

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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AES CHINA GENERATING CO LTD

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED MAY 31, 1996

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
COMMISSION FILE NUMBER: 0-23148

AES CHINA GENERATING CO. LTD.

(Exact name of registrant as specified in its charter)

BERMUDA

(State or other jurisdiction of
incorporation or organization)

98-0152612

(IRS Employer
Identification No.)

3/F., JINQIAO BUILDING
#1 JIANGUOMENWAI AVENUE
BEIJING 100020, PEOPLE'S REPUBLIC OF CHINA
(Address of principal executive office)

TELEPHONE NUMBER (86 10) 65089619

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes

No

Indicate the number of shares outstanding of each of the registrant's classes of Common Stock, as of July 12, 1996.

8,134,100 shares of Class A Common Stock, \$.01 par value.

7,500,000 shares of Class B Common Stock, \$.01 par value.

AES CHINA GENERATING CO. LTD.

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PART I

ITEM 1.	CONSOLIDATED FINANCIAL STATEMENTS	
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AES CHINA GENERATING CO. LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	THREE MONTHS ENDED	
	MAY 31, 1996	MAY 31, 1995

	(unaudited)	
REVENUES:		
Electricity sales	US\$ 2,383	US\$ 202
Construction delay fee	43	--
	-----	-----
	2,426	202
OPERATING COSTS AND EXPENSES:		
Costs of sales	1,766	87
Development, selling, general and administrative expenses	1,413	2,215
	-----	-----
TOTAL OPERATING COSTS AND EXPENSES	3,179	2,302
	-----	-----
OPERATING LOSS	(753)	(2,100)
OTHER INCOME:		
Interest income	1,737	2,891
Interest expense	(322)	--
Equity in earnings of affiliate	126	41
	-----	-----
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST	788	832
Income taxes	202	--
Minority interest	(8)	46
	-----	-----
NET INCOME	US\$ 594	US\$ 786
	-----	-----
NET INCOME PER SHARE	US\$ 0.04	US 0.05
	=====	=====

See Notes to Consolidated Financial Statements

AES CHINA GENERATING CO. LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	SIX MONTHS ENDED	
	MAY 31, 1996	MAY 31, 1995
	----- (unaudited)	
REVENUES:		
Electricity sales	US\$ 2,447	US\$ 373
Construction delay fee	403	-
	-----	-----
	2,850	373
OPERATING COSTS AND EXPENSES:		
Costs of sales	1,997	309
Development, selling, general and administrative expenses	3,405	4,664
	-----	-----
TOTAL OPERATING COSTS AND EXPENSES	5,402	4,973
	-----	-----
OPERATING LOSS	(2,552)	(4,600)
OTHER INCOME:		
Interest income	3,715	5,607
Interest expense	(322)	-
Equity in earnings of affiliate	252	41
	-----	-----
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST	1,093	1,048
Income taxes	202	-
Minority interest	(19)	55
	-----	-----
NET INCOME	US\$ 910	US\$ 993
	-----	-----
NET INCOME PER SHARE	US\$ 0.06	US\$ 0.06
	=====	=====

AES CHINA GENERATING CO. LTD.

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT PAR VALUES AND SHARE AMOUNTS)

	AS OF MAY 31, 1996 ----- (unaudited)	AS OF NOVEMBER 30, 1995 -----
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	US\$ 105,997	US\$ 125,684
Investments - held-to-maturity	15,041	41,609
Investments - available-for-sale	14,889	2,995
Accounts receivable from related parties	2,438	463
Interest receivable	90	293
Inventory	787	31
Prepaid expenses and other current assets	1,712	422
	-----	-----
TOTAL CURRENT ASSETS	140,954	171,497
PROPERTY, PLANT AND EQUIPMENT:		
Electric generating facilities	52,736	6,468
Equipment, furniture and leasehold improvements	2,018	1,233
Accumulated depreciation and amortization	(1,403)	(665)
Construction in progress	64,305	39,555
	-----	-----
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET	117,656	46,591
OTHER ASSETS:		
Project development costs	725	1,083
Investment in and advances to affiliate	2,401	2,566
Notes receivable	9,901	7,500

Deposits and other assets	682	634
	-----	-----
TOTAL OTHER ASSETS	13,709	11,783
	-----	-----
TOTAL	US\$ 272,319	US\$ 229,871
	=====	=====

See Notes to Consolidated Financial Statements

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AES CHINA GENERATING CO. LTD.

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT PAR VALUES AND SHARE AMOUNTS)

	AS OF MAY 31, 1996	AS OF NOVEMBER 30, 1995
	-----	-----
	(unaudited)	
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable - The AES Corporation	US\$ 1,265	US\$ 214
Accounts payable and accrued expenses	10,907	1,967
Payable for repurchase of shares	-	10,011
Payable for investment purchase	-	2,995
Loans from minority shareholders - current portion	1,181	351
Notes payable	1,180	1,000
	-----	-----
TOTAL CURRENT LIABILITIES	14,533	16,538
LONG-TERM LIABILITIES:		
Deferred income taxes	202	-
Loans from minority shareholders	33,646	6,666
	-----	-----
TOTAL LONG-TERM LIABILITIES	33,848	6,666
MINORITY INTEREST	37,020	19,082
COMMITMENTS AND CONTINGENCIES	-	-
SHAREHOLDERS' EQUITY:		

Class A Common Stock - par value \$0.01 per share (50,000,000 shares authorized; 10,216,000 shares issued)	102	102
Class B Common Stock - par value \$0.01 per share (50,000,000 shares authorized; 7,500,000 shares issued and outstanding)	75	75
Additional paid-in capital	201,762	201,762
Retained earnings	2,677	1,767
Cumulative translation adjustment	105	250
Treasury stock, at cost (2,081,900 shares at May 31, 1996 and 1,912,600 shares at November 30, 1995, of Class A Common Stock)	(17,803)	(16,371)
	-----	-----
TOTAL SHAREHOLDERS' EQUITY	186,918	187,585
	-----	-----
TOTAL	US\$ 272,319	US\$ 229,871
	=====	=====

See Notes to Consolidated Financial Statements

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AES CHINA GENERATING CO. LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	SIX MONTHS ENDED	
	MAY 31, 1996	MAY 31, 1995

	(UNAUDITED)	
NET CASH PROVIDED BY / USED IN) OPERATING ACTIVITIES	US\$ (953)	US\$ 1,105
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions and loans from minority shareholders	5,155	4,000
Proceeds from note payable	180	-
Repurchase of Class A Common Stock	(11,443)	(3,305)
	-----	-----

NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES	(6,108)	695
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of short-term investments	(34,082)	(124,649)
Proceeds from the sale/maturity of investments	45,761	168,565
Purchase of building, equipment, leaseholds and construction in progress	(20,782)	(1,525)
Investment and advances to affiliate	-	(1,291)
Recoupment of investment from affiliate	447	-
Investment in note receivable	(2,401)	-
Project development costs and other assets	(1,569)	(686)
	-----	-----
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES	(12,626)	40,414
	-----	-----
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(19,687)	42,214
CASH AND CASH EQUIVALENTS:		
BEGINNING OF PERIOD	125,684	95,486
	-----	-----
END OF PERIOD	US\$ 105,997	US\$ 137,700
	=====	=====

See Notes to Consolidated Financial Statements

SUPPLEMENTARY DISCLOSURE:

In April 1996, the Company's joint venture partner in Jiaozuo Wan Fang contributed capital and shareholder loans of \$38.5 million in the form of land use rights, construction-in-progress, equipment and receivables, net off accounts payable.

AES CHINA GENERATING CO. LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. GENERAL AND BASIS OF PRESENTATION

AES China Generating Co. Ltd. ("AES Chigen" or the "Company"), a Bermuda company, was incorporated on December 7, 1993, to develop, acquire, finance, construct, own and manage electric power generation facilities in the People's Republic of China (the "PRC"). The Company is a controlled affiliate of The AES Corporation ("AES"). As of May 31, 1996, AES owned approximately 48% of the outstanding common stock of the Company.

The consolidated financial statements include the accounts of AES Chigen and its subsidiaries. Investments in 50% or less owned affiliates over which the Company has the ability to exercise significant influence, but not control, are accounted for using the equity method. Intercompany transactions and balances have been eliminated. During the second quarter of 1996, the Company acquired controlling interest in Jiaozuo Wan Fang Power Company Limited ("Jiaozuo Wan Fang") for cash which approximated the fair value of net tangible assets acquired. The acquisition was accounted for as a purchase.

In the Company's opinion, all adjustments necessary for a fair presentation of the unaudited results of operations for the three months and six months ended May 31, 1996 and 1995 are included. All such adjustments are accruals of a normal and recurring nature. The results of operations for the periods are not necessarily indicative of the results of operations to be expected for the full year. The financial statements are unaudited.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at May 31, 1996 and November 30, 1995 and the reported amounts of revenues and expenses during the three months and six months ended May 31, 1996 and 1995. Actual results could differ from those estimates.

The organization and business of the Company, accounting policies followed by the Company and other information are contained in the notes to the Company's financial statements filed as part of the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 1995 (the "Annual Report"). This Quarterly Report on Form 10-Q should be read in conjunction with such Annual Report.

2. NOTE RECEIVABLE

In May 1996, Jiaozuo Wan Fang, one of subsidiaries of the Company provided a loan in the amount of approximately \$2.4 million to Henan Electric Power Corporation for the construction of the associated interconnection facility of the Jiaozuo Wan Fang project. The loan bears interest at 15.3% per annum. The principal and interest are repayable in 15 installments, commencing on December 1, 1997.

3. INCOME TAXES

Deferred income taxes relate principally to accelerated depreciation methods used and certain other expenses which are deducted for income tax purposes in the PRC, but not for financial reporting purposes. Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

4. COMMITMENTS AND CONTINGENCIES

On April 29, 1996, the Company committed to invest in Jiaozuo Wan Fang \$37.8 million in the form of equity investment and \$68.6 million in the form of a shareholder loan. To date, the Company has invested all the committed equity requirement to the joint venture.

ITEM 2. DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

In December 1993, AES purchased 7.5 million shares of the Company's Class B common stock and in March and April 1994, the Company completed an initial public offering of 10.2 million shares of its Class A common stock. The net proceeds of the sale of the Class A and Class B common stock, after underwriting commissions and discounts and the expenses of the offering, were approximately \$202 million.

In October 1994, the Company funded Hunan Xiangci-AES Hydro Power Company Ltd. (Xiangci-AES). Xiangci-AES was established to build, own and operate a 26.2 MW hydroelectric facility. Since the acquisition date, 5.2 MW has been in operation. Unit 1 (10.5 MW) of the expansion facility commenced operation on May 29, 1996. Unit 2 (10.5 MW) of the expansion facility is currently expected to be completed towards the end of the Company's third fiscal quarter of 1996. The completion of the expansion facility has been delayed for several months due to technical problems with equipment and installation. Pursuant to an agreement with the contractor, AES Chigen is now actively participating in the construction management and the Hunan Provincial Hydro Bureau is assisting in the completion of the outstanding construction work. The Company was entitled to construction delay payments from the contractor through March 11, 1996 to compensate for the loss of generation.

In March 1995, the Company funded Yangchun Fuyang Diesel Engine Power Co. Ltd. ("Yangchun Fuyang"). Yangchun Fuyang was established to build, own and operate two phases of a 15.1 megawatt diesel engine facility. The first phase of the facility, consisting of 8.6 MW, has been in operation since the acquisition date, and the second phase, consisting of 6.5 MW, commenced operations on April 9, 1996 after completing its 72-hour reliability test.

In May 1995, Wuxi-AES-CAREC Gas Turbine Power Company Ltd. ("Wuxi-AES-CAREC") was established to build, own and operate two 24 MW gas turbines and Wuxi-AES-Zhonghang Power Company Ltd. ("Wuxi-AES-Zhonghang") was established to

build, own and operate a heat recovery steam generator with a 15 MW steam turbine. The gas turbine facility commenced commercial operations after having successfully completed its 14-day reliability test and consecutive 96-hour run on March 10, 1996. The additional 15 MW steam turbine facility is

currently under commissioning and is expected to commence operations towards the end of the Company's third fiscal quarter of 1996.

In December 1995, the Company announced the funding of Sichuan Fuling Aixi Power Company Limited ("Fuling Aixi"). Fuling Aixi was organized to construct, own and operate a mine-mouth, coal fired facility with a net 45 megawatt generating capacity in Fuling Prefecture, Sichuan Province. Construction of the facility commenced in February 1996 and is currently expected to be completed in mid 1998.

In April 1996, the Company announced to fund a total of \$106 million in the form of equity contribution and shareholder loan in Jiaozuo Wan Fang Power Company Limited ("Jiaozuo Wan Fang"). Jiaozuo Wan Fang, a cooperative joint venture, was organized to build, own and operate a 250 MW pulverized coal-fired power plant located in Jiaozuo City, Henan Province. The Company owns a 70% share interest in the joint venture. The remaining 30% is held by Jiaozuo Aluminum Mill ("JAM"). A portion of the electricity generated by the joint venture will be sold to JAM and the remainder will be sold to the Henan Electric Power Corporation. Construction is underway with completion of Unit 1 targeted for the second half of 1997 and completion of Unit 2 scheduled for mid 1998.

In July 1996, a non-interest bearing loan in the amount of \$7.5 million provided to China Power International Holding Limited ("CPIL") which was made in connection with Wuhu Shaoda Electric Power Development Company ("Wuhu Shaoda"), a joint venture to develop, construct and own a 250 MW coal-fired facility in Anhui Province, was converted to an equity contribution by the Company to the Wuhu Shaoda project. Prior to the conversion, Wuhu Shaoda closed syndication of a \$65 million term loan facility. The term loan facility, which was provided by nine banks led by CCIC Finance Limited, will be eligible for drawdown upon satisfaction of certain conditions precedent which include the final documentation of an \$18 million subordinated loan AES Chigen has committed to provide to the project. The Company expects that the conditions precedent to drawdown will be met within the Company's third fiscal quarter of 1996. The facility is currently under construction; the first 125 MW unit is expected to be operational in the last fiscal quarter of 1996 with the second 125 MW unit commencing operations in mid-1997.

The Company has also initialed or signed several joint venture contracts which become effective under Chinese law following receipt of certain required governmental approvals. These joint venture contracts are also subject to the satisfaction or waiver of certain significant conditions precedent specified in the joint venture contracts (including negotiation and execution of several major project contracts) and, in some instances, require that the parties

re-execute the joint venture contracts to demonstrate their determinations that the conditions precedent have been satisfied.

The required governmental approvals have not been obtained for any of the Company's joint venture contracts, except the Company's six projects which are currently in operation or under construction, and receipt of such approvals is uncertain. There can be no assurance that the governmental approvals will be received, that the conditions precedent will be satisfied or that the projects will be completed. Certain of the conditions involve subjective determinations by one or more parties that, by their terms, permit the parties to exercise considerable discretion in making such determinations. It is therefore possible that the Company may not proceed with one or more, or any, of the projects for -which joint venture contracts have been initialed or signed but which the Company has not yet funded. Until the required governmental approvals

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have been obtained and all conditions precedent satisfied or waived, the Company regards the initialing or signing of a joint venture contract as being a preliminary step in the development of an electric power generation project.

RESULTS OF OPERATIONS

REVENUES AND COSTS OF SALES

Total revenues increased from approximately \$0.2 million to \$2.4 million from the second quarter of 1995 to the second quarter of 1996. Costs of sales increased from approximately \$0.1 million to \$1.8 million from the second quarter of 1995 to the second quarter of 1996. The increases in revenues and costs of sales were primarily due to the commencement of operations of the Wuxi-AES-CAREC facility.

Total revenues increased from approximately \$0.4 million to \$2.9 million from the six months ended May 31, 1995 to the six months ended May 31, 1996. Costs of sales increased from \$0.3 million to \$2.0 million from the first six months of 1995 to the same period of 1996. The increases in revenues and costs of sales were due to the commencement of operations of Wuxi-AES-CAREC facility. In addition, an increase in revenues was generated in the first six months ended May 31, 1996 due to the payment of a construction delay fee of \$0.4 million paid by the contractor of the Xiangci-AES expansion facility directly to AES Chigen.

Since the operation of the Xiangci-AES facility largely depends upon the flow of river water, variations in seasonal conditions could have a significant impact on the financial results of the plant.

DEVELOPMENT, SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Development, selling, general and administrative expenses decreased 36% or approximately \$0.8 million to \$1.4 million from the second quarter of 1995. For the six months ended May 31, 1996, development, selling and administrative

expenses decreased 27%, or approximately \$1.3 million to \$3.4 million, compared to the same period of 1995.

The decreases in development, selling, general and administrative expenses for the three months and six months ended May 31, 1996 were primarily due to the capitalization of a higher proportion of development costs associated with projects which achieved financial closing during the first six months ended May 31, 1996 and the capitalization of development costs of the Wuhu Shaoda project.

INTEREST INCOME

Interest income for the first quarter of 1996 and 1995 and the six months ended May 31, 1996 and 1995 was primarily generated by income from marketable securities purchased with the proceeds received from the Company's initial public offering. Interest income decreased 40%, or approximately \$1.1 million to \$1.7 million from the second quarter of 1995 to the second quarter of 1996. Interest income for the six months ended May 31, 1996 decreased 34%, or approximately \$1.9 million to \$3.7 million compared to the corresponding period of 1995. The decreases in interest income for the three months and six months ended May 31, 1996 were primarily due to lower interest rates combined with a lower average amount of funds available for investment due to power project investments made in Wuxi-AES-CAREC, Wuxi-AES-

Zhonghang, Fuling Aixi and Jiaozuo Wan Fang as well as the repurchase of a portion of the outstanding shares of Class A common stock.

INTEREST EXPENSE

During the second quarter of 1996 and the six months ended May 31, 1996 the interest expense of approximately \$0.3 million related solely to the interest on shareholder loan incurred by Wuxi-AES-CAREC. For the corresponding periods of 1995, the Company had no interest expenses.

INFLATION

Over the last few years, the PRC economy has registered high growth rates and high rates of inflation. In response, the PRC government has taken measures to curb inflation. There can be no assurance that these austerity measures alone will succeed in controlling inflation, nor that they will not result in severe dislocations in the PRC economy in general.

The Company will attempt, whenever possible, to hedge certain aspects of its projects against the effects of inflation. Generally, this will be done by structuring the energy and operations and maintenance payments in its power sales contract for a project to increase at essentially the same rates as the costs of fuel and other services and supplies in corresponding project contracts.

FOREIGN CURRENCY EXCHANGE

The Company anticipates that a portion of its costs and expenses will be incurred and that a portion of its potential equity contributions and/or loan advances may be made in Renminbi, the official currency of the PRC. The Company also anticipates that until project investments are made and such projects reach commercial operations, the majority of its revenues will be generated through interest in earnings on U.S. dollar denominated investments. Over the past ten years, the Renminbi has experienced a net devaluation against the U.S. dollar. As a result, the Company does not currently anticipate the need to hedge its projected Renminbi expenditures. Additionally, the Company believes that there is a lack of an economically efficient foreign currency hedging market based on Renminbi dollar futures, swaps and/or options. As a result, if the long-term Renminbi devaluation trend were to reverse, the Company may not be able to mitigate its exposure to potentially fluctuating exchange rates. However, the Company will monitor the availability of any financial instruments that may develop and that would permit, in the Company's opinion, economically attractive hedging strategies. In addition, the Company will attempt, whenever possible, to hedge against exchange rate fluctuations by structuring its joint venture and power purchase contracts to provide for adjustments in profit distributions and in electricity payments for changes in the Renminbi and the U.S. dollar exchange rate.

LIQUIDITY AND CAPITAL RESOURCES

At May 31, 1996, cash and cash equivalents totaled approximately \$106 million, as compared to \$125.7 million at the beginning of the fiscal year. The \$19.7 million decrease in cash resulted from \$1 million net cash used in operating activities, \$6.1 million used in financing activities and \$12.6 million used in investing activities. Net cash used in financing activities reflected settlements of purchases of Class A common stock made by the Company just prior to year end 1995 and additional purchases during the first six months of 1996, partially offset by equity

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contributions and loans from minority shareholders to the Company's consolidated subsidiaries. Net cash used in investing activities, due primarily to both the purchase of short-term investments of \$34.1 million, funding project development costs and other assets of \$1.6 million, providing a loan of \$2.4 million and investments in projects represented primarily by \$20.8 million in property additions, offset in part by the proceeds from maturity of investments of \$45.8 million. The investments in projects include the construction funding of the Wuxi-AES-CAREC, Wuxi-AES-Zhonghang, Fuling Aixi and Jiaozuo Wan Fang.

The Company has committed to invest approximately \$197 million in the six projects which are currently in operation or under construction. As of May 31, 1996, the Company has injected approximately \$82 million of the \$197 million committed in the form of equity contributions and loans to Wuxi-AES-CAREC, Wuxi-AES-Zhonghang, Fuling Aixi, Jiaozuo Wan Fang and Wuhu Shaoda projects. The

Company intends to pursue the development, acquisition, ownership and operation of additional electric power generation and related facilities in China and to repurchase additional Class A common stock on a limited basis depending upon market prices thereof and expectations on timing and need for future equity contributions and loans to projects. The Company expects to have sufficient liquidity to fund through 1997 its project equity and shareholder loan commitments entered into to date, to pursue the development of additional projects, to repurchase additional Class A common stock and for general corporate purposes from available cash and cash equivalents and investments currently on hand, from investment earnings on the balance of invested cash and from project dividends and loan repayments.

If the Company is successful in developing or acquiring an interest or interests in additional electric power generation projects (and there can be no assurance that it will be successful), the Company will be required to make equity contributions or advance loans to such projects in order to fund all or a portion of related construction or acquisition costs. The Company believes that its available capital will not be sufficient to make equity contributions or advance loans to one or more of the projects for which it has signed or initialed joint venture contracts, or to one or more other projects which the Company is actively pursuing, if they are successfully developed (or in one or more projects with similar capital requirements). If one or more of the proposed projects is successfully developed, and in any event after 1997 in connection with its existing commitments, the Company will be required to raise debt or additional equity to meet funding requirements.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

a. The Annual General Meeting of Shareholders was held on Wednesday, April 3, 1996.

c.(i) The Company's Bye-laws provide that the Board of Directors consists of two classes, the Class A Directors and the Class B Directors. At the Annual General Meeting, the holders of Class A common stock elected the Class A Directors and the holders of Class B common stock elected the Class B Directors, each for a term of one year and until their successors have been elected and shall have qualified.

Nine directors were elected at the 1996 Annual General Meeting, four Class A Directors and five Class B Directors, each by a majority of the votes cast for such director, as follows:

Class A Directors:

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(1) William Dykes: 6,747,031 votes for, 9,700 votes abstaining;

(2) Xiliang Feng: 6,747,331 votes for, 9,400 votes abstaining;

(3) Dr. Victor Hao Li: 6,747,731 votes for, 9,000 votes abstaining; and

(4) William H. Taft, IV: 6,747,431 votes for, 9,300 votes abstaining.

Class B Directors:

(1) Roger W. Sant: 7,500,000 votes for;

(2) Dennis W. Bakke: 7,500,000 votes for;

(3) Robert F. Hemphill, Jr.: 7,500,000 votes for;

(4) Thomas Tribone: 7,500,000 votes for; and

(5) Thomas I. Unterberg: 7,500,000 votes for.

c.(ii) A proposal (designated Item 2 and set forth in the Company's Proxy Statement), adopted by the Board of Directors, to approve the Company's Profit Sharing and Stock Ownership Plan was approved by a majority of the votes cast by the holders of the Company's Common Stock: 6,713,556 votes for; 33,843 votes against; and 20,200 votes abstained.

c.(iii) A proposal (designated Item 3 and set forth in the Company's Proxy Statement), recommended by the Board of Directors, to appoint Deloitte Touche Tohmatsu to serve as independent auditors of the Company for the fiscal year ending November 30, 1996 and to authorize the Board of Directors to fix their fee was approved by a majority of the votes cast by the holders of the Company's Common Stock: 6,838,683 votes for; 4,750 votes against; and 2,030 votes abstained.

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a. EXHIBITS

EXHIBIT
NUMBER

DOCUMENT

10.26*

Cooperative Joint Venture Contract to Establish Jiaozuo Wan Fang Power Company Limited dated March 27, 1996 between Jiaozuo Power Partners, L.P. and Jiaozuo Aluminum Mill

10.27*

Shareholder Loan Contract dated April 26, 1996

between Jiaozuo Wan Fang Power Company Limited and Jiaozuo Aluminum Mill

10.28* Shareholder Loan Contract dated April 26, 1996 between Jiaozuo Wan Fang Power Company Limited and AES China Power Holding Co. (L), Ltd.

10.29* Power Purchase and Sale Contract dated April 26, 1996 between Jiaozuo Wan Fang Power Company Limited and Jiaozuo Aluminum Mill

10.30* Power Purchase and Sale Contract dated April 25, 1996 between Jiaozuo Wan Fang Power Company Limited and Henan Electric Power Corporation

10.31 Assignment and Assumption Contract dated April 26, 1996 between Jiaozuo Wan Fang Power Company Limited and Jiaozuo Aluminum Mill

11 Consolidated Statements Regarding Computation of Earnings Per Share

b. Reports on Form 8-K

None.

* Confidential treatment has been requested for certain information identified in this document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AES China Generating Co. Ltd.

(Registrant)

July 15, 1996

Date

/s/ Jeffery A. Safford

Jeffery A. Safford

Vice President

Chief Financial Officer and Secretary

EXHIBIT INDEX

EXHIBIT NUMBER -----	DOCUMENT -----
10.26*	Cooperative Joint Venture Contract to Establish Jiaozuo Wan Fang Power Company Limited dated March 27, 1996 between Jiaozuo Power Partners, L.P. and Jiaozuo Aluminum Mill
10.27*	Shareholder Loan Contract dated April 26, 1996 between Jiaozuo Wan Fang Power Company Limited and Jiaozuo Aluminum Mill
10.28*	Shareholder Loan Contract dated April 26, 1996 between Jiaozuo Wan Fang Power Company Limited and AES China Power Holding Co. (L), Ltd.
10.29*	Power Purchase and Sale Contract dated April 26, 1996 between Jiaozuo Wan Fang Power Company Limited and Jiaozuo Aluminum Mill
10.30*	Power Purchase and Sale Contract dated April 25, 1996 between Jiaozuo Wan Fang Power Company Limited and Henan Electric Power Corporation
10.31	Assignment and Assumption Contract dated April 26, 1996 between Jiaozuo Wan Fang Power Company Limited and Jiaozuo Aluminum Mill
11	Consolidated Statements Regarding Computation of Earnings Per Share

b. Reports on Form 8-K

None.

 * Confidential treatment has been requested for certain information identified in this document.

Information contained herein, marked with [***], is being filed pursuant to a request for confidential treatment.

Exhibit 10.26

SINO-FOREIGN COOPERATIVE JOINT VENTURE
JIAOZUO WAN FANG POWER COMPANY LIMITED
CONTRACT

March 27, 1996
250 MW Power Plant

Jiaozuo City, Henan Province

People's Republic of China

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(ii)

SINO-FOREIGN COOPERATIVE JOINT VENTURE

JIAOZUO WAN FANG POWER COMPANY LIMITED

CONTRACT

PREAMBLE

This Cooperative Joint Venture Contract is made this 27th day of March, 1996 by and between JIAOZUO ALUMINUM MILL, a Chinese enterprise (the "Chinese Party"), and JIAOZUO POWER PARTNERS, L.P., a Cayman Islands exempted limited partnership (the "Foreign Party").

WHEREAS, in accordance with the Law of the People's Republic of China on Sino-foreign Cooperative Enterprises, the implementing rules thereunder and other relevant Chinese laws and regulations, the Chinese Party and the Foreign Party, adhering to the principle of equality and mutual benefit and through friendly consultations, agree to organize a cooperative joint venture enterprise in Jiaozuo City, Henan Province, the People's Republic of China and to invest jointly for the purposes described herein, all upon and subject to the terms and conditions set forth herein;

NOW, THEREFORE, the Parties, intending to be legally bound under Chinese law, enter into this Contract under the following terms and conditions:

CHAPTER 1

DEFINITIONS

When used in this Contract the following capitalized (or, in the Chinese version hereof, underlined) terms shall have the meanings set forth below:

"Aluminum Mill Power Supply Contract" means the Power Purchase and Sale Contract between the Joint Venture and the Chinese Party, as it may be amended or otherwise modified from time to time.

"Articles of Association" means the Articles of Association of the Joint Venture signed by the Parties.

"Board" means the Board of Directors of the Joint Venture established pursuant to Chapter 9.1.

"Business License" means the business license of the Joint Venture to be issued by the Jiaozuo Municipal Administration for Industry and Commerce.

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"Coal Purchase and Transportation Contract" means the Coal Purchase and Transportation Contract entered into by the Joint Venture for the supply and transportation of coal, as it may be amended or otherwise modified from time to time.

"Contract" means this Cooperative Joint Venture Contract, as it may be amended or otherwise modified from time to time.

"Deputy General Manager" means the Deputy General Manager of the Joint Venture appointed pursuant to Chapter 10.2.

"Dispatch Contract" means the Dispatch and Interconnection Contract between the Joint Venture and the Henan Electric Power Corporation.

"Expatriates" has the meaning set forth in Chapter 11.4.

"Financing Documents" means, collectively, all documents executed and delivered between the Joint Venture and any Party in connection with the financings contemplated in Chapter 5.5.

"Foreign Exchange Rate" means the exchange rate of U.S. Dollars for Renminbi actually used by the Joint Venture as permitted by SAEC.

"Foreign Exchange Risk Fund" means the foreign exchange risk fund required to be funded by the Joint Venture from the Joint Venture's after-tax profits, as the approved power price has taken into consideration the exchange rate risk factor. Such fund shall be used to balance the rates of return to both Parties.

"Foreign Exchange Regulations" means the regulations and rules on foreign exchange published by the relevant authorities of China as they may be amended, modified, replaced or superseded.

"General Manager" means the General Manager of the Joint Venture appointed pursuant to Chapter 10.2.

"Interconnection Construction Contract" means the Engineering, Procurement and Construction Contract between the Joint Venture and the Henan Electric Power Corporation, for the construction of the transmission facilities, as it may be amended or otherwise modified from time to time.

"Interconnection Financing Contract" means the financing contract between

the Joint Venture and the Henan Electric Power Corporation, to provide financing from the Joint Venture to the Henan Electric Power Corporation for the construction of the transmission facilities, as it may be amended or otherwise modified from time to time.

"Joint Venture" means the cooperative joint venture company established by the Chinese Party and the Foreign Party pursuant to the terms of this Contract.

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"Land Use Rights" means the right to the use of the Site issued by the relevant Chinese government authority in charge of land management as provided in Chapter 21 and any other land use rights necessary or desirable for the construction and operation of the Power Plant for the Term.

"Liquidation Committee" means the Liquidation Committee described in Chapter 26.2.

"MOFTEC" means the Ministry of Foreign Trade and Economic Cooperation of China or any successor approval authority.

"Parties" means the Chinese Party and the Foreign Party, collectively. "Party" shall mean either of the Parties, individually.

"Power Company Power Purchase Contract" means the Power Purchase and Sale Contract between the Joint Venture and the Henan Electric Power Corporation, as it may be amended or otherwise modified from time to time.

"Power Plant" means the coal-fired electric generating facility to be located at the Site consisting of 2 x 125 megawatt generating units with a combined capacity of approximately 250 megawatts, as well as generation and fuel handling facilities and all other related equipment and facilities.

"Power Plant Power Purchase Contract" means the Power Plant Power Purchase Contract between the Joint Venture and the Henan Electric Power Corporation for the purchase by the Joint Venture of electricity for construction, start-up and other uses at the Power Plant, as it may be amended from time to time.

"Project Contracts" means, collectively, (i) the Power Company Power Purchase Contract, (ii) the Aluminum Mill Power Supply Contract, (iii) the construction contracts, (iv) the Site Use Contract, (v) the Coal Purchase and Transportation Contract, (vi) the Dispatch Contract, (vii) the Financing Documents, (viii) the Power Plant Power Purchase Contract, (ix) the Interconnection Financing Contract and (x) the Interconnection Construction Contract.

"Renminbi" or "RMB" means the lawful currency of China.

"SAEC" means the State Administration for Exchange Control of China.

"SAIC" means the State Administration for Industry and Commerce of China.

"Site" means the land located at Jiaozuo City, Henan Province, China upon which the Power Plant is to be constructed and located, as more fully described on the Site Map.

"Site Map" means the map on which the boundaries of the Site are marked in red.

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"Site Use Contract" means the Site Use Contract executed by the Joint Venture relating to the use by the Joint Venture of the Site, as it may be amended or otherwise modified from time to time.

"State Planning Commission" means the State Planning Commission of China.

"U.S. Dollars" or "US\$" means the lawful currency of the United States of America.

CHAPTER 2

PARTIES TO THIS CONTRACT; REPRESENTATIONS AND WARRANTIES

2.1 The Parties to this Contract are:

- (a) Jiaozuo Aluminum Mill, a Chinese enterprise organized in accordance with the laws of China and registered with the Jiaozuo Municipal Administration of Industry and Commerce (Business License number is 410800-17347144-14931).

Legal Address: 160 Tanan Road
Jiaozuo City
Henan Province
China

Telefax: (86-391) 393-3739

Legal representative: Name: Jin Bao Qing
Position: General Manager
Nationality: Chinese

- (b) Jiaozuo Power Partners, L.P., a Cayman Islands exempted limited partnership.

Legal Address: P.O. Box 309
George Town, Grand Cayman
Cayman Islands, British West Indies

Telefax: (852) 2530-1673

Legal representative: Name: Paul Hanrahan
Position: President of Jiaozuo (GP)
Corporation, its
General Partner
Nationality: U.S.A.

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2.2 Each Party hereby represents and warrants to the other Party that:

- (a) (i) in the case of the Chinese Party, it is a state-owned enterprise duly organized and validly existing as a legal person under the laws of China; and (ii) in the case of the Foreign Party, it is a Cayman Islands exempted limited partnership duly organized and validly existing under the laws of the Cayman Islands;
- (b) it has full legal right and power to execute and deliver this Contract and all of the contracts and documents referred to in this Contract to which it is a Party and to perform its obligations hereunder and thereunder; and
- (c) it has taken all appropriate and necessary action to authorize the execution and delivery by it of this Contract and all of the contracts and documents referred to in this Contract to which it is a Party and to authorize the performance by it of the terms and conditions hereof and thereof.

CHAPTER 3

ESTABLISHMENT OF THE JOINT VENTURE

- 3.1 The Parties will establish the Joint Venture as a Sino-foreign cooperative joint venture company in accordance with the Law of the People's Republic of China on Sino-foreign Cooperative Enterprises, the implementing rules thereunder, other relevant Chinese laws and regulations and the terms of this Contract.
- 3.2 The Joint Venture will be a limited liability company with legal person status. The liability of each Party to the Joint Venture is limited to its capital contribution. After the Joint Venture has commenced normal operation, however, the Foreign Party shall bear unlimited liability for the Joint Venture's indebtedness.
- 3.3 The name of the Joint Venture in Chinese is "Jiaozuo Wan Fang Dianli Youxian Zeren Gongsi." The name of the Joint Venture in English is "Jiaozuo

Wan Fang Power Company Limited." The legal address of the Joint Venture is Daiwangzhen, Jiaozuo City, Henan Province, China.

- 3.4 All activities of the Joint Venture will be governed by and will be under the protection of the promulgated laws, decrees, rules and regulations of China.

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CHAPTER 4

PURPOSE AND SCOPE OF BUSINESS

- 4.1 The purpose of the Joint Venture shall be to strengthen economic cooperation and technical exchanges, to satisfy the electricity requirements of the Chinese Party, to improve power supply and promote the development of the economy in Henan Province by adopting advanced and appropriate technology and scientific management methods, and to continuously raise the economic efficiency of the Joint Venture and ensure satisfactory economic benefits for each Party.
- 4.2 The business scope of the Joint Venture shall be to build, own, operate and maintain a 2 x 125 MW coal-fired self-supply power plant near the site of the Jiaozuo Aluminum Mill of Henan Province to generate and sell electricity according to the relevant contracts and develop and operate power related business in utilizing coal ash.
- 4.3 The business activities of the Joint Venture will be carried out in accordance with the provisions of this Contract, the Articles of Association and the decisions of the Board.

CHAPTER 5

TOTAL AMOUNT OF INVESTMENT AND CAPITAL

- 5.1 The total amount of investment in the Joint Venture will be One Billion Two Hundred Sixty Million Seven Hundred Ninety Thousand Renminbi (RMB 1,260,790,000).
- 5.2 The total registered capital of the Joint Venture will be Four Hundred Forty Seven Million Five Hundred Eighty Thousand Renminbi (RMB 447,580,000).
- 5.3 (a) The Chinese Party will contribute to the registered capital of the Joint Venture One Hundred Thirty Four Million Two Hundred Seventy Four Thousand Renminbi (RMB 134,274,000), which is equal to 30% of the total registered capital of the Joint Venture. The Chinese Party will make its contribution to the registered capital of the Joint Venture in the form of Power Plant equipment and Land Use Rights (which Power

Plant equipment and Land Use Rights contributions and corresponding values shall be confirmed by the Henan Provincial Administration on State Assets and agreed to by the Parties).

- (b) The Foreign Party will contribute to the registered capital of the Joint Venture Three Hundred Thirteen Million Three Hundred and Six Thousand Renminbi (RMB 313,306,000), which is equal to 70% of the total registered capital of the Joint Venture. The Foreign Party will make its contribution to the registered capital of the Joint Venture in cash in

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U.S. Dollars at the prevailing Foreign Exchange Rate at the time of contribution.

- 5.4 The Parties will fund the entire amount of their respective portions of the registered capital of the Joint Venture 30 days after the issuance of the Business License to the Joint Venture. Late payment (unless caused by the fact that the Joint Venture bank account has not been timely opened or caused by delays in receipt of wire transfer after being sent) will be subject to an interest charge of 2% per month (or portion thereof) from the date due until the date paid. In the event either Party fails to make its capital contribution within two days of the date due, the other Party may (but shall not be obligated to) make such contribution, in which case the percentage of the registered capital of the Parties shall be adjusted accordingly, subject to the approval by the original examining and approving authority. The Party failing to make such installment will nevertheless remain liable for accrued interest from the date due until the date the other Party makes such contribution.

- 5.5 (a) The Chinese Party will provide a loan in RMB to the Joint Venture in an amount equivalent to 30% of the difference between the amount of the total investment set forth in Chapter 5.1 and the amount of the registered capital of the Joint Venture set forth in Chapter 5.2 upon terms acceptable to the Joint Venture.

- (b) The Foreign Party will provide a loan in U.S. Dollars to the Joint Venture in an amount equivalent to 70% of the difference between the amount of the total investment set forth in Chapter 5.1 and the amount of the registered capital of the Joint Venture set forth in Chapter 5.2 upon terms acceptable to the Joint Venture.

- (c) The Joint Venture shall have no liability or obligation to any person or entity with respect to the shareholder loans provided pursuant to this Chapter 5.5 other than to the providers of such shareholder loans.

- 5.6 The registered capital of the Joint Venture may be increased with the written consent of the Parties, the consent of the Board and the approval

of MOFTEC.

5.7 After the Parties have made their entire respective capital contributions to the Joint Venture, the Joint Venture will engage an accountant registered in China to verify such capital contributions. Upon the issuance of a verification report by such accountant, the Joint Venture will issue an investment certificate to each Party.

5.8 (a) Neither Party may assign, sell, encumber or otherwise transfer all or any part of its interest in the Joint Venture without first obtaining (i) the consent of the other Party, which consent may be withheld in the other Party's sole and absolute discretion; (ii) the unanimous approval by the Board of Directors; (iii) the approval by the original examining and approving authority; and (iv) the agreement by the transferee to assume the transferor's obligation hereunder, provided that with respect to assignments

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by either Party to one or more of its 100% owned companies, the Parties will cause their directors to vote for such assignment. Any instrument purporting to transfer any interest in the Joint Venture in violation of these restrictions shall be null and void and therefore shall not be effective to confer any right upon the purported transferee.

(b) In addition, any such proposed assignment, sale or transfer will be subject to the right of the other Party as hereinafter described to acquire the interest proposed to be assigned, sold or transferred. In the event a Party proposes to assign, sell or transfer all or any part of its interest in the Joint Venture, the transferring Party will give a written notice (the "Assignment/Transfer Notice") to the non-transferring Party setting forth the terms and conditions upon which the assignment, sale or transfer is proposed to be made. The non-transferring Party will have the right, which shall be exercised, if at all, by notice to the transferring Party within 60 days after the non-transferring Party receives the Assignment/Transfer Notice, to acquire such interest upon the same terms and conditions upon which the assignment, sale or transfer is proposed to be made. If the transferring Party does not receive such notice within such 60-day period and if the transferring Party complies with the restrictions in Chapter 5.8(a), the transferring Party will have the right to assign, sell or otherwise transfer such interest to the proposed transferee on the terms and conditions set forth in the Assignment/Transfer Notice.

CHAPTER 6

RESPONSIBILITIES OF EACH PARTY

- 6.1 The Chinese Party will perform, in addition to its other obligations set forth in this Contract, each of the following duties:
- (a) contributing its capital at the times and in the amounts required pursuant to Chapter 5;
 - (b) providing financing as described in Chapter 5.5;
 - (c) obtaining and delivering to the Joint Venture no later than 15 days after the approval by MOFTEC of this Contract an original or a notarized photocopy of a document issued by the relevant Chinese government authority in charge of land management evidencing that all governmental consents, approvals and similar items have been obtained in connection with the grant to the Joint Venture of the Land Use Rights that are necessary or desirable for the construction and operation of the Power Plant;
 - (d) assisting the Joint Venture in obtaining no later than 15 days after the approval by MOFTEC of this Contract an original or a notarized photocopy of all relevant approvals (including approvals of the Power Bureau Power Purchase Contract and the Aluminum Mill Power Supply Contract and the

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specific pricing provisions contained therein for the entire term of each such contract) that are necessary or desirable for the construction and operation of the Power Plant;

- (e) arranging for the transfer of the relevant construction related contracts to the degree that the Joint Venture requests that they be transferred;
- (f) assisting the Joint Venture in purchasing or leasing in China at reasonable rates in Renminbi such equipment, materials, office supplies, transportation services, communication facilities and other goods and services as may be necessary or desirable for the construction and operation of the Power Plant;
- (g) assisting the Joint Venture in recruiting qualified Chinese management personnel, technical personnel, and workers as contemplated in Chapters 10 and 11 and assisting the Joint Venture in obtaining passports and all necessary travel documents required for such persons to travel overseas for training or other purposes related to the construction and operation of the Power Plant;
- (h) assisting foreign personnel of the Joint Venture in applying for entry visas, travel documents and work licenses and in arranging for suitable board, lodging, office space, transportation, medical facilities and security for such personnel;

- (i) assisting the Joint Venture in applying for tax reductions and exemptions and any other investment incentives and benefits available to the Joint Venture and the Foreign Party in China and in Henan Province;
- (j) assisting the Joint Venture in applying to the Bank of China as well as to other authorized banks for the opening of foreign currency and Renminbi accounts for the Joint Venture; and
- (k) performing such other responsibilities as shall be entrusted to it by the Joint Venture.

6.2 The Foreign Party will perform, in addition to its other obligations set forth in this Contract, each of the following duties:

- (a) contributing its capital at the times and in the amounts required pursuant to Chapter 5;
- (b) providing financing as described in Chapter 5.5;
- (c) assisting the Joint Venture in obtaining such equipment, materials, supplies, goods and services not available in China as may be necessary or desirable for the construction and operation of the Power Plant;

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- (d) assisting the Joint Venture in recruiting necessary foreign personnel; and
- (e) performing such other responsibilities as shall be entrusted to it by the Joint Venture.

CHAPTER 7

CONSTRUCTION OF THE POWER PLANT

7.1 The Joint Venture will be responsible for the construction of the Power Plant. The Joint Venture will work with one or more contractors to assist it in constructing the Power Plant.

7.2 The Chinese Party and the Foreign Party will work together with construction contractors to transfer any ongoing design, engineering, equipment procurement and construction work with respect to the Power Plant from the Chinese Party to the Joint Venture in accordance with the construction contracts.

7.3 Since the Power Plant is under construction, at the time the Parties make contributions to the registered capital of the Joint Venture, the Chinese

Party shall, pursuant to an agreement to be entered into between the Parties, transfer to the Joint Venture the equipment, materials, Land Use Rights, completed and ongoing construction work of the Power Plant, relevant construction contracts and other assets contributed by the Chinese Party prior to the establishment of the Joint Venture. Detailed arrangements for such transfer shall be specified in the relevant agreement to be entered into between the Parties. Both Parties agree to consider the time factor regarding assets that have been valued and confirmed by the Henan Provincial Administration on State Assets.

- 7.4 During the construction period the Joint Venture may enter into contracts with one or more consulting companies or engineering companies to provide consulting services.

CHAPTER 8

OPERATION OF THE POWER PLANT

- 8.1 The Joint Venture will be responsible for the operation and maintenance of the Power Plant.
- 8.2 Upon the agreement of both Parties, the Joint Venture may enter into contracts with one or more companies to provide consulting services with respect to the operations of the Power Plant.

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CHAPTER 9

BOARD OF DIRECTORS

- 9.1 The Joint Venture will establish a Board of Directors which will be the highest authority of the Joint Venture. The Board will decide all major issues concerning the Joint Venture.
- 9.2 The Board will be composed of six directors, of whom two will be appointed by the Chinese Party and four will be appointed by the Foreign Party. The Board of Directors shall be established on the day the Business License is issued to the Joint Venture. Each of the directors will serve for a term of three years and may serve for consecutive terms upon appointment by the original Party. The Chairman of the Board will be appointed by the Foreign Party and the Vice-Chairman of the Board will be appointed by the Chinese Party. If a seat on the Board is vacated by a director prior to the completion of such director's term, the Party which originally appointed such director will, as soon as possible, appoint a successor director to serve out such vacating director's term. The quorum for a Board meeting is five directors, and the detailed procedures for holding a Board meeting are specified in the relevant provisions of the Articles of Association.

9.3 Except for the matters listed from (a) to (i) below, all matters considered by the Board will be subject to the approval of a majority of the entire Board; however, prior to taking an action which any Party reasonably thinks might substantially affect such Party's reasonable interests, the Board shall fully explore other options and attempt to implement the option that will have the least adverse impact on the reasonable interests of such Party; provided, however, that such option will not materially affect the profitability or safe and reliable operation of the Power Plant. The unanimous approval of the Board will be required to authorize any of the following actions:

- (a) amendment to the Articles of Association of the Joint Venture;
- (b) termination and dissolution of the Joint Venture;
- (c) increase or decrease or assignment of the registered capital of the Joint Venture;
- (d) merger, split or change of the organizational form of the Joint Venture;
- (e) mortgaging or granting a security interest on the assets of the Joint Venture;
- (f) approval of the year end financial statements of the Joint Venture;
- (g) approval of all contracts between the Joint Venture and a Party or an affiliate company of a Party;

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- (h) profit distribution plan of the Joint Venture; and
- (i) appointment of the General Manager of the Joint Venture.

9.4 The Chairman of the Board will be the legal representative of the Joint Venture. The Chairman will have the power to preside over the meetings of the Board and exercise the other functions of the Chairman set forth in the Articles of Association. Whenever the Chairman cannot exercise his or her functions for any reason, the Vice Chairman shall exercise such functions as the representative of the Chairman until the Chairman resumes his or her functions or a successor is appointed. Neither the Chairman of the Board nor the Vice Chairman of the Board shall have the power to take any action binding the Board or the Joint Venture without the express authorization of the Board.

9.5 The functions, powers and working procedures of the Board shall be set forth in the Articles of Association.

9.6 Directors shall serve without compensation except when a director is also a

member of management or an employee of the Joint Venture. All reasonable traveling and hotel costs for each director incurred in direct connection with board meetings or Joint Venture business approved by the Board shall be borne by the Joint Venture in the currency incurred.

CHAPTER 10

MANAGEMENT

- 10.1 The Joint Venture will be managed using modern and scientific management techniques.
- 10.2 The Joint Venture will have a General Manager and a Deputy General Manager. The General Manager will be recommended by the Foreign Party and will be appointed by unanimous decision of the Board. The Deputy General Manager will be recommended by the Chinese Party and will be appointed by majority decision of the Board. The term of office of the General Manager and the Deputy General Manager will be three years from the date of appointment.
- 10.3 The General Manager will be responsible for implementing the decisions of the Board and organizing and conducting the daily management of the Joint Venture, and will have the authority to accomplish the foregoing. The Deputy General Manager will assist the General Manager.
- 10.4 The details of the appointment of the other senior employees shall be specified in the Articles of Association.

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CHAPTER 11

PERSONNEL AND LABOR MANAGEMENT

- 11.1 The initial labor plan, consisting of the number of employees of the Joint Venture, including levels and job descriptions, will be prepared by the General Manager and then submitted to the Board for approval. The labor plan will be revised at least annually by the General Manager and then submitted to the Board for approval. The Joint Venture will employ only such number of employees as is necessary for its operations. Increases or decreases in the total number of employees of the Joint Venture due to expansion or increased efficiency, respectively, will require the approval of the Board.
- 11.2 Labor and personnel policies of the Joint Venture will be determined by the General Manager, subject to approval by the Board. These policies will be consistent with the promulgated laws, rules and regulations of China available to the public and will be based on the following principles:
 - (a) The General Manager will implement hiring policies whereby all

employees of the Joint Venture will be selected on the basis of examination and will have the best possible qualifications. In this regard, the Joint Venture will be free to hire qualified personnel from any location in China and, if necessary, from foreign countries. All employees will first be employed on a probationary basis. In accordance with the labor policies of the Joint Venture, the General Manager shall (within the authority granted by the Board and the Articles of Association) have the authority to select and hire employees for any position and to dismiss such employees. The General Manager may delegate such authority as he or she deems appropriate.

- (b) The salaries and all welfare benefits and subsidies for Chinese employees of the Joint Venture will be set forth in the labor plan. Annual wage levels of all Chinese employees (including, if applicable, the General Manager) will be set annually by the Board and adjusted as the Board deems necessary (taking into consideration the economic conditions of the Joint Venture) in accordance with Chinese labor regulations concerning wages. Welfare benefits and subsidies to Chinese workers and staff will be given as provided by law and reviewed and approved annually by the Board. Further benefits and subsidies may be determined by the Board, but will not exceed the standards set by the relevant governmental authority. The General Manager may, in accordance with the policies established by the Board and the budget of the Joint Venture then in effect, award bonuses to employees and managers. All bonuses of whatever type for employees and managers will be established as an incentive, and will be awarded on the basis of performance.
- (c) The General Manager will recommend to the Board annual merit salary increases for specific employees. Such increases will be based upon

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the individual employee's performance and will be in accordance with Chinese labor regulations concerning wages.

- (d) The wages and welfare benefits for the Joint Venture's employees shall be higher than the average level of the wages and welfare benefits for the employees in the same industry in Henan Province.

11.3 The Joint Venture may enter into individual employment contracts with any Chinese staff and workers directly if it deems such contracts appropriate. If required by law, the Joint Venture will enter into an employment contract with the trade union on behalf of Chinese staff and workers.

11.4 Foreign high-ranking managers and other staff ("Expatriates") will serve as executives and in other positions of the Joint Venture and will enter into an employment contract with the Joint Venture.

CHAPTER 12

TRADE UNION

The employees of the Joint Venture may establish a trade union pursuant to relevant Chinese laws and regulations. The Joint Venture shall pay two percent (2%) of the actual wages received by employees of the Joint Venture into the Joint Venture's trade union fund for such trade union's use in accordance with the applicable laws of China on the management of trade union funds.

CHAPTER 13

PURCHASES OF EQUIPMENT

Except as otherwise provided in the Project Contracts, the Joint Venture will endeavor to source equipment, materials, fuel, parts, services and other required items in China.

CHAPTER 14

TAXES AND LICENSES

- 14.1 The Joint Venture will pay taxes in accordance with the tax laws of China and the relevant provisions of the taxation department of Henan Province.
- 14.2 Management, staff members and workers of the Joint Venture will pay individual income tax according to the Individual Income Tax Law of China. The Joint Venture will not be responsible for paying any such taxes.

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CHAPTER 15

ACCOUNTING; DISTRIBUTION OF PROFITS; PRIORITY OF PAYMENTS

- 15.1 Pursuant to the provisions of relevant laws and regulations, the General Manager of the Joint Venture will present the Board with balance sheets, profit and loss statements and other supplementary information requested by the Board prepared in Chinese and English on a monthly and quarterly basis and audited financial statements (including balance sheets and profit and loss statements) on a yearly basis. Such audited financial statements shall be prepared by accountant(s) registered in China with international experience. The finance and accounting of the Joint Venture shall be conducted in accordance with the applicable accounting laws and principles of China. To the extent required by relevant law, the Joint Venture shall submit on a monthly and annual basis financial statements to the local tax authority, the relevant authorities in the electric industry and the relevant finance department. In the event of any material difference

between the then-applicable Chinese accounting laws and principles and internationally generally accepted accounting principles ("International GAAP"), the Chinese accounting laws and principles shall be followed; however, in order to meet the business and operation needs of the Joint Venture or if required by any Party, the General Manager shall cause additional financial statements of the Joint Venture to be prepared in accordance with International GAAP.

15.2 The Joint Venture will adopt financial accounting systems that will ensure that the Joint Venture will:

(a) make and keep financial records which, in reasonable detail, accurately and fairly reflect all transactions and affairs of the Joint Venture; and

(b) maintain a system of internal accounting controls sufficient to provide reasonable assurances that:

(i) transactions are authorized, executed and recorded so as to provide for proper financial statements and maintain accountability for assets; and

(ii) safeguards (including the performance of periodic physical inventories) are established to prevent unapproved persons from having access to the Joint Venture's assets.

15.3 All vouchers, books, statements, reports and other operating, accounting and financial records of the Joint Venture and descriptions thereof will be prepared in Chinese and English.

15.4 The fiscal year of the Joint Venture will begin on January 1 and end on December 31 of each Gregorian calendar year. The first fiscal year of the Joint Venture will begin on the date of issuance of the Business License and end on December 31 of that year.

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[*** Filed separately with the Commission pursuant to a request for confidential treatment.]

15.5 The Joint Venture will maintain its books of account in Renminbi. The Joint Venture may also maintain duplicate books of account in U.S. Dollars if requested by the Board. The Joint Venture will also prepare separate records and statements for transactions in other foreign currencies in which it has such transactions so that the Joint Venture and each Party can inspect the expenditure and income of foreign exchange.

15.6 The Joint Venture will apply its revenues according to the following priorities: first, to pay amounts then due under the Project Contracts and

any other contracts to which the Joint Venture may be a Party; second, to pay other administrative and operation expenses then due; third, to pay taxes of the Joint Venture then due; fourth, to pay principal, interest and fees then due in respect of foreign exchange loans and to pay principal, interest and fees then due in respect of Renminbi loans; fifth, to make contributions to the Joint Venture's three funds as provided in Chapter 15.10; sixth, to fund the Foreign Exchange Risk Fund based on the Board's decision pursuant to the provisions hereof; and seventh, to make profit distribution based on the Board's unanimous decision pursuant to the ratio of [***]% to the Chinese Party and [***]% to the Foreign Party.

- 15.7 During the term of the Joint Venture and after examination and approval by the financial and tax authorities, the Joint Venture may effect an early recovery of investment to the Foreign Party pursuant to Article 44 of the implementing rules of the Law on Sino-foreign Cooperative Enterprises.
- 15.8 The Joint Venture will use Renminbi to effect payment of locally sourced equipment, materials, fuel, parts and other items and all costs and expenses denominated in Renminbi. Subject to the Foreign Exchange Regulations and so as to minimize the risk of incurring foreign exchange losses, the Joint Venture will convert Renminbi revenues to foreign exchange to effect payment of costs and expenses denominated in foreign exchange required to be paid in foreign exchange.
- 15.9 Unless the Foreign Party otherwise requires, all distributions to the Foreign Party (including any distribution to be made upon a liquidation of the Joint Venture) will be remitted in U.S. Dollars out of China to an account or accounts designated by the Foreign Party. Any distribution to the Chinese Party (including any distribution to be made upon a liquidation of the Joint Venture) will be in Renminbi and will be remitted to an account or accounts designated by the Chinese Party.
- 15.10 In accordance with Chinese laws and regulations and the Articles of Association, the Joint Venture will make contributions each year to the Joint Venture's Expansion Fund, Reserve Fund and Bonus and Welfare Fund for Staff and Workers in an amount to be determined by the Board from the after-tax profits of the Joint Venture. The aggregate proportion of the after-tax profits of the Joint Venture contributed in any year by the Joint Venture to such funds and any other funds will not exceed 15 percent of such after-tax profits for the

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relevant year. All amounts on deposit in such funds shall be utilized only as directed by the Board.

CHAPTER 16

SALE OF ELECTRICITY

- 16.1 The Joint Venture will supply to the Chinese Party the electricity it requires to operate its Aluminum Plant located in Jiaozuo City, Henan Province, China pursuant to an Aluminum Mill Power Supply Contract. The Chinese Party will pay for the electricity in cash in RMB.
- 16.2 Any electricity generated by the Joint Venture not sold to the Chinese Party shall be sold to the Henan Electric Power Corporation pursuant to the Power Company Power Purchase and Sale Contract.

CHAPTER 17

INDEPENDENT AUDITING

- 17.1 In the event either Party believes that a mistake has been made in the preparation of any of the financial reports enumerated in Chapter 15.1, such Party will have the right to appoint an independent auditor to examine and verify such report and the costs of the independent auditor shall be borne by the Party making the request. Any such auditor will be an accountant with international experience registered in China.
- 17.2 All necessary documents and accounts of the Joint Venture will, for the performance of auditing under this Chapter, be provided to the auditor(s) according to the reasonable requirements of such auditor(s).
- 17.3 In the event such auditor(s) discover any material mistakes in any such report, the Joint Venture will cause its accountant(s) to restate such report to correct such material mistakes in accordance with the then-applicable accounting laws and principles of China.

CHAPTER 18

FOREIGN EXCHANGE MANAGEMENT

- 18.1 All foreign exchange matters of the Joint Venture will be handled in accordance with the Foreign Exchange Regulations and the provisions contained in this Chapter are specifically subject to the Foreign Exchange Regulations.

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- 18.2 The Joint Venture will open and maintain in its own name a Renminbi account(s) at the Bank of China or another bank located in China which is approved by the People's Bank of China.

- 18.3 The Joint Venture will also open a U.S. Dollar account(s) (and such other foreign currency accounts as the Board may decide) at the Bank of China or

another bank located in China. All foreign exchange income and expenditures of the Joint Venture will be paid into and out of such account or accounts. The foreign exchange funds maintained in such account(s) and the income thereon shall only be used as permitted under Chinese law.

18.4 The foreign staff and staff from Hong Kong and Macau of the Joint Venture may remit their salaries and other income derived from the Joint Venture out of China after payment of any required tax.

18.5 During the Term, all foreign exchange necessary for the payment of interest on and repayment of principal of the Foreign Party's U.S. Dollar loans, distribution of profits to the Foreign Party and return of its capital shall be handled in accordance with the relevant state regulations of foreign exchange control.

CHAPTER 19

TERM

The term of the Joint Venture will commence on the date of the issuance of the Business License and continue for 23 years thereafter (including three years of construction) unless terminated prior thereto in accordance with the provisions of this Contract or as extended by written agreement of the Parties (the "Term").

CHAPTER 20

INSURANCE

The Joint Venture will maintain such insurance policies as are required to be maintained by the Joint Venture as determined by the Board of Directors. Such policies will be obtained from appropriate companies licensed to do business in China and will be denominated in Renminbi and/or in foreign currencies as determined by the Board, and will comply with applicable Chinese laws and regulations.

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CHAPTER 21

LAND USE

After establishment of the Joint Venture, the Joint Venture will enter into the Site Use Contract. Upon execution of the Site Use Contract, a land use certificate will be issued to the Joint Venture allowing it full land use rights necessary for the construction and operation of the Power Plant for the Term.

CHAPTER 22

APPLICABLE LAW

The formation, validity, interpretation and implementation of this Contract shall be governed by and construed under the publicly promulgated laws of China.

CHAPTER 23

EFFECTS OF CHANGES IN CHINESE LAW

In the event the Joint Venture is unable to realize the operating objective expected by the Parties or any Party's interest is materially adversely affected due to a major change in operating environment (including legal environment, changes, amendments or supplements to any existing, or the passage of any new, national, provincial, municipal, local or other law, statute, ordinance, rule or regulation, or interpretation thereof by any court, administrative agency or other government authority after the approval of this Contract), upon the receipt of a written request of any Party, the Parties shall promptly make amendments to this Contract so as to protect the interests of the Parties under this Contract. In the event that any new laws or regulations are promulgated by the Chinese government which are more favorable to the Joint Venture, the Joint Venture shall apply for the enjoyment of such preferential treatment.

CHAPTER 24

BREACH OF CONTRACT

A Party will be in breach of this Contract if:

- (a) it fails fully to perform, or suspends its performance of, any of its obligations under this Contract and if it does not correct such failure or suspension after notice thereof from the non-breaching Party within 30 days or, if such failure or suspension cannot reasonably be corrected within 30 days, within such longer period (not to exceed 180 days) as may reasonably be required to correct such failure or suspension;
- (b) any representation made by it in Chapter 2.2 or 2.3 shall prove to be untrue in any material respect as of the date on which it was made: or
- (c) it fails to fund any installment of its portion of the registered capital of the Joint Venture within two days of the date such

installment was due pursuant to Chapter 5.4.

The breaching Party shall indemnify the Joint Venture and the non-breaching Party in respect of any loss incurred (excluding consequential damages or special damages) as a result of such breach, together with interest thereon from the date any such loss shall have occurred through the date of payment, calculated at the rate of 15% per annum.

CHAPTER 25

TERMINATION

25.1 The Joint Venture will terminate on the expiration of the Term.

25.2 Prior to the expiration of the Term, this Contract may be terminated pursuant to any of the following provisions:

- (a) Upon the occurrence and during the continuance of a breach of this Contract under Chapter 24, the non-breaching Party may terminate this Contract by giving written notice to the breaching Party;
- (b) In the event the Power Company Power Purchase Contract or the Aluminum Mill Power Supply Contract shall at any time be terminated as a result of the occurrence of an event of force majeure, the Parties will consider the viability of continuing the business of the Joint Venture and the feasibility of obtaining substitute electricity purchaser(s), and, if such substitute electricity purchaser(s) is not obtained within six months after such termination of the Power Company Power Purchase Contract or the Aluminum Mill Power Supply Contract, the Board may vote to terminate this Contract;
- (c) If the Joint Venture is unable to lawfully continue its operation, either Party may terminate this Contract by giving written notice to the other Party;
- (d) If all or a material portion of the assets or properties of the Joint Venture or a Party shall have been expropriated or requisitioned, such Party may terminate this Contract by giving written notice to the other Party; or
- (e) If the Joint Venture fails to make a payment when due on any shareholder loan provided by a Party, such Party may terminate this Contract by giving written notice to the other party.

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[*** Filed separately with the Commission pursuant to a request for confidential treatment.]

CHAPTER 26

LIQUIDATION

- 26.1 The Joint Venture shall be liquidated and dissolved upon the termination of this Contract pursuant to Chapter 25, provided that an application for approval shall be submitted to the relevant examining and approving authority in order to terminate this Contract and dissolve the Joint Venture prior to the end of the Term as provided in Chapter 25.2. In the event that the Joint Venture is dissolved pursuant to Chapter 25.1 and if at the time of such dissolution the Foreign Party has recovered its entire contribution to the registered capital of the Joint Venture, the fixed assets, including working capital, comprising the Power Plant will belong to the Chinese Party for free and all other assets of the Joint Venture will be distributed to the Chinese Party and the Foreign Party according to a unanimous decision of the Board based on the ratio of [***]% to the Chinese Party and [***]% to the Foreign Party.
- 26.2 If by application of the provisions contained in Chapter 26.1 the assets of the Joint Venture are to be liquidated, a Liquidation Committee (composed of Board members or other qualified persons, including, without limitation, certified accountants or attorneys) will be established, composed of two members appointed by the Chinese Party and four members appointed by the Foreign Party. The Liquidation Committee will have the power to represent the Joint Venture in all legal matters concerning the liquidation. In accordance with applicable Chinese laws and regulations, the Liquidation Committee will value and liquidate the Joint Venture's assets based on the Joint Venture's going concern value, taking into account the actual circumstances of the Joint Venture, the market value of companies in similar industries and internationally accepted principles of valuation.
- 26.3 The Liquidation Committee will conduct a thorough examination of the Joint Venture's assets and liabilities. On the basis of such examination, the Liquidation Committee will develop a liquidation plan, under the supervision of the department-in-charge, for the liquidation of the Joint Venture. The liquidation plan will be subject to approval by the Board. All actions of the Liquidation Committee will be subject to approval of all members of the Liquidation Committee. No member of the Liquidation Committee shall have the power to take any action binding the Liquidation Committee or the Joint Venture without the express authorization of the majority members of the Liquidation Committee.
- 26.4 Upon completion of all liquidation procedures, the Liquidation Committee shall submit its final report, after approval by the Board, to the approval and examination authority, and shall nullify the registration of the Joint Venture. The Parties will have the right to obtain copies of the Joint Venture's accounting books and other documents, but the originals thereof shall be left in the care of the Chinese Party.

26.5 Upon liquidation resulting from an early termination of this Contract, the Joint Venture's assets will be applied according to the following principles and order:

- (a) to payments of all liquidation expenses;
- (b) to payments of salary, insurance and benefits of the employees of the Joint Venture;
- (c) to payments then due under any contracts or in respect of any indebtedness of the Joint Venture;
- (d) to payments of interest and fees then due with respect to foreign currency loans;
- (e) to payments of interest and fees then due with respect to Renminbi loans;
- (f) to payments of taxes of the Joint Venture then due;
- (g) to payments of principal of foreign loans;
- (h) to payments of principal of Renminbi loans;
- (i) to repayments of registered capital to the Parties in accordance with the decision of the Board; and
- (j) to distributions to the Chinese Party and the Foreign Party according to the ratio of [***]% to the Chinese Party and [***]% to the Foreign Party based on a unanimous decision of the Board.

CHAPTER 27

FORCE MAJEURE

In the event that earthquake, typhoon, flooding, fire or war directly affects the performance of this Contract or makes it impossible to perform this Contract in accordance with the terms hereof, the Party affected by such force majeure shall immediately notify the other Party of such event and shall provide details of such event and effective documentary evidence in a timely manner. On the basis of the degree to which the performance of this Contract is affected, the Parties shall discuss whether to terminate this Contract, partially excuse the obligation to perform this Contract or delay performance of this Contract.

CHAPTER 28

SETTLEMENT OF DISPUTES

- 28.1 Any dispute arising out of or in connection with this Contract will be attempted to be settled through friendly consultation between the Parties. Such consultation will begin immediately after either Party has delivered to the other Party a written request for such consultation. If the Parties do not reach an amicable solution within 30 days from the notice of such dispute, either Party may, with notice to the other Party, submit the dispute for binding arbitration in Stockholm, Sweden under the auspices of and in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce (except to the extent this Chapter 28 specifies different procedures in which event such procedures will govern the arbitration to the extent so specified). The Parties agree that any dispute arising out of or in connection with this Contract will be submitted exclusively to and be finally settled by arbitration irrespective of the magnitude of such dispute or whether such dispute would otherwise be considered justiciable or ripe for resolution by a court or arbitral tribunal. Any settlement and award rendered through such an arbitration proceeding will be final and binding upon the Parties if the decision is in writing and contains a reasoned analysis explaining the arbitrators' reasons for rendering the award. This Contract and the rights and obligations of the Parties will remain in full force and effect pending the award in such arbitration proceeding.
- 28.2 The arbitration will be conducted in English and Chinese.
- 28.3 There will be three arbitrators. Each Party will select one arbitrator within 30 days after giving or receiving the demand for arbitration. Such arbitrators will be freely selected, and the Parties will not be limited in their selection to any prescribed list. Within 30 days after the selection of the latter of the two arbitrators selected by the Parties, the two arbitrators shall select the third arbitrator; if the two arbitrators do not select the third within such 30 day period, the arbitrating body will select the third arbitrator. If a Party does not appoint an arbitrator who has consented to participate within 30 days after the selection of the first arbitrator, the relevant appointment will be made by the arbitrating body. The costs of the arbitration will be borne by the Parties as determined by the arbitration tribunal taking into account the relative merits of the positions of the Parties.
- 28.4 The Parties agree that the arbitral award may be enforced against the Parties or their assets wherever they may be found and that a judgment upon the arbitral award may be entered in any court having jurisdiction thereof. Accordingly, the Parties irrevocably agree that any action to enforce such judgment may be instituted wherever appropriate and each Party hereby irrevocably waives, to the fullest extent permitted by law, any objection

which it may have now or hereafter to the laying of the venue or the jurisdiction or the convenience of the forum of any such action and irrevocably submits generally and unconditionally to the jurisdiction of any such court in any such action.

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28.5 Each of the Parties is subject to civil and commercial law with respect to its obligations under this Contract, and the execution and performance of this Contract by it constitutes private and commercial acts rather than governmental and public acts. Each of the Parties irrevocably agrees that this Contract is a commercial rather than a public or governmental activity and that neither Party is entitled to claim immunity from legal proceedings with respect to itself or any of its assets on the grounds of sovereignty or otherwise under any law or in any jurisdiction where an action may be brought for the enforcement of any of the obligations arising under or relating to this Contract. To the extent that either of the Parties or any of their assets has or hereafter may acquire any right to immunity from set-off, legal proceedings, attachment prior to judgment, other attachment or execution of judgment on the grounds of sovereignty or otherwise, such Party hereby irrevocably waives such rights to immunity in respect of its obligations arising under or relating to this Contract.

CHAPTER 29

NON-DISCLOSURE OF BUSINESS INFORMATION

29.1 During the term of this Contract, the Parties may, upon reasonable request, furnish each other and the Joint Venture with proprietary business documents and information needed for the implementation of this Contract.

29.2 The Parties agree that all proprietary business documents and information which are disclosed by either Party to the Joint Venture or to the other Party, either directly or indirectly, in writing, orally or by drawings or inspection will be used only for the Joint Venture's legitimate commercial purposes as specified in this Contract.

29.3 Each Party agrees that it will furnish, and cause the Joint Venture to furnish, such documents and information the same degree of proprietary treatment as the Party gives to its own similar proprietary documents or information.

29.4 Each Party agrees not to disclose, and cause the Joint Venture not to disclose, any such proprietary documents or information to any third Party or to any of its employees, except to its advisors, attorneys, engineering consultants and lenders under confidentiality arrangements substantially similar to those set forth in this Chapter and to those employees who are required to have such proprietary documents and information to carry out the commercial purposes of the Joint Venture.

29.5 Notwithstanding the foregoing, the following will not be subject to the undertakings set forth in this Chapter:

(a) documents already in the possession of, or information already known to, the Joint Venture or the Party receiving the documents or information before its initial disclosure by the other Party through no breach of any confidentiality obligation to or for the benefit of the disclosing Party;

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(b) documents or information in the public domain at the time of disclosure, or which after such disclosure enters into the public domain through no fault of Joint Venture or the Party to whom the information was disclosed; and

(c) documents or information lawfully furnished or disclosed by a third Party to the Joint Venture or the Party receiving the information or documents.

CHAPTER 30

MISCELLANEOUS

30.1 This Contract has been written in Chinese and English and each such version will be of equal force and effect. All documents, notices, waivers and all other communications written or otherwise between the Parties in connection with this Contract will be in the Chinese and English languages. All numbers in contracts of the Joint Venture, books of account and records will be Arabic.

30.2 Any modifications to this Contract will be subject to written agreement signed by the authorized representatives of both Parties and will become effective upon the approval of the original approval and examination authority of this Contract.

30.3 Subject to the provisions of Chapter 23, in the event any provision of this Contract is determined to be invalid or unenforceable under applicable Chinese laws, all other provisions of this Contract will continue in full force and effect. The Parties will, in such event, replace the invalid provision with a valid provision which as closely as possible corresponds to the spirit and purpose of such invalid provision and this Contract.

30.4 After termination of this Contract, the relevant provisions of this Contract which form the basis for a valid claim by either Party arising from or in connection with this Contract will remain in effect as related to the settlement of such claim until such claim is settled. The dispute resolution provisions of Chapter 28 and the confidentiality provisions of

Chapter 29 will also remain in effect after termination of this Contract.

30.5 A failure or delay by either Party to require the enforcement of any of the provisions of this Contract will not be construed as a waiver by such Party of any of its rights nor will it affect in any way the validity of this Contract or any of its provisions at any time thereafter.

30.6 Neither of the Parties will act on behalf of the other Party, which can only become bound by the signature of its own authorized representative. In all circumstances, the Joint Venture will act only in its own name and will not be considered to be the agent of either of the Parties. Similarly, unless expressly provided otherwise in a signed writing, neither of the Parties is the agent of the

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Joint Venture and, therefore, neither of the Parties is entitled to assume any obligation on behalf of the Joint Venture nor to bind the Joint Venture in any way whatsoever.

30.7 This Contract constitutes the entire agreement and understanding of the Parties with respect to the subject matter hereof and supersedes all documents and correspondence entered into prior to this Contract with respect to the subject matter hereof.

30.8 Any notice or other communication to be given hereunder shall be in writing and shall be sufficiently given if, in the case of the Chinese Party, addressed as set forth in Chapter 2.1 and in the case of the Foreign Party, addressed to: AES China Generating Co. Ltd., 7/F, Allied Capital Resources Building, 32-38 Ice House Street, Central, Hong Kong, Telefax: 852-2530-1673, Attention: President, and sent by registered mail or an internationally recognized overnight courier service, hand-delivered or transmitted and clearly received by facsimile transmission. Any such notice shall be effective only upon actual receipt thereof. All notices given by facsimile shall be confirmed in writing, sent as aforesaid, but the failure to so confirm shall not vitiate the original notice. Either Party may change its address for purposes of receiving notices hereunder by notice to the other Party given in accordance with this Chapter 29.8.

30.9 The titles and headings herein are used for convenience of reference only and shall not be deemed part of this Contract for purposes of interpretation. Unless otherwise stated, all references made in this Contract to "Chapters," shall refer to Chapters of this Contract.

30.10 In the event that there is any conflict or contradiction between provisions of this Contract and provisions of the Articles of Association, provisions of this Contract shall prevail.

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30.11 This Contract is executed on March 27, 1996 in Jiaozuo, People's Republic of China, in four sets of English and Chinese originals by the duly authorized representatives of the Parties. This Contract shall become effective on the date the certificate of approval relating to this Contract is issued by MOFTEC.

JIAOZUO ALUMINUM MILL

By: /s/ [SIGNATURE ILLEGIBLE]

Name: Jin Bao Qing
Title: General Manager
Nationality: Chinese

JIAOZUO POWER PARTNERS, L.P.
by Jiaozuo (GP) Corporation,
its General Partner

By: /S/ Edward C. Hall III

Name: Edward C. Hall III
Title: Vice President
Nationality: U.S.A.

Information contained herein, marked with [***], is being filed pursuant to a request for confidential treatment.

Exhibit 10.27

SHAREHOLDER LOAN CONTRACT

This SHAREHOLDER LOAN CONTRACT (this "Contract") is made and entered into as of April 26, 1996 by and between JIAOZUO WAN FANG POWER COMPANY LIMITED ("Borrower"), a Sino-foreign cooperative joint venture enterprise organized and existing under the laws of the People's Republic of China (Business License number 00037-1) with its registered office in Jiaozuo City, Henan Province, China (telephone no: 391-329-3144) and JIAOZUO ALUMINUM MILL ("Lender") (facsimile no: 391-393-3739).

1. The Loans.

Subject to the terms and conditions of this Contract, Lender agrees to make to Borrower loans in an aggregate amount not to exceed RMB 243,963,000 (including interest during construction as provided in Section 3 hereof), which loans will be divided into the Tranche A Loans to be used mostly for the first unit in an aggregate amount not to exceed RMB 121,981,500 (the "Tranche A Loans") and the Tranche B Loans to be used mostly for the second unit in an aggregate amount not to exceed RMB 121,981,500 (the "Tranche B Loans"; each such Tranche A or Tranche B Loan individually a "Loan" and collectively the "Loans") from time to time between April 26, 1996 and July 1, 1988 (the "Termination Date"). The Loans shall be evidenced by a promissory note of Borrower, substantially in the form of Exhibit A (the "Note"). Subject to the conditions set forth in Section 6, each Loan shall be made (a) in accordance with the drawdown schedule attached as Exhibit B and (b) on a day on which Bank of China is open for business in Jiaozuo, Henan Province, the People's Republic of China (a "Banking Day").

2. Maturity.

(a) Borrower shall repay the aggregate outstanding principal amount of the Loans in accordance with the amortization schedule attached as Exhibit C. In any event, Borrower shall repay such Loans in full by July 1, 2004. Borrower shall take all necessary actions to ensure that its cash on hand due to depreciation may be used to repay the principal of the Loans and shall so use such available cash.

(b) Borrower shall have the right to prepay the Loans at any time or from time to time. Each of such optional prepayments shall be in an amount not less than RMB (Y) 25 million and shall be made with at least six months prior written

notice to Lender. A Loan prepaid may not be reborrowed. The prepayments of the Loans will be applied in inverse order of maturity to the then remaining installments of principal to become due as set forth in Exhibit C.

3. Interest and Fees.

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[*** Filed separately with the Commission pursuant to a request for confidential treatment.]

(a) Borrower shall pay interest on the Loan(s) outstanding from time to time at the rate of [***]% per annum, which shall be computed on the basis of the actual number of days elapsed in a year of 360 days. Interest on the Tranche A Loans shall accrue until the Unit One Commercial Operation Date (as defined in the Power Purchase and Sale Contract dated as of April 26, 1996 between Borrower and the Henan Electric Power Corporation (the "Power Purchase and Sale Contract")) and be added to principal. Interest on the Tranche B Loans shall accrue until the Unit Two Commercial Operation Date (as defined in the Power Purchase Agreement) and be added to principal. Interest payments shall begin after the Unit One Commercial Operation Date in the case of the Tranche A Loans and after the Unit Two Commercial Operation Date in the case of the Tranche B Loans. Interest payments shall be payable quarterly in arrears on the first day of each January, April, July and October starting from the second such date to occur after the Unit One Commercial Operation Date in the case of the Tranche A Loans and after the Unit Two Commercial Operation Date in the case of the Tranche B Loans and on final maturity of the Loans (each such date, a "Payment Date"). Lender shall calculate and notify Borrower of the actual amount of each interest payment 15 days prior to each Payment Date.

(b) Borrower shall pay to Lender a service fee of [***]% per annum on the Loan(s) outstanding, which shall be computed on the basis of the actual number of days elapsed in a year of 360 days. Such service fee shall accrue until the Unit One Commercial Operation Date in the case of the Tranche A Loans or until the Unit Two Commercial Operation Date in the case of the Tranche B Loans and be added to the principal of the Loans. Payment of the service fee shall begin after the Unit One Commercial Operation Date in the case of the Tranche A Loans or after the Unit Two Commercial Operation Date in the case of the Tranche B Loans and shall be payable quarterly in arrears on each Payment Date. Lender shall calculate and notify Borrower of the actual amount of each payment of the service fee 15 days prior to each Payment Date.

(c) If Borrower fails to pay any sum payable under this Contract when due, Borrower shall from time to time on demand pay interest on such sum from and including the due date to the date of actual payment (after as well as before judgment) at a per annum interest rate equal to [***]% above the interest rate specified in Section 3(a).

4. Method of Payment.

All sums, including all principal, interest and fees, payable to Lender shall be payable in Renminbi not later than 10:00 a.m. Beijing time on each Payment Date to the account of Lender (no. []) at [] Bank, [], or such other account within China as Lender notifies to Borrower.

5. Representations and Warranties.

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Borrower represents as of this date and the date each Loan is made that:

(a) Borrower is a Sino-foreign cooperative joint venture enterprise duly established and existing in good standing under the laws of the People's Republic of China;

(b) the execution, delivery and performance of this Contract, the Note and each other document delivered in connection herewith or therewith are within Borrower's power, have been duly authorized by all necessary legal action, and do not contravene any law or any contractual restriction binding on Borrower;

(c) this Contract is, and the Note and each other document delivered in connection herewith or therewith when executed will be, the legal, valid and binding obligations of Borrower, enforceable in accordance with their respective terms;

(d) all governmental approvals necessary for the execution of this Contract, the Note and each other document delivered in connection herewith or therewith have been obtained and all governmental approvals necessary for the performance and enforceability hereof and thereof shall have been obtained prior to and shall be in full force and effect on the date of each drawdown hereunder;

(e) the obligations of Borrower hereunder and under the Note and any other document executed in connection herewith or therewith constitute the direct, unconditional and general obligations of Borrower and the sum of all of Borrower's other indebtedness does not exceed RMB five million except the loans provided by other shareholders of Borrower not exceeding US\$ 68,584,000, the working capital loans or the list of debts of over RMB one million each specified in Appendix D hereto;

(f) Borrower is not in default under any agreement or obligation to which it is a party or by which it may be bound; and

(g) no Event of Default (as hereinafter defined), and no event which with the giving of notice or the passing of time, or both, would constitute an Event of Default, has occurred and is continuing.

6. Conditions Precedent.

The obligation of Lender to make each Loan hereunder is subject to the fulfillment, as determined solely by Lender, of the following conditions precedent at least three Banking Days prior to the proposed date of each drawdown of such Loan (except as otherwise indicated below) and the continued fulfillment of such conditions on the date of such drawdown:

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(a) All documents, licenses, approvals and permits required in connection with the establishment of Borrower as a Sino-foreign cooperative joint venture and the design, construction, ownership, operation and management of the Power Plant (as defined in the Power Purchase and Sale Contract) shall have been obtained and are in full force and effect; without limiting the generality of the foregoing, such approvals shall include approval by the Ministry of Foreign Trade and Economic Cooperation of China of the Joint Venture Contract dated as of March 27, 1996 between Jiaozuo Power Partners, L.P. and Jiaozuo Aluminum Mill (the "Joint Venture Contract") and Borrower's Articles of Association, approval by the Henan Provincial Pricing Bureau of the pricing formula set forth in Appendix A to the Power Purchase and Sale Contract, approval by the relevant government department of the Land Use Rights (as defined in the Joint Venture Contract), approval by the relevant government department of the early return of the registered capital to the Foreign Party (as defined in the Joint Venture Contract), issuance of Borrower's business license, approval regarding access to the foreign exchange adjustment center or foreign exchange banks, and approvals referred to in Article 2.3(a) of the Joint Venture Contract;

(b) All registered capital and other loans required to be funded under the Joint Venture Contract by any party as of such date shall have been funded in full;

(c) Lender shall have received the Note, duly executed by Borrower, which shall be in full force and effect;

(d) Lender shall have received satisfactory evidence of the due authorization, execution and delivery of this Contract, the Note and each other document delivered in connection herewith or therewith by Borrower;

(e) Lender shall have received certified copies of all governmental approvals and filings required for the execution, delivery, performance and enforceability of this Contract, the Note and each other document delivered in connection herewith or therewith and such approvals and filings are in full force and effect;

(f) Each of the representations and warranties set forth in Section 5 shall be true and correct in all material respects;

(g) Borrower shall have performed in all material respects its obligations required to be performed under this Contract, the Note and all other documents delivered in connection herewith or therewith;

(h) All contracts referenced in the Joint Venture Contract including without limitation all Project Contracts (as defined in the Joint Venture Contract) and all other material contracts required in connection with the construction of the Project (as defined in the Power Purchase and Sale Contract) shall have been executed and delivered by all parties thereto and are in full force and effect;

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(i) Lender's independent engineer or, at the request of Lender, Borrower, shall have certified in a manner satisfactory to Lender that all applicable construction milestones as set forth in Exhibit B have been met;

(j) Borrower shall have purchased the insurance policies required by Lender and such policies shall be in full force and effect;

(k) Borrower shall have received from Jiaozuo Power Partners, L.P. evidence in form and substance satisfactory to Lender that Jiaozuo Power Partners, L.P. has committed to provide US Dollar loans needed for the Project; and

(l) Fifteen Banking Days prior to each requested date of borrowing, Borrower shall submit an application for borrowing to Lender in form and substance reasonably satisfactory to Lender. Each such application shall state the requested amount and date of the borrowing which date shall not be earlier than the relevant drawdown date specified in Exhibit B, shall be signed by Borrower and shall constitute a representation and warranty by Borrower that it is in compliance with all the conditions precedent set forth herein and a reaffirmation as of the requested drawdown date of all of Borrower's representations and warranties contained herein.

7. Covenants.

(a) Borrower shall at all times (i) preserve and maintain in full force and effect its existence as a cooperative joint venture under the laws of China, its qualification to do business in Henan Province, China and in each other jurisdiction in which the conduct of its business requires such qualification and (ii) obtain and maintain in full force and effect all governmental approvals required at any time in connection with the construction, maintenance, ownership or operation of the Facility (as defined in the Power Purchase and Sale Contract).

(b) Borrower shall (i) perform and observe all of its covenants and agreements contained in any project document relating to the Facility to which it is a party and (ii) maintain in full force and effect each of those project documents.

(c) Borrower shall comply, and shall ensure that the Facility is constructed and operated, with governmental requirements.

(d) Borrower shall promptly provide to Lender copies of Borrower's construction, operation and financial reports and other information relating to the construction or operation of the Facility.

(e) Borrower shall use the proceeds of the Loans solely for the purpose of financing the construction and start-up of the Facility and funding the working capital for the operation of Borrower.

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(f) Borrower shall notify Lender immediately of the occurrence of any Event of Default or of any event which would become an Event of Default with the passage of time or giving of notice or both.

(g) Borrower shall not, without the prior written consent of Lender, assign, sell, mortgage, encumber or otherwise transfer any interest in any assets of Borrower other than transfers in the ordinary course of its business that would not have a materially adverse effect on Borrower or the performance of its obligations hereunder.

8. Events of Default.

(a) Each of the following events and occurrences shall constitute an Event of Default under this Contract:

(i) any representation or warranty of Borrower proves to have been untrue when made or renewed;

(ii) Borrower fails to repay when due any principal amounts of the Loans, or Borrower fails to pay within three Banking Days after the date due any interest or fee payment, due pursuant to the terms of this Contract, the Note or any document delivered in connection herewith or therewith;

(iii) Borrower fails to perform or violates any other provision of this Contract (including without limitation the covenants), the Note or any document delivered in connection herewith or therewith, which continues unremedied for 30 days after notice thereof from Lender;

(iv) except as otherwise provided in clause (ii) above, Borrower fails to pay when due any indebtedness for which it is liable, contingently or otherwise, or any such indebtedness is accelerated or is required to be prepaid prior to the stated maturity thereof;

(v) any approval or permit required for the performance or enforceability of the obligations of Borrower under this Contract, the Note or any other document delivered in connection herewith or therewith expires or is not renewed upon expiration or is terminated or revoked or modified in any material respect;

(vi) any approval or permit required in connection with the Project expires or is not renewed upon expiration or is terminated or revoked or modified in any material respect;

(vii) any Project Contract is materially breached by a party thereto or such contract ceases to be in full force and effect;

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[*** Filed separately with the Commission pursuant to a request for confidential treatment.]

(viii) Borrower becomes insolvent or unable to pay its debts when due, or commits any act of bankruptcy including filing any petition in any bankruptcy, winding-up or reorganization proceeding, or acknowledges in writing its insolvency or inability to pay its debts, or any petition relating to bankruptcy is filed with respect to it by its creditors; or

(ix) One or more judgments aggregating at least US\$ 100,000 (or its equivalent) that is not covered by insurance is entered against Borrower and is not satisfied, vacated or bonded pending appeal within 60 days after entry.

(b) If an Event of Default shall occur and be continuing, Lender shall have no further obligation to make Loans to Borrower and Lender may by notice to Borrower declare all outstanding Loans and accrued interest thereon and other amounts payable hereunder to be immediately due and payable, whereupon all such amounts shall become forthwith due and payable without demand or notice of any kind and without the consent, decree or authorization of any governmental entity.

9. Intercreditor Arrangements.

Borrower and Lender each acknowledge that Borrower has also entered into a loan contract with AES China Power Holding Co. (L), Ltd. for a loan amount up to US\$ 68,584,000 (the "Other Loan Contract"). Borrower represents that all loans under the Other Loan Contract shall be made at an interest rate (including all fees and other charges) of equal to or less than[***]% per annum, and that the term of the Other Loan Contract shall be no shorter than ten years. The drawdown schedules for the Loans and the loans under the Other Loan Contract shall be determined by Borrower's Board of Directors. Any amounts due under this Loan Contract and the Other Loan Contract shall rank in equal priority. If Borrower has insufficient funds available to repay in full amounts due under the Loan Contract and the Other Loan Contract, such available funds shall be distributed pro rata on the basis of the total amount of loans outstanding under this Contract and under the Other Loan Contract, provided that at the time of such distribution Loans due to Lender under this Contract shall be computed on Renminbi cash basis and loans due to lender under the Other Loan Contract shall be calculated on US Dollar cash basis.

10. Entire Agreement; Amendments.

This Contract constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and may be amended only by an instrument in writing signed by the parties hereto.

11. Indemnity.

(a) Borrower shall pay all stamp duties in connection with this Contract, the Note and each other document delivered in connection herewith

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and therewith and shall reimburse Lender for any other cost, loss or damage (including without limitation any taxes excluding taxes imposed on the net income of Lender by the jurisdiction of its registration and other costs resulting from changes in law after the date hereof) incurred by Lender in connection with any Loan (including interest and fees), this Contract, the Note or any other document delivered in connection herewith or therewith.

(b) The indemnity provisions of this Section 11 shall survive the repayment of the Loans and the termination of this Contract.

12. Notice.

All notices hereunder shall be in writing and shall be either personally delivered, or transmitted by postage prepaid registered air mail, or by facsimile to the party addressed at the relevant address set forth above. Either party may change its address by notice to the other.

13. Governing Law.

This Contract shall be governed by and interpreted in accordance with the laws of the People's Republic of China.

14. Conciliation and Arbitration.

(a) Dispute Settlement. Except as otherwise provided in this Contract, the parties shall attempt to settle any dispute arising out of or in connection with this Contract through friendly consultation between themselves. Such consultation shall begin promptly after one party has delivered to the other party a written request for such consultations. If the parties do not reach an amicable solution within 30 days of receipt of such notice, either party may, with notice to the other party, submit the dispute for binding arbitration in Beijing, China, under the auspices of the China International Economic and Trade

Arbitration Commission ("CIETAC") in accordance with the CIETAC Arbitration Rules as in effect on the date of this Contract (except to the extent this Section 14 specifies different procedures, in which event such procedures shall govern the arbitration, including the selection of the arbitration panel). The parties agree that any dispute arising out of or in connection with this Contract shall be submitted exclusively to arbitration as provided in this Section 14. Any settlement and award rendered through such an arbitration proceeding shall be final and binding upon the parties if the decision is in writing and contains a reasoned analysis explaining the arbitrators' reasons for rendering the award. The parties agree that the arbitral award may be enforced against the parties or their assets wherever they may be found and that a judgment upon the arbitral award may be entered in any court having jurisdiction thereof. Accordingly, the parties irrevocably agree that any action to enforce such judgment may be instituted wherever appropriate and each party hereby irrevocably waives, to the fullest extent permitted by law, any objection which it may have now or hereafter to the laying of the venue or the jurisdiction or the convenience of the forum of any such

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action and irrevocably submits generally and unconditionally to the jurisdiction of any such court in any such action.

(b) Language. The arbitration shall be conducted in English and Chinese and the arbitration shall refer to the English and Chinese texts of this Contract.

(c) Arbitrators. There shall be three arbitrators. The parties shall each select one arbitrator within 30 days after giving or receiving the demand for arbitration. The two arbitrators selected by the parties shall select the third arbitrator. If a party does not appoint an arbitrator who has consented to participate within 30 days after the selection of the first arbitrator, the relevant appointment shall be made by the arbitrating body. The costs of the arbitration shall be borne by the parties as determined by the arbitration tribunal, taking into account the relative merits of the positions of the parties.

(d) Submission to Jurisdiction; Defenses. Each party is subject to civil and commercial law and irrevocably agrees that this Contract is a commercial rather than a public or governmental activity and neither party is entitled to claim immunity from legal proceedings with respect to itself or any of its assets on the grounds of sovereignty or otherwise under any law or in any jurisdiction where an action may be brought for the enforcement of any of the obligations arising under or relating to this Contract. To the extent that a party or any of its assets has or hereafter may acquire any right to immunity from any set-off, legal proceedings, attachment or execution of judgment on the grounds of sovereignty or otherwise, each party hereby irrevocably waives such right to immunity in respect of its obligations arising under or relating to this Contract.

(e) Continued Performance. The parties hereby agree to carry out their respective obligations under this Contract, including without limitation all

payment obligations, notwithstanding any pending dispute or controversy.

15. Banking Day Adjustment.

If the date on which a payment is due is not a Banking Day, such date shall be changed to the next succeeding Banking Day (or to the first preceding Banking Day if the next succeeding Banking Day is in another calendar month).

16. Information.

Borrower shall provide Lender with such information concerning the condition and operation of Borrower, financial or otherwise, as Lender may from time to time request.

17. Waiver; Cumulative Rights.

The failure or delay of Lender to require performance by Borrower of any provisions of this Contract shall not affect its right to require performance of

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such provision unless and until such performance has been waived in writing by Lender. Each and every right granted to Lender hereunder or under any other document delivered in connection herewith, or allowed to it at law or in equity, shall be cumulative and may be exercised in part or in whole from time to time.

18. Assignment.

This Contract shall be binding upon and shall be enforceable by Borrower and Lender and their respective successors and assigns, except that Borrower shall have no right to assign or transfer its rights or obligations hereunder.

19. Set-off.

Nothing herein contained shall limit the right of set-off, lender's lien or counterclaim which may be available to Lender under applicable law.

20. Severability.

If any one or more of the provisions contained in this Contract, the Note or any other document delivered in connection herewith shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein or therein shall not in any way be affected or impaired.

21. Counterparts.

This Contract may be signed in any number of counterparts. Any single counterpart or a set of counterparts signed, in either case, by both parties hereto shall constitute a full and original contract for all purposes.

22. Language.

This Contract shall be written and executed in both Chinese and English versions, each of which shall have equal force and effect.

23. Construction.

Unless otherwise stated, all references made in this Contract to "Sections" and "Exhibits" shall refer, respectively, to Sections of, and Exhibits to, this Contract. References herein to this Contract include the Exhibits hereto.

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IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have caused this Contract to be executed by their respective duly authorized signatories as of the day and year first written above.

BORROWER

JIAOZUO WAN FANG POWER COMPANY LIMITED

By: /s/ Edward C. Hall, III

Name:
Title:

LENDER

JIAOZUO ALUMINUM MILL

By: /s/ [SIGNATURE ILLEGIBLE]

Name:
Title:

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EXHIBIT A

FORM OF PROMISSORY NOTE

RMB (Yen) []

Date:

FOR VALUE RECEIVED, Jiaozuo Wan Fang Power Company Limited ("Borrower") hereby unconditionally promises to pay to the order of Jiaozuo Aluminum Mill ("Lender") at the account of Lender (no.) at , the principal sum of [amount of Loans in words] (RMB (Y) []) or, if less, the unpaid principal of the Loans made by Lender pursuant to the Loan Contract dated as of [] between Borrower and Lender (the "Loan Contract") in the amounts and at the times specified in the Loan Contract.

Borrower hereby promises also to pay interest on the unpaid principal amount of the Loans from the date such Loans are made until paid at the rates and at the times provided in the Loan Contract.

All payments of principal and interest under this Note shall be paid in the currency and at the place specified in the Loan Contract.

If Borrower fails to pay any sum payable under this Note when due, Borrower shall from time to time on demand pay interest on such sum from and including the due date to the date of actual payment (after as well as before judgment) at the rate provided in the Loan Contract.

If an Event of Default shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Loan Contract.

Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

Terms not otherwise defined in this Note have the same meaning herein as in the Loan Contract.

This Note shall be governed by and interpreted in accordance with the laws of the People's Republic of China.

JIAOZUO WAN FANG POWER COMPANY LIMITED

By:-----
Name:
Title:

EXHIBIT B

[TO BE DECIDED BY BORROWER'S BOARD OF DIRECTORS]

DRAWDOWN SCHEDULE

Date -----	Amount -----	Construction Milestone -----
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EXHIBIT C

AMORTIZATION SCHEDULE

TRANCHE A

TRANCHE B

Number	Date	Payment Amount
1	1-Jan-98	30% of Depreciation from 1997

Number	Date	Payment Amount (Percent of Principal Outstanding as of 2-Jan-98)
2	1-Apr-98	2.94
3	1-Jul-98	2.94%
4	1-Oct-98	2.94%
5	1-Jan-99	2.94%
6	1-Apr-99	2.94%
7	1-Jul-99	2.94%
8	1-Oct-99	2.94%
9	1-Jan-00	2.94%
10	1-Apr-00	2.94%
11	1-Jul-00	2.94%
12	1-Oct-00	2.94%
13	1-Jan-01	2.94%
14	1-Apr-01	2.94%
15	1-Jul-01	2.94%
16	1-Oct-01	2.94%
17	1-Jan-02	2.94%

Number	Date	Payment Amount (Percent of Principal Outstanding as of Unit 2 COD)
1	1-Jul-98	3.03%
2	1-Oct-98	3.03%
3	1-Jan-99	3.03%
4	1-Apr-99	3.03%
5	1-Jul-99	3.03%
6	1-Oct-99	3.03%
7	1-Jan-00	3.03%
8	1-Apr-00	3.03%
9	1-Jul-00	3.03%
10	1-Oct-00	3.03%
11	1-Jan-01	3.03%
12	1-Apr-01	3.03%
13	1-Jul-01	3.03%
14	1-Oct-01	3.03%
15	1-Jan-02	3.03%

18	1-Apr-02	2.94%	16	1-Apr-02	3.03%
19	1-Jul-02	2.94%	17	1-Jul-02	3.03%
20	1-Oct-02	2.94%	18	1-Oct-02	3.03%
21	1-Jan-03	2.94%	19	1-Jan-03	3.03%
22	1-Apr-03	2.94%	20	1-Apr-03	3.03%
23	1-Jul-03	2.94%	21	1-Jul-03	3.03%
24	1-Oct-03	2.94%	22	1-Oct-03	3.03%
25	1-Jan-04	2.94%	23	1-Jan-04	3.03%
26	1-Apr-04	2.94%	24	1-Apr-04	3.03%
27	1-Jul-04	2.94%	25	1-Jul-04	3.03%
28	1-Oct-04	2.94%	26	1-Oct-04	3.03%
29	1-Jan-05	2.94%	27	1-Jan-05	3.03%
30	1-Apr-05	2.94%	28	1-Apr-05	3.03%
31	1-Jul-05	2.94%	29	1-Jul-05	3.03%
32	1-Oct-05	2.94%	30	1-Oct-05	3.03%
33	1-Jan-06	2.94%	31	1-Jan-06	3.03%
34	1-Apr-06	2.94%	32	1-Apr-06	3.03%
35	1-Jul-06	2.94%	33	1-Jul-06	3.03%
		----			----
Total		100.00%	Total		100.00%

EXHIBIT D

LIST OF BORROWER'S DEBTS OF OVER RMB ONE MILLION EACH

Information contained herein, marked with [***], is being filed pursuant to a request for confidential treatment.

Exhibit 10.28

SHAREHOLDER LOAN CONTRACT

This SHAREHOLDER LOAN CONTRACT (this "Contract") is made and entered into as of April 26, 1996 by and between JIAOZUO WAN FANG POWER COMPANY LIMITED ("Borrower"), a Sino-foreign cooperative joint venture enterprise organized and existing under the laws of the People's Republic of China (Business License number is 00037-1) with its registered office in Jiaozuo City, Henan Province, China (telephone no: 391-329-3144) and AES CHINA POWER HOLDING CO. (L), LTD. ("Lender"), a Labuan company wholly-owned by AES China Generating Co. Ltd. (Company no: LL00460).

1. The Loans.

Subject to the terms and conditions of this Contract, Lender agrees to make to Borrower loans in an aggregate amount not to exceed US\$ 68,584,000 (including interest during construction as provided in Section 3 hereof) in accordance with the Joint Venture Contract dated as of March 27, 1996 between Jiaozuo Power Partners, L.P. and Jiaozuo Aluminum Mill (the "Joint Venture Contract") and based on the exchange rate of US\$ 1 to RMB 8.3, which loans will be divided into the Tranche A Loans to be used mostly for the first unit in an aggregate amount not to exceed US\$ 34,292,000 (the "Tranche A Loans") and the Tranche B Loans to be used mostly for the second unit in an aggregate amount not to exceed US\$ 34,292,000 (the "Tranche B Loans"; each such Tranche A or Tranche B Loan individually a "Loan" and collectively the "Loans") from time to time between April 26, 1996 and July 1, 1998 (the "Termination Date"). The Loans shall be evidenced by a promissory note of Borrower, substantially in the form of Exhibit A (the "Note"). Subject to the conditions set forth in Section 6, each Loan shall be made (a) in accordance with the drawdown schedule attached as Exhibit B and (b) on a day on which banks are authorized to open for business in New York, New York, the United States of America (a "Banking Day").

2. Maturity.

(a) Borrower shall repay the aggregate outstanding principal amount of the Loans in accordance with the amortization schedule attached as Exhibit C. In any event, Borrower shall repay such Loans in full by July 1, 2006. Borrower shall take all necessary actions to ensure that its cash on hand due to

depreciation may be used to repay the principal of the Loans and shall so use such available cash.

(b) Borrower shall have the right to prepay the Loans at any time or from time to time. Each of such optional prepayments shall be in an amount not less than US\$ 5 million and shall be made with at least six months prior written notice to Lender. A Loan prepaid may not be reborrowed. The prepayments of the Loans will be applied in inverse order of maturity to the then remaining installments of principal to become due as set forth in Exhibit C.

3. Interest and Fees.

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[***] Filed separately with the Commission pursuant to a request for confidential treatment.

(a) Borrower shall pay interest on the Loan(s) outstanding from time to time at the rate of [***]% per annum, which shall be computed on the basis of the actual number of days elapsed in a year of 360 days. Interest on the Tranche A Loans shall accrue until the Unit One Commercial Operation Date (as defined in the Power Purchase and Sale Contract dated as of April 26, 1996 between Borrower and the Henan Electric Power Corporation (the "Power Purchase and Sale Contract")) and be added to principal. Interest on the Tranche B Loans shall accrue until the Unit Two Commercial Operation Date (as defined in the Power Purchase Agreement) and be added to principal. Interest payments shall begin after the Unit One Commercial Operation Date in the case of the Tranche A Loans and after the Unit Two Commercial Operation Date in the case of the Tranche B Loans. Interest payments shall be payable quarterly in arrears on the first day of each January, April, July and October starting from the second such date to occur after the Unit One Commercial Operation Date in the case of the Tranche A Loans and after the Unit Two Commercial Operation Date in the case of the Tranche B Loans and on final maturity of the Loans (each such date, a "Payment Date"). Lender shall calculate and notify Borrower of the actual amount of each interest payment 15 days prior to each Payment Date.

(b) Borrower shall pay to Lender a guarantee fee of [***]% per annum on the Loan(s) outstanding, which shall be computed on the basis of the actual number of days elapsed in a year of 360 days. Such guarantee fee shall accrue until the Unit One Commercial Operation Date in the case of the Tranche A Loans or until the Unit Two Commercial Operation Date in the case of the Tranche B Loans and be added to the principal of the Loans. Payment of the guarantee fee shall begin after the Unit One Commercial Operation Date in the case of the Tranche A Loans or after the Unit Two Commercial Operation Date in the case of the Tranche B Loans and shall be payable quarterly in arrears on each Payment Date. Lender shall calculate and notify Borrower of the actual amount of each payment of the guarantee fee 15 days prior to each Payment Date.

(c) If Borrower fails to pay any sum payable under this Contract when due,

Borrower shall from time to time on demand pay interest on such sum from and including the due date to the date of actual payment (after as well as before judgment) at a per annum interest rate equal to [***]% above the interest rate specified in Section 3(a).

4. Method of Payment.

All sums, including all principal, interest and fees, payable to Lender shall be payable in US Dollars not later than 10:00 a.m. Beijing time on each Payment Date to the account of Lender (no. []) at [] Bank, or such other account within China as Lender notifies to Borrower.

5. Representations and Warranties.

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Borrower represents as of this date and the date each Loan is made that:

(a) Borrower is a Sino-foreign cooperative joint venture enterprise duly established and existing in good standing under the laws of the People's Republic of China;

(b) the execution, delivery and performance of this Contract, the Note and each other document delivered in connection herewith or therewith are within Borrower's power, have been duly authorized by all necessary legal action, and do not contravene any law or any contractual restriction binding on Borrower;

(c) this Contract is, and the Note and each other document delivered in connection herewith or therewith when executed will be, the legal, valid and binding obligations of Borrower, enforceable in accordance with their respective terms;

(d) all governmental approvals necessary for the execution of this Contract, the Note and each other document delivered in connection herewith or therewith have been obtained and all governmental approvals necessary for the performance and enforceability hereof and thereof shall have been obtained prior to and shall be in full force and effect on the date of each drawdown hereunder;

(e) the obligations of Borrower hereunder and under the Note and any other document executed in connection herewith or therewith constitute the direct, unconditional and general obligations of Borrower and the sum of all of Borrower's other indebtedness does not exceed RMB five million except the loans provided by other shareholders of Borrower in the amount of not exceeding RMB 243,963,000, the working capital loans or the list of debts of over RMB one million each specified in Appendix D hereto;

(f) Borrower is not in default under any agreement or obligation to which it is a party or by which it may be bound; and

(g) no Event of Default (as hereinafter defined), and no event which with the giving of notice or the passing of time, or both, would constitute an Event of Default, has occurred and is continuing.

6. Conditions Precedent.

The obligation of Lender to make each Loan hereunder is subject to the fulfillment, as determined solely by Lender, of the following conditions precedent at least three Banking Days prior to the proposed date of each drawdown of such Loan (except as otherwise indicated below) and the continued fulfillment of such conditions on the date of such drawdown:

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(a) All documents, licenses, approvals and permits required in connection with the establishment of Borrower as a Sino-foreign cooperative joint venture and the design, construction, ownership, operation and management of the Power Plant (as defined in the Power Purchase and Sale Contract) shall have been obtained and are in full force and effect; without limiting the generality of the foregoing, such approvals shall include approval by the Ministry of Foreign Trade and Economic Cooperation of China of the Joint Venture Contract and Borrower's Articles of Association, approval by the Henan Provincial Pricing Bureau of the pricing formula set forth in Appendix A to the Power Purchase and Sale Contract, approval by the relevant government department of the Land Use Rights (as defined in the Joint Venture Contract), approval by the relevant government department of the early return of the registered capital to the Foreign Party (as defined in the Joint Venture Contract), issuance of Borrower's business license, approval regarding access to the foreign exchange adjustment center or foreign exchange banks, and approvals referred to in Article 2.3(a) of the Joint Venture Contract;

(b) All registered capital and other loans required to be funded under the Joint Venture Contract by any party as of such date shall have been funded in full;

(c) Lender shall have received the Note, duly executed by Borrower, which shall be in full force and effect;

(d) Lender shall have received satisfactory evidence of the due authorization, execution and delivery of this Contract, the Note and each other document delivered in connection herewith or therewith by Borrower;

(e) Lender shall have received certified copies of all governmental approvals and filings required for the execution, delivery, performance and enforceability of this Contract, the Note and each other document delivered in connection herewith or therewith and such approvals and filings are in full force and effect;

(f) Each of the representations and warranties set forth in Section 5 shall be true and correct in all material respects;

(g) Borrower shall have performed in all material respects its obligations required to be performed under this Contract, the Note and all other documents delivered in connection herewith or therewith;

(h) All contracts referenced in the Joint Venture Contract including without limitation all Project Contracts (as defined in the Joint Venture Contract) and all other material contracts required in connection with the construction of the Project (as defined in the Power Purchase and Sale Contract) shall have been executed and delivered by all parties thereto and are in full force and effect;

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(i) Lender's independent engineer or, at the request of Lender, Borrower, shall have certified in a manner satisfactory to Lender that all applicable construction milestones as set forth in Exhibit B have been met;

(j) Borrower shall have purchased the insurance policies required by Lender and such policies shall be in full force and effect;

(k) Borrower shall have received from Jiaozuo Aluminum Mill evidence in form and substance satisfactory to Lender that Chinese banks have committed to provide Renminbi loans needed for the Project;

(l) Lender shall have received a favorable opinion of Zheng, Liu, Yuan & Zhou Law Office with respect to the transactions contemplated hereby and such other approvals, opinions and documents as Lender may reasonably request; and

(m) Fifteen Banking Days prior to each requested date of borrowing, Borrower shall submit an application for borrowing to Lender in form and substance reasonably satisfactory to Lender. Each such application shall state the requested amount and date of the borrowing which date shall not be earlier than the relevant drawdown date specified in Exhibit B, shall be signed by Borrower and shall constitute a representation and warranty by Borrower that it is in compliance with all the conditions precedent set forth herein and a reaffirmation as of the requested drawdown date of all of Borrower's representations and warranties contained herein.

7. Covenants.

(a) Borrower shall at all times (i) preserve and maintain in full force and effect its existence as a cooperative joint venture under the laws of China, its qualification to do business in Henan Province, China and in each other jurisdiction in which the conduct of its business requires such qualification and (ii) obtain and maintain in full force and effect all governmental approvals required at any time in connection with the construction,

maintenance, ownership or operation of the Facility (as defined in the Power Purchase and Sale Contract).

(b) Borrower shall (i) perform and observe all of its covenants and agreements contained in any Project Contract or any other document relating to the Facility to which it is a party and (ii) maintain in full force and effect each of those project documents.

(c) Borrower shall comply, and shall ensure that the Facility is constructed and operated, with governmental requirements.

(d) Borrower shall promptly provide to Lender copies of Borrower's construction, operation and financial reports and other information relating to the construction or operation of the Facility.

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(e) Borrower shall promptly register the Loans (no later than 15 days after the date hereof) with the State Administration of Exchange Control and obtain a registration certificate (the "Registration Certificate").

(f) Borrower shall use the proceeds of the Loans solely for the purpose of financing the construction and start-up of the Facility and funding the working capital for the operation of Borrower.

(g) Borrower shall notify Lender immediately of the occurrence of any Event of Default or of any event which would become an Event of Default with the passage of time or giving of notice or both.

(h) Borrower shall not, without the prior written consent of Lender, assign, sell, mortgage, encumber or otherwise transfer any interest in any assets of Borrower other than transfers in the ordinary course of its business that would not have a materially adverse effect on Borrower or the performance of its obligations hereunder.

(i) Prior to any due date for any repayment of the principal of and/or the payment of interest on the Loans, Borrower shall (A) use the Registration Certificate and the notice regarding such repayment and/or payment to obtain from the registration department a verification and approval certificate with respect to such repayment and/or payment; and (B) use such verification and approval certificate and the Registration Certificate to handle matters regarding the remittance from the foreign debt account of the principal of and interest on the Loans outside of China at the relevant bank.

(j) At the beginning of each year, Borrower shall submit to the local foreign exchange administration a report stating the amount of foreign currency purchased in the preceding year for the purpose of repaying the principal of and/ paying the interest on the Loans and a plan regarding the purchase of foreign currency for the current year.

8. Events of Default.

(a) Each of the following events and occurrences shall constitute an Event of Default under this Contract:

(i) any representation or warranty of Borrower proves to have been untrue when made or renewed;

(ii) Borrower fails to repay when due any principal amounts of the Loans, or Borrower fails to pay within three Banking Days after the date due any interest or fee payment, due pursuant to the terms of this Contract, the Note or any document delivered in connection herewith or therewith;

(iii) Borrower fails to perform or violates any other provision of this Contract (including without limitation the covenants), the Note or any

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[***] Filed separately with the Commission pursuant to a request for confidential treatment.

document delivered in connection herewith or therewith, which continues unremedied for 30 days after notice thereof from Lender;

(iv) except as otherwise provided in clause (ii) above, Borrower fails to pay when due any indebtedness for which it is liable, contingently or otherwise, or any such indebtedness is accelerated or is required to be prepaid prior to the stated maturity thereof;

(v) any approval or permit required for the performance or enforceability of the obligations of Borrower under this Contract, the Note or any other document delivered in connection herewith or therewith expires or is not renewed upon expiration or is terminated or revoked or modified in any material respect;

(vi) any approval or permit required in connection with the Project expires or is not renewed upon expiration or is terminated or revoked or modified in any material respect;

(vii) any Project Contract is materially breached by a party thereto or such contract ceases to be in full force and effect;

(viii) Borrower becomes insolvent or unable to pay its debts when due, or commits any act of bankruptcy including filing any petition in any bankruptcy, winding-up or reorganization proceeding, or acknowledges in writing its insolvency or inability to pay its debts, or any petition relating to bankruptcy is filed with respect to it by its creditors; or

(ix) One or more judgments aggregating at least US\$100,000 (or its equivalent) that is not covered by insurance is entered against Borrower and is not satisfied, vacated or bonded pending appeal within 60 days after entry.

(b) If an Event of Default shall occur and be continuing, Lender shall have no further obligation to make Loans to Borrower and Lender may by notice to Borrower declare all outstanding Loans and accrued interest thereon and other amounts payable hereunder to be immediately due and payable, whereupon all such amounts shall become forthwith due and payable without demand or notice of any kind and without the consent, decree or authorization of any governmental entity. In the event of an Event of Default, Lender shall also have the right to liquidate Borrower and its assets.

9. Intercreditor Arrangements.

Borrower and Lender each acknowledge that Borrower has also entered into a loan contract with Jiaozuo Aluminum Mill for a loan amount up to RMB 243,963,000 (the "Other Loan Contract"). Borrower represents that all loans under the Other Loan Contract shall be made at an interest rate (including all fees and other charges) of equal to or less than [***]% per cent per annum, and that the term of the Other Loan Contract shall be no shorter than eight years.

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The drawdown schedules for the Loans and the loans under the Other Loan Contract shall be determined by Borrower's Board of Directors. Any amounts due under this Loan Contract and the Other Loan Contract shall rank in equal priority. If Borrower has insufficient funds available to repay in full amounts due under the Loan Contract and the Other Loan Contract, such available funds shall be distributed pro rata on the basis of the total amount of loans outstanding under this Contract and under the Other Loan Contract, provided that at the time of such distribution Loans due to Lender under this Contract shall be computed on US Dollar cash basis and loans due to lender under the Other Loan Contract shall be calculated on Renminbi cash basis.

10. Entire Agreement; Amendments.

This Contract constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and may be amended only by an instrument in writing signed by the parties hereto.

11. Indemnity.

(a) Borrower shall pay all stamp duties in connection with this Contract, the Note and each other document delivered in connection herewith and therewith

and shall reimburse Lender for any other cost, loss or damage (including without limitation any taxes excluding taxes imposed on the net income of Lender by the jurisdiction of its registration and other costs resulting from changes in law after the date hereof) incurred by Lender in connection with any Loan (including interest and fees), this Contract, the Note or any other document delivered in connection herewith or therewith. The payment of such stamp duties by Borrower and the reimbursement by Borrower of such other cost, loss or damage (including taxes as stated above) shall be in addition to Borrower's obligation to pay interest as set forth in Sections 3 (a) and (c).

(b) Without limiting the generality of clause (a) above, if Borrower shall be obligated to withhold and pay any taxes required under the applicable laws of China or under any agreement between China and any country which has jurisdiction over Lender or Borrower, the interest rate hereunder shall be automatically and accordingly increased and Borrower shall make such additional interest payment so that the net amounts received by Lender after such withholding shall equal the amounts which would have been received by Lender had no such withholding been made.

(c) The indemnity provisions of this Section 11 shall survive the repayment of the Loans and the termination of this Contract.

12. Notice.

All notices hereunder shall be in writing and shall be either personally delivered, or transmitted by postage prepaid registered air mail, or by facsimile to the party addressed at the relevant address set forth above. Either party may change its address by notice to the other.

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13. Governing Law.

This Contract shall be governed by and interpreted in accordance with the laws of England without regard to the conflict of laws rules thereof.

14. Submission to Jurisdiction.

(a) Borrower hereby irrevocably consents that any legal action or proceeding against it or any of its assets with respect to any of the obligations arising under or relating to this Contract may be brought in any English court, as Lender may elect, and by execution and delivery of this Contract, Borrower hereby irrevocably submits to and accepts with regard to any such action or proceeding, for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts. Borrower hereby irrevocably designates, appoints and empowers AES Electric in England (address: Burleigh House, 17-19 Worple Way, Richard TW10 6AG, U.K.), as

its agent to receive for and on its behalf service of process in England in any legal action or proceeding with respect to this Contract, the Note or any other document delivered in connection herewith or therewith. The foregoing, however, shall not limit the rights of Lender to serve process in any other manner permitted by law or to bring any legal action or proceeding or to obtain execution of judgment in any jurisdiction, including without limitation the People's Republic of China.

(b) Borrower hereby waives any right it may have under the laws of any jurisdiction to commence by publication any legal action or proceeding with respect to this Contract, the Note or any other document delivered in connection herewith or therewith.

(c) Borrower hereby irrevocably waives any objection which it may now or hereafter have to the laying of the venue of any suit, action or proceeding arising out of or relating to this Contract, the Note or any other document delivered in connection herewith or therewith in England and hereby further irrevocably waives any claim that England is not a convenient forum for any such suit, action or proceeding.

15. Arbitration.

(a) Notwithstanding Section 14, Lender may, in its sole discretion, choose to submit any dispute arising out of or in connection with this Contract for binding arbitration in Stockholm, Sweden under the auspices of the International Chamber of Commerce in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce as in effect on the date of this Contract (except to the extent this Section 15 specifies different procedures in which event such procedures will govern the arbitration to the extent so specified). Lender may choose arbitration with respect to any dispute at any time either before or after any filing of any claim, action or proceeding with any court by either party, provided, however, that once Lender

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makes such a choice, the relevant dispute will be settled finally and exclusively by arbitration irrespective of (i) whether any claim, action or proceeding has already been commenced in any court, (ii) the magnitude of such dispute or (iii) whether such dispute would otherwise be considered justiciable or ripe for resolution by a court or arbitral tribunal. In the event that a claim, action or proceeding has already been commenced in a court when Lender chooses to submit the relevant dispute for arbitration, both parties hereto will immediately discontinue and withdraw the claim, action or proceeding from the court so that the dispute may be handled exclusively by arbitration. Once a dispute is submitted by Lender to arbitration, Borrower shall not have any right to file any claim, action or proceeding in any court in respect of such dispute or any matter relating to such dispute so that the dispute may be handled exclusively by arbitration. Any action by Lender to submit any dispute for arbitration shall not prevent Lender from bringing any claim, action or

proceeding in any court with respect to any other dispute. Borrower shall not have any right to submit any dispute to arbitration. Any settlement and award rendered through arbitration proceeding will be final and binding upon the parties hereto if the decision is in writing and contains a reasoned analysis explaining the arbitrators' reasons for rendering the award. This Contract and the rights and obligations of the parties hereto will remain in full force and effect pending the award in such arbitration proceeding, which award will determine whether and when termination of this Contract shall become effective.

(b) The arbitration will be conducted in English and Chinese.

(c) There will be three arbitrators. Each party will select one arbitrator within 30 days after Lender elects to commence arbitration. Such arbitrators will be freely selected, and the parties hereto will not be limited in their selection to any prescribed list. Within 30 days after the selection of the latter of the two arbitrators selected by the parties, the two arbitrators shall select the third arbitrator; if the two arbitrators do not select the third within such 30 day period, the arbitrating body will select the third arbitrator. If a party does not appoint an arbitrator who has consented to participate within 30 days after the selection of the first arbitrator, the relevant appointment will be made by the arbitrating body. The costs of the arbitration will be borne by the parties hereto as determined by the arbitration tribunal taking into account the relative merits of the positions of the parties.

(d) The parties hereto agree that the arbitral award may be enforced against the parties or their assets wherever they may be found and that a judgment upon the arbitral award may be entered in any court having jurisdiction thereof. Accordingly, the parties hereto irrevocably agree that any action to enforce such judgment may be instituted wherever appropriate and each party hereby irrevocably waives, to the fullest extent permitted by law, any objection which it may have now or hereafter to the laying of the venue or the jurisdiction or the convenience of the forum of any such action and irrevocably submits generally and unconditionally to the jurisdiction of any such court in any such action.

16. Banking Day Adjustment.

If the date on which a payment is due is not a Banking Day, such date shall be changed to the next succeeding Banking Day (or to the first preceding Banking Day if the next succeeding Banking Day is in another calendar month).

17. Information.

Borrower shall provide Lender with such information concerning the

condition and operation of Borrower, financial or otherwise, as Lender may from time to time request.

18. Waiver; Cumulative Rights.

The failure or delay of Lender to require performance by Borrower of any provisions of this Contract shall not affect its right to require performance of such provision unless and until such performance has been waived in writing by Lender. Each and every right granted to Lender hereunder or under any other document delivered in connection herewith, or allowed to it at law or in equity, shall be cumulative and may be exercised in part or in whole from time to time.

19. Assignment.

This Contract shall be binding upon and shall be enforceable by Borrower and Lender and their respective successors and assigns, except that Borrower shall have no right to assign or transfer its rights or obligations hereunder.

20. Set-Off.

Nothing herein contained shall limit the right of set-off, lender's lien or counterclaim which may be available to Lender under applicable law.

21. Severability.

If any or more of the provisions contained in this Contract, the Note or any other document delivered in connection herewith shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein or therein shall not in any way be affected or impaired.

22. Counterparts.

This Contract may be signed in any number of counterparts. Any single counterpart or a set of counterparts signed, in either case, by both parties hereto shall constitute a full and original contract for all purposes.

23. Language.

This Contract shall be written and executed in both Chinese and English versions, each of which shall have equal force and effect.

24. Construction.

Unless otherwise stated, all references made in this Contract to "Sections" and "Exhibits" shall refer, respectively, to Sections of, and Exhibits to, this Contract. References herein to this Contract include the Exhibits hereto.

25. Effectiveness

This Contract shall become effective upon the signing hereof and upon the registration of the Loans with the State Administration of Exchange Control.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have caused this Contract to be executed by their respective duly authorized signatories as of the day and year first written above.

BORROWER

JIAOZUO WAN FANG POWER COMPANY LIMITED

By: /s/ [SIGNATURE ILLEGIBLE]

Name:

Title:

LENDER

AES CHINA POWER HOLDING CO. (L), LTD.

By: /S/ Edward C. Hall, III

Name: Edward C. Hall, III

Title:

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EXHIBIT A

FORM OF PROMISSORY NOTE

US\$

Date:

FOR VALUE RECEIVED, Jiaozuo Wan Fang Power Company Limited ("Borrower") hereby unconditionally promises to pay to the order of AES China Power Holding Co. (L), Ltd. ("Lender") at the account of Lender (no. -----) at -----, the principal sum of [amount of Loans in words] (US\$ [-----]) or, if less, the unpaid principal of the Loans made by Lender pursuant to the Loan Contract dated as of [-----] between Borrower and Lender (the "Loan Contract") in the amounts and at the

times specified in the Loan Contract.

Borrower hereby promises also to pay interest on the unpaid principal amount of the Loans from the date such Loans are made until paid at the rates and at the times provided in the Loan Contract.

All payments of principal and interest under this Note shall be paid in the currency and at the place specified in the Loan Contract.

If Borrower fails to pay any sum payable under this Note when due, Borrower shall from time to time on demand pay interest on such sum from and including the due date to the date of actual payment (after as well as before judgment) at the rate provided in the Loan Contract.

If an Event of Default shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be due and payable in the manner and with the effect provided in the Loan Contract.

Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

Terms not otherwise defined in this Note have the same meaning herein as in the Loan Contract.

This Note shall be governed by and interpreted in accordance with the laws of England without regard to the conflict of laws rules thereof.

JIAOZUO WAN FANG POWER
COMPANY LIMITED

By:-----
Name:
Title:

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EXHIBIT B

DRAWDOWN SCHEDULE

[TO BE DETERMINED BY BORROWER'S BOARD OF DIRECTORS]

Date	Amount	Construction Milestone
----	-----	-----

EXHIBIT C

AMORTIZATION SCHEDULE

TRANCHE A

TRANCHE B

NUMBER DATE PAYMENT AMOUNT
1 1-Jan-98 70% of 1997 Deprecuaiton

 PAYMENT AMOUNT
 (PERCENT OF PRINCIPAL
 OUTSTANDING AS OF 2-JAN-98)

NUMBER DATE PAYMENT AMOUNT
2 1-Apr-98 0.21%
3 1-Jul-98 0.23%
4 1-Oct-98 0.26%
5 1-Jan-99 0.30%
6 1-Apr-99 0.34%
7 1-Jul-99 0.38%
8 1-Oct-99 0.43%
9 1-Jan-00 0.49%
10 1-Apr-00 0.55%
11 1-Jul-00 0.62%
12 1-Oct-00 0.70%
13 1-Jan-01 0.79%
14 1-Apr-01 0.90%
15 1-Jul-01 1.01%
16 1-Oct-01 1.15%
17 1-Jan-02 1.30%
18 1-Apr-02 1.46%
19 1-Jul-02 1.65%
20 1-Oct-02 1.87%
21 1-Jan-03 2.11%
22 1-Apr-03 2.39%
23 1-Jul-03 2.70%
24 1-Oct-03 3.05%
25 1-Jan-04 3.44%
26 1-Apr-04 3.89%
27 1-Jul-04 4.40%
28 1-Oct-04 4.97%

 PAYMENT AMOUNT
 (PERCENT OF PRINCIPAL
 OUTSTANDING AS OF
 UNIT 2 COD

NUMBER DATE PAYMENT AMOUNT
1 1-Jul-98 0.23%
2 1-Oct-98 0.26%
3 1-Jan-99 0.30%
4 1-Apr-99 0.34%
5 1-Jul-99 0.38%
6 1-Oct-99 0.43%
7 1-Jan-00 0.49%
8 1-Apr-00 0.55%
9 1-Jul-00 0.62%
10 1-Oct-00 0.70%
11 1-Jan-01 0.80%
12 1-Apr-01 0.90%
13 1-Jul-01 1.02%
14 1-Oct-01 1.15%
15 1-Jan-02 1.30%
16 1-Apr-02 1.47%
17 1-Jul-02 1.66%
18 1-Oct-02 1.87%
19 1-Jan-03 2.12%
20 1-Apr-03 2.39%
21 1-Jul-03 2.70%
22 1-Oct-03 3.05%
23 1-Jan-04 3.45%
24 1-Apr-04 3.90%
25 1-Jul-04 4.41%
26 1-Oct-04 4.98%

29	1-Jan-05	5.61%
30	1-Apr-05	6.34%
31	1-Jul-05	7.17%
32	1-Oct-05	8.10%
33	1-Jan-06	9.15%
34	1-Apr-06	10.34%
35	1-Jul-06	11.69%

Total		100.00%

27	1-Jan-05	5.63%
28	1-Apr-05	6.36%
29	1-Jul-05	7.18%
30	1-Oct-05	8.12%
31	1-Jan-06	9.17%
32	1-Apr-06	10.36%
33	1-Jul-06	11.71%

Total		100.00%

EXHIBIT D

LIST OF BORROWER'S DEBTS OF OVER RMB ONE MILLION EACH

Information contained herein, marked with [***], is being filed pursuant to a request for confidential treatment.

Exhibit 10.29

POWER PURCHASE AND SALE CONTRACT

BETWEEN

JIAOZUO WAN FANG POWER COMPANY LIMITED

AND

JIAOZUO ALUMINUM MILL

Dated as of April 26, 1996

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APPENDIX B	POINTS OF INTERCONNECTION
APPENDIX C	TECHNICAL LIMITS

(ii)

This Power Purchase and Sale Contract (this "Contract") is entered into as of April 26, 1996, by and between JIAOZUO ALUMINUM MILL ("Purchaser") and JIAOZUO WAN FANG POWER COMPANY LIMITED ("Seller").

RECITALS

A. Seller intends to construct, finance, own, manage, operate and maintain a coal-fired electric generating facility to be located in Jiaozuo City, Henan Province, China, consisting of two 125 megawatt coal-fired electric generating units.

B. Seller wishes to make available and sell and Purchaser desires to receive and purchase electricity from the Facility.

C. In consideration of the premises and of the mutual covenants and agreements set forth herein, the parties hereto, intending to be legally bound, hereby agree as follows:

AGREEMENT

SECTION 1

DEFINITIONS AND EXPLANATION OF TERMS

As used in this Contract (including the Appendices hereto), the following capitalized terms (in the English version hereof) and underlined terms (in the Chinese version hereof) shall have the meanings set forth below.

"Bankruptcy" means, with respect to a party, (i) a party makes a general assignment for the benefit of its creditors; (ii) a party takes any action for its winding-up or liquidation or for the appointment of a receiver, trustee or similar officer of it or of any of its revenues and assets; or (iii) a party consents to any of the actions described in clause (ii) being taken against it.

"Business Day" means any day on which Bank of China are open for business in Jiaozuo City, Henan Province, China.

"Change in Law" has the meaning given such term in Section 10.

"Commercial Operation Date" or "COD" means either or both of the Unit One COD and the Unit Two COD.

"Construction Contract" means the Contract for Engineering,

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Procurement and Construction Services to be entered into for the design, engineering and construction of the Facility.

"Coordination Committee" has the meaning given that term in Section 5.8.

"Dispatch Contract" has the meaning given that term in Section 3.

"Dollar" or "\$" means the lawful currency of the United States of America.

"Energy Payment" means the Energy Payment described in Appendix A.

"Facility" means the coal-fired electric generating facility to be constructed, financed, owned and operated by Seller and located in Jiaozuo City, Henan Province, China consisting of two coal boilers and two steam turbine generating units each with an expected capacity of approximately 125 megawatts and an aggregate expected capacity of approximately 250 megawatts as well as all associated fuel handling and transport and generation equipment and components.

"Facility Site" means that real property located in Jiaozuo City, Henan Province, China on which the Facility is to be located.

"Force Majeure" means any of the following events, which cause either or both of the parties to be unable to perform its or their obligations under this Contract: war, hostility, public disturbance, strikes, other labor disputes and work stoppages, failure or interruption of transportation or other utilities, epidemic, fire, flood, earthquake, storm, tidal wave or other acts of nature, and all other similar events beyond the control of the parties affected thereby.

"Governmental Instrumentality" means the government of the People's Republic of China or any province, municipality or other political subdivision, instrumentality, ministry, department, agency, court, authority, corporation which has authority to exercise governmental functions or commission under the direct or indirect control of any such body.

"Grid" means the power grid under the control of the Henan Electric Power Corporation.

"HEPC" means the Henan Electric Power Corporation.

"Joint Venture Contract" means the Cooperative Joint Venture Contract for the Jiaozuo Wan Fang Power Company Limited between Purchaser and Jiaozuo Power Partners, L.P.

"Minimum Take" means (i) for the period beginning on the Unit One Testing Date and ending on the date immediately preceding the Unit Two

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Testing Date, the kilowatt-hour amount equal to the product of (x) [**] kilowatts multiplied by (y) [**]% multiplied by (z) the number of hours in this period; (ii) for the period beginning on the Unit Two Testing Date (if such date is not the first day of a calendar year) and ending on the last day of the calendar year in which the Unit Two Testing Date occurs, the kilowatt-hour amount equal to the product of (x) [**] kilowatts multiplied by (y) [**]% multiplied by (z) the number of hours in this period; and (iii) for each calendar year thereafter, the kilowatt-hour amount equal to the product of (x) [**] hours multiplied by (y) [**] kilowatts, except that for the calendar year during which the expiration date of this Contract occurs (if such expiration date is not the last day of such calendar year), the Minimum Take means the kilowatt-hour amount equal to the product of (x) [**] kilowatts multiplied by (y) [**]% multiplied by (z) the number of hours in such calendar year prior to the expiration date; provided that Seller may adjust the Minimum Take for any year by adjusting the kilowatt numbers in clauses (i), (ii) and (iii) above so long as Seller notifies Purchaser in writing of such adjustment at least thirteen months before such adjustment takes effect. Purchaser may also request Seller to adjust the Minimum Take for any calendar year, provided that Purchaser makes such request at least thirteen months prior to the beginning of such calendar year.

"New Mill" means Purchaser's aluminum production facility located at Daiwang Zhen, Jiaozuo City, including the existing production lines with an annual capacity of 40,000 tons of aluminum and any new aluminum production lines to be added by Purchaser to such facility or any other facility.

"Old Mill" means Purchaser's aluminum production facility located in the city of Jiaozuo with an annual capacity of 13, 000 tons of aluminum.

"Permit" means any permit, license, approval, consent, waiver, authorization or other requirement required in connection with the Project from any Governmental Instrumentality under applicable laws or regulations.

"Permit Event" means (i) any Permit not being granted upon application having been duly made; (ii) any Permit ceasing to remain in full force and effect, or not being renewed upon application having been duly made or being renewed upon terms and conditions which are less favorable to Seller than those originally imposed; (iii) the attachment to any Permit subsequent to its grant of any terms or conditions which adversely affect any of Seller's rights or the performance by Seller of any of its obligations; or (iv) the requirement of any

Permit not required as of the date of this Contract.

"Points of Interconnection" means the physical points on the Facility Site as described in Appendix B at which interconnection is made between the Facility and Purchaser, such points being subject to the requirements set out in Appendix C.

"Power Purchase and Sale Contract" means the Power Purchase and Sale Contract between Seller and HEPC.

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"Project" means the Facility, the Facility Site, and all other equipment and property that may become part of either of the foregoing.

"Prudent Electrical Practices" means those codes, rules and regulations stipulated by the Ministry of Electric Power of the People's Republic of China or other relevant Governmental Instrumentality in respect of power plant operation and maintenance, control or other related matters. Where there are no such codes, rules and regulations, "Prudent Electrical Practices" means those practices that are generally accepted for use in the international electric utility industry and commonly used in safe and prudent electric utility engineering and operations to design, engineer, construct, test, operate and maintain equipment.

"Purchaser Energy Payment" means the Energy Payment per kilowatt hour described in Appendix A times the number of kilowatt hours delivered for the relevant period as measured pursuant to Section 9.

"Rated Capacity" means the capacity (expressed in kilowatts (kW)) of the two 125 megawatt units of the Facility to generate energy, as determined in a completed performance test conducted for each such unit prior to its COD in accordance with the test procedures contained in Appendix D.

"RMB" or "Renminbi" means the lawful currency of the People's Republic of China.

"Scheduled Outage" means a planned interruption of the Facility's generating capability that has been scheduled in advance and is for inspection, testing, preventive maintenance, repairs or replacement.

"Shortage Period" has the meaning given such term in Section 7.2.

"Technical Limits" means the limits and constraints relating to the operation and maintenance of the Facility, as described in Appendix C.

"Testing Date" means either or both of the Unit One Testing Date and the Unit Two Testing Date.

"Testing Period" means, for each unit of the Facility, the period

commencing on the date on which, in the opinion of Seller and as set forth in a certificate to be delivered by Seller to Purchaser, such unit is capable of producing energy for sale to Purchaser (whether or not Purchaser has completed construction of the interconnection described in Section 8.2) and ending on the Commercial Operation Date for such unit.

"Unit One Commercial Operation Date" or "Unit One COD" means the first date following the Testing Period for the first unit of the Facility to be completed on which such unit, in the opinion of Seller and as evidenced by the completion of a performance test during the Testing Period, is capable of producing and delivering, and does produce, energy for sale to Purchaser pursuant to the terms and conditions of this Contract, as set forth in a certificate to be delivered by Seller to Purchaser.

"Unit One Testing Date" means the date on which the Testing Period for the first unit of the Facility to be completed commences.

"Unit Two Commercial Operation Date" or "Unit Two COD" means the first date following the Testing Period for the second unit of the Facility to be completed on which such unit, in the opinion of Seller and as evidenced by the completion of a performance test during the Testing Period, is capable of producing and delivering, and does produce, energy for sale to Purchaser pursuant to the terms and conditions of this Contract, as set forth in a certificate

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[*** Filed separately with the Commission pursuant to a request for confidential treatment.]

to be delivered by Seller to Purchaser.

"Unit Two Testing Date" means the date on which the Testing Period for the second unit of the Facility to be completed commences.

"Unscheduled Outage" means any interruption of the Seller's generating capability that is not a Scheduled Outage except any interruption caused by Seller in bad faith which results in damages to Purchaser.

SECTION 2

TERM OF CONTRACT

This Contract shall become effective upon signing by the parties. Unless terminated pursuant to Section 13, this Contract shall continue in effect until the date that is [***] years after the Business License (as defined in the Joint Venture Contract) is issued to Seller (including [***] years of construction).

SECTION 3

CONDITIONS TO OBLIGATIONS

The obligations of Purchaser and Seller under this Contract are conditioned upon (i) execution by Seller and the HEPC of the Power Purchase and Sale Contract and of a mutually satisfactory dispatch and interconnection contract in respect of the Facility (the "Dispatch Contract") and (ii) receipt of all applicable approvals from all relevant Governmental Instrumentalities of the electricity pricing formula set forth in Appendix A and, if required, of this Contract, the Power Purchase and Sale Contract and the Dispatch Contract.

SECTION 4

SALE AND PURCHASE

4.1 (A) In accordance with the terms and conditions of this Contract, from

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and after the Unit One Testing Date, Seller agrees to sell, and Purchaser agrees to purchase, all of the New Mill's and, after the completion of the connecting lines between the Facility and the Old Mill, the Old Mill's electricity requirements from the Facility (whether such lines will be built shall be decided by Purchaser), provided, however, that (i) Seller shall not be obligated to provide at any time more than the capacity number (in kilowatts) used to calculate the Minimum Take; and (ii) Seller's obligations to sell energy to Purchaser are subject to Seller's obligations under the Power Purchase and Sale Contract. Purchaser may not purchase any electricity from any third party unless and only to the extent the Facility is unable to provide all of the New Mill's and, after the completion of the connecting lines between the Facility and the Old Mill, the Old Mill's electricity requirements. If Purchaser anticipates any material change in its demand for power, it shall notify Seller immediately. Upon written request by Purchaser, Seller may (but shall not be obligated to) adjust the capacity number (in kilowatts) used to calculate the Minimum Take. From and after the Unit One Testing Date, Purchaser shall pay Seller for energy by making Purchaser Energy Payments in accordance with (i) the Approval Reply Concerning the Method for Calculating the Price for the Electricity Sold to the Grid from Jiaozuo Wan Fang Power Company Limited (2x125MW Units) by the Henan Provincial Pricing Bureau (Yu Jia Gong Zi No. 088 (1998)) including its Appendix, Method for Calculating the Price for the Electricity Sold to the Grid from Jiaozuo Wan Fang Power Company Limited (attached hereto as Appendix A) and (ii) Section 11, provided that the price for energy sold hereunder shall be the same as the price for energy sold to HEPC pursuant to the Power Purchase and Sale Contract.

(B) The parties acknowledge that the minimum output of energy to be purchased by Purchaser during any period shall not be less than the Minimum

Take applicable to that period. If for any reason (except a Force Majeure event affecting Purchaser) Purchaser does not purchase the Minimum Take in any period, Purchaser shall nevertheless be obligated to make Purchaser Energy Payments to Seller in the amounts which would have been due had Purchaser purchased the Minimum Take in such period, i.e., Purchaser shall still pay the Purchaser Energy Payment in respect of the amount of such shortfall (assuming the Facility would have operated at full Rated Capacity), provided that such Purchaser Energy Payment shall not include any amounts in respect of the Fuel Charge (as defined in Appendix A). The amount of such payment shall be calculated and made within 30 days after the end of the relevant period. If during the course of any period it could be reasonably expected that Seller may have difficulty delivering the Minimum Take as a result of Force Majeure or Change in Law, Seller shall have the right to revise the power supply schedule already agreed to by Seller and Buyer so as to permit Seller to deliver as much energy as possible in order to achieve the Minimum Take.

(C) After the Unit Two Commercial Operation Date, Seller shall endeavor to provide power to Purchaser constantly throughout the year, subject to the Technical Limits, Prudent Electrical Practices and Seller's obligations under the Power Purchase and Sale Contract and the Dispatch Contract.

SECTION 5

OPERATION AND MAINTENANCE

5.1 Subject to the requirements in Section 4.1(A) and the Minimum Take requirements in Section 4.1(B), (i) on or prior to July 31 of each year, Purchaser shall provide Seller in writing with Purchaser's annual plan of power demand (in both kilowatts and kilowatt hours) for the following year, and Seller may, in consultation with Purchaser, modify such plan in writing on or prior to November 30 of each year; (ii) on or prior to the first day of March, June, September and December, Purchaser shall provide Seller in writing with Purchaser's quarterly plan of power demand (in both kilowatts and kilowatt hours) for the following quarter, and Seller may, in consultation with Purchaser, modify such plan in writing on or prior to the last day of March, June, September and December; and (iii) on or prior to the first day of each month, Purchaser shall provide Seller in writing with Purchaser's monthly plan of power demand (in both kilowatts and kilowatt hours) for the following month, and Seller may, in consultation with Purchaser, modify such plan in writing on or prior to the last day of each month.

5.2 Purchaser shall follow the plans (as modified by Seller) referred to in clause 5.1. If Purchaser plans or anticipates any change exceeding + or - 3% of such plans, Purchaser shall immediately submit a written application to Seller for such planned or anticipated change. Seller shall make reasonable efforts to satisfy Purchaser's application, having regard to, among other things, Purchaser's needs, the Technical Limits, Prudent Electrical Practices and

Seller's obligations under the Power Purchase and Sale Contract and the Dispatch Contract.

5.3 If there is any change in Purchaser's operation which has an unexpected material impact on Purchaser's power consumption, Purchaser shall immediately notify Seller of such change and shall coordinate with Seller with a view to minimizing any adverse effect of such change, provided, however, no such change shall in any way affect Purchaser's obligation to purchase the Minimum Take or its obligation to purchase all the New Mill's and, after the completion of the connecting lines between the Facility and the Old Mill, the Old Mill's electrical requirements from Seller as provided in Section 4.1(A).

5.4 Upon Seller's request, Purchaser shall provide daily, monthly and annual summary reports to Seller concerning Purchaser's operating condition and its power consumption.

5.5 If, due to any reason including any reason involving the Grid, Seller is unable to provide power in accordance with plans agreed upon by Seller and Purchaser, Seller shall immediately notify Purchaser in writing.

5.6 Seller shall cause the Facility to be operated and maintained in accordance with Prudent Electrical Practices and this Contract.

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5.7 Seller shall establish and provide to Purchaser a copy of the initial technical limits 30 days prior to the expected Unit One Testing Date and shall notify Purchaser immediately in writing of any change to the technical limits.

5.8 The parties shall establish a coordination committee (the "Coordination Committee"), consisting of two representatives from each party. Responsibilities of the Coordination Committee shall include coordination between the parties on such issues as the construction of the Facility, the connection of the Facility with Purchaser, Purchaser's power consumption plan and Seller's Scheduled Outages and Unscheduled Outages. The Coordination Committee shall meet on a regular basis. If either party notifies the other party that it wishes to hold a meeting of the Coordination Committee in addition to the regular meetings, the parties shall hold such a meeting as soon as practical.

SECTION 6

OUTAGES

6.1 Seller may schedule a Scheduled Outage at any time so long as Seller provides Purchaser with a 30 days prior written notice. In the event that a Scheduled Outage is caused by any action or omission of the Grid and it is not feasible to provide such 30 days prior written notice, Seller shall provide to Purchaser a written notice with respect to the Scheduled Outage as soon as practicable.

6.2 Seller shall provide Purchaser with an estimate of the nature, duration and scope of any Scheduled Outage.

6.3 As the need for any Unscheduled Outage is determined, Seller shall promptly provide Purchaser with an estimate of the nature, duration and scope of such outage. Seller will not be considered in default under this Contract as a result of any Unscheduled Outage.

6.4 After the Unit Two Testing Date, if an outage occurs with respect of both units of the Facility, Seller shall immediately notify Purchaser. Upon Purchaser's request, Seller shall apply to HEPC to provide power to Purchaser pursuant to agreement already reached between Purchaser and HEPC. In the event that HEPC agrees to provide power to Purchaser, Seller shall, pursuant to arrangements to be made between the parties hereto, transmit to Purchaser power purchased by Purchaser from HEPC by using Seller's connecting lines with the Grid. In the event that HEPC refuses to provide power to Purchaser, Seller shall not have any liability.

SECTION 7

EMERGENCIES

7.1 Seller shall provide Purchaser with a copy of the emergency procedure agreed to by Seller and HEPC for the Facility at least 30 days before

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the Unit One Testing Date.

7.2 Seller shall, during any period of shortage of energy that Purchaser sustains (a "Shortage Period"), at the request of Purchaser, use all reasonable efforts to supply such energy as the Facility is able to generate during such period within the Technical Limits and in accordance with Prudent Electrical Practices. If a Scheduled Outage would occur at the same time as a Shortage Period, Seller shall, upon the request of Purchaser, use all reasonable efforts to reschedule the Scheduled Outage or, if the Scheduled Outage has begun, restore energy production as soon as possible.

SECTION 8

INTERCONNECTION

8.1 Energy produced by Seller and sold to Purchaser pursuant to this Contract shall be made available and delivered by Seller to Purchaser at the Point of Interconnection.

8.2 Purchaser shall at its own expense design, construct, control, operate and own all interconnection equipment located beyond the Point of Interconnection. Such interconnection will be completed and capable of transmitting electricity at least 150 days prior to the Unit One Testing Date. The cost of additions or

changes to any of Purchaser's substations, transformers, transmission lines, or any other portions of Purchaser as a result of Purchaser's purchase of electricity under this Contract or other changes required by Purchaser shall be borne entirely by Purchaser. Purchaser shall not be liable for obtaining power to commission and energize the Facility.

8.3 Seller shall be responsible at its own expense for the engineering, design and construction of the interconnection from the Facility to the Point of Interconnection. Seller shall provide two Points of Interconnection 150 days prior to the Unit One Testing Date and a third Point of Interconnection 150 days prior to the Unit Two Testing Date. All these three points shall be hot stand-bys to one another.

8.4 Purchaser shall provide to Seller within 90 days after the execution of this Contract a report with respect to the level of harmonics produced by its rectifying equipment. If the level of harmonics exceeds that specified by the power industry, Purchaser shall purchase and install at its own cost needed harmonic filtering equipment. The harmonics content should comply with the Electrical Energy Quality and Public Grid's Harmonics promulgated by the State Technology Monitoring Bureau in 1993 or the latest applicable regulations on harmonics content.

8.5 As soon as the initial testing of the first unit of the Facility is completed, Purchaser shall, at its cost, change the 110 kV lines which supply power to Purchaser from the Grid at the time of the execution of this Contract over to the Point of Interconnection so that the Facility can supply power to Purchaser directly starting from the Unit One Testing Date. Such lines are further described in Appendix B.

SECTION 9

MEASUREMENT OF ELECTRIC ENERGY

9.1 All measurements of energy delivered by Seller to Purchaser shall be made at various outlet lines at the high-voltage side of the Point of Interconnection by suitable kilowatt and dual-direction active and reactive power kilowatt-hour meters. Seller shall install, own and operate two sets of meters in conformity with Purchaser's metering standards and operating procedures and Prudent Electrical Practices (except that Purchaser shall be responsible for reading the meters at midnight 12 o'clock on the last day of each month with representatives of Seller being present). Purchaser's representative shall sign a written statement of each meter reading at the time of reading the meters. One set of such meters will be the primary meters and the other set will be the back-up meters. Readings on the primary meters will be the measurement of energy delivered. Testing, calibrating and recalibrating of metering equipment will be in accordance with Prudent Electrical Practices and performed jointly by representatives of Purchaser and Seller under the supervision and direction of the electric energy measurement authority of Henan Province, China. Neither Seller nor Purchaser may change the metering facilities for the Facility without the consent of the other party.

9.2 If either party disputes a meter's accuracy or condition, it shall so advise the other party in writing. The other party shall, within 15 days after receiving such notice, advise the disputing party in writing as to its position concerning the meter's accuracy. If the parties are unable to resolve their disagreement, then they shall engage either the electric energy measurement authority of Henan Province, China or an unaffiliated, qualified third party to test the meter. Should the meter be found in good order and registering accurately (within the standard set forth in Section 9.4), the disputing party shall bear the cost of inspection; otherwise the cost shall be borne by the owner of the meter.

9.3 Seller agrees to repair and recalibrate any malfunctioning meter at its own expense as soon as reasonably possible.

9.4 If the primary meter used to measure energy fails to register, the back-up meter will be used to measure energy. If the difference in measurements made by the primary meter and the back-up meter exceeds 0.5 percent of the energy measured by the primary meter in any month, the meters shall be repaired and recalibrated and an adjustment shall be made correcting all measurements made by the inaccurate or defective meter for the amount of the inaccuracy in that month, in the following manner:

(A) As may be agreed upon by the parties, or

(B) In the event that the parties cannot agree on the amount of the adjustment necessary to correct the measurements made by any inaccurate or defective meter, the parties shall use the back-up meter, if installed and

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registering accurately, to determine the amount of such inaccuracy, provided, however, that such meter is tested in the same manner as the primary meter. In the event that the back-up meter is also found to be inaccurate by more than 0.5 percent, then the parties shall use the Purchaser's meter on the far end of the interconnection line, if such meter is believed by the parties to be operating properly, adjusted for reasonable line losses. In the event there is not agreement as to the accuracy of this set of meters, the parties shall estimate the amount of the necessary adjustment referring to operating data maintained in the Facility's control system.

(C) In the event the parties cannot agree on the actual period during which the inaccurate measurements were made, the period for which the measurements are to be adjusted shall be the last one-half of the period from the last previous test of the meter.

(D) To the extent the adjustment period covers a period of deliveries for which payment has already been made by Purchaser, Seller shall use the corrected measurements to recompute the amount due and Seller or Purchaser, as applicable, shall make up the difference between the paid and recomputed

amounts. Payment of such difference by the owing party shall be made not later than 30 days after such party receives notice of the amount due. If such payment is not made in full prior to the end of this 30-day period, a late fee will be payable by the owing party equal to 0.04% of such unpaid amount for each day in the first 60 days such amount remains unpaid and equal to 0.08% for each day thereafter. Any payment of such unpaid amounts shall be applied first to payment of the late payment interest charge and then to the principal amount outstanding.

SECTION 10

CHANGE IN LAW

If a Change in Law occurs which requires new capital expenditures for the Project, increases Seller's operating costs of the Project, imposes restrictions upon Seller's operation of the Project which deny Seller the full economic benefit of this Contract or interferes with Seller's performance of its obligations hereunder, the price of energy shall be adjusted and submitted for approval pursuant to the formula set forth in Appendix A so as to place Seller in the same economic position as if such Change in Law had not occurred. A certificate of Seller setting forth the basis for determination of such payment adjustment shall be delivered to Purchaser. As used herein, "Change in Law" shall mean any Permit Event, any change in any law, statute, ordinance, rule, regulation or Prudent Electrical Practices (including the adoption of any new law, statute, ordinance, rule, regulation or Prudent Electric Practices) or interpretation thereof by any Governmental Instrumentality from those in effect on the date of execution of this Contract, or any prohibition or acts by government or public

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agency which causes either or both of the parties to be unable to perform its or their obligations hereunder.

SECTION 11

METHOD OF PAYMENT

11.1 On or before the fifth Business Day of each calendar month beginning with the first full calendar month after the Unit One Testing Date, Seller shall submit to Purchaser a billing statement showing the amount payable by Purchaser hereunder as Purchaser Energy Payments, and the calculation thereof, with respect to the immediately preceding month. Purchaser shall pay such amounts within 20 calendar days after Purchaser's receipt of the billing statement. Payment shall be made by transfer to Seller's account in a bank to be designated by Seller.

11.2 Notwithstanding the foregoing, if a Purchaser Energy Payment is not paid in

full to Seller on or before the close of business on the date due, a late fee will be payable by Purchaser equal to 0.04% of such unpaid amount for each day in the first sixty days such amount remains unpaid or equal to 0.08% for each day thereafter. Any payments of such unpaid amount shall be applied first to payment of any late payment interest charge and then to the principal amount outstanding.

11.3 In the event Purchaser disputes all or any portion of any billing statement, Purchaser shall nevertheless pay the full amount when due and shall give written notice of the dispute to Seller. Such notice shall identify the disputed bill and contain a detailed statement of the amount and nature of the dispute. No adjustment shall be made for disputed amounts unless notice is given together with a detailed statement of the claim. A billing statement shall be deemed final and not subject to dispute by Purchaser if Purchaser has not delivered a notice disputing such billing statement within three months after Purchaser's receipt of such billing statement. Seller shall give prompt consideration to any dispute and shall notify Purchaser of its position within 30 days following receipt of Purchaser's written notice. If Seller shall not have responded to Purchaser within such 30 day period, Seller shall be deemed to have accepted Purchaser's position. Upon final determination of the correct amount and all necessary adjustments, any overpayment by Purchaser (together with interest thereon at a rate of 0.04% per day), shall be credited to Purchaser in the monthly billing statement next submitted to Purchaser.

11.4 All payments under this Contract shall be made in Renminbi.

SECTION 12

FORCE MAJEURE

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12.1 If a party is wholly or partially unable to perform its obligations arising under this Contract due to Force Majeure, the party claiming Force Majeure shall give the other party written notice describing the Force Majeure event together with a certificate stating that such party is wholly or partially unable to perform its obligations under this Contract as a result of such Force Majeure event.

12.2 If, as a result of Force Majeure, a party is rendered wholly or partially unable to perform its obligations under this Contract, that party shall be excused to the extent so affected; provided that:

(A) the suspension of performance shall be of no greater scope and of no longer duration than is required by the Force Majeure event;

(B) no obligations under this Contract which shall have arisen before the Force Majeure event shall be excused as a result of the Force Majeure

event;

(C) no obligations to make payment shall be excused as a result of the Force Majeure event; and

(D) the party claiming Force Majeure shall use its reasonable efforts to remedy its inability to perform.

SECTION 13

EVENTS OF DEFAULT

13.1 Purchaser may give a notice of termination of this Contract upon the occurrence and continuance of any of the following events of default:

(A) Bankruptcy of Seller;

(B) Seller abandons the Project for a period of 12 consecutive months;
or

(C) Seller fails to perform any of its material obligations under this Contract which continues unremedied for 30 days after notice from Purchaser (or if such failure cannot be remedied within 30 days, such longer period not to exceed six months as may be reasonably necessary to remedy such failure);

provided, however, that Purchaser may not terminate this Contract as a result of any event listed above which is caused directly or indirectly by any action or omission by Purchaser, HEPC, any Governmental Instrumentality or any entity party to a Project Contract (as defined in the Joint Venture Contract) (including breach by Purchaser of its obligations under this Contract, breach by HEPC of its obligations under the Power Purchase and Sale Contract and breach by the coal supplier of the coal supply contract for the Project).

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13.2 Seller may give a notice of termination of this Contract upon the occurrence and continuance of any of the following events of default:

(A) Bankruptcy of Purchaser;

(B) a Permit Event;

(C) any Governmental Instrumentality fails to perform or repudiates any of its obligations under any of the documents set forth in Section 3 or any Permit;

(D) any Governmental Instrumentality expropriates or threatens to expropriate Seller or any assets or rights of Seller or takes other action that

adversely affects the enjoyment by Seller of its rights, or the performance by Seller of any of its obligations under this Contract;

(E) Purchaser fails to pay when due any amount payable by Purchaser under this Contract;

(F) Purchaser fails to perform any of its material obligations (other than payment obligations referred to in clause (E) above) under this Contract which continues unremedied for 30 days after notice from Seller; or

(G) any Governmental Instrumentality imposes restrictions prohibiting or materially limiting Seller's or its principals' ability to repatriate profits or revenues from the Project outside China.

13.3 Any termination notice shall specify the event of default giving rise to the termination notice. Following the termination notice, the parties shall consult for a period of up to 90 days as to what steps shall be taken. At the expiration of the 90 day period and unless the parties shall have otherwise agreed or the event of default giving rise to the termination notice shall have been remedied, the party having given the termination notice may terminate this Contract by giving written notice to the other party, whereupon this Contract shall terminate on the date specified for termination in such notice.

13.4 In the event of any breach or default under this Contract other than a default referred to in Section 13.1, Purchaser shall not be relieved of any of its liabilities or obligations hereunder, including its obligation to make Purchaser Energy Payments whether becoming due before or after such breach or default and to pay any past due amounts.

13.5 Nothing in this Section 13 shall preclude Seller from exercising its rights under Section 10, if applicable, or any other rights or remedies hereunder. The rights upon default provided herein are cumulative and not exclusive of any other rights upon default available under Chinese law; provided that neither party shall have any right to terminate this Contract except as expressly provided in this Section 13.

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SECTION 14

WAIVER

Failure by either party to exercise any of its rights under this Contract shall not constitute a waiver of such rights. Neither party shall be deemed to have waived any right resulting from any failure to perform by the other party unless it has made such waiver specifically in writing.

SECTION 15

CONCILIATION AND ARBITRATION

15.1 Dispute Settlement. Except as otherwise provided in this Contract, the parties shall attempt to settle any dispute arising out of or in connection with this Contract through friendly consultation between themselves. Such consultation shall begin promptly after one party has delivered to the other party a written request for such consultations. If the parties do not reach an amicable solution within 30 days of receipt of such notice, either party may, with notice to the other party, submit the dispute for binding arbitration in Beijing, China, under the auspices of the China International Economic and Trade Arbitration Commission ("CIETAC") in accordance with the CIETAC Arbitration Rules as in effect on the date of this Contract (except to the extent this Section 15 specifies different procedures, in which event such procedures shall govern the arbitration, including the selection of the arbitration panel). The parties agree that any dispute arising out of or in connection with this Contract shall be submitted exclusively to arbitration as provided in this Section 15. Any settlement and award rendered through such an arbitration proceeding shall be final and binding upon the parties if the decision is in writing and contains a reasoned analysis explaining the arbitrators' reasons for rendering the award. The parties agree that the arbitral award may be enforced against the parties or their assets wherever they may be found and that a judgment upon the arbitral award may be entered in any court having jurisdiction thereof. Accordingly, the parties irrevocably agree that any action to enforce such judgment may be instituted wherever appropriate and each party hereby irrevocably waives, to the fullest extent permitted by law, any objection which it may have now or hereafter to the laying of the venue or the jurisdiction or the convenience of the forum of any such action and irrevocably submits generally and unconditionally to the jurisdiction of any such court in any such action.

15.2 Language. The arbitration shall be conducted in English and Chinese and the arbitration shall refer to the English and Chinese texts of this Contract.

15.3 Arbitrators. There shall be three arbitrators. The parties shall each select one arbitrator within 30 days after giving or receiving the demand for arbitration. The two arbitrators selected by the parties shall select the third arbitrator. If a party does not appoint an arbitrator who has consented to

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participate within 30 days after the selection of the first arbitrator, the relevant appointment shall be made by the arbitrating body. The costs of the arbitration shall be borne by the parties as determined by the arbitration tribunal, taking into account the relative merits of the positions of the parties.

15.4 Submission to Jurisdiction; Defenses. Each party is subject to civil and commercial law and irrevocably agrees that this Contract is a commercial rather

than a public or governmental activity and neither party is entitled to claim immunity from legal proceedings with respect to itself or any of its assets on the grounds of sovereignty or otherwise under any law or in any jurisdiction where an action may be brought for the enforcement of any of the obligations arising under or relating to this Contract. To the extent that a party or any of its assets has or hereafter may acquire any right to immunity from any set-off, legal proceedings, attachment or execution of judgment on the grounds of sovereignty or otherwise, each party hereby irrevocably waives such right to immunity in respect of its obligations arising under or relating to this Contract.

15.5 Continued Performance. The parties hereby agree to carry out their respective obligations under this Contract, including without limitation all payment obligations, notwithstanding any pending dispute or controversy.

SECTION 16

REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

16.1 Seller represents and warrants as follows:

(A) it is a Sino-foreign cooperative joint venture duly organized and existing under the laws of the People's Republic of China;

(B) it has full legal right, power and authority to execute, deliver and perform this Contract and the contracts and documents referred to in this Contract to which it is a party;

(C) it has taken all appropriate and necessary action to authorize the execution, delivery and performance of this Contract and the contracts and documents referred to in this Contract to which it is a party; and

(D) it has obtained all consents, approvals and authorizations necessary for the valid execution, delivery and performance of this Contract and the contracts and documents referred to in this Contract to which it is a party, provided, however, that Appendix A to this Contract is subject to the approval of the relevant price authorities before this Contract shall become effective.

16.2 Purchaser represents and warrants as follows:

(A) it is a Chinese enterprise duly organized and existing under the laws of the People's Republic of China;

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(B) it has full legal right, power and authority to execute, deliver and perform this Contract and the contracts and documents referred to in this Contract to which it is a party;

(C) it has taken all appropriate and necessary action to authorize the execution, delivery and performance of this Contract and the contracts and documents referred to in this Contract to which it is a party; and

(D) it has obtained all consents, approvals and authorizations necessary for the valid execution, delivery and performance of this Contract and the contracts and documents referred to in this Contract to which it is a party, provided, however, that Appendix A to this Contract is subject to the approval of the relevant price authorities before this Contract shall become effective.

16.3 If from time to time a financial institution which is proposing to extend loan facilities or credit support to Seller reasonably requests any financial or other information, Purchaser will promptly provide such information.

SECTION 17

LIABILITY OF PARTIES

17.1 Seller shall indemnify Purchaser and its officers, principals, directors, agents and employees from and against all direct damages to the extent arising from third party claims and losses for damage to property or injury to or death of persons arising from the negligence, bad faith or willful misconduct of Seller or its officers, principals, directors, agents or employees in connection with the performance of Seller's duties under this Contract or Seller's breach of this Contract. Such indemnity shall not apply to the extent that any claims or losses are caused by or arise out of any intentional or negligent act or omission, bad faith or willful misconduct by Purchaser or its officers, principals, directors, employees or agents.

17.2 Purchaser shall indemnify Seller and its principals, officers, directors, employees and agents from and against all direct damages to the extent arising from third party claims and losses for damage to property or injury to or death of persons arising from the negligence, bad faith or willful misconduct of Purchaser or its officers, principals, directors, employees or agents in connection with the performance of Purchaser's duties under this Contract or Purchaser's breach of this Contract. Such indemnity shall not apply to the extent that any claims or losses are caused by or arise out of any intentional or negligent act or omission, bad faith or willful misconduct by Seller or its principals, officers, directors, employees or agents.

17.3 Neither party nor its officers, principals, directors, employees or agents shall be liable to the other party or its officers, principals, directors, employees or agents for claims for incidental, consequential or indirect

connected with or resulting from performance or non-performance under this Contract.

SECTION 18

ASSIGNMENT

Assignments by either party of this Contract shall require the consent of the other party, provided, however, such consent shall not be unreasonably withheld.

SECTION 19

AMENDMENT OF CONTRACT

This Contract may be amended or modified only by an instrument in writing signed by both parties.

SECTION 20

LANGUAGE

This Contract will be executed in four counterparts in both Chinese and English versions. Each version shall be of equal force and effect.

SECTION 21

NOTICES

Any notice required or permitted to be given hereunder shall be in writing and shall be (i) personally delivered, (ii) transmitted by postage prepaid registered mail (airmail if international), (iii) transmitted by internationally recognized courier service, or (iv) transmitted by facsimile to the parties as follows, as elected by the party giving such notice:

(A) In the case of Purchaser, to:

Jiaozuo Aluminum Mill
160 Tanan Road
Jiaozuo
Henan
China

Attention: Mr. Jin Bao Qing

Facsimile No.: (86-391) 393-3739

Telephone No.: (86-391) 393-3993

In the case of Seller, to:

(B) In the case of Seller, to:

Jiaozuo Wan Fang Power Company Limited
Daiwang Zhen, Jiaozuo
Henan, China

Attention:

Facsimile No.:

Telephone No.: 391-329-3144

and

AES China Generating Co., Ltd.
9/F, Allied Capital Resources Building
32-38 Ice House Street
Central, Hong Kong

Attention: Paul Hanrahan

Facsimile No.: 852-2530-1673

Telephone No.: 852-2842-5111

Except as otherwise specified herein, all notices and other communications shall be deemed to have been duly given on (i) the date of receipt if delivered personally, (ii) 7 days after the date of posting if transmitted by mail, (iii) 3 days after delivery to the courier if transmitted by courier, or (iv) the date of transmission with confirmed answer back if transmitted by facsimile, whichever shall first occur. Any party may change its address for purposes hereof by notice to the other party. All notices hereunder shall be in English and Chinese.

SECTION 22

APPLICABLE LAW

This Contract shall be governed by and construed in accordance with the laws of the People's Republic of China.

SECTION 23

SEVERABILITY

The invalidity of any provision or portion of this Contract will not affect the validity of the remainder of this Contract.

SECTION 24

ENTIRE AGREEMENT

This Contract contains the complete agreement between the parties with respect to the matters contained herein and supersedes all other agreements, whether written or oral, with respect to the matters contained herein.

SECTION 25

NO THIRD PARTY BENEFICIARIES

Except as otherwise expressly stated herein, this Contract is intended to be solely for the benefit of Purchaser and Seller and their respective successors and permitted assigns and is not intended to and shall not confer any rights or benefits on any third party not a signatory hereto.

SECTION 26

CONSTRUCTION

Unless otherwise stated, all references made in this Contract to "Sections" and "Appendices" shall refer, respectively, to Sections of, and Appendices to, this Contract. References herein to this Contract include the Appendices hereto. References herein to "month" and "year" shall mean calendar month and calendar year, respectively, unless otherwise specified.

IN WITNESS WHEREOF, the parties, intending to be legally bound, have caused this Contract to be executed by their duly authorized representatives as of the day and year written above.

JIAOZUO WAN FANG POWER COMPANY LIMITED

By: /s/ Edward C. Hall, III

Name:
Title:

JIAOZUO ALUMINUM MILL

By: /s/ [SIGNATURE ILLEGIBLE]

Name:
Title:

APPENDIX A

Unless otherwise defined herein, capitalized terms (in the English version hereof) and underlined terms (in the Chinese version hereof) used but not defined in this Appendix A shall have the same meanings set forth in the Power Purchase and Sale Contract to which this Appendix A is attached.

Energy Payment ("SP") shall be expressed in RMB per kilowatt hour. For each Base Output Period, as herein defined, the Energy Payment shall be calculated annually on the date which is 60 days prior to the end of each Calendar Year and shall be in accordance with the following formula:

$$SP = (PC + FC + EC + QC + TC) \times [1 + VAT \text{ Rate} \times (1 + OT \text{ Rate})]$$

(1) "PC" is the Unit Production Charge which shall be expressed in RMB per kilowatt hour and shall be calculated pursuant to the following formula:

$$PC = \text{RMB Operation and Maintenance Costs} + (\$ \text{ Operation and Maintenance Costs} \times \text{Conversion Factor})$$

Base Output

$$+ \frac{\text{Annual Depreciation Amount} + \text{Fuel Expenses}}{\text{Base Output}}$$

Base Output

Where:

The Unit Production Charge does not include VAT credit.

"Operation and Maintenance Costs" shall be, for each period referred to in the definition of Base Output below (each such period, a "Base Output Period"), all RMB and Dollar operation and maintenance costs of the Project for such period and shall include, without limitation, all costs of salaries, wages and benefits for the Chinese and foreign employees (including trade union contributions and relevant allocations not covered in After Tax Enterprise Profit Retention), management (including the management of Seller), maintenance, water, ash disposal, materials, dispatch service fee, environmental compliance, insurance premiums, land use, administration, ratable funding for major maintenance overhauls, interest on working capital, costs associated with the exchange of RMB for Dollars, and amortization of deferred expenses*. All costs will include estimates of price escalation for the applicable period.

Operation and Maintenance Costs will be separated into costs budgeted to be actually incurred and payable in RMB (RMB Operation and Maintenance Costs) and

in Dollars (\$ Operation and Maintenance Costs) to be used in the formula for the Unit Production Charge.

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* Deferred expenses will include costs to establish Seller, etc.

"Fuel Expenses" shall be, for each Base Output Period, budgeted amounts for all fuel costs, including all costs of fuel supply, transportation, exchange and storage, necessary for the Facility to produce the Base Output. All costs will include estimates of price escalation for the applicable period. The budgets for Fuel Expenses will include assumptions of the coal price per ton, the plant average consumption rate (in grams/kWh), coal quality and heat content and assumptions of the oil price per ton, oil quality and heat content and the annual oil consumption determined by the number of annual unit starts and other operations requiring oil.

"Annual Depreciation Amount" =

(Fixed Asset Total Book Value) x Classified Depreciation Rate;

Where:

"Fixed Asset Total Book Value" equals the total project cost to complete the Project including all compensation made in accordance with the construction contracts, construction management costs, any taxes or fees imposed on the Project, working capital, debt service reserves and all development fees unanimously agreed to by the investors in Seller. Also included in the total Project cost which is required for the completion of Project construction will be the interest accrued on all debt during construction and other relevant expenses.

"Classified Depreciation Rate" shall mean the depreciation rate determined according to the classified service life provided in the relevant document.

"Base Output" shall mean (i) for the period beginning on the Unit One Testing Date and ending on the date immediately preceding the Unit Two Testing Date, the kilowatt-hour amount equal to the product of the Rated Capacity of the first unit of the Facility multiplied by [***] % multiplied by the number of hours in this period; (ii) for the period beginning on the Unit Two Testing Date (if such date is not the first day of a calendar year) and ending on the last day of the calendar year in which the Unit Two Testing Date occurs, the kilowatt-hour amount equal to the product of the Rated Capacity of the two units of the

Facility multiplied by [***] % multiplied by the number of hours in this period; and (iii) for each calendar year thereafter, the kilowatt-hour amount equal to the product of the Rated Capacity of the two units of the Facility multiplied by [***] hours, except that for the calendar year during which the expiration date of the Power Purchase and Sale Contract occurs (if such expiration date is not the last day of such calendar year), the Base Output shall be the kilowatt-hour amount equal to the product of the Rated Capacity of the two units of the Facility multiplied by [***] % multiplied by the number of hours in such calendar year prior to the expiration date.

"Conversion Factor" shall equal

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$$\text{Average Conversion Rate}(m) \times \left[1 + \frac{(\text{Average Conversion Rate}(t) - \text{Average Conversion Rate}(m - 1))}{\text{Average Conversion Rate}(m - 1)} \right]$$

where:

- (m) shall mean the 30 day period immediately preceding the date of calculation
- (t) shall mean the 12 month period immediately prior to the date of calculation
- (m - 1) shall mean the 30 day period immediately preceding the 12 month period prior to the date of calculation

"Average Conversion Rate" shall equal the average of the Conversion Rate for each day over the applicable period.

"Conversion Rate" shall mean the closing selling exchange rate of Renminbi for Dollars published by the People's Bank of China (or any successor entity publishing such rate).

At such time as the Renminbi is freely convertible and an international market based forward rate is available, the Conversion Factor shall be set equal to such quoted forward exchange rate of Renminbi for Dollars which is six months from the beginning of each Base Output Period.

(2) "FC" is the Unit Profit Charge Before Tax which shall be expressed in RMB per kilowatt hour and shall be calculated pursuant to the following formula:

$$FC = \frac{\text{Unit Profit}}{\text{-----}}$$

$$\text{Unit Profit} = \frac{(\text{Foreign Party's Annual Profit} \times \text{Conversion Factor})}{\text{Base Output}} + \frac{\text{Chinese Party's Annual Profit}}{\text{Base Output}} +$$

$$\frac{(\text{Annual \$ Debt Service Payment} \times \text{Conversion Factor}) + \text{Annual RMB Debt Service Payment}}{\text{Base Output}} +$$

$$\frac{\text{Annual Depreciation Loan Repayment}}{\text{Base Output}} + \frac{\text{After Tax Enterprise Profit Retention}}{\text{Base Output}}$$

Where:

"Annual Profit" shall be the annual amounts listed on Exhibit A-1 which have been calculated to yield a projected [***] % financial internal rate of return on registered capital over the joint venture term of Seller.

"Registered Capital Contribution" shall be equal to the total registered capital, denominated in RMB, provided by Seller's joint venture partners through the Unit Two Commercial Operation Date.

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"Annual \$ Debt Service Payment" shall be an annual Dollar payment in an amount equal to the annual amount required to pay all principal on the Dollar denominated debt financing for the Project.

"Annual RMB Debt Service Payment" shall be an annual RMB payment in an amount equal to the annual amount required to pay all principal on the RMB denominated debt financing for the Project.

"After Tax Enterprise Profit Retention" shall be all amounts required pursuant to law to be set aside by Seller from the after-tax profits of the Project deposited in the Reserve Fund, Enterprise Development Fund and the Bonus and Welfare Fund for Staff and Workers, and any other similar funds required to be set up and funded by any other government entity in the future. After Tax Enterprise Profit Retention for each annual period shall be determined for each Base Output Period based on the amount of after-tax profits estimated by Seller for each such year.

"Income Tax Rate" shall be the actual percentage tax rate that will be applied to Seller in the Base Output Period.

"Annual Depreciation Loan Repayment" shall equal that portion of the annual depreciation fund which is used to pay the principal of the debt.

(3) "OT Rate" is the Other Tax Rate which shall be the rate payable in respect of any taxes that Seller is obligated to pay other than VAT on production sales. Details of this component would be established upon the introduction of those new taxes. **

* Purchaser recognizes that the intent of this provision is to cause the Energy Payment to Seller to be adjusted so that the net amount received after payment of all taxes and fees other than VAT equals the net amount that would have been received had the taxes and fees not been imposed.

(4) "VAT Rate" shall be the actual VAT rate applicable to Seller's sales revenues at Base Output.

(5) "EC" is the Unit Financial Charge which shall be expressed in RMB per kilowatt hour and shall be calculated pursuant to the following formula:

$$\text{EC} = \frac{\text{Financial Expenses}}{\text{Base Output}}$$

"Financial Expenses" shall mean, during the operation period of the Project, the interest of the loan for the construction of, and expenses incurred in financing the operations of the Project, projected on an annual basis. Financial Expenses related to the Dollar debt shall include interest, related fees and withholding taxes

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(grossed up for taxes payable by Seller) imposed pursuant to relevant Chinese regulations on the Dollar denominated debt financing for the Project multiplied by Conversion Factor, that is:

Financial Expenses related to the \$ Debt Financing x Conversion Factor

RMB Financial Expenses shall include interest and related fees on RMB denominated debt financing for the Project.

(6) "QC" is the Unit Net Non-Business Expenditures which shall be expressed

in RMB per kilowatt hour and shall be calculated pursuant to the following formula:

$$QC = \frac{\text{Non-Business Expenditures} - \text{Non-Business Income}}{\text{Base Output}}$$

"Non-Business Expenditures" and "Non-Business Income" mean the amount of expenditures and income, respectively, of Seller which have no direct relation to the operation of the Project.

(7) The Unit True-Up Charge ("TC") shall be expressed in RMB per kilowatt hour and shall be calculated pursuant to the following formula:

$$TC = \frac{\text{Cost Recovery Balance at the Time of Price Calculation X} (1 + \text{True-up Charge Interest Rate}/2)}{\text{Base Output}}$$

Where:

"Cost Recovery Balance" for any given month, shall be equal to Cost Recovery Balance for the previous month x (1 + True-up Charge Interest Rate/12)

+ Cost Recovery for the month

- Cost Recovery Balance that has been absorbed in the Energy Payment, pursuant to a power price adjustment provided in this section.

"True-up Charge Interest Rate" shall equal [***] % per annum.

"Cost Recovery" shall equal the difference between the total sum of the actual costs and the total sum of the budgeted costs of all of the components contained in this price formula, which reflects economic changes in the underlying assumptions contained in the price formula. Factors which affect components in this price formula include, but are not limited to: (i) fuel price changes affecting Fuel Expenses; (ii) raw material price changes affecting Operation and Maintenance Costs; (iii) changes in the Conversion Rate affecting the Conversion Factor; (iv) changes to the type or rate of taxes affecting the Other Tax Rate, Income Tax Rate or VAT Rate, (v) changes in various funds which Seller is

required to maintain affecting After Tax Enterprise Profit Retention; (vi) policy-related changes in expenditures (including a Change in Law) affecting any of the price formula components; and (vii) any other costs not within the control of Seller (except for increased costs due solely to operations in excess of the Base Output).

References in this Appendix A to annual periods shall be deemed to refer to the actual length of the relevant Base Output Period.

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APPENDIX A1
PROFIT

Chinese Party Registered Capital	132,911 (000 RMB)
Foreign Party Registered Capital	37,364 (000 USD)
Registered Capital Contribution Date	1-Jun-96
Commercial Operation Date	1-Jan-98
Return on Investment During Construction =	

Registered Capital Contributed X ([***] ^L)

Where: L equals the number of years of construction

Annual Profit = (Registered Capital contributed + Return on Investment During Construction) x IRR Factor

Where:

$$\text{IRR FACTOR} = \sum_{n=1}^{20} \frac{1}{(1 + [***])^n}$$

Foreign Party Annual Profit
Year Amount (000 USD)

Chinese Party Annual Profit
Year Amount (000 RMB)

[***]

[***]

[***]

[***]

The above numbers shall be adjusted to reflect the actual amount of Registered Capital Contributed, the actual date of Registered Capital Contribution and the actual Commercial Operation Date.

APPENDIX B

POINT OF INTERCONNECTION

The Point of Interconnection shall be at the 110 KV transmission frame towers located inside the south fence of the Seller's 110 KV switchyard.

APPENDIX C

TECHNICAL LIMITS

1. Electrical System Characteristics

- (a) Voltage: 110 kV (equipment should be suitable for grid voltage variations from 107 kV - 126 kV). During plant operation, Seller's main transformer output voltage shall coordinate with Purchaser's receiving voltage.
- (b) Power Factor: Power factor operating range at the 110 kV Point of Interconnection is 0.85 (lag) to 1.0 power factor.
- (c) Grid Frequency: 50 Hertz - 2.0 Hertz to + 1.0 Hertz

2. Individual Generating Unit Characteristics. The values contained in this Appendix C are based on achieving an installed capacity of 115 MW net per Unit. (Parasitic load has been deducted)

- (a) Capacity of Generating Equipment.
 - (i) 147 MVA generating capacity
 - (ii) 125 MW continuous capacity
 - (iii) Generator main transformers are rated 150 MVA.
- (b) Start-up Times. Start-up times are from boiler light-off to full load, and do not include time for mobilization and purging, for which

fifteen (15) minutes minimum is required. Start-up times are minimum.

Normal Operation

Coal Start from ambient	10 hours
Warm Start after 40 hours shutdown	7 hours
Hot Start after 10 hours shutdown	4 hours

(c) Maximum Loading and Deloading Rates.

Mode	Load (MW)	Ramp Rate (MW/min.)
----	----	-----
Cold	0-20	0.17
Cold	20-125	0.39

APPENDIX D

CAPACITY TEST PROCEDURES

Capacity Test to establish the Rated Capacity of a Unit will be the same test as described in Appendix D (Capacity Test Prodecures) of the Power Purchase and Sale Contract between Seller and Henan Electric Power Corporation. Purchaser agrees to accept the result of such capacity test.

Information contained herein, marked with [***], is being filed pursuant to a request for confidential treatment.

Exhibit 10.30

POWER PURCHASE AND SALE CONTRACT

BETWEEN

JIAOZUO WAN FANG POWER COMPANY LIMITED

AND

HENAN ELECTRIC POWER CORPORATION

Dated as of April 25, 1996

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(i)

POWER PURCHASE AND SALE CONTRACT

This Power Purchase and Sale Contract (this "Contract") is entered into as of April 25, 1996, by and between HENAN ELECTRIC POWER CORPORATION ("Purchaser") and JIAOZUO WAN FANG POWER COMPANY LIMITED ("Seller").

RECITALS

A. Seller intends to construct, finance, own, manage, operate and maintain a coal-fired electric generating facility to be located in Jiaozuo City, Henan Province, China, consisting of two 125 megawatt coal-fired electric generating units.

B. Seller wishes to make available and sell and Purchaser desires to receive and purchase a portion of the energy produced by the Facility.

SECTION 1

DEFINITIONS AND EXPLANATION OF TERMS

As used in this Contract, the following capitalized terms (in the English version hereof) and underlined terms (in the Chinese version hereof) shall have the meanings set forth below.

"Aluminum Company" means Jiaozuo Aluminum Mill, a Chinese enterprise registered with the Jiaozuo Municipal Administration of Industry and Commerce with its principal office located at 31 Tanan Road, Jiaozuo City, Henan Province, China.

"Aluminum Mill Power Supply Contract" means the contract between Seller and the Aluminum Company pursuant to which Seller agrees to sell, and the Aluminum Company agrees to purchase, a portion of the energy produced by the Facility.

"Bankruptcy" means, with respect to a party, (i) a party makes a general assignment for the benefit of its creditors; (ii) a party takes any action for its winding-up or liquidation or for the appointment of a receiver, trustee or similar officer of it or of any of its revenues and assets; or (iii) a party consents to any of the actions described in clause (ii) being taken against it.

"Business Day" means any day on which the Industrial and Commercial Bank of China is open for business in Jiaozuo City, Henan Province, China.

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"Change in Law" has the meaning given such term in Section 10.

"Commercial Operation Date" or "COD" means either or both of the Unit One COD and the Unit Two COD.

"Construction Contract" means the Contract for Engineering, Procurement and Construction Services to be entered into for the design,

engineering and construction of the Facility.

"Dispatch Contract" has the meaning given that term in Section 3.

"Dollar" or "\$" means the lawful currency of the United States of America.

"Emergency" means a condition on Purchaser's electrical system under which continued deliveries of energy from the Facility will materially harm the safe and reliable operation of such system or result in disruption of its electric service or create a danger to persons or property.

"Energy Payment" means the Energy Payment described in Appendix A.

"Facility" means the coal-fired electric generating facility to be constructed, financed, owned and operated by Seller and located in Jiaozuo City, Henan Province, China consisting of two coal boilers and two steam turbine generating units each with an expected capacity of approximately 125 megawatts and an aggregate expected capacity of approximately 250 megawatts as well as all associated fuel handling and transport and generation equipment and components.

"Facility Site" means the land located in Jiaozuo City, Henan Province, China on which the Facility is to be located.

"FORCE MAJEURE" means any of the following events, which causes either or both of the parties to be unable to perform its or their obligations under this Contract: war, hostility, public disturbance, strikes, other labor disputes and work stoppages, failure or interruption of transportation or other utilities, epidemic, fire, flood, earthquake, storm, tidal wave or other acts of nature, and all other similar events beyond the control of the parties affected thereby.

"Governmental Instrumentality" means the government of the People's Republic of China or any province, municipality or other political subdivision, instrumentality, ministry, department, agency, court, authority, corporation which has authority to exercise governmental functions or commission under the direct or indirect control of any such body.

"Grid" means the power grid under the control of the Henan Electric

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"Joint Venture Contract" means the Cooperative Joint Venture Contract for the Jiaozuo Wan Fang Power Company Limited between the Aluminum Company and Jiaozuo Power Partners, L.P. ("Jiaozuo Power").

"Minimum Take" means (i) for the period beginning on the Unit One

Testing Date and ending on the date immediately preceding the Unit Two Testing Date, the kilowatt-hour amount equal to the sum of all energy produced by the second 125 megawatt unit of the Facility to be completed and delivered to Purchaser plus the product of (x) [***] megawatts MULTIPLIED by (y) [***]% MULTIPLIED by (z) the number of hours in this period; (ii) for the period beginning on the Unit Two Testing Date (if such date is not the first day of a calendar year) and ending on the last day of the calendar year in which the Unit Two Testing Date occurs, the kilowatt-hour amount equal to the product of (x) [***] megawatts MULTIPLIED by (y) [***]% MULTIPLIED by (z) the number of hours in this period; and (iii) for each calendar year thereafter, the kilowatt-hour amount equal to the product of (x) [***] megawatts MULTIPLIED by (y) [***] hours, except that for the calendar year during which the expiration date of this Contract occurs (if such expiration date is not the last day of such calendar year), the Minimum Take means the kilowatt-hour amount equal to the product of (x) [***] megawatts MULTIPLIED by (y) [***]% MULTIPLIED by (z) the number of hours in such calendar year prior to the expiration date; provided that Seller may adjust the Minimum Take for any year by adjusting the megawatt numbers in clauses (i), (ii) and (iii) above so long as Seller notifies Purchaser in writing of such adjustment at least twelve months before such adjustment takes effect. In addition, the Minimum Take shall be adjusted pursuant to Section 4.1 (C) hereof or Section 4.2 of the Dispatch Contract.

"Permit" means any permit, license, approval, consent, waiver, authorization or other requirement required in connection with the Project from any Governmental Instrumentality under applicable laws or regulations.

"Permit Event" means (i) any Permit not being granted upon application having been duly made; (ii) any Permit ceasing to remain in full force and effect, or not being renewed upon application having been duly made or being renewed upon terms and conditions which are less favorable to Seller than those originally imposed; (iii) the attachment to any Permit subsequent to its grant of any terms or conditions which adversely affect any of Seller's rights or the performance by Seller of any of its obligations; or (iv) the requirement of any Permit not required as of the date of this Contract.

"Point of Interconnection" means the physical point as described in Appendix B at which interconnection is made between the Facility and Purchaser's transmission facilities.

"Project" means the Facility, the Facility Site, and all other equipment and property that may become part of either of the foregoing.

"Prudent Electrical Practices" means those codes, rules and regulations stipulated by the Ministry of Electric Power of the People's Republic of China, other relevant Governmental Instrumentality or other relevant bodies duly authorized by the government in respect of power plant operation and maintenance, control or other related matters. Where there are no such codes, rules and regulations, "Prudent Electrical Practices" means those practices that

are generally accepted for use in the international electric utility industry and commonly used in safe and prudent electric utility engineering and operations to design, engineer, construct, test, operate and maintain equipment.

"Purchaser Energy Payment" means the Energy Payment per kilowatt hour described in Appendix A times the number of kilowatt hours delivered for the relevant period as measured pursuant to Section 9.

"Rated Capacity" means the capacity (expressed in kilowatts (kW)) of the two 125 megawatt units of the Facility to generate energy, as determined in a completed performance test conducted for each such unit prior to its COD in accordance with the test procedures contained in Appendix D.

"RMB or Renminbi" means the lawful currency of the People's Republic of China.

"Scheduled Outage" means a planned interruption of the Facility's generating capability that has been scheduled in advance in the manner provided in the Dispatch Contract and is for inspection, testing, preventive maintenance, repairs or replacement.

"Technical Limits" means the limits and constraints relating to the operation and maintenance of the Facility, as described in Appendix C.

"Testing Date" means either or both of the Unit One Testing Date and the Unit Two Testing Date.

"Testing Period" means, for each unit of the Facility, the period commencing on the date on which, in the opinion of Seller and as set forth in a certificate to be delivered by Seller to Purchaser, such unit is capable of producing energy for sale to Purchaser and ending on the Commercial Operation Date for such unit.

"Unit One Commercial Operation Date" or "Unit One COD" means the first date following the Testing Period for the first unit of the Facility to be completed on which such unit, in the opinion of Seller and as evidenced by the completion of a performance test during the Testing Period, is capable of producing and delivering, and does produce, energy for sale to Purchaser pursuant to the terms and conditions of this Contract, as set forth in a certificate to be delivered by Seller to Purchaser.

"Unit One Testing Date" means the date on which the Testing Period for the first unit of the Facility to be completed commences.

"Unit Two Commercial Operation Date" or "Unit Two COD" means the first date following the Testing Period for the second unit of the Facility to be completed on which such unit, in the opinion of Seller and as evidenced by the completion of a performance test during the Testing Period, is capable of producing and delivering, and does produce, energy for sale to Purchaser pursuant to the terms and conditions of this Contract, as set forth in the certificate to be delivered by Seller to Purchaser.

"Unit Two Testing Date" means the date on which the Testing

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Period for the second unit of the Facility to be completed commences.

SECTION 2

TERM OF CONTRACT

This Contract shall become effective upon signing by the parties. Unless terminated pursuant to Section 13, this Contract shall continue in effect until the date that is [***] years after the Business License (as defined in the Joint Venture Contract) is issued to Seller.

SECTION 3

CONDITIONS TO OBLIGATIONS

The obligations of Purchaser and Seller under this Contract are conditioned upon (i) execution of a mutually satisfactory Dispatch and Interconnection Contract in respect of the Facility (the "Dispatch Contract") between Seller and Dispatcher (as defined therein) and (ii) receipt of all applicable approvals from all relevant Governmental Instrumentalities of the electricity pricing formula set forth in Appendix A and, if required, of this Contract and the Dispatch Contract.

SECTION 4

SALE AND PURCHASE

4.1 (A) In accordance with the terms and conditions of this Contract, Seller agrees to sell, and Purchaser agrees to purchase, energy produced and delivered to the Point of Interconnection by the Facility. From and after the Unit One Testing Date, Purchaser shall pay Seller for energy by making Purchaser Energy Payments in accordance with Section 11 and Appendix A.

(B) The parties acknowledge that the minimum output of energy to be

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purchased by Purchaser will not be less than the Minimum Take. If for any reason (except a Force Majeure event affecting Purchaser) Purchaser does not purchase the Minimum Take in any period, Purchaser shall nevertheless be obligated to make Purchaser Energy Payments to Seller in the amounts which would have been due had Purchaser purchased the Minimum Take in such period, i.e., Purchaser shall still pay the Purchaser Energy Payment in respect of the amount of such shortfall, provided that when calculating such shortfall Purchaser Energy Payment, the Energy Payment shall not include any amounts in respect of the Fuel Charge (as defined in Appendix A). The amount of such shortfall payment shall be calculated and made within 30 days after the end of a relevant Minimum Take period. If during the course of any period it could be reasonably expected that Seller may have difficulty delivering the Minimum Take as a result of Force Majeure, Change in Law or an Emergency, Purchaser shall, in cooperation with Dispatcher, revise the dispatch schedule so as to permit Seller to deliver as much energy as possible in order to achieve the Minimum Take.

(C) If Seller is unable to deliver capacity to Purchaser pursuant to the dispatch curves specified in the dispatch schedule because the Aluminum Company is taking capacity (in kilowatts) in excess of its entitlement specified in the Aluminum Mill Power Supply Contract, such excess amount of energy (i.e., the amount of energy in kilowatt hours equal to the product of the excess capacity multiplied by the number of hours the Aluminum Company is taking such excess capacity) taken by the Aluminum Company shall be deducted in computing the Minimum Take. Seller shall provide one month prior written notice to Purchaser of any planned increase or decrease in the Aluminum Company's use of electricity exceeding 10 megawatts.

(D) Seller may sell and Purchaser may purchase energy in addition to the Minimum Take at the price set forth in Appendix A. Starting from the Unit One Testing Date, for each kilowatt-hour of such additional energy purchased by Purchaser above the Minimum Take, Seller shall pay an Excess Generation Fee to Purchaser equal to [***]% of the profits, as specified in the pricing formula, prior to paying income taxes from sales of energy to Purchaser above and beyond the Minimum Take. If the Seller is required by relevant government authorities to pay any taxes, including income taxes, or any amount put into the reserve funds, including income taxes on the amounts put into the reserve funds, on account of the amount paid to Purchaser as an Excess Generation Fee, then the total of such taxes and reserve fund payments shall be subtracted in calculating the Excess Generation Fee. The amount of such payment by Seller to Purchaser shall be calculated and such payment shall be made within 60 days after the end of each Minimum Take period. If such payment is not made in full to Purchaser prior to the end of this 60-day period, a late fee will be payable by Seller equal to 0.04% of such unpaid amount for each day in the first 60 days such amount remains unpaid and equal to 0.08% for each day thereafter. Any payment of such unpaid amounts shall be applied first to payment of the late payment interest charge and then to the principal amount outstanding.

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4.2 To the extent energy is generated prior to the Unit One Testing Date, Seller agrees to sell and Purchaser agrees to purchase all such energy. Purchaser shall pay the Purchaser Energy Payment for such energy. Seller shall pay to Purchaser a per kWh fee for coordinating receipt of such energy equal to RMB [***] yuan within 20 days after the end of any month in which such energy is purchased. If such payment is not made in full to Purchaser prior to the end of this 20-day period, a late fee will be payable by Seller equal to 0.04% of such unpaid amount for each day in the first 60 days such amount remains unpaid and equal to 0.08% for each day thereafter. Any payment of such unpaid amounts shall be applied first to payment of the late payment interest charge and then to the principal amount outstanding.

4.3 Purchaser may reject and choose not to make any payment for energy that is produced by Seller in willful violation of the Dispatch Contract.

SECTION 5

OPERATION AND MAINTENANCE

5.1 Seller shall be subject to dispatch by Dispatcher pursuant to the Dispatch Contract.

5.2 Seller shall cause the Facility to be operated and maintained in accordance with Prudent Electrical Practices and this Contract.

5.3 Seller shall establish and provide to Purchaser a copy of the initial Technical Limits 30 days prior to the expected Unit One Testing Date and shall notify Purchaser as soon as practicable of any change to the Technical Limits.

SECTION 6

OUTAGES

Provisions regarding outages of the Facility and power supply for starting, testing and restarting the Facility shall be specified in the Dispatch Contract. To the extent Seller needs power from Purchaser, Purchaser shall provide such power to Seller pursuant to a power sale agreement to be entered into between Seller and Purchaser.

SECTION 7

EMERGENCIES

Emergencies shall be handled pursuant to provisions of the Dispatch

SECTION 8

INTERCONNECTION

8.1 Energy produced by Seller and sold to Purchaser pursuant to this Contract shall be made available and delivered by Seller to Purchaser at the Point of Interconnection.

8.2 Purchaser shall design, control, operate and own all interconnection equipment (necessary for its system to accept capacity and energy from Seller) located at the Point of Interconnection. Such equipment shall be designed and constructed pursuant to an interconnection construction contract. Seller shall provide Purchaser a loan in the amount of [RMB 82 million] yuan for such work. The term and interest rate for such loan, together with other relevant provisions, shall be specified in a separate agreement to be entered into between Seller and Purchaser. Such interconnection will be completed and capable of transmitting electricity at least 150 days prior to the Unit One Testing Date. The cost of additions or changes to any of Purchaser's substations, transformers, transmission lines, or any other portions of Purchaser's electric system as a result of Purchaser's load additions or other changes required by Purchaser shall be borne entirely by Purchaser. Purchaser shall also cooperate with Seller and the Aluminum Company in order to switch the lines which currently provide power to the Aluminum Company to Seller's lines so that the Aluminum Company can accept power directly from Seller starting from the Unit One Testing Date.

8.3 Subject to the provisions of the Construction Contract, Seller shall be responsible at its own expense for the engineering, design and construction of the interconnection from the Facility to the Point of Interconnection.

8.4 Purchaser shall be responsible at its own expense for making all changes to its system necessary to accept capacity and energy from Seller. Purchaser shall at its own expense design, construct, maintain and repair all interconnection facilities from its system to the Point of Interconnection.

SECTION 9

MEASUREMENT OF ELECTRIC ENERGY

9.1 All measurements of energy delivered by Seller to Purchaser shall be made at various outlet lines at the high-voltage side of the Point of Interconnection by suitable kilowatt and dual-direction active and reactive power kilowatt-hour meters. Seller shall install, own and operate two sets of meters in conformity with Purchaser's metering standards and operating procedures and Prudent

Electrical Practices (except that Purchaser shall be responsible for reading the meters at midnight 12 o'clock on the last day of each month with

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representatives of Seller being present). Purchaser's representative shall sign a written statement of each meter reading at the time of reading the meters. One set of such meters will be the primary meters and the other set will be the back-up meters. Readings on the primary meters will be the measurement of energy delivered. Testing, calibrating and recalibrating of metering equipment will be in accordance with Prudent Electrical Practices and performed jointly by representatives of Purchaser and Seller under the supervision and direction of the electric energy measurement authority of Henan Province, China. Neither Seller nor Purchaser may change the metering facilities for the Facility without the consent of the other party.

9.2 If either party disputes a meter's accuracy or condition, it shall so advise the other party in writing. The other party shall, within 15 days after receiving such notice, advise the disputing party in writing as to its position concerning the meter's accuracy. If the parties are unable to resolve their disagreement, then they shall engage either the electric energy measurement authority of Henan Province, China or an unaffiliated, qualified third party to test the meter. Should the meter be found in good order and registering accurately (within the standard set forth in Section 9.4), the disputing party shall bear the cost of inspection; otherwise the cost shall be borne by the owner of the meter.

9.3 Seller agrees to repair and recalibrate any malfunctioning meter at its own expense as soon as reasonably possible.

9.4 If the primary meter used to measure energy fails to register, the back-up meter will be used to measure energy. If the difference in measurements made by the primary meter and the back-up meter exceeds 0.5 percent of the energy measured by the primary meter in any month, the meters shall be repaired and recalibrated and an adjustment shall be made correcting all measurements made by the inaccurate or defective meter for the amount of the inaccuracy in that month, in the following manner:

(A) As may be agreed upon by the parties, or

(B) In the event that the parties cannot agree on the amount of the adjustment necessary to correct the measurements made by any inaccurate or defective meter, the parties shall use the back-up meter, if installed and registering accurately, to determine the amount of such inaccuracy, provided, however, that such meter is tested in the same manner as the primary meter. In the event that the back-up meter is also found to be inaccurate by more than 0.5 percent, then the parties shall use the Purchaser's meter on the far end of the interconnection line, if such meter is believed by the parties to be operating properly, adjusted for reasonable line losses. In the event there is not

agreement as to the accuracy of this set of meters, the parties shall estimate the amount of the necessary adjustment referring to operating data maintained in the Facility's control system.

(C) In the event the parties cannot agree on the actual period during

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which the inaccurate measurements were made, the period for which the measurements are to be adjusted shall be the last one-half of the period from the last previous test of the meter.

(D) To the extent the adjustment period covers a period of deliveries for which payment has already been made by Purchaser, Seller shall use the corrected measurements to recompute the amount due and Seller or Purchaser, as applicable, shall make up the difference between the paid and recomputed amounts. Payment of such difference by the owing party shall be made not later than 30 days after such party receives notice of the amount due. If such payment is not made in full prior to the end of this 30-day period, a late fee will be payable by the owing party equal to 0.04% of such unpaid amount for each day in the first 60 days such amount remains unpaid and equal to 0.08% for each day thereafter. Any payment of such unpaid amounts shall be applied first to payment of the late payment interest charge and then to the principal amount outstanding.

SECTION 10

CHANGE OF LAW

If a Change in Law occurs which requires new capital expenditures for the Project, increases Seller's operating costs of the Project, imposes restrictions upon Seller's operation of the Project which deny Seller the full economic benefit of this Contract or interferes with Seller's performance of its obligations hereunder, the price of energy shall be adjusted pursuant to the formula set forth in Appendix A so as to place Seller in the same economic position as if such Change in Law had not occurred. A certificate of Seller setting forth the basis for determination of such payment adjustment shall be delivered to Purchaser. As used herein, "Change in Law" shall mean any Permit Event, any change in any law, statute, ordinance, rule, regulation or Prudent Electrical Practices (including the adoption of any new law, statute, ordinance, rule, regulation or Prudent Electric Practices) or interpretation thereof by any Governmental Instrumentality from those in effect on the date of execution of this Contract, or any prohibition or acts by government or public agency which causes either or both of the parties to be unable to perform its or their obligations hereunder.

SECTION 11

METHOD OF PAYMENT

11.1 On or before the fifth Business Day of each calendar month beginning with the first full calendar month after the Unit One Testing Date, Seller shall submit to Purchaser a billing statement showing the amount payable by Purchaser hereunder as Purchaser Energy Payments, and the calculation thereof, with respect to the immediately preceding month. Purchaser shall pay

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such amounts within 20 calendar days after Purchaser's receipt of the billing statement. Payment shall be made by transfer to Seller's account in a bank to be designated by Seller.

11.2 Notwithstanding the foregoing, if a Purchaser Energy Payment is not paid in full to Seller on or before the close of business on the date due, a late fee will be payable by Purchaser equal to 0.04% of such unpaid amount for each day in the first sixty days such amount remains unpaid or equal to 0.08% for each day thereafter. Any payments of such unpaid amount shall be applied first to payment of any late payment interest charge and then to the principal amount outstanding.

11.3 In the event Purchaser disputes all or any portion of any billing statement, Purchaser shall nevertheless pay the full amount when due and shall give written notice of the dispute to Seller. Such notice shall identify the disputed bill and contain a detailed statement of the amount and nature of the dispute. No adjustment shall be made for disputed amounts unless notice is given together with a detailed statement of the claim. A billing statement shall be deemed final and not subject to dispute by Purchaser if Purchaser has not delivered a notice disputing such billing statement within three months after Purchaser's receipt of such billing statement. Seller shall give prompt consideration to any dispute and shall notify Purchaser of its position within 30 days following receipt of Purchaser's written notice. If Seller shall not have responded to Purchaser within such 30 day period, Seller shall be deemed to have accepted Purchaser's position. Upon final determination of the correct amount and all necessary adjustments, any overpayment by Purchaser (together with interest thereon at a rate of 0.04% per day), shall be credited to Purchaser in the monthly billing statement next submitted to Purchaser.

11.4 All payments under this Contract shall be made in Renminbi.

SECTION 12

FORCE MAJEURE

12.1 If a party is wholly or partially unable to perform its obligations arising under this Contract due to Force Majeure, the party claiming Force Majeure shall give the other party written notice describing the Force Majeure event together with a certificate stating that such party is wholly or partially unable to

perform its obligations under this Contract as a result of such Force Majeure event.

12.2 If, as a result of Force Majeure, a party is rendered wholly or partially unable to perform its obligations under this Contract, that party shall be excused to the extent so affected; provided that:

(A) the suspension of performance shall be of no greater scope and of no longer duration than is required by the Force Majeure event;

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(B) no obligations under this Contract which shall have arisen before the Force Majeure event shall be excused as a result of the Force Majeure event;

(C) no payment obligations shall be excused as a result of the Force Majeure event; and

(D) the party claiming Force Majeure shall use its reasonable efforts to remedy its inability to perform.

SECTION 13

EVENTS OF DEFAULT

13.1 Purchaser may give a notice of termination of this Contract upon the occurrence and continuance of any of the following events of default:

(A) Bankruptcy of Seller;

(B) Seller abandons the Project for a period of 12 consecutive months; or

(C) Seller fails to perform any of its material obligations under this Contract which continues unremedied for 30 days after notice from Purchaser (or if such failure cannot be remedied within 30 days, such longer period not to exceed six months as may be reasonably necessary to remedy such failure);

provided, however, that Purchaser may not terminate this Contract as a result of any event listed above which is caused directly or indirectly by any action or omission by Purchaser or any Governmental Instrumentality (including breach by Purchaser of its obligations under this Contract or breach by Dispatcher of its obligations under the Dispatch Contract).

13.2 Seller may give a notice of termination of this Contract upon the occurrence and continuance of any of the following events of default:

(A) Bankruptcy of Purchaser;

(B) a Permit Event;

(C) any Governmental Instrumentality fails to perform or repudiates any of its obligations under any of the documents set forth in Section 3 or any Permit;

(D) any Governmental Instrumentality expropriates or threatens to expropriate Seller or any assets or rights of Seller or takes other action that adversely affects the enjoyment by Seller of its rights, or the performance by Seller of any of its obligations under this Contract;

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(E) Purchaser fails to pay when due any amount payable by Purchaser under this Contract;

(F) Purchaser fails to perform any of its material obligations (other than payment obligations referred to in clause (E) above) under this Contract which continues unremedied for 30 days after notice from Seller; or

(G) any Governmental Instrumentality imposes restrictions prohibiting or materially limiting Seller's or its principals' ability to repatriate profits or revenues from the Project outside China.

Nothing in this Section 13 shall preclude Seller from exercising its rights under Section 10, if applicable, or any other rights or remedies hereunder.

13.3 Any termination notice shall specify the event of default giving rise to the termination notice. Following the termination notice, the parties shall consult for a period of up to 90 days as to what steps shall be taken. At the expiration of the 90 day period and unless the parties shall have otherwise agreed or the event of default giving rise to the termination notice shall have been remedied, the party having given the termination notice may terminate this Contract by giving written notice to the other party, whereupon this Contract shall terminate on the date specified for termination in such notice.

13.4 Following termination of this Contract by Seller due to Purchaser's default hereunder, Purchaser shall, to the extent permitted by law, transmit any energy produced by Seller to any entity designated by Seller which is interconnected with Purchaser. Purchaser shall be paid its reasonable costs for transmitting such energy.

13.5 In the event of any breach or default under this Contract other than a default referred to in Section 13.1, Purchaser shall not be relieved of any of its liabilities or obligations hereunder, including its obligation to make Purchaser Energy Payments whether becoming due before or after such breach or

13.6 The rights upon default provided herein are cumulative and not exclusive of any other rights upon default available under Chinese law; provided that neither party shall have any right to terminate this Contract except as expressly provided in this Section 13.

SECTION 14

WAIVER

Failure by either party to exercise any of its rights under this Contract shall not constitute a waiver of such rights. Neither party shall be deemed to

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have waived any right resulting from any failure to perform by the other party unless it has made such waiver specifically in writing.

SECTION 15

CONCILIATION AND ARBITRATION

15.1 Dispute Settlement. Except as otherwise provided in this Contract, the parties shall attempt to settle any dispute arising out of or in connection with this Contract through friendly consultation between themselves. Such consultation shall begin promptly after one party has delivered to the other party a written request for such consultations. If the parties do not reach an amicable solution within 30 days of receipt of such notice, either party may, with notice to the other party, submit the dispute for binding arbitration in Beijing, China, under the auspices of the China International Economic and Trade Arbitration Commission ("CIETAC") in accordance with the CIETAC Arbitration Rules as in effect on the date of this Contract (except to the extent this Section 15 specifies different procedures, in which event such procedures shall govern the arbitration, including the selection of the arbitration panel). The parties agree that any dispute arising out of or in connection with this Contract shall be submitted exclusively to arbitration as provided in this Section 15. Any settlement and award rendered through such an arbitration proceeding shall be final and binding upon the parties if the decision is in writing and contains a reasoned analysis explaining the arbitrators' reasons for rendering the award. The parties agree that the arbitral award may be enforced against the parties or their assets wherever they may be found and that a judgment upon the arbitral award may be entered in any court having jurisdiction thereof. Accordingly, the parties irrevocably agree that any action to enforce such judgment may be instituted wherever appropriate and each party hereby irrevocably waives, to the fullest extent permitted by law, any objection which it may have now or hereafter to the laying of the venue or the jurisdiction or the convenience of the forum of any such action and irrevocably submits generally and unconditionally to the jurisdiction of any such court in any such action.

15.2 Language. The arbitration shall be conducted in English and Chinese and the arbitration shall refer to the English and Chinese texts of this Contract.

15.3 Arbitrators. There shall be three arbitrators. The parties shall each select one arbitrator within 30 days after giving or receiving the demand for arbitration. The two arbitrators selected by the parties shall select the third arbitrator. If a party does not appoint an arbitrator who has consented to participate within 30 days after the selection of the first arbitrator, the relevant appointment shall be made by the arbitrating body. The costs of the arbitration shall be borne by the parties as determined by the arbitration tribunal, taking into account the relative merits of the positions of the parties.

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15.4 Submission to Jurisdiction; Defenses. Each party is subject to civil and commercial law and irrevocably agrees that this Contract is a commercial rather than a public or governmental activity and neither party is entitled to claim immunity from legal proceedings with respect to itself or any of its assets on the grounds of sovereignty or otherwise under any law or in any jurisdiction where an action may be brought for the enforcement of any of the obligations arising under or relating to this Contract. To the extent that a party or any of its assets has or hereafter may acquire any right to immunity from any set-off, legal proceedings, attachment or execution of judgment on the grounds of sovereignty or otherwise, each party hereby irrevocably waives such right to immunity in respect of its obligations arising under or relating to this Contract.

15.5 Continued Performance. The parties hereby agree to carry out their respective obligations under this Contract, including without limitation all payment obligations, notwithstanding any pending dispute or controversy.

SECTION 16

REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

16.1 Seller represents and warrants as follows:

(A) it is a Sino-foreign cooperative joint venture duly organized and existing under the laws of the People's Republic of China;

(B) it has full legal right, power and authority to execute, deliver and perform this Contract and the contracts and documents referred to in this Contract to which it is a party;

(C) it has taken all appropriate and necessary action to authorize the execution, delivery and performance of this Contract and the contracts and documents referred to in this Contract to which it is a party; and

(D) it has obtained all consents, approvals and authorizations necessary for the valid execution, delivery and performance of this Contract and the contracts and documents referred to in this Contract to which it is a party,

provided, however, that Appendix A to this Contract is subject to the approval of the relevant price approval authorities before this Contract shall become effective.

16.2 Purchaser represents and warrants as follows:

(A) it is a Chinese enterprise duly organized and existing under the laws of the People's Republic of China;

(B) it has full legal right, power and authority to execute, deliver and perform this Contract and the contracts and documents referred to in this Contract to which it is a party;

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(C) it has taken all appropriate and necessary action to authorize the execution, delivery and performance of this Contract and the contracts and documents referred to in this Contract to which it is a party; and

(D) it has obtained all consents, approvals and authorizations necessary for the valid execution, delivery and performance of this Contract and the contracts and documents referred to in this Contract to which it is a party, provided, however, that Appendix A to this Contract is subject to the approval of the relevant price approval authorities before this Contract shall become effective.

16.3 If from time to time a financial institution which is proposing to extend loan facilities or credit support to Seller reasonably requests any financial or other information, Purchaser will promptly provide such information.

SECTION 17

LIABILITY OF PARTIES

17.1 Seller shall indemnify Purchaser and its officers, principals, directors, agents and employees from and against all direct damages to the extent arising from third party claims and losses for damage to property or injury to or death of persons arising from the negligence, bad faith or willful misconduct of Seller or its officers, principals, directors, agents or employees in connection with the performance of Seller's duties under this Contract or Seller's breach of this Contract. Such indemnity shall not apply to the extent that any claims or losses are caused by or arise out of any intentional or negligent act or omission, bad faith or willful misconduct by Purchaser or its officers, principals, directors, employees or agents.

17.2 Purchaser shall indemnify Seller and its principals, officers, directors, employees and agents from and against all direct damages to the extent arising from third party claims and losses for damage to property or injury to or death of persons arising from the negligence, bad faith or willful misconduct of Purchaser or its officers, principals, directors, employees or agents in

connection with the performance of Purchaser's duties under this Contract or Purchaser's breach of this Contract. Such indemnity shall not apply to the extent that any claims or losses are caused by or arise out of any intentional or negligent act or omission, bad faith or willful misconduct by Seller or its principals, officers, directors, employees or agents.

17.3 Neither party nor its officers, principals, directors, employees or agents shall be liable to the other party or its officers, principals, directors, employees or agents for claims for incidental, consequential or indirect damages to persons or property, whether arising in tort, contract or otherwise, connected with or resulting from performance or non-performance under this Contract.

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SECTION 18

ASSIGNMENT

Assignments by either party of this Contract shall require the consent of the other party, provided, however, such consent shall not be unreasonably withheld.

SECTION 19

AMENDMENT OF CONTRACT

This Contract may be amended or modified only by an instrument in writing signed by both parties.

SECTION 20

LANGUAGE

This Contract will be executed in four counterparts in both Chinese and English versions. Each version shall be of equal force and effect.

SECTION 21

NOTICES

Any notice required or permitted to be given hereunder shall be in writing and shall be (i) personally delivered, (ii) transmitted by postage prepaid registered mail (airmail if international), (iii) transmitted by internationally recognized courier service, or (iv) transmitted by facsimile to the parties as follows, as elected by the party giving such notice:

(A) In the case of Purchaser, to:

Henan Electric Power Corporation
No. 11 South Songshan Road
Zhengzhou, Henan, China 450052

Attention: Xu Xing Long
Facsimile No.: 86-371-790-5034
Telephone No.: 86-371-790-5015

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(B) In the case of Seller, to:

Jiaozuo Wan Fang Power Company Limited
Dai Wang Zheng
Jiaozuo City, Henan, China

Attention: Edward C. Hall III
Facsimile No.: N/A
Telephone No.: N/A

and

AES China Generating Co., Ltd.
9/F, Allied Capital Resources Building
32-38 Ice House Street
Central, Hong Kong

Attention: Paul Hanrahan
Facsimile No.: 852-2530-1673
Telephone No.: 852-2842-5111

Except as otherwise specified herein, all notices and other communications shall be deemed to have been duly given on (i) the date of receipt if delivered personally, (ii) 7 days after the date of posting if transmitted by mail, (iii) 3 days after delivery to the courier if transmitted by courier, or (iv) the date of transmission with confirmed answer back if transmitted by facsimile, whichever shall first occur. Any party may change its address for purposes hereof by notice to the other party. All notices hereunder shall be in English and Chinese.

SECTION 22

APPLICABLE LAW

This Contract shall be governed by and construed in accordance with the laws of the People's Republic of China.

SECTION 23

SEVERABILITY

The invalidity of any provision or portion of this Contract will not affect the validity of the remainder of this Contract.

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SECTION 24

ENTIRE AGREEMENT

This Contract contains the complete agreement between the parties with respect to the matters contained herein and supersedes all other agreements, whether written or oral, with respect to the matters contained herein.

SECTION 25

NO THIRD PARTY BENEFICIARIES

Except as otherwise expressly stated herein, this Contract is intended to be solely for the benefit of Purchaser and Seller and their respective successors and permitted assigns and is not intended to and shall not confer any rights or benefits on any third party not a signatory hereto.

IN WITNESS WHEREOF, the parties, intending to be legally bound, have caused this Contract to be executed by their duly authorized representatives as of the day and year written above.

HENAN ELECTRIC POWER CORPORATION

By: /s/ [SIGNATURE ILLEGIBLE]

Name:

Title:

JIAOZUO WAN FANG POWER COMPANY
LIMITED

By: /s/ Edward C. Hall, III

Name:

APPENDIX A

Unless otherwise defined herein, capitalized terms (in the English version hereof) and underlined terms (in the Chinese version hereof) used but not defined in this Appendix A shall have the same meanings set forth in the Power Purchase and Sale Contract to which this Appendix A is attached.

Energy Payment ("SP") shall be expressed in RMB per kilowatt hour. For each Base Output Period, as herein defined, the Energy Payment shall be calculated annually on the date which is 60 days prior to the end of each Calendar Year and shall be in accordance with the following formula:

$$SP = (PC + FC + EC + QC + TC) \times [1 + VAT \text{ Rate} \times (1 + OT \text{ Rate})]$$

(1) "PC" is the Unit Production Charge which shall be expressed in RMB per kilowatt hour and shall be calculated pursuant to the following formula:

$$PC = \text{RMB Operation and Maintenance Costs} + (\$ \text{ Operation and Maintenance Costs} \times \text{Conversion Factor})$$

Base Output

+ Annual Depreciation Amount + Fuel Expenses

Base Output

Where:

The Unit Production Charge does not include VAT credit.

"Operation and Maintenance Costs" shall be, for each period referred to in the definition of Base Output below (each such period, a "Base Output Period"), all RMB and Dollar operation and maintenance costs of the Project for such period and shall include, without limitation, all costs of salaries, wages and benefits for the Chinese and foreign employees (including trade union contributions and relevant allocations not covered in After Tax Enterprise Profit Retention), management (including the management of Seller), maintenance, water, ash disposal, materials, dispatch service fee, environmental compliance, insurance premiums, land use, administration, ratable funding for major maintenance overhauls, interest on working capital, costs associated with the exchange of RMB for Dollars, and amortization of deferred expenses*. All costs will include estimates of price escalation for the applicable period.

Operation and Maintenance Costs will be separated into costs budgeted to be actually incurred and payable in RMB (RMB Operation and Maintenance Costs) and in Dollars (\$ Operation and Maintenance Costs) to be used in the formula for the Unit Production Charge.

[*** Filed separately with the Commission pursuant to a request for confidential treatment.]

* Deferred expenses will include costs to establish Seller, etc.

"Fuel Expenses" shall be, for each Base Output Period, budgeted amounts for all fuel costs, including all costs of fuel supply, transportation, exchange and storage, necessary for the Facility to produce the Base Output. All costs will include estimates of price escalation for the applicable period. The budgets for Fuel Expenses will include assumptions of the coal price per ton, the plant average consumption rate (in grams/kWh), coal quality and heat content and assumptions of the oil price per ton, oil quality and heat content and the annual oil consumption determined by the number of annual unit starts and other operations requiring oil.

"Annual Depreciation Amount" =

(Fixed Asset Total Book Value) x Classified Depreciation Rate;

Where:

"Fixed Asset Total Book Value" equals the total project cost to complete the Project including all compensation made in accordance with the construction contracts, construction management costs, any taxes or fees imposed on the Project, working capital, debt service reserves and all development fees unanimously agreed to by the investors in Seller. Also included in the total Project cost which is required for the completion of Project construction will be the interest accrued on all debt during construction and other relevant expenses.

"Classified Depreciation Rate" shall mean the depreciation rate determined according to the classified service life provided in the relevant document.

"Base Output" shall mean (i) for the period beginning on the Unit One Testing Date and ending on the date immediately preceding the Unit Two Testing Date, the kilowatt-hour amount equal to the product of the Rated Capacity of the first unit of the Facility multiplied by [***] % multiplied by the number of hours in this period; (ii) for the period beginning on the Unit Two Testing Date (if such

date is not the first day of a calendar year) and ending on the last day of the calendar year in which the Unit Two Testing Date occurs, the kilowatt-hour amount equal to the product of the Rated Capacity of the two units of the Facility multiplied by [***] % multiplied by the number of hours in this period; and (iii) for each calendar year thereafter, the kilowatt-hour amount equal to the product of the Rated Capacity of the two units of the Facility multiplied by [***] hours, except that for the calendar year during which the expiration date of the Power Purchase and Sale Contract occurs (if such expiration date is not the last day of such calendar year), the Base Output shall be the kilowatt-hour amount equal to the product of the Rated Capacity of the two units of the Facility multiplied by [***] % multiplied by the number of hours in such calendar year prior to the expiration date.

"Conversion Factor" shall equal

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[*** Filed separately with the Commission pursuant to a request for confidential treatment.]

$$\text{Average Conversion Rate(m)} \times \left[1 + \frac{(\text{Average Conversion Rate(t)} - \text{Average Conversion Rate(m - 1)})}{\text{Average Conversion Rate(m - 1)}} \right]$$

where:

- (m) shall mean the 30 day period immediately preceding the date of calculation
- (t) shall mean the 12 month period immediately prior to the date of calculation
- (m - 1) shall mean the 30 day period immediately preceding the 12 month period prior to the date of calculation

"Average Conversion Rate" shall equal the average of the Conversion Rate for each day over the applicable period.

"Conversion Rate" shall mean the closing selling exchange rate of Renminbi for Dollars published by the People's Bank of China (or any successor entity publishing such rate).

At such time as the Renminbi is freely convertible and an international market based forward rate is available, the Conversion Factor shall be set equal to such quoted forward exchange rate of Renminbi for Dollars which is six months from the beginning of each Base Output Period.

(2) "FC" is the Unit Profit Charge Before Tax which shall be expressed in RMB per kilowatt hour and shall be calculated pursuant to the following formula:

$$FC = \frac{\text{Unit Profit}}{1 - \text{Income Tax Rate}}$$

$$\text{Unit Profit} = \frac{(\text{Foreign Party's Annual Profit} \times \text{Conversion Factor})}{\text{Base Output}} + \frac{\text{Chinese Party's Annual Profit}}{\text{Base Output}} +$$

$$\frac{(\text{Annual \$ Debt Service Payment} \times \text{Conversion Factor}) + \text{Annual RMB Debt Service Payment}}{\text{Base Output}} +$$

$$\frac{\text{Annual Depreciation Loan Repayment}}{\text{Base Output}} + \frac{\text{After Tax Enterprise Profit Retention}}{\text{Base Output}}$$

Where:

"Annual Profit" shall be the annual amounts listed on Exhibit A-1 which have been calculated to yield a projected [***] % financial internal rate of return on registered capital over the joint venture term of Seller.

"Registered Capital Contribution" shall be equal to the total registered capital, denominated in RMB, provided by Seller's joint venture partners through the Unit Two Commercial Operation Date.

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"Annual \$ Debt Service Payment" shall be an annual Dollar payment in an amount equal to the annual amount required to pay all principal on the Dollar denominated debt financing for the Project.

"Annual RMB Debt Service Payment" shall be an annual RMB payment in an amount equal to the annual amount required to pay all principal on the RMB denominated debt financing for the Project.

"After Tax Enterprise Profit Retention" shall be all amounts required pursuant to law to be set aside by Seller from the after-tax profits of the Project deposited in the Reserve Fund, Enterprise Development Fund and the Bonus and Welfare Fund for Staff and Workers, and any other similar funds required to be set up and funded by any other government entity in the future. After Tax

Enterprise Profit Retention for each annual period shall be determined for each Base Output Period based on the amount of after-tax profits estimated by Seller for each such year.

"Income Tax Rate" shall be the actual percentage tax rate that will be applied to Seller in the Base Output Period.

"Annual Depreciation Loan Repayment" shall equal that portion of the annual depreciation fund which is used to pay the principal of the debt.

(3) "OT Rate" is the Other Tax Rate which shall be the rate payable in respect of any taxes that Seller is obligated to pay other than VAT on production sales. Details of this component would be established upon the introduction of those new taxes. **

* Purchaser recognizes that the intent of this provision is to cause the Energy Payment to Seller to be adjusted so that the net amount received after payment of all taxes and fees other than VAT equals the net amount that would have been received had the taxes and fees not been imposed.

(4) "VAT Rate" shall be the actual VAT rate applicable to Seller's sales revenues at Base Output.

(5) "EC" is the Unit Financial Charge which shall be expressed in RMB per kilowatt hour and shall be calculated pursuant to the following formula:

$$EC = \frac{\text{Financial Expenses}}{\text{Base Output}}$$

"Financial Expenses" shall mean, during the operation period of the Project, the interest of the loan for the construction of, and expenses incurred in financing the operations of the Project, projected on an annual basis. Financial Expenses related to the Dollar debt shall include interest, related fees and withholding taxes

[*** Filed separately with the Commission pursuant to a request for confidential treatment.]

(grossed up for taxes payable by Seller) imposed pursuant to relevant Chinese regulations on the Dollar denominated debt financing for the Project multiplied by Conversion Factor, that is:

Financial Expenses related to the \$ Debt Financing x Conversion Factor

RMB Financial Expenses shall include interest and related fees on RMB

denominated debt financing for the Project.

(6) "QC" is the Unit Net Non-Business Expenditures which shall be expressed in RMB per kilowatt hour and shall be calculated pursuant to the following formula:

$$\text{QC} = \frac{\text{Non-Business Expenditures} - \text{Non-Business Income}}{\text{Base Output}}$$

"Non-Business Expenditures" and "Non-Business Income" mean the amount of expenditures and income, respectively, of Seller which have no direct relation to the operation of the Project.

(7) The Unit True-Up Charge ("TC") shall be expressed in RMB per kilowatt hour and shall be calculated pursuant to the following formula:

$$\text{TC} = \frac{\text{Cost Recovery Balance at the Time of Price Calculation} \times (1 + \text{True-up Charge Interest Rate}/2)}{\text{Base Output}}$$

Where:

"Cost Recovery Balance" for any given month, shall be equal to Cost Recovery Balance for the previous month x (1 + True-up Charge Interest Rate/12)

+ Cost Recovery for the month

- Cost Recovery Balance that has been absorbed in the Energy Payment, pursuant to a power price adjustment provided in this section.

"True-up Charge Interest Rate" shall equal [***] % per annum.

"Cost Recovery" shall equal the difference between the total sum of the actual costs and the total sum of the budgeted costs of all of the components contained in this price formula, which reflects economic changes in the underlying assumptions contained in the price formula. Factors which affect components in this price formula include, but are not limited to: (i) fuel price changes affecting Fuel Expenses; (ii) raw material price changes affecting Operation and Maintenance Costs; (iii) changes in the Conversion Rate affecting the Conversion Factor; (iv) changes to the type or rate of taxes affecting the Other Tax Rate, Income Tax Rate or VAT Rate, (v) changes in various funds which Seller is

required to maintain affecting After Tax Enterprise Profit Retention; (vi) policy-related changes in expenditures (including a Change in Law) affecting any of the price formula components; and (vii) any other costs not within the control of Seller (except for increased costs due solely to operations in excess of the Base Output).

References in this Appendix A to annual periods shall be deemed to refer to the actual length of the relevant Base Output Period.

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[*** Filed separately with the Commission pursuant to a request for confidential treatment.]

APPENDIX A1
PROFIT

Chinese Party Registered Capital	132,911 (000 RMB)
Foreign Party Registered Capital	37,364 (000 USD)
Registered Capital Contribution Date	1-Jun-96
Commercial Operation Date	1-Jun-96
Return on Investment During Construction =	
Registered Capital Contributed X ([***] ^L)	

Where: L equals the number of years of construction

Annual Profit = (Registered Capital contributed + Return on Investment During Construction) x IRR Factor

Where:

IRR FACTOR =
$$\sum_{n=1}^{20} \frac{1}{1 - [***]^n}$$

Foreign Party Annual Profit
Year Amount (000 USD)

Chinese Party Annual Profit
Year Amount (000 RMB)

[***]

[***]

[***]

[***]

The above numbers shall be adjusted to reflect the actual amount of Registered Capital Contributed, the actual date of Registered Capital Contribution and the actual Commercial Operation Date.

APPENDIX B

POINT OF INTERCONNECTION

The Point of Interconnection shall be at the last transmission line tower located outside the fence of the Seller's 220 kV switchyard.

APPENDIX C

TECHNICAL LIMITS

1. Electrical System Characteristics

- (a) Voltage: 220 kV (equipment should be suitable for grid voltage variations from 213 kV - 252 kV)
- (b) Power Factor: Power factor operating range at the 220 kV Point of Interconnection is 0.85 (lag) to 1.0 power factor
- (c) Grid Frequency: 50 Hertz + 1.0 Hertz to - 2.0 Hertz

2. Individual Generating Unit Characteristics. The values contained in this Appendix C are based on achieving an installed capacity of 115 MW net per Unit. (Parasitic load has been deducted)

- (a) Capacity of Generating Equipment.
 - (i) 147 MVA generating capacity
 - (ii) 125 MW continuous capacity
 - (iii) Generator step-up transformers are rated 150 MVA.
- (b) Minimum Stable Load. The Parties agree not to dispatch the Facility below 72% load. If the performance test demonstrates that the unit cannot maintain a stable operation at 72% dispatch without the use of

oil, the Parties will explore whether technological modifications to the boiler are possible. If such modification is technically certified that it will not cause damage to the operation of the boiler, Seller shall make the technological modification to the Facility, provided, however, if the costs of such modification exceeds 0.1% of the total investment, the Parties agree to settle the problem through mutual negotiations in the spirit of equality and mutual respect.

- (c) Start-up Times. Start-up times are from boiler light-off to full load, and do not include time for mobilization and purging, for which fifteen (15) minutes minimum is required. Start-up times are minimum.

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Normal Operation

Coal Start from Ambient	10 hours
Warm Start after 40 hours shutdown	7 hours
Hot Start after 10 hours shutdown	4 hours

- (d) Maximum Loadong and Deloading Rates.

Mode	Load (MW)	Ramp Rate (MW/min.)
----	----	-----
Cold	0 - 20	0.17
Cold	20 - 125	0.39

2

APPENDIX D

CAPACITY TEST PROCEDURES

1. Guidelines

After a unit is sufficiently complete so that such unit and all systems associated with it are capable of safe operation in accordance with Prudent Electrical Practices, Seller shall conduct a capacity test as described below. Seller shall give Purchaser and the engineer at least five days prior written notice of the date on which a capacity test will commence. Purchaser may for reasonable cause defer a capacity test for up to five days from the date requested by Seller. Seller, Purchaser and the engineer shall each designate and make available qualified and authorized representatives to observe a capacity test as described in this Appendix D, and to monitor the taking of measurements to determine the level of achievement. Testing and measuring procedures used in a capacity test shall be in accordance with Chinese standards and codes. A capacity test may, but is not required to be, run concurrently with the performance tests under the construction contracts.

2. Capacity Test.

A capacity test shall establish the Rated Capacity for a Unit and shall consist of continuous, full load operation for twenty-four hours. The result of any capacity test shall be the net electrical capacity averaged over the duration of the capacity test, expressed in MW and measured at the Point of Interconnection. Upon the conclusion of the initial capacity test, Seller may elect to either (a) within five days submit the results of such capacity test to Purchaser, with a copy to the engineer, or (b) deliver a notice to Purchaser with a copy to the engineer stating Seller's intention to perform a second capacity test no earlier than two days and no later than seven days after the Purchaser's receipt of such notice. If Seller elects to perform such second capacity test, Seller shall, within five days after the conclusion of such capacity test submit to Purchaser ("Seller's Notice") with a copy to the engineer, the results of either the initial capacity test or the second capacity test, as Seller may elect.

3. Notice of Results.

If Purchaser concurs with the information in Seller's Notice, the engineer shall, within five days of receipt of Seller's Notice, provide written notice to Seller and Purchaser certifying the results of the test. If Purchaser disputes any or all of the results contained in Seller's notice, representatives of Seller, Purchaser, and the engineer shall meet at a mutually acceptable location to review and discuss the dispute. Within fourteen days of receipt of Seller's Notice, the engineer shall decide what the disputed levels of capacity were.

Such decision shall be certified in a notice to Seller and Purchaser and shall be binding.

4. Achievement of Testing Date.

The testing date of a unit shall be deemed to have occurred as of the date such unit has completed a capacity test, as certified by the engineer.

5. Disposition of Output.

At all times during start-up, preliminary testing, capacity tests, or other operations of a unit in furtherance of achieving the Testing Date of such unit, Purchaser shall, at no expense to Seller, arrange for the disposition of each unit's output of electricity.

ASSIGNMENT AND ASSUMPTION CONTRACT

This ASSIGNMENT AND ASSUMPTION CONTRACT (this "Contract"), dated as of this 26th day of April, 1996, is between JIAOZUO ALUMINUM MILL ("Assignor") and JIAOZUO WAN FANG POWER COMPANY LIMITED ("Assignee").

RECITALS

WHEREAS, Assignor owns all right, title and interest in and to the equipment, machinery, properties, contracts, permits, licenses and other assets listed on Schedule A attached hereto (the "Project Assets");

WHEREAS, pursuant to the Joint Venture Contract dated as of March 27, 1996 between Assignor and Jiaozuo Power Partners, L.P. (the "Joint Venture Contract"), Assignor is required to transfer the Project Assets to Assignee at the time contributions to the registered capital of Assignee are made;

WHEREAS, Assignor desires to assign to Assignee, and Assignee desires to accept, all of Assignor's right, title, interest and benefits under, in and to, the Project Assets and Assignee desires to assume certain liabilities in connection therewith as listed on Schedule B attached hereto (the "Liabilities"), all on the terms and conditions set forth herein; and

WHEREAS, the transfer of the Project Assets under this Contract is made in consideration of Jiaozuo Power Partners, L.P. entering into the Joint Venture Contract and in consideration of Assignee's assumption of the Liabilities listed on Schedule B hereto;

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

1. Assignor hereby irrevocably conveys, transfers, sets over and assigns to Assignee (the "Assignment"), and its successors and assignees, all of Assignor's right, title and interest in and to all of the Project Assets and all benefits arising thereunder or therefrom, such Assignment to take effect on the Assignment Date (as herein defined).

2. (a) Subject to the terms and conditions herein, Assignee hereby assumes the Liabilities specifically listed on Schedule B hereto, provided that Assignee shall not assume any liability in connection with the Project (as defined in the Power Purchase and Sale Contract dated as of April 26, 1996 between Assignor and Assignee), the Project Assets or this Contract, whether or not listed on Schedule B, until the Assignment Date or such later date as the Assignment becomes effective under Section 4. Assignor specifically acknowledges and agrees that Assignee does not assume any liability not listed on Schedule B and that Assignee shall have no responsibility for any liability in connection with the

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Project, the Project Assets or this Contract prior to the Assignment Date or such later date as the Assignment becomes effective under Section 4.

(b) All debts and liabilities of Assignor in connection with the Project (other than those listed on Schedule B), whether now existing or hereafter arising, shall be the sole obligation of Assignor and shall not give rise to any actual or contingent Lien (as herein defined) on any portion of the Project, the Project Assets, Assignee, any assets of Assignee or any interest in Assignee. Assignee shall not be liable for any such debts or liabilities. Assignor shall be obligated to repay such debts and liabilities in full and upon such repayment shall provide evidence satisfactory to Assignee that such debts and liabilities have been paid in full and that all claims and liens in connection therewith have been released.

3. Each party hereto agrees that it shall execute or cause to be executed promptly after request by the other such documents or instruments as may be reasonably required for the purpose of or in connection with the assignment by Assignor of the Project Assets or the assumption by Assignee of the Liabilities pursuant to this Contract.

4. Notwithstanding anything contained herein, to the extent the consent of any third party is required as a condition to the assignment of any Project Asset, the Assignment, insofar as it encompasses such Project Asset, shall not be effective unless and until such consent shall have been obtained and Assignor shall: (a) until such time as such consent shall have been obtained, to the extent possible obtain for Assignee the benefits of such Project Asset as though the Assignment had been effective with respect to such Project Asset; and (b) be obligated to obtain the consent of such third party. At such time as Assignor

shall obtain the required consent to the assignment of any Project Asset retained by Assignor pursuant to this Section 4, the Assignment shall immediately become effective in accordance with the terms of this Contract without the need for further action or further documentation by either party hereto. This Section 4 shall not apply to any transfer that does not require any third party's consent.

5. The "Assignment Date" shall be the date on which this Contract is formally signed by Assignor and Assignee, which date shall be after the business license is issued to Assignee.

6. Assignor represents and warrants to and covenants with Assignee as follows:

(a) Assignor has all necessary corporate power and authority to execute and perform its obligations under this Contract; the signing and performance by Assignor of this Contract have been duly authorized by all necessary corporate action on its part; and this Contract has been duly and validly signed by Assignor and constitutes its legal, valid and binding obligation, enforceable in accordance with its terms.

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(b) No authorizations, approvals or consents of, and no filings or registrations with, any governmental or regulatory authority or agency are necessary for the signing or performance by Assignor of this Contract or for the validity or enforceability thereof.

(c) So long as provisions of this Contract are in effect, Assignor shall (i) preserve and maintain its corporate existence; (ii) preserve and maintain all of its material rights, privileges and franchises; and (iii) comply with the requirements of all applicable laws, rules, regulations and orders of governmental or regulatory authorities.

(d) Assignor is the sole legal and beneficial owner of the Project Assets free and clear of any Lien other than the Liabilities listed on Schedule B. "Lien" means, with respect to any property, any mortgage, lien, pledge, charge, security interest, encumbrance, option, contract right or other third party right of any kind in respect of such property.

(e) The Project Assets are in a good state of repair and working condition and comprise of all of the assets, rights and privileges which are currently or have been used or required by Assignor to carry on the Project.

(f) There are no options or other agreements or contracts outstanding which provide for the sale or transfer or the right to require the creation of any Lien over the Project Assets or any part thereof.

(g) Assignee shall upon taking over the Project Assets have full and complete right, title and interest in and to the Project Assets free and clear of all Liens.

(h) Neither Assignor nor any of its employees is engaged in or is the subject of any litigation or arbitration, administrative or criminal proceedings which may affect the Project Assets or the Project.

(i) All the books and records and other materials relevant to the Project have been fully, properly and accurately maintained on a consistent basis and have been turned over to Assignee.

(j) Except as expressly listed on Schedule C hereto, Assignor has conducted work in connection with the Project in all respects in accordance with all applicable laws, permits and regulations of the People's Republic of China and is not currently in violation of such applicable laws, permits and regulations including without limitation those of the environmental protection agency. The Project and its business as contemplated will not violate such applicable laws and regulations referred to above. Assignor acknowledges that the approvals listed on Schedule C have not been obtained and believes that the lack of such approvals will not have a serious impact on the Project. Assignor agrees to provide relevant government support document(s) and try its best to hold the Assignee harmless against losses in connection therewith.

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(k) Assignor has disclosed to Assignee in writing full and complete copies of all contracts and arrangements entered into prior to the date hereof in respect of the Project Assets and the Projects; and Assignor is not at the date hereof a party to or subject to any agreement which is outside the ordinary course of the business of the Project.

(l) There are no claims of third parties or liabilities or obligations of any kind relating directly or indirectly to the Project or the Project Assets except the Liabilities set forth on Schedule B hereto.

(m) There are no contracts, obligations, agreements or arrangements to which Assignor is a party or by which Assignor is bound which are void, illegal or unenforceable under or contravening any laws, regulations or permits.

(n) Assignor is not in default under any provision of any of the contracts relating to the Project to be assigned to Assignee and no event has occurred which constitutes a default, or with the giving of default notice or the passage of the default cure period, would constitute a default under the foregoing contracts.

(o) The approvals, contracts and insurance policies to be assigned to Assignee are and will be on the date of such assignment in full force and effect in accordance with their terms.

(p) All representations and warranties made by Assignor will be true throughout the term of Assignee as a joint venture.

(q) Assignor believes that the construction of the power plant complies with all applicable laws, permits and regulations.

(r) No tax liability shall be incurred by Assignee as a result of Assignor's transfer of the Project Assets to Assignee as Assignor contribution to the registered capital of Assignee.

(s) Work relating to the Project that has been completed prior to the Assignment Date or such later date as the Assignment becomes effective under Section 4 is free from defects in title, conforms to standards of design, materials and workmanship prevailing in the industry and conforms in all respects to the construction contract(s).

(t) Warranties provided by manufacturers or otherwise on equipment transferred and other Project Assets are valid as of the Assignment Date or such later date as the Assignment becomes effective under Section 4.

(u) Assignor shall notify Assignee immediately in writing if Assignor becomes aware of any circumstances that might make any of the representations and warranties hereunder untrue or misleading.

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7. Assignor shall, and does hereby agree to, indemnify Assignee for, and hold it harmless from, (a) any and all liability, loss or damage (other than to the extent resulting from the Liabilities listed on Schedule B hereto) which may be incurred under or by reason of this Contract or any breach by Assignor of any of the representations, warranties, covenants or the terms of this Contract, (b) any and all claims and demands whatsoever which may be asserted against Assignee by reason of this Contract (other than to the extent resulting from the Liabilities listed on Schedule B hereto), (c) any and all claim, liability, loss or damage relating to the Project or Project Assets arising prior to the Assignment Date or such later date as the Assignment is effective under Section 4 and (d) any and all claim, liability, loss or damage relating to the Project or Project Assets arising after Assignment Date or such later date as the Assignment is effective under Section 4 (other than to the extent resulting from the Liabilities listed on Schedule B hereto), including in the case of any of the foregoing items (a) through (d) all costs, expenses and reasonable attorneys' fees, but excluding any such loss, liability, damage, claims or demands to the extent resulting directly from Assignee's misconduct or negligence.

8. (a) Both parties agree that the total value of the Project Assets as of March 31, 1996 is an amount not less than RMB 301,648,069 and not exceeding RMB312,808,069 (the "Price Range"). Both parties shall endeavor to agree on the precise value of the Project Assets (the "Final Price") within the Price Range prior to May 17, 1996. Upon reaching agreement on the Final Price, (i) the Final Price shall be stated in Schedule A and Schedule B; (ii) both parties shall sign Schedule A and Schedule B, which signatures shall be evidence that the parties have reached agreement on the Final Price; and (iii) the transfer of the Project Assets from Assignor to Assignee in an amount equal to the Final Price shall be deemed to have been made on the Assignment Date.

(b) Notwithstanding Section 8(a), the effective date of the Assignment is the Assignment Date.

(c) On the date the parties reach agreement on the Final Price, a portion of the Final Price equal to RMB 134,274,000 shall be converted into Assignor's contribution to the registered capital of Assignee and the remaining amount of the Final Price shall be deemed to be the first drawdown on the shareholder loan required to be provided by Assignor to Assignee pursuant to the Joint Venture Contract.

(d) Both parties recognize that certain of the contracts listed on Schedule B are not based on fixed prices and that certain contract prices specified in Schedule B are subject to change. Assignee shall be responsible for

any such price changes except those price changes that have been already accounted for in the Valuation Report of the Assets of Jiaozuo Aluminum Mill's Self-Supply Power Plant by Henan Provincial Ownership Rights and Assets Valuation Company, Ltd. dated June 28, 1995, which price changes shall be Assignor's responsibility.

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9. Failure by either party to exercise any of its rights under this Contract shall not constitute a waiver of such rights. Neither party shall be deemed to have waived any right resulting from any failure to perform by the other party unless it has made such waiver specifically in writing.

10. (a) The parties shall attempt to settle any dispute arising out of or in connection with this Contract through friendly consultation between themselves. Such consultation shall begin promptly after one party has delivered to the other party a written request for such consultation. If the parties do not reach an amicable solution within 30 days of receipt of such notice, either party may, with notice to the other party, submit the dispute for binding arbitration in Beijing, China, under the auspices of the China International Economic and Trade Arbitration Commission ("CIETAC") in accordance with the CIETAC Arbitration Rules as in effect on the date of this Contract (except to the extent this Section 10 specifies different procedures, in which event such procedures shall govern the arbitration, including the selection of the arbitration panel). The parties agree that any dispute arising out of or in connection with this Contract shall be submitted exclusively to arbitration as provided in this Section 10. Any settlement and award rendered through such an arbitration proceeding shall be final and binding upon the parties if the decision is in writing and contains a reasoned analysis explaining the arbitrators' reasons for rendering the award. The parties agree that the arbitral award may be enforced against the parties or their assets wherever they may be found and that a judgment upon the arbitral award may be entered in any court having jurisdiction thereof. Accordingly, the parties irrevocably agree that any action to enforce such judgment may be instituted wherever appropriate and each party hereby irrevocably waives, to the fullest extent permitted by law, any objection which it may have now or hereafter to the laying of the venue or the jurisdiction or the convenience of the forum of any such action and irrevocably submits generally and unconditionally to the jurisdiction of any such court in any such action.

(b) The arbitration shall be conducted in English and Chinese and the arbitration shall refer to the English and Chinese texts of this Contract.

(c) There shall be three arbitrators. The parties shall each select one arbitrator within 30 days after giving or receiving the demand for arbitration. The two arbitrators selected by the parties shall select the third arbitrator. If a party does not appoint an arbitrator who has consented to participate within 30 days after the selection of the first arbitrator, the relevant appointment shall be made by the arbitrating body. The costs of the arbitration shall be borne by the parties as determined by the arbitration tribunal, taking into account the relative merits of the positions of the parties.

(d) Each party is subject to civil and commercial law and irrevocably agrees that this Contract is a commercial rather than a public or governmental activity and neither party is entitled to claim immunity from legal proceedings with respect to itself or any of its assets on the grounds of sovereignty or otherwise under any law or in any jurisdiction where an action may be brought for the enforcement of any of the obligations arising under or relating

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to this Contract. To the extent that a party or any of its assets has or hereafter may acquire any right to immunity from any set-off, legal proceedings, attachment or execution of judgment on the grounds of sovereignty or otherwise, each party hereby irrevocably waives such right to immunity in respect of its obligations arising under or relating to this Contract.

(e) The parties hereby agree to carry out their respective obligations under this Contract, including without limitation all payment obligations, notwithstanding any pending dispute or controversy.

11. This Contract may be amended or modified only by an instrument in writing signed by both parties.

12. This Contract will be executed in four counterparts in both Chinese and English versions. Each version shall be of equal force and effect.

13. This Contract shall be governed by and construed in accordance with the laws of the People's Republic of China.

14. The invalidity of any provision or portion of this Contract will not affect the validity of the remainder of this Contract.

15. This Contract contains the complete agreement between the parties with respect to the matters contained herein and supersedes all other agreements, whether written or oral, with respect to the matters contained herein.

16. This Contract and the Assignment shall become effective upon the formal signing by both parties of this Contract after the business license is issued to Assignee.

IN WITNESS WHEREOF, each of the parties hereto has caused this Assignment and Assumption Contract to be signed by its duly authorized representative on the date first set forth above.

JIAOZUO ALUMINUM MILL

By: /s/ [SIGNATURE ILLEGIBLE]

Name:

Title:

JIAOZUO WAN FANG POWER COMPANY LIMITED

By: /s/ Edward C. Hall, III

Name:

Title:

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Schedule A

List of Project Assets

This Schedule A includes the list of Project Assets in the following pages and any and all other property and assets, whether tangible or intangible and wherever located, relating to the Project or any aspect of its development, construction, ownership, financing or operation, whether in the name of Assignor, any of its affiliates or any other party (including the contracts listed on Schedule B and the rights and interests thereunder).

SCHEDULE A

JIAOZUO POWER STATION PROJECT

Total Assets and Liabilities to be Transferred to the Joint Venture Company
(in RMB)

<TABLE>

Asset Type	31-May-95 Book Value	31-May-95 Appraised Value	Adjustment to Appraised Value	1-June-95 to 31-Mar-96 Change in Book Value
<S>	<C>	<C>	<C>	<C>
Land Use Right	8,601,274	81,940,628	(1,830,000)	7,598,845
Civil Construction & Installation	11,175,884	26,670,090	-	20,370,490
Prepaid Construction	17,361,078	17,361,078	-	16,145,721
Prepaid Equipment	30,853,102	48,039,898	(2,973,902)	8,310,400
Equipment in Warehouse	22,470,903	38,770,903	-	2,800,563
Fixed Assets	-	-	-	617,220
Inventory - Raw Materials	10,521,054	10,657,218	-	(1,840,111)
Other Investment	53,206	-	-	500,232
Deferred Expenses	21,237,317	29,788,617	-	20,067,261
Other Receivables	2,224,327	2,224,327	-	578,697
Cash & Cash Equivalents	4,229,322	4,229,322	-	4,541,607
Total Assets	128,727,467	259,682,081	(4,803,902)	79,690,925
Liabilities				
Other Payables				
Total Liabilities				
Capital				
Contributed by PRC Partners				
Total Liab. & Capital				

</TABLE>
<TABLE>

Asset Type	31-Mar-96 Reappraised Value (JV Opening Bal.)	Reference Pages
<S>	<C>	<C>
Land Use Right	80,110,628	Sche. # 1
Civil Construction & Installation	47,040,580	Sche. # 2
Prepaid Construction	33,506,799	Sche. # 3
Prepaid Equipment	53,376,396	Sche. # 4
Equipment in Warehouse	41,571,466	Sche. # 5
Fixed Assets	617,220	Sche. # 6
Inventory - Raw Materials	8,817,107	Sche. # 7
Other Investment	500,232	Sche. # 8
Deferred Expenses	49,855,878	Sche. # 9
Other Receivables	2,803,024	Sche. # 10
Cash & Cash Equivalents	8,770,929	
=====		
Total Assets	326,970,259	
=====		
Liabilities		
Other Payables	25,322,190	Sche. # 11

Total Liabilities	25,322,190	

Capital		
Contributed by PRC Partners	301,648,069	
=====		
Total Liab. & Capital	326,970,259	
=====		

</TABLE>

Mam

<TABLE>
Land Use Right

Account Items	(in RMB) 31-May-95 Book Value	31-May-95 Appraised Value	1-June-95 to 31-Mar-96 Change in BV	31-Mar-96 Book Value	31-Mar-96 Reappraised Value
<S>	<C>	<C>	<C>	<C>	<C>
Land Acquiring Fee (area of 481,492.1 m2)	7,755,754	81,940,628	7,413,189	15,168,943	80,110,628
Land Investigation Fee	461,000		-	461,000	-
Temporary Facility	332,220		185,656	517,876	-
Electricity Transformer	52,300		-	52,300	-

TOTAL	8,601,274	81,940,628	7,598,845	16,200,119	80,110,628

</TABLE>

Sch. 1 - Land Use Right

Civil Construction
<TABLE>

Projects	(in RMB) 31-May-95 Book Value	31-May-95 Appraised Value	1-June-95 to 31-Mar-96 Change in BV	31-Mar-96 Book Value	31-Mar-96 Reappraised Value
<S>	<C>	<C>	<C>	<C>	<C>
Well #1	315,171	490,601	-	315,171	490,601
Well #2	339,440	483,230	-	339,440	483,230
Well #3	343,855	491,980	-	343,855	491,980
Well #4	316,897	483,293	-	316,897	483,293
Well #5	341,097	484,294	-	341,097	484,294
Well #6	337,545	484,508	-	337,545	484,508
Well #7	337,513	484,098	-	337,513	484,098
Well #8	347,742	491,868	-	347,742	491,868
Well #9	139,020	496,880	-	139,020	496,880
Well #10	355,068	497,433	-	355,068	497,433
Wall Surrounding the Well	184,030	184,031	19,235	203,265	203,266
Land Work on Water Source	60,000	-	-	60,000	-

Main Plant Land Civil Work	5,946,279	10,558,400	246,060	6,192,339	10,804,460
Cooling Tower Civil Work	40,766	1,440,000	341,878	382,644	1,781,878
Plant Entrance Road Work	161,355	1,766,400	132,610	293,965	1,899,010
Plant Area Wall Construction	316,460	336,000	8,416	324,876	344,416
Main Bridge	499,988	3,724,600	302,507	802,495	4,027,107
Chemney	347,149	1,376,956	1,004,596	1,351,745	2,381,552
Dormitory	383,695	1,632,000	81,132	464,827	1,713,132
Raw Material Storage	62,814	763,518	284,954	347,768	1,048,472
Fine Stone	-	-	5,000	5,000	5,000
Road for Coal Transport	-	-	5,250	5,250	5,250
Road Correction	-	-	1,111,440	1,111,440	1,111,440
Thermal Power Company	-	-	3,107,372	3,107,372	3,107,372
Main Plant Construction	-	-	11,510,549	11,510,549	11,510,549
Canteen Outside the Plant	-	-	254,888	254,888	254,888
Boiler Room	-	-	140,278	140,278	140,278
Building	-	-	466,551	466,551	466,551
Staff Canteen	-	-	684,656	684,656	684,656
Water Treatment	-	-	649,411	649,411	649,411
Warehouse	-	-	13,708	13,708	13,708

TOTAL 11,175,884 26,670,090 20,370,490 31,546,373 47,040,580

Sch. 2 - Civil Construction

Prepaid Construction

Vendors	(in RMB)	31-May-95	1-June-95 to	31-Mar-96	31-Mar-96
	31-May-95	Appraised Value	31-Mar-96	Book Value	Reappraised Value
<S>	Book Value	<C>	Change in BV	Book Value	<C>
Jiaozuo Geology Investigation	190,000	190,000	-	190,000	190,000
Xian City Construction	3,450,000	3,450,000	(3,450,000)	-	-
City Labor Services	1,809,324	1,809,324	1,500,010	3,309,334	3,309,334
Provincial Construction	5,500,000	5,500,000	6,476,395	11,976,395	11,976,395
Wushi 2nd Construction	766,790	766,790	(74,923)	691,867	691,867
Zheng Iron	40,000	40,000	2,700,000	2,740,000	2,740,000
Provincial Thermal	3,030,963	3,030,963	3,808,241	6,839,204	6,839,204
Provincial Zhongyuen	600,000	600,000	1,080,000	1,680,000	1,680,000
Xinxian Geology Investigation	900,000	900,000	1,200,000	2,100,000	2,100,000
City Electricity	400,000	400,000	(400,000)	-	-
Jiaozuo Electricity	400,000	400,000	(400,000)	-	-
Xinguang Installation	240,000	240,000	300,000	540,000	540,000
Xinxian Construction	34,000	34,000	(34,000)	-	-
Linzhou	-	-	500,000	500,000	500,000
Jiazuo United	-	-	1,980,000	1,980,000	1,980,000
Zhengzhou City Electric	-	-	400,000	400,000	400,000
Chang Fire-proof Materials	-	-	560,000	560,000	560,000
TOTAL	17,361,077	17,361,077	16,145,722	33,506,799	33,506,799

Sch. 3 - Prepaid Construction

Prepaid Equipment

Equipment	(in RMB)	31-May-95	1-June-95 to	31-Mar-96	31-Mar-96
	31-May-95	Appraised Value	31-Mar-96	Book Value	Reappraised Value
<S>	Book Value	<C>	Change in BV	Book Value	<C>
#1 Turbine Machine	7,380,000	15,600,000	1,000,000	8,380,000	16,600,000
#1 Turbine Generator	6,011,000	12,003,894	-	6,011,000	12,003,894
Others	17,462,102	17,462,102	7,310,400	24,772,502	24,772,502
TOTAL	30,853,102	45,065,996	8,310,400	39,163,502	53,376,396

Sch. 4 - Prepaid Equipment

Equipment in Warehouse

<TABLE>

Items	# of Unit	(in RMB) 31-May-95 Book Value	31-May-95 Appraised Value	1-June-95 to 31-Mar-96 Change in BV	31-Mar-96 Book Value	31-Mar-96 Reappraised Value
<S>	<C>	<C>	<C>	<C>	<C>	<C>
#1 Boiler	1	20,700,000	37,000,000	-	20,700,000	37,000,000
#1 Boiler Transportation		996,417	996,417	-	996,417	996,417
Prepaid Boiler Service Fees		100,000	100,000	-	100,000	100,000
Water Pump for Boiler	1	2,406	2,406	-	2,406	2,406
Switch	1	565	565	-	565	565
Fan Machine	1	1,260	1,260	-	1,260	1,260
Exchange Set	2	214,500	214,500	-	214,500	214,500
Water Flow Reader	5	1,533	1,533	-	1,533	1,533
Motor	3	1,115	1,115	-	1,115	1,115
Pump	8	453,107	453,107	-	453,107	453,107
Ignition Set	8			230,000	230,000	230,000
High Pressure Static Remover				103,477	103,477	103,477
Turbine				780	780	780
Mixer	5			815,840	815,840	815,840
Breakers	2			476,100	476,100	476,100
Generator				3,000	3,000	3,000
SW2-110IW/160A	6			604,018	604,018	604,018
Isolated Switch	1			120,670	120,670	120,670
Electric Current Sensor				2,140	2,140	2,140
Electric Current Sensor				250	250	250
Electric Current Sensor				535	535	535
Electric Current Sensor				535	535	535
Voltage Sensor	3			152,705	152,705	152,705
Voltage Sensor	7			262,975	262,975	262,975
Electric Current Sensor				504	504	504
Switch	1			7,281	7,281	7,281
Switch	3			15,842	15,842	15,842
Isolated Switch				570	570	570
Isolated Switch				1,449	1,449	1,449
Isolated Switch				1,072	1,072	1,072
Electric Current Sensor				547	547	547
Electric Current Sensor				273	273	273
		22,470,903	38,770,903	2,800,563	25,271,466	41,571,466

</TABLE>

Sch. 5 - Equipment in Warehouse

Fixed Assets

<TABLE>

<S>	(in RMB)	31-Mar-96 Book Value	31-Mar-96 Reappraised Value
<C>	<C>	<C>	<C>
Yangcheng 1021	135,000		
Depreciation	(36,043)		
Net		98,957	98,957
Audi 100	398,500		
Depreciation	-		
Net		398,500	398,500
Van	38,250		
Depreciation	(10,605)		
Net		27,645	27,645
Small Van	108,000		
Depreciation	(15,882)		
Net		92,118	92,118
total:		617,220	617,220

</TABLE>

Sch. 6 - Fixed Assets

Inventory Raw Materials

<TABLE>

Items	(in RMB) 31-May-95 Book Value	31-May-95 Appraised Value	1-June-95 to 31-Mar-96 Change in BV	31-Mar-96 Book Value	31-Mar-96 Reappraised Value
<S>	<C>	<C>	<C>	<C>	<C>
Black Metal	8,835,452	8,935,973	(1,329,764)	7,505,688	7,505,688
Color Metal	24,208	24,208	10,185	34,393	34,393
Materials for Electricity Work	288,221	288,221	140	288,361	288,361
Hardware Materials	67	67	383	450	450
Screws	-	-	395	395	395
Auto Parts	397	397	5,940	6,337	6,337
Construction Materials	1,358,337	1,388,204	(392,315)	966,022	966,022
Water Heater	6,883	12,659	(3,070)	3,813	3,813
Low Value, Short Life Materials	5,119	5,119	96	5,215	5,215
Fuel	-	-	715	715	715
Labor Tools	2,370	2,370	3,348	5,718	5,718

TOTAL	10,521,054	10,657,218	(1,703,947)	8,817,107	8,817,107

</TABLE>

Sch. 7 - Inventory Raw Material

Other Investments

	(in RMB) 31-May-95 Book Value	31-May-95 Appraised Value	31-Mar-96 Book Value	31-Mar-96 Reappraised Value
<S>	<C>	<C>	<C>	<C>
Training			451,674	451,674
Furniture and Appliances	53,206		101,763	48,558

TOTAL	53,206		553,438	500,232

</TABLE>

Sch. 8 Other Investment

Deferred Expense

Items to be Amortized	(in RMB) 31-May-95 Book Value	31-May-95 Appraised Value	1-June-95 to 31-Mar-96 Change in BV	31-Mar-96 Book Value	31-Mar-96 Appraised Value
<S>	<C>	<C>	<C>	<C>	<C>
Design Fee	3,053,983	3,053,983	1,020,000	4,073,983	4,073,983
Research & Experimental Fee	2,030	2,030	-	2,030	2,030
Feasibility Study	223,000	223,000	30,000	253,000	253,000
Environmental Evaluation	117,500	117,500	-	117,500	117,500
Temporary Pipeline	26,382	26,382	25,775	52,157	52,157
Loan Interest	13,911,399	21,465,647	13,809,260	27,720,659	35,274,907
Electricity	395,493	395,493	982,395	1,377,888	1,377,888
Office Expense	109,095	109,095	234,419	343,514	343,514
Travel	447,903	447,903	556,408	1,004,311	1,004,311
Entertainment	870,071	870,071	749,540	1,619,611	1,619,611
Salaries and Benefits	437,515	437,515	1,138,000	1,575,515	1,575,515
Other Compensation	211,040	211,040	122,654	333,694	333,694
Tax	11,621	11,621	14,687	26,308	26,308
Repair Fee	51,082	51,082	57,539	108,621	108,621
Insurance Fee	15,070	15,070	34,173	49,243	49,243
Printing Fee	8,392	8,392	7,082	15,474	15,474
Penalty Fee	1,877	1,877	1,125	3,002	3,002
Transportation Fee	43,032	43,032	114,696	157,728	157,728
Technical Information Fee	25,772	25,772	54,730	80,502	80,502
Material Consumption	198,629	198,629	193,567	392,196	392,196
Low value, short-live items	11,547	11,547	15,678	27,225	27,225
Other	142,194	142,194	657,538	799,732	799,732

Subtotal	20,314,627	27,868,875	19,819,266	40,133,893	47,688,141

Office Equipment
(provided by the mill)

Passenger Vehicle 141,571 141,571

Coupe		450,000			450,000
Mini-van		42,000			42,000
Motor Cycle 1		13,500			13,500
Motor Cycle 2		6,200			6,200
Air-Conditioner 1		21,200			21,200
Air-Conditioner 2		8,500			8,500
Photocopy Machine		34,790			34,790
Typewriter		14,628			14,628
Color TV 1		5,738			5,738
Color TV 2		7,200			7,200
Picture Developing Machine		13,200			13,200
Security System		4,800			4,800
TV		9,600			9,600
Bicycles		1,604			1,604
Phone		14,280			14,280
Mobile Phone		56,400			56,400
Pagers		58,300			58,300
Furniture		93,542			93,542

Subtotal		997,053			997,053
Jiangau Isuzu Van	127,100	127,100	-	127,100	127,100
Coupe	211,304	211,304	-	211,304	211,304
Gold Cup Sealion Van	358,900	358,900	-	358,900	358,900
Tianjin Honda Motor Cycle	11,050	11,050	-	11,050	11,050
Golden City Suzuki Motor Cycle	8,800	8,800	-	8,800	8,800
Telecommunication Network	186,214	186,214	19,638	205,852	205,852
Measurement Equipment	11,926	11,926	-	11,926	11,926
Water Level Measuring Equipment	1,634	1,634	-	1,634	1,634
TV	2,902	2,902	-	2,902	2,902
Camera	1,580	1,580	-	1,580	1,580
Other	1,280	1,280	2,967	4,247	4,247
Air Conditioner	-	-	185,920	185,920	185,920
Mobil Phone	-	-	39,470	39,470	39,470

Subtotal	922,690	922,690	247,995	1,170,685	1,170,685
TOTAL	21,237,317	29,788,618	20,067,261	41,304,578	49,855,879

</TABLE>

Sch. 9 - Deferred Expense

Other Receivables

<TABLE>

	(in RMB)	31-May-95 Book Value	31-May-95 Appraised Value	31-Mar-96 Book Value	31-Mar-96 Reappraised Value
Receivable Item	<C>	<C>	<C>	<C>	<C>
Advances to Employees				974,166	974,166
Machuan Finance Ministry				1,000,000	1,000,000
Daiwang Finance Ministry				50,000	50,000
Provincial No. 2 Construction				31,300	31,300
Provincial Construction Service				80,000	80,000
Jiaozuo Cable				700	700
Provincial Design Institute				5,000	5,000
Jiaozuo Minery Department				50,000	50,000
Zhengzhou Cable				600	600
Jiaozuo City Geology Investigation				470,000	470,000
City Electricity Department				130,000	130,000
Canteen				10,010	10,010
City North Transportation Station				1,248	1,248

TOTAL				2,803,024	2,803,024

</TABLE>

Sch 10 -Other Receivables

Other Payables

<TABLE>

31-Mar-96

<S>	Content	31-Mar-96 Book Value	Reappraised Value
<S>	<C>	<C>	<C>
Jiaozuo University (Xian Electricity University)	Training	7,300	7,300
Provincial Construction Investment	Purchase of Material	108,672	108,672
Shanghai Electric Construction	Purchase of Material	188,000	188,000
City No. 2 Cement Factory	Purchase of Material	9,500	9,500
Shishan Resource Trading	Purchase of Material	-	-
City Resource Recycle Trading Co.	Purchase of Material	84,292	84,292
Provincial Foreign Investment Resource	Purchase of Material	1,939,351	1,939,351
Provincial Metallic Material Co.	Purchase of Material	2,431,854	2,431,854
City Material Co.	Purchase of Material	268,842	268,842
Provincial Metallic Material Development Co.	Purchase of Material	81,043	81,043
Chungyuen Trading Co.	Purchase of Material	2,774,514	2,774,514
Xian Electric	Purchase of Equipmer	310,002	310,002
Zhengyeung Switch	Purchase of Equipmer	616,290	616,290
Nantung	Purchase of Equipmer	500,000	500,000
City Resources Limited	Purchase of Material	23,205	23,205
Shanghai Boiler	Purchase of Boiler	2,300,000	2,300,000
(Various Raw Material Suppliers)	Purchase of Material	433,597	433,597
		-----	-----
		12,076,462	12,076,462
Loan payable		12,500,000	13,000,000
Tax Payable (Construction Tax)		245,728	245,728
		-----	-----
TOTAL		24,822,190	25,322,190

</TABLE>

Sch. 11 Other Payables

Schedule B

List of Liabilities Assumed by Assignee

Equipment Contract

Jiaozuo Project

SCHEDULE B

List of Liabilities Assumed by Assignee

Equipment Contract

<TABLE>

Reference	Equipment Name & Model Number	Manufacturer	Quantity	Contract Amount	Amount Paid as at Mar 31, 96	Amount O/S at Mar 31, 96
<S>	<C>	<C>	<C>	<C>	<C>	<C>
				(RMB'000)	(RMB'000)	(RMB'000)
1.a	Turbine					
1	Turbine Machine #1, N125-13.24/535/535	Shanghai Turbine	1	12,300	8,380	3,920
2	Turbine Machine #2, N125-13.24/535/535	Shanghai Turbine	1	13,000	3,900	9,100
3	Turbine Generator #1, QFS-125-2 13.8kv	Shanghai Electric	1	8,103	6,011	2,092
4	Turbine Generator #2, QFS-125-2 13.8kv	Shanghai Electric	1	8,012	801	7,211
5	Air Condenser, N-71100-III, 61401-0-0, JD-330-1	Shanghai Station	1	4,480	1,948	2,532
6	Low Pressure Heater, JD-220-4, JD-260-3, JD-260-2	Shanghai Station	1	930	93	837
7	High Pressure Heater, JG-490-3-1, JG-450-3-2	Shanghai Station	1	2,290	229	2,061
8	Pressure Reducing Set, C3D65-0 (WW202-0, Y3D23-0, TP4-D601-0, TP4-D602-0, TP4-D201-0)	Shanghai Station	1	470	47	423
9	Blowdown, 71102-0-0	Shanghai Station	1	35	4	32
10	Blowdown, 71202-0-0A	Shanghai Station	1	45	5	41
11	Condensing Pump, 12NL-160	Shanghai Pump Factory	2	600	180	420
	Motor, JSL 12-4	Shanghai Pump Factory	2	118	35	83
12	Water Supply Set, DGT 480-180	Shanghai Electric Construct	2	1,960	596	1,364
	Water supply set motor, ykds-3200-2,6kv	(Ordered by Shanghai Electric)	2	470	282	188
13	Water Pump Set, 150NW-T8x2	Shanghai Pump Factory	2	81	24	57
	Motor, y55kw, 2p, 380v	Shanghai Pump Factory	2	21	6	15
14	Injection Pump, 250s-39A	Shanghai Pump Factory	2	22	7	15

15	Motor, y250m-4,380v, 55kw	Shanghai Pump Factory	2	19	6	13
16	Oil Pump 150y-150	Shanghai Pump Factory	1	15	5	11
	Motor, YB 315 L1-160KW	Shanghai Pump Factory	1	62	19	44
17	High Pressure Set, GS100, GL 440	Qingdao Boiler	2	1,600	1,100	500
18	Bridge Crane, 75/20t	Dailian	1	1,460	1,022	438
19	Flushing Set	Qingdao Electric Equipment	1	188	-	188
20	Extraction Set	Shanghai Turbine	2	-	-	-
	Steam Seal Heater	Shanghai Turbine	1	200	-	200
21	Water Filter	Qingdao Electric Equipment	2	17	-	17
22	Extraction Set B151.81.21, HB151.82.10	Shanghai	3	210	-	210
23	Heater for Starting Gas PxP-160T	Changzhou Northern Power	4	152	-	152
				56,861	24,699	32,162

</TABLE>

1

Equipment Contract

Jiaozuo Project

SCHEDULE B

List of Liabilities Assumed by Assignee

Equipment Contract

<TABLE>

Reference	Equipment Name & Model Number	Manufacturer	Quantity	Contract Amount	Amount Paid as at Mar 31, 96	Amount O/S at Mar 31, 96
<S>	<C>	<C>	<C>	<C>	<C>	<C>
1.b Boiler						
1	Boiler, SG 420/13.7-M419	Shanghai Boiler	1	23,000	20,700	2,300
2	Boiler, SG 420/13.7-M419	Shanghai Boiler	1	23,000	4,600	18,400
3	Ignition Set, KLD-2	Shanghai Boiler	8	230	230	-
4	Ignition Set, KLD-3	Shanghai Boiler	8	230	-	230
5	Wind Box #1, 651419-4	Shanghai Boiler	1	80	-	80
6	Wind Box #2, 651419-4	Shanghai Boiler	1	80	-	80
7	Neunatic Actuator, ZGSA-160x300, ZSZ-63x125	Shanghai Boiler	40	150	-	150
8	Neunatic Actuator, ZGSA-160x300, ZSZ-63x125	Shanghai Boiler	40	150	-	150
9	Ash Blower, 1K-525B (long)	Hebei Machinery	4	534	160	374
	Ash Blower, IR-3 (short)	Hebei Machinery	24	-	-	-
10	Copper Coal Grinder, MG350, 600	Jiaozuo Minery Factory	2	3,600	1,080	2,520
11	Motor, YTM 630-6	Xiangtan Minery Factory	2	690	240	450
12	ESP, RWD-KFH/JZL-1-108x3-2	Chengzhou Electric Construct	2	5,700	1,995	3,705
13	Start-up Boiler, SZS10-1.25/ 300-y	Tianjin Boiler	1	466	310	156
14	Coal Foeder, RMD063	Hebei Machinery Factory	2	140	-	140
15	Scroper Coal Fine Conveyer, RMSSF40	Hebei Machinery Factory	1	217	-	217
16	Coarse Separator, HW-CB-I	Qingdao Boiler	2	191	-	191
17	Fine Separator, HW-XB-I	Qingdao Boiler	2	132	-	132
18	Fan (Separator), M5-29-11	Chengdu Machinery	2	284	120	164
19	Draft Fan, G4-73-11	Chengdu Machinery	2	156	120	36
20	Inducing Fan, Y4-2X60-01	Chengdu Machinery	2	1,260	760	500
21	Motor, YFKK450-4, YFKK6301-8, YFKK5001-4	Zangyeung Electric	6	1,252	-	1,252
22	Coal Greeze Feeder, GF-9	Zangyeung Electric	12	144	-	144
23	Fan Muffler, ZK-LT-20x3.2-A	Chengdu Electric	2	140	-	140
24	Elevator, TLJ1000/1.0-JX.PC	Changzhou Elavator	1	250	50	200
25	Lubricant Dilution, GDZ-63	Shenyang Minery	2	100	-	100
26	Injection Lubrication Set, SZP-2A	Shenyang Lubrication Factory	2	78	-	78
				62,254	30,365	31,889

</TABLE>

2

Equipment Contract

Jiaozuo Project

SCHEDULE B

List of Liabilities Assumed by Assignee

Equipment Contract

<TABLE>

Reference	Equipment Name & Model Number	Manufacturer	Quantity	Contract Amount	Amount Paid as at Mar 31, 96	Amount O/S at Mar 31, 96
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2. Coal Handle						
1	Truck Unloader, QX280-12	Hunan Electric Equipment	2	620	186	434
2	Bucket Wheel Reclaimer, DQL500/500-25	Daichung Co.	1	3,700	500	3,200
3	Screen, GGS-600	Shenyang Electric	2	200	-	200
4	Hopper Crusher, PCH-1016	Hebei Minery Equipment	2	456	-	456
5	Iron Picker, RCDD-12	Jenjiang Magnetic Equipment	2	178	-	178
6	Iron Picker, RCDD-10	Jenjiang Magnetic Equipment	2	108	-	108
7	Blade Wheel Feeder, QYG-600A	Shenyang Electric Machinery	2	590	-	590
8	Belt Conveyer, B 1000mm	Jiaozuo Forklift	11	3,875	-	3,875
9	Plow Unloader, B 1000mm	Zhengzhou Electric Equipment	6	108	-	108
10	Electric Circuit, 800x800	Zhengzhou Electric Equipment	4	36	-	36
11	Water Scrapper	Zhengzhou Electric Equipment	1	10	-	10
12	Seal of Coal Silo	Shenyang Electric Machinery	269	121	-	121
13	Damper Air Lock, 4A	Wuxi Electric Supply	4	60	-	60
14	Bulk Material Handle	Wuxi Electric Supply	4	60	-	60
15	Crane, LD	Luoyang Forklift	1	42	-	42
16	Crane, LD	Luoyang Forklift	1	40	-	40
17	Electric Belt, TCS-Y901	Jiangsu Electronic Scale	4	497	-	497
18	Truck Scale Balance	Xishan Equipment	32	302	-	302
19	Electric motor vehicle	Changzhou Limited Company	1	111	-	111
				11,114	686	10,428
3. Ash and Slag						
1	Boam Crane, LD	Luo Yang Fortlift	1	35	-	35
2	Ash Discharge Valve, XZ320	Zhengzhou Electric Equipment	12	31	-	31
3	Air Lock, DDBS-20/40	Zhengzhou Electric Equipment	8	80	-	80
4	Air Lock, DDS-20	Zhengzhou Electric Equipment	4	36	-	36
5	Three-Way Buffle Plate, 320x320	Zhengzhou Electric Equipment	12	36	-	36
6	Truck Loading Equipment	Zhengzhou Electric Construct	1	58	-	58
7	Neumatic Transportation Pump, CD4.0-1800	Zhejiang Electric Construct	8	640	-	640
8	Neumatic Transportation Pump, CD2.5-1600	Zhejiang Electric Construct	4	272	-	272
	Solinoid Valve, DFX-IID	Zhejiang Electric Construct	6	96	-	96
9	Mixer/Feeder/Discharge Valve	Nantong Construction Equip.	5	816	500	316
10	Oil Cooled Screw Air Compressor Heater, DYK-30, DKY-45	Shanghai Installation	4	940	-	940
		Jiangsu Generation Equipment	6	150	-	150
				3,190	500	2,690

</TABLE>

3

Equipment Contract

Jiaozuo Project

SCHEDULE B

List of Liabilities Assumed by Assignee

Equipment Contract

<TABLE>

Reference	Equipment Name & Model Number	Manufacturer	Quantity	Contract Amount	Amount Paid as at Mar 31, 96	Amount O/S at Mar 31, 96
<S>	<C>	<C>	<C>	<C>	<C>	<C>
4.Demineralization						
1	H+Ion Exchanhger, 1800R+-1250	Xian Xibei Electric Construct	5	169	169	
2	Cathode Ion Exchanger, 1800R--1250	Xian Xibei Electric Construct	5	169	169	
3	Mixed Ion Exchanger, 1250R+-5, R- -1000	Xian Xibei Electric Construct	2	52	38	14
4	CO2 Remover	Xian Xibei Electric Construct	2	63		63
5	Resin Catcher	Xian Xibei Electric Construct	4	12		12
6	Acid Absorber	Xian Xibei Electric Construct	1	5		5
7	Acid Tank	Central Electric	2	124	112	12
8	Alkaline Tank	Central Electric	2	124	112	12
9	Acid Scaling Tank - Anode Bed	City Demin. Group	1	9		9
10	Acid Scaling Tank - Mixed Bed	City Demin. Group	1	7		7

11	Alkaline Scaling Tank - Cathode Bed	City Demin. Group	1	9		9
12	Alkaline Scaling Tank - Mixed Bed	City Demin. Group	1	7		7
13	Steel Filter Tank	Anyeung Water Treatment	2	272		272
14	Installation	Yixing Water Treatment	8	912		
				1,934	600	422

5.a. Electric System

1	Transformer, SFPZ7-90000/220	Xian Transformer	1	4,700	1,000	3,700
2	Transformer, SFP7-150000/110	Xian Transformer	1	4,300	1,000	3,300
3	Standby Transformer, SF27-20000/110	Xian Transformer	1	1,240		1,240
4	Transformer for the Plant, SF7-20000/13.8	Xian Transformer	1	830		830
5	Circuit Breaker, SW2-220IIIW/1600A	Zhenyeung Switch	2	456	300	156
6	Circuit Breaker, SW2-110IW/1600A	Zhenyeung Switch	6	588	300	288
7	Switch, GW8-110W/400A	Zhenyeung Switch	1	7		7
8	Switch, GW8-60W/400A	Zhenyeung Switch	3	15		15
9	Isolation Switch, GN23-20Z/8000A	Zhenyeung Switch	1	118		118
10	Lightening Arrestor, Y10W-200/520 (W)	Nanyeung Lightening Arrestor	6	180	180	
11	Lightening Arrestor, Y10W-108/268 (W)	Nanyeung Lightening Arrestor	15	233	20	213
12	Lightening, Y1W-146W	Nanyeung Lightening Arrestor	1	17		17
13	Lightening, Y1W-60W	Nanyeung Lightening Arrestor	3	22		22
14	Lightening, Y25W-16.7	Nanyeung Lightening Arrestor	3	3		3
15	Discharge Record, JSY-10	Nanyeung Lightening Arrestor	25	8		8
16	H.V. Panel	Xinyeung Switch	7	510	102	408

</TABLE>

4

Equipment Contract

Jiaozuo Project

SCHEDULE B

List of Liabilities Assumed by Assignee

Equipment Contract

<TABLE>

Reference	Equipment Name & Model Number	Manufacturer	Quantity	Contract Amount	Amount Paid as at Mar 31, 96	Amount O/S at Mar 31, 96
<S>	<C>	<C>	<C>	<C>	<C>	<C>
17	PT TYD220	Xian Electric	3	151	106	45
18	PT TYD110	Xian Electric	7	259	100	159
19	CT	Zhenyeung Equipment	43	960	300	660
20	Isolation Switch, GW4	Wushun Electric	41	870	100	770
				15,466	3,508	11,958

6.b. Plant Power

1	Dry Transformer, SCL2-1250/6, SCL2-100	Beijing Transformer	4	614		614
2	BGZN-27x2x300/220	Xinxian 755	2	1,354		1,354
	BGZN-27-2x100/220	Xinxian 755	1	387		387
3	NIFE901-220-40	Shanghai	2	1,340		1,340
4	6KV high voltage box, JYN3-10	Xinhong Industrial Automatic	71	2,980		2,980
5	GSF-1 ACF	Xinhong Industrial Automatic	8	281		281
6	GKG-1, GFKG-6	Xinhong Industrial Automatic	21	263		263
				7,219		7,219

Instrumentation

1	General DCS System	Shenzhen	2	6,998		6,998
2	Boiler/Turbine Protection System	Jiaozuo	1	1,370		1,370
3	Secondary Air Gate/Swing Cylinder Central Panel, FDK-1	Suian City	10	145		145
4	Thermal Set Control System	Shenzhen Electric Power	2	1,979		
5	Monitor System	Shenzhen Wanyue	1	227		227
				10,719		8,740

8. Water System

1	Recirculation Pump, 1200HLCB3-19, YL800KW10P6kv	Shanghai (KSB)	4	1,941	1,081	860
2	Booster, 500S-22B	Shanghai (KSB)	2	106	32	74

2,287	1,113	1,174
171,043	61,471	106,682

</TABLE>

5

Construction Contract

SCHEDULE B

List of Liabilities Assumed by Assignee

Construction Contract

<TABLE>

Ref#	Project	Contractor	Total Amount	Prepaid Construction	Civil Construction	Amount O/S March 31, 96
<S>	<C>	<C>	<C>	<C>	<C>	<C>
			(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
1	Thermal System	Henan Construction	28,440			28,440
	Fuel System	Henan Construction	12,040			12,040
	Water Supply System	Henan Construction	18,540			18,540
	Turbine System	Henan Construction	2,710			2,710
	Water Treatment System	Henan Construction	1,850			1,850
	Generation Support System	Henan Construction	2,130			2,130
	Supplementary System	Henan Construction	6,970			6,970
	Other	Henan Construction	4,370			4,370
			77,050	12,940	14,820	49,290
2	Staff Dormitory	Zhongyeun Construct	2,000	1,680	460	-
3	Dormitory Water & Electricity Supply	Xinguang Installation	800	540		260
	Conference Room	Xinguang Installation	70			70
			870	540	-	330
4	No.I 110kv Cable Modification	Jiaozuo Electric	570			570
	No.II 110kv Cable Modification	Jiaozuo Electric	560			560
			1,130	--	1,110	20
5	Road Work Outside the Plant	Jiaozuo City Construct	1,600			1,600
	Tower Construction	Jiaozuo City Construct	300			300
			1,900	3,310	290	-
6	Cooling Tower Civil Work	Hungda	1,620	--	--	1,620
7	Canteen Outside the Plant	Linzhou	1,120	500	250	370
8	Cooling Tower Fine Stone	Xinxian	1,300			1,300
			350			350
			1,650	2,100	390	-
9	Pole	Zheng Iron	6,000	2,740	800	2,460
10	Water Well	Jiaozuo Mineral Water	3,770	190	3,440	140
11	Warehouse	Wushi	800	690	360	-
12	Underground Water Pipe	City Water		1,980		-
13	Installation	Provincial Thermal	150,000	6,840	3,110	140,050
14	Main Plant Construction	Xian	6,190	-	6,190	-

15	Plant Wall	Chang	320		320	-
		TOTAL	254,420	33,510	31,540	194,280

</TABLE>

6

Schedule C

List of Approvals Not Obtained

Assignor acknowledges that as of the date hereof, it has not received the following approvals:

1. Construction Engineering Permit
2. Construction Start Permit

D-1

AES CHINA GENERATING CO. LTD.

STATEMENTS REGARDING COMPUTATION OF EARNINGS PER SHARE
(In thousands, except per share amounts)

	Three Months Ended May 31, 1996 -----	Three Months Ended May 31, 1995 -----
PRIMARY		
Weighted Average Number of Shares of Common Stock Outstanding	15,634	17,446
Net Effect of Dilutive Stock Options Based on the Treasury Stock Method Using Average Market Price	11 -----	-- -----
Weighted Average Shares Outstanding	15,645 =====	17,446 =====
Net Income	US\$ 594 =====	786 =====
Per Share Amount	US\$ 0.04 =====	0.05 =====
FULLY DILUTED		
Weighted Average Number of Shares of Common Stock Outstanding	15,634	17,446
Net Effect of Dilutive Stock Options Based on the Treasury Stock Method Using Ending Market Price	44 -----	-- -----
Weighted Average Shares Outstanding	15,678 =====	17,446 =====

Net Income	US\$	594	786
		=====	=====
Per Share Amount	US\$	0.04	0.05
		=====	=====

Exhibit 11b

AES CHINA GENERATING CO. LTD.

STATEMENTS REGARDING COMPUTATION OF EARNINGS PER SHARE
(In thousands, except per share amounts)

	Six Months Ended May 31, 1996	Six Months Ended May 31, 1995
	-----	-----
PRIMARY		
Weighted Average Number of Shares of Common Stock Outstanding	15,640	17,580
Net Effect of Dilutive Stock Options Based on the Treasury Stock Method Using Average Market Price	4	--
	-----	-----
Weighted Average Shares Outstanding	15,644	17,580
	=====	=====
Net Income	US\$ 910	993
	=====	=====
Per Share Amount	US\$ 0.06	0.06
	=====	=====
FULLY DILUTED		
Weighted Average Number of Shares of Common Stock Outstanding	15,640	17,580
Net Effect of Dilutive Stock Options Based on the Treasury Stock Method Using Ending Market		

Price		37	--
		-----	-----
Weighted Average Shares Outstanding		15,677	17,580
		=====	=====
Net Income	US\$	910	993
		=====	=====
Per Share Amount	US\$	0.06	0.06
		=====	=====

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THIS FINANCIAL DATA SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED MAY 31, 1996 AND THE CONSOLIDATED BALANCE SHEET AS OF MAY 31, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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