



ASIA POWER CORPORATION LIMITED

(Company Registration No:-199701487C)

ADDITIONAL INFORMATION ON THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2008 (“THE RESULTS ANNOUNCEMENT”)

The Board of Directors of Asia Power Corporation Limited refers to the Company’s Results Announcement on 11 November 2008.

The following serves as additional information in regard to our review of the performance of the Group’s financial position as at 30 September 2008 as stated in section 8 of the Results Announcement.

Cash flow statements review

Q3 2008 VS Q3 2007

The Group recorded net cash inflow of S\$3.4 million in Q3 2008, as compared to S\$2.4 million in Q3 2007 from operating activities before working capital changes. After taking into account of changes in working capital, the Group recorded net cash out flow of S\$8.9 millions in Q3 2008 while a net cash inflow of S\$7.4 million in Q3 2007. The net cash outflow in Q3 2008 after change of working capital was mainly due to: 1) higher inventory balance of S\$2.1 million mainly in coal-fired power plant operation; 2) Trade receivables balance increased by S\$9.6 million at ended of Q3 2008, mainly due to higher trade debtors’ balance in the 3 major operations; 3) other receivable increased by S\$5.3 million mainly due to dividend receivable from an associate and non-trade receivables from third parties by subsidiaries; 4) trade payables in the coal-fired power plant operation increased by \$1.7 million in Q3 2008 while trade payables in coal-fired power plant operations increased by S\$7.5 million in Q3 2007; 5) other payables increased by S\$4.2 million in Q3 2008 mainly due to deposit received from buyer of APC Hydro Power (Investment) Pte Ltd. Net cash inflow from investing activities of S\$3.9 million in Q3 2008 mainly due to disposal of held-for-trading investment in quoted equities by a subsidiary while in Q3 2007 the subsidiary invested in quoted equities. After taking in cash used in financing activities, the Group cash and cash equivalents decreased by S\$6.3 million in Q3 2008 from S\$28.9 million as at 30 June 2008 to S\$ 22.6 million as at 30 September 2008.

On behalf of the Board

Sha Guangwen
Executive Director and CEO
13 November 2008