

INVESTMENT IN WIND POWER ELECTRICITY GENERATION PLANT

Further to the Announcement of 17 March 2005 made by Asia Power Corporation Limited (“Asia Power” or the “Company”) relating to the incorporation of a wholly owned subsidiary company APC Wind Power Pte. Ltd. (“APC Wind Power”) in Singapore, the Board of Directors of the Company is pleased to make the following Announcement:

1. Asia Power has entered into a Shareholders’ Agreement dated 29 March 2005 with Heilongjiang Lijing Shi Ye Co., Ltd (“Lijing”), a company incorporated in China, relating to the APC Wind Power as follows:
 - 1.1 To increase the issued and paid up capital of APC Wind Power from S\$2.00 to S\$10,920,000 (Hong Kong Dollars Fifty two million).
 - 1.2 APC Wind Power is to allot and issue 7,643,998 fully paid up shares of S\$1.00 each to Asia Power, representing 70% equity interest in APC Wind Power.
 - 1.3 APC Wind Power is to allot and issue 3,276,000 fully paid up shares of S\$1.00 each to Lijing, representing 30% equity interest in APC Wind Power.
 - 1.4 Shareholders’ Agreement sets out the agreement of a joint venture investment to be undertaken by APC Wind Power to develop and operate wind power electricity generation plants in Heilongjiang, China.

2. Share Transfer Agreement
 - 2.1 APC Wind Power has entered into a Share Transfer Agreement (“Transfer Agreement”) dated 29 March 2005 with Asia Wind Power Investment Limited (“AWPIL”), a company incorporated in Hong Kong and Sinoriver International Limited (“Sinoriver”), a company incorporated in British Virgin Islands which is wholly owned by Hong Kong Construction (Holdings) Limited (a company listed on the Stock Exchange of Hong Kong Limited) to take up their respective equity interests in manners as set out here below in Asia Wind Power (Mudanjiang) Company Ltd (the “Project Company”).
 - 2.2 AWPIL owns the right to subscribe for 100% equity interest in the Project Company, a company incorporated in Heilongjiang, China, with a proposed issued capital of Hong Kong Dollars One hundred million (HK\$100m).
 - 2.3 In the Transfer Agreement, APC Wind Power is to acquire a 51% equity interest in the Project Company from AWPIL for Hong Kong Dollars Fifty one million

(HK\$51m) equivalent to Singapore Dollars Ten million and seven hundred and ten thousand (S\$10.71m).

- 2.4 In the Transfer Agreement, Sinoriver is to acquire a 29% equity interest in the Project Company from AWPIL for Hong Kong Dollars Twenty-nine million (HK\$29m) equivalent to Singapore Dollars Six million and ninety thousand (S\$6.09m).
 - 2.5 AWPIL will own the remaining 20% equity interest in the Project Company for Hong Kong Dollars Twenty million (HK\$20m) equivalent to Singapore Dollars Four million and two hundred thousand (S\$4.20m).
3. Pursuant to Part VI Discloseable Transactions 1010 of the Listing Manual, the Company would like to furnish the information as follows:
- 3.1 APC Wind Power is to acquire a 51% equity interest in the Project Company Asia Wind Power (Mudanjiang) Company Ltd from AWPIL for Hong Kong Dollars Fifty one million equivalent to Singapore Dollars Ten million and seven hundred and ten thousand (S\$10.71m).
 - 3.2 The principal activities of the Project Company are to develop and operate wind power electricity generation plants with 30 MW installation capacity in Heilongjiang, China.
 - 3.3 Asia Power's investment in the Project Company through 70% owned subsidiary company APC Wind Power, effectively representing 35.7% equity interest in the Project Company, is HK\$35.7m equivalent to S\$7.497m.
 - 3.4 There are no other material conditions attaching to the transaction, including a put, a call or other options provided in the Transfer Agreement.
 - 3.5 As the amount is for the acquisition of issue share capital at par value in the Project Company, a new company undertaking the development of 30 MW wind power electricity generation plants, there was no valuation commissioned in the transaction.
 - 3.6 The full amount of capital contribution is to be funded by Asia Power's internal resources, which is partly funded by the private placement of 30 million new shares issued at S\$0.155 per share on 7 February 2005 amounting to net proceeds of S\$4.48m.
 - 3.7 As the Project Company is a newly registered company and the wind power is to be constructed, there will not be any net profit attributable to the investment in the Project Company before completion and commission for operation is expected to be in the beginning of the year 2006.
 - 3.8 The effect of the acquisition on the Group's net tangible assets per share based on the latest audited financial statements of the Group for the financial year ended 31 December 2004 would be that the Group's net tangible assets per share would be decreased by 4.0% from SGD16.45 cents to SGD15.79 cents

per share after taking into account Asia Power's share of the consolidation effect on expensing off the Project Company's preliminary research, feasibility and survey costs totalling S\$2.11 million.

- 3.9 The effect of the acquisition on the Group's earnings per share based on the latest audited financial statements of the Group for the financial year ended 31 December 2004 would be that the Group's earnings per share would be decreased by 38.8% from SGD1.70 cents to SGD1.04 cents per share after taking into account Asia Power's share of the consolidation effect on expensing off the Project Company's preliminary research, feasibility and survey costs totalling S\$2.11 million.
- 3.10 The rationale of the acquisition is to broaden the earnings base of the Company and to take advantage of the PRC Government's preferential policy on renewable energy strategy in the development of the environmentally friendly energy sources through wind power generation in the ever-rising prices of the fuel oil market to ease China's power shortage situation. The wind power project offers an opportunity for the Company to diversify into the wind power market in the PRC, which is currently encouraging the use of renewable energy as a priority. The PRC Government has recently passed the Law on Renewable Energy granting financial incentives such interest subsidised loans, guaranteed profits during bank loan repayment periods, guaranteed electricity tariffs and tax incentives for renewable energy such as wind power electricity generation project.
- 3.11 Neither any director nor controlling shareholder of the Company has any interest, direct or indirect, in the acquisition.
- 3.12 There is neither any service contract of director proposed to be appointed to Asia Power, the listed issuer, in connection with the acquisition undertaken by its subsidiary company, APC Wind Power.
- 3.13 Asia Power's indirect investment of HK\$35.7m (S\$7.497m) represents approximately 14.2% of Asia Power Group's net tangible assets of S\$52.71 million as at the end of December 2004 computed on the basis set out in Rule 1006(c).

Copies of the aforesaid Shareholders' Agreement and Share Transfer Agreement are available for inspection during normal business hours at Asia Power's registered office at 5 Shenton Way #12-08 UIC Building Singapore 068808 for three (3) months from date hereof.

By Order of the Board
Pang Hin Long & Tang Lai Meng
Joint Company Secretaries
30 March 2005