



## Asia Power Corporation Limited

5 Shenton Way #25-02 UIC Building Singapore 068808

Tel: +65 6324 5788 Fax: +65 6324 5766

[www.asiapower.com.sg](http://www.asiapower.com.sg)

### *For Immediate Release*

#### *Contact Information:*

**iGlobal Investor Relations Pte Ltd**

Tel: 6438 1671 Fax: 6438 1672

Lenny Tan – [lenny.tan@iglobal.com.sg](mailto:lenny.tan@iglobal.com.sg)

Calis Chuan – [calis.chuan@iglobal.com.sg](mailto:calis.chuan@iglobal.com.sg)

## **Asia Power Achieves Absolute Control of its most Profitable Hydropower Plant through Additional Acquisition**

- *Hydropower Plant contributed net profit of RMB21 million for FY2005*
- *Hydropower Plant has an installed capacity of 52 MW and has commenced operation in January 2005*
- *Aggregate indirect interest of 51% upon completion of the Acquisition*
- *In line with Asia Power's strategy to focus on environmentally friendly and renewable energy power plants*

**SINGAPORE – 27 December 2006 – Mainboard-listed Asia Power Corporation Limited (“Asia Power” or “the 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 that the Group has entered a sale and purchase agreement (“SPA”) to acquire 30% equity interest in Sichuan An Ning River Energy Development Co., Ltd. (“Chuan An Neng”) (四川安宁河能源开发有限责任公司) for RMB85 million.**

In line with the Group and Chinese Government’s strategy to accelerate the development of renewable energy, Asia Power has increased its equity interest in Chuan An Neng. Chuan An Neng commenced operation in January 2005 and has a total installed capacity of 52 mega

watts. The Group's 60%-owned subsidiary, Asia Power (Neijiang) Hydroelectricity Co., Ltd currently holds a 35% equity interest in Chuan An Neng. Under this SPA, the Group will acquire 100% equity interest in Great Energy Development Limited ("**GEDL**"), a company incorporated in the British Virgin Islands ("**BVI**") which holds 100% equity interest in Yang Pu Li Yuan Power Development Co., Ltd. ("**Li Yuan**") (洋浦力源电力发展有限公司). Li Yuan in turn has a 30% stake in Chuan An Neng, giving the Group an aggregate indirect interest of 51% in the hydropower plant.

Mr Zhang Gang Zhu (章钢柱), Executive Director and Chief Executive Officer of Asia Power Corporation Limited said, "I am extremely delighted to acquire the controlling interest in Chuan An Neng hydropower plant as it is in line with our strategy to focus on renewable energy power generation plants, especially hydropower electricity generation plants. This investment contributed RMB21 million to our net profit for the year ended 31 December 2005 and, based on its profit forecast for FY2006, we expect it to increase our Group revenue significantly again for FY2006."

### ***Financials***

Asia Power's net profit surged 707.1% to S\$17.0 million for the six months ended 30 June 2006 as compared to S\$2.1 million achieved in the same period in FY2005. The Group's operating revenue also increased by 25.7% to S\$61.8 million, from S\$49.2 million for the same period in FY2005.

The main reason for the significant increase was due to the consolidation of the financial results of Chuan An Neng, which became a subsidiary of the Company at the end of FY2005. This investment has been profitable for the Group, commencing from the financial year ending 31 December 2005.

### ***About Asia Power Corporation Limited***

Listed on the Mainboard Singapore Exchange since October 1999, Asia Power Corporation Limited is principally involved in the ownership, management and operation of power plants in China.

Incorporated in March 1997, Asia Power's three core businesses are power generation, power-related technology and the provision of consultation to and management of power and power-related activities. To date, the Company has invested in a total of eight power plants with a total installation capacity of more than 550MW, two power-related technology companies and two power business consulting companies in strategic cities across China.

In tandem with China government's environmental protection policy in the production of energy, efforts have been channelled to reduce the reliance on coal through increasing the usage of renewable energies. As a strategic move, Asia Power started investing in power plants which make use of environmentally-friendly and renewable energies especially hydropower as early as 1998. Its efforts to focus on hydropower electricity generation plants have yielded very positive results. Currently, four out of Asia Power's eight power plants are driven by hydropower.

Led by a strong management team which consists of experienced veterans who have held senior positions in China's provincial power bureaus and listed companies, Asia Power was rated as the top 1000 most outstanding companies in Singapore between year 2002 and 2005. In 2005, it was also conferred as the most independent power producer in Singapore by Asian Power.

**-- END --**