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Asia Power Purchases Wenchuan District Hydropower Plant for RMB 72,828,000

- *ROI guaranteed minimum 10% as agreed with existing owners*
- *Hydropower Plant currently in operation*
- *In line with Asia Power's strategy to focus its core businesses into environmentally friendly and renewable energy power plants*

SINGAPORE – 06 November 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 company has acquired 51% interest in the Wenchuan District Mianjie Town Dam Hydropower Electricity Generation Plant (“the Hydropower Plant”) at a cost of approximately RMB 72,828,000.

The Hydropower Plant, located in Sichuan Province, PRC, has a total installed capacity of 21MW. It is currently generating electricity at 143 million KWH, 6828 hours per annum. Electricity tariff is RMB 0.288/KWH. Based on FY 2005's financial results, Asia Power estimates an average ROI of about 15% per year.

Under the cooperation framework agreement, Asia Power will enter into a joint venture with (a) Chengdu Cable Co. Ltd. (成都通信电缆厂有限公司) ("**Chengdu Cable**"), a company incorporated in the People's Republic of China ("**PRC**"); and (b) Sichuan Huaming Energy Development Ltd. (四川华明能源开发有限公司) ("**Sichuan Huaming**"), a company incorporated in PRC. The 2 companies jointly hold the entire equity interest in Wenchuan

Huaming Power Development Co. Ltd. (汶川华明电力开发有限责任公司) ("**Wenchuan Huaming**"), whose principal activity is to operate the Hydropower Plant.

Also, under the Framework Agreement undertaken with Chengdu Cable and Sichuan Huaming, the returns on the investment of Asia Power in the joint venture shall not be lower than 10%. In the event that the dividends issued by the proposed joint venture company for in a year fall below 10%, Asia Power shall receive its 10% returns, and Chengdu Cable and Sichuan Huaming shall receive the balance of the dividends.

Mr Zhang Gang Zhu (章钢柱), Executive Director and Chief Executive Officer of Asia Power Corporation Limited said "We are pleased to acquire major interest of Wenchuan District Mianjie Town Dam Hydropower Electricity Generation Plant. This is another investment in line with our strategy to focus on renewable energy power generation plants, especially hydropower electricity generation plants. With a guaranteed minimum 10% return of investment as agreed with the 2 previous owners, I am confident that it will have a significant impact on Asia Power's financial results."

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 channeled 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.

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