

Eight-fold increase in Asia Power's H1 profit

By JEAN CHUA

MAINBOARD-LISTED Asia Power Corp's net profit for the first six months of the year increased eight times, after consolidating the results of a new subsidiary in China.

The firm, which owns, manages and operates power plants in China, yesterday said that its income rose to S\$17 million from \$2.11 million a year earlier. Revenue rose 25.7 per cent from \$49.15 million to \$61.81 million, after it took in the results of Sichuan Anning River Energy Development, which became a subsidiary at the end of last year.

The company also sold Shenzhen Nari Technologies, an associate firm, in the first half of this year and has bought stakes in a number of hydropower plants in Chongqing and Sichuan, including a 9.3 per cent interest in Sichuan Jiajiang Qianfo Yan Hydroelectricity Co for 15.9 million yuan (S\$3.14 million) and 24.9 per cent of Tian Quan River Energy Development for 24.1 million yuan.

'Apart from the increase in contribution from the acquisition of several key hydropower plants late last year, the gain of S\$11.3 million in the sale of Shenzhen Nari has also had a significant impact to the increase in net profit for the current period,' Asia Power said in a statement.

Earnings per share were 4.81 cents, up from 0.61 cents a year ago.

The company said it will focus on renewable energy in the future. 'The economy of China is expected to continue growing strongly, driving the increase in the consumption of electricity and our Group is expected to benefit from the increase in the electricity consumption,' Asia Power said.

In June, Asia Power signed a 1.2 billion yuan deal with the Yunnan Linchang municipal government to develop up to 28 hydropower electricity generation plants with a total capacity of nearly 202 MW across Yunnan province's Linchang City. It is now completing its preliminary studies for each of the 28 plants to determine if they are suitable for development. It will have the right to reject any of the sites which it deems unsuitable or not in line with its requirements.

The company's shares gained 3.3 per cent to close at 31.5 cents yesterday.