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For Immediate Release

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NEWS RELEASE

Focus on Renewable Energy Propels Asia Power Net Profit Up to 96.2%

- Strong YoY Net Profit Growth
- EPS up by 93.8%
- Positive growth with consistent pursuant of Group's focus on renewable energy

Financial Highlights (in S\$'m)	12 months ended 31 Dec 2006		
	FY 2006	FY 2005	% Change
Revenue	121.3	98.1	+23.6
Profit Before Tax	33.1	11.8	+180.7
Net Attributable Profit	19.9	10.1	+96.2

Singapore, February 21, 2007 – **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 a record net profit of S\$19.9 million for the full financial year ended 31 December 2006 as compared to the S\$10.1 million for FY2005. This comes at the back of the management’s decision to refocus its core businesses into environmentally friendly and renewable energy power plants.

The Group continues to concentrate on hydropower electricity generation plants as its main engine of growth. As such, Asia Power has invested in a number of hydropower plants in

Yunnan, and Sichuan in the second half of FY2006 to increase its market share in PRC. In addition, the Group has also disposed of two of its associates Shanghai Witlong Electric Co., Ltd (“Witlong”) and Shenzhen NARI Technologies Co., Ltd. (“Shenzhen Nari”) to divest their auxiliary business activities so as to keep their strategic objectives in greater focus.

Operating Revenue

The Group’s operating revenue for FY06 rose to S\$121.3 million, a 23.6 % increase from S\$98.1 million in FY05. This significant increase was largely attributed to the consolidation of the financial results of Sichuan Anning River Energy Development Co. Ltd (“Anning River”), which became a subsidiary of the Group at the end of FY2005.

Gross Profit

Gross profit for the period surged by S\$17.2 million representing a considerable increase of about 143.2% from the previous financial period, while gross profit margin went up by 11.8%. The Group remained consistent in their strategic objective of focusing their investments in the renewable energy industry. Two of the Group’s hydropower plants, Asia Power (Neijiang) Hydroelectricity Co., Ltd (“Neijiang”) and Anning River, were the main contributing factors to the Group’s high gross profit margin.

“With the PRC economy booming as expected, the Group’s efforts to focus on renewable energy, particularly hydropower electricity generation plants, have yielded very positive results. Neijiang and Anning River, have a significantly higher gross margin than our coal-fired power station, Xinbao. As such, we have increased our indirect equity interest in Anning River by 30%. This shows that the Group’s shift towards renewable energy and move towards reducing our stake in the traditional coal-fired power station is propelling Asia Power on the right track. We are currently exploring more of such ventures and with these strategies in place, we expect the Group to continue to remain profitable given that Anning River will begin to contribute to our revenue in the next financial year,” said Mr Zhang Gang Zhu (章钢柱), Executive Director and Chief Executive Officer of Asia Power Corporation Limited.

Expenses

The 29.9% increase in administrative expenses in FY06 was mainly due to high administrative expenses incurred by Asia Power (Shenzhen) Management Consulting Co., Ltd and consolidation of Anning River, which is expected to generate more revenue for the Group in the following financial year. Consolidation of Anning River had also caused finance costs to be increased by S\$3.6 million.

Operating expenses incurred had been cut down with the disposal of Asia Wind Power (Mudanjiang) Co., Ltd. (“Mudanjiang”) during the second half of FY05.

Earnings Per Share/ NTA

As at 31 December 2006, the Group shareholders’ equity increased to S\$86.8 million from S\$72.2 million as at 31 December 2005. The Group achieved an EPS of 5.62 cents in FY06, an increase of 93.8% as compared to 2.90 cents in the previous year. Net tangible asset per ordinary share increased to 18.98 cents as at 31 December 2006, up 2.8% from 18.46 cents in FY05.

The Directors have proposed a final dividend of S\$0.009 per ordinary share and a special dividend of S\$0.002 per ordinary share.

Business Prospects

The PRC economy is expected to continue its strong growth story, thereby driving up the consumption of electricity. The Group can be expected to experience sustainable growth from its continual focus on renewable energy power generation plants.

Acquisition of Anning River will also realize its positive financial impact in the upcoming FY.

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.

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