7	21.5	14.8
<b>Net Profit Attributable to Shareholders</b>	-1.3	-1.0	36.1	6.0	5.6	8.3

Singapore, November 11, 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 set of results for the nine months ended 30 September 2008 (“9M08”).

For the period under review, the Group once again achieved good performance with total revenue improving 10.7% to S\$99.8 million as compared to S\$90.1 million in the previous corresponding period (“9M07”). Stronger contributions across the

Group's three main business divisions, coal-fired power plant operations, hydropower plant operations and sales of power related products were the drivers behind the Group's positive results.

Rising in tandem with revenue, gross profit leaped 14.8% from S\$21.5 million in 9M07 to S\$24.7 million in 9M08. This was largely due to higher margins from hydropower plant operations and sales of power related products in the nine months ended 30 September 2008. Gross margin in Q308 also increased on a QoQ basis.

Among all four quarters of each financial year, the Group's third quarter had always been the lowest performing quarter and Q308 was no exception. This was in line with the Group's tradition of a lower gross margin in the third quarter because of weaker demand for heat and steam due to cyclical season changes in the PRC.

As a result, net profit reflected a loss of S\$0.7 million in Q308, marginally higher than a similar loss of S\$0.6 million in Q307, while net loss attributable to shareholders fell S\$0.3 million QoQ to S\$1.3 million. On a brighter note, net profit for 9M08 rose 3.0% to S\$12.0 million as compared to S\$11.6 million in 9M07 while net profit attributable to shareholders in 9M08 increased 8.3% to S\$6.0 million.

Mr Sha Guangwen (沙广文), Executive Director and Chief Executive Officer of Asia Power commented, "To further explain and clarify the Group's net loss in the third quarter, this is largely a case of lower demand for the Group's heat and steam products due to cyclical changes of season in the PRC. Another reason is also because of the Group's share of loss from associates of S\$1.0 million due to expenses incurred related to the shutdown of Changzhou Suyuan Electric Power Co., Ltd. Nonetheless, looking at the improved figures across both our top and bottom lines in 9M08, it is evident that the Group remains on a steady and profitable path."

Shedding light on the Group's outlook for the next quarter, Mr Sha added, "The Group has finalised the disposal of APC Hydropower (Investment) Pte Ltd and its 31.6% equity interest in Chongqing Yujiankou Hydroelectricity Co., Ltd to Chong Dingtai Energy Sources Co., Ltd. We expect gains from this disposal to materialise in the fourth quarter. With the coming of winter in the PRC, we are also expecting

revenue for the fourth quarter to rebound in routine fashion, once demand for the Group's heat and steam products resume."

Barring any unforeseen circumstances, the Group is optimistic about the Group's performance for the remaining fiscal 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 7 November 2008, has invested in four power plants with a total installed capacity of 330.5 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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