

ENVIRONMENTAL AND SOCIAL ACTIONS

**Environmental and Social Action Plan (ESAP) by
Guangzhou Development Industry (Holding) Co., Ltd. (GDIH)**

No.	Action	Time Frame	Budget (US\$)
1	<p>GDIH – Designation of Executive Environmental and Social Director</p> <p>GDIH will designate an executive director with full responsibility of promoting environmental and social sustainability of its business including subsidiaries.</p>	March 2006	N.A.
2	<p>GDIH – Enhancement of Training on Good International Practice</p> <p>GDIH will provide officers of GDIH with training to enhance expertise in the good international practice of environmental protection for energy industry. Training opportunities may include:</p> <ul style="list-style-type: none"> • Participation in international conferences and exhibitions on energy and environment • Visiting power plants of good international standard • Participation in IFC-organized training programs for investment and environmental and social sustainability 	In 2006 and forward annually	US\$10,000 / year
3	<p>GDIH – Expand Criteria for New Investments to Incorporate Social Assessment, Exclusion List, application of performance standards to projects in Western Region, etc.</p>	March 2006 and forward	N.A.
4	<p>GDIH – Publishing Annual Sustainability Report</p> <p>GDIH will start publishing annual corporate sustainability report summarizing the corporate environmental and social management system, environmental and social performance of GDIH and invested projects including compliance status, and actions being undertaken by GDIH to enhance sustainability of their investments.</p>	June 2006 and forward annually	US\$10,000 / year

No.	Action	Time Frame	Budget (US\$)
	<p>Pearl River I & II Power Plants</p> <ul style="list-style-type: none"> • Improve environmental monitoring program for the ash disposal site. • Strengthen environmental monitoring program (heavy metals in stack emissions / liquid effluents / ash, GHG emissions, thermal discharge, continuous stack emission monitoring with regular calibration) • Provide professional training to environmental staff • Evaluate feasibility of further reducing NOx emissions 	<p>March 2006</p> <p>March 2006</p> <p>In 2006 and forward annually</p> <p>December 2006</p>	<p>TBD</p> <p>TBD</p> <p>US\$5,000 / year</p> <p>TBD</p>
6	<p>Pearl River Power Plant LNG CCGT Project</p> <p>GDIH will carry out a cumulative risk assessment of the three facilities including assessment of emergency response plans and additional mitigation measures. The three facilities of GDIH are:</p> <ul style="list-style-type: none"> • Pearl River Power Plant I & II (1,200MW, Guangzhou Zhujiang Power Co., Ltd. and Guangzhou Dongfang Power Co., Ltd.) • Pearl River LNG CCGT (700MW, Guangzhou Zhujiang LNG Power Generating Co., Ltd.) • Oil Storage / Oil Pier at Guangzhou Nansha (Guangzhou Development BP Oil Products Co., Ltd.) 	March 2006	US\$50,000
7	<p>Coal-fired Power Plants / Projects (minority controlled by GDIH)</p> <p>GDIH, as a minority shareholder, has invested in the following coal-fired power plant projects currently under operation or development:</p> <ul style="list-style-type: none"> • Shajiao B Coal-fired Power Plant (2x350MW) • Guangdong Shanwei Coal-fired Power Plant Project (Phase I-2x600MW, Phase II-2x600MW) • Guizhou Pannan Coal-fired Power Plant Project (6x600MW) 	Ongoing	TBD

No.	Action	Time Frame	Budget (US\$)
	<p>GDIH will work with majority shareholders of the coal-fired power plant projects to try to:</p> <ul style="list-style-type: none"> • implement the relevant items as listed in No. 5 for Pearl River I & II Power Plants. • conduct studies to identify areas for improvement that will enhance project sustainability and improve environmental and social performance. 		
8	<p>Guangzhou Nansha Development Gas Co., Ltd – Corporate Social Responsibility Program</p> <p>GDIH will work with Guangzhou Nansha Development Gas Co., Ltd. to develop and implement corporate social responsibility program to incorporate social services that are typically provided by gas utilities.</p>	June 2006 and forward annually	TBD
9	<p>Environmental, Social, Health and Safety Evaluation of Coal Mines</p> <p>GDIH will work with relevant subsidiaries of GDIH engaged in coal procurement business to conduct annual visits by GDIH technical experts to two major coal mines per year to review environmental, social, health and safety performance. The two major coal mines per year are to be selected from the coal mines that supply coal to GDIH’s majority controlled coal-fired power plants.</p>	Visit to two major coal mines per year.	Minimal