

*China Power Investment (CPI) did not provide individual answers to our questions, but sent the following statement*

Thank you for your inquiry, as the developer of the Upstream Ayeyawady Hydropower Projects(hereinafter referred to as “the Projects”) and a locally registered joint venture in Myanmar, we have always dedicated to bring clean electricity to Myanmar so as to promote economic and social development in Myanmar, the relevant information are presented as follows:

The Upstream Ayeyawady Hydropower Projects are located in Kachin State in the northern Myanmar, consisting of 7 large-scale hydropower projects, including Myitsone, Chipwi, Wutsok, Laza, Kaunglanhpu, Renam, and Hpizaw, as well as Chipwi Nge Hydropower Project that was originally planned to supply construction power to the Projects, with a total installed capacity of about 20,000MW.

The local joint venture—Upstream Ayeyawady Confluence Basin Hydropower Co., Ltd (ACHC) is the owner of the Projects, and was formed by CPI Yunnan International Power Investment Co., Ltd. (a wholly-owned subsidiary of CPI), Ministry of Electric Power, and Asia World Company, with a shareholding structure of 80%, 15% (as part of the royalty payment for using resources) and 5% respectively.

Since its registration in Naypyitaw in June 2010, ACHC has always adhered to the sustainable development by following the concept of “Providing Green Energy to serve the Public” and by following the ten principles of the UN Global Compact, with reference to ISO26000 -- Guidance on Social Responsibility by the International Standardization Organization (ISO) and other relevant international standards and guidelines. We have

effectively fulfilled our social responsibility, conducted mutual beneficial cooperation with relevant stakeholders in Myanmar, and strived to make positive contributions to the economic and social development of Myanmar.

For the economic, social and environmental responsibilities vigorously performed by us, please read ACHC Social Responsibility Report, 2010-

2012:<http://www.uachc.com/Liems/esiten/detail/detail.jsp?newsNo=8811>

### **1 Model Resettlement Villages in Myanmar**

With a designed installed capacity of 6,000MW, Myitsone Hydropower Project commenced construction in December 2009 following the approval of the Governments of the People's Republic of China and the Union of Myanmar. On September 30, 2011, Myanmar's President Thein Sein abruptly announced the suspension of its construction during his tenure.

Before the suspension, Aung Myint Thar and Maliyan resettlement villages were newly built for 2,146 residents relocated from 410 households living in five villages in the Myitsone dam area, and the resettlement work of the dam area was essentially completed with the investment amounting to over USD 25 million. The housing, education, medical, religious, cultural and other conditions have been greatly improved in the new villages and Myitsone resettlement villages became model in Myanmar, and the resettlement work have gained favorable acceptance by the then Prime Minister Thein Sein, and visiting foreign military attachés to Myanmar etc.

After the suspension of Myitsone HPP, most of the relocated residents working for project construction were out of jobs, resulting in their livelihood challenges. In light of

this situation, ACHC continuously donated rice and other supply to support them, a total of more than 1,300 tons of rice were donated to them.

## **2 Promote employment and employee care**

ACHC encourages local residents to increase revenue and improve living standards through participation in the project, providing services for the project and etc. During the project construction, a large number of jobs were expected to be created in construction and technical services directly for the local. The peak period will provide about 40,000 local jobs, indirect jobs will be more than 20,000. The company will provide a safe and healthy working and living environment, carry out regular activities, such as physical examination, epidemic prevention campaigns, etc. The labor and employment system will be implemented strictly in accordance with the existing laws of Myanmar and not lower than them, to protect the legitimate rights and interests of each employee effectively. We fully respect the wishes of employees and local customs, carry out a variety of employee skills trainings, and organize colorful activities for their spare time. Chinese and Myanma staff enjoy harmonious relationships and grow together.

## **3 Light up Kachin State**

Chipwi Nge HPP with an installed capacity of 99MW (33MW × 3) started construction in 2008, and were ready for the power generation in the end of September, 2011. In April 2012, The armed conflict broke out in the region, all staff were forced to evacuate, and the project also suffered significant damage in the war. In 2013, we invested and repaired the project. In September 2013, Chipwi Nge HPP began to supply power to the Myitkyina area in Kachin State, Chipwi Town, Myitsone resettlement villages and other parts of

Myanmar. The electricity price in Myitkyina area decreases from over 160 kyat/kWh down to 120 kyat/kWh, and the stability and quality of power supply have greatly improved. The electricity generated from Chipwi Nge HPP is supplied 100 percent to local area in Myanmar. Currently, the transmission range has reached Sagaing Region close to Kachin State. As the local power demand is low and the power grid and distribution infrastructure are not sufficient at present, Chipwi Nge HPP cannot be operated at its full capacity, but we will try our best to make more Burmese people have access to electricity in the future.

Our headquarters is in Nay Pyi Taw, with offices in Yangon and Myitkyina. If any person, any local community and NGO, is concerned about our projects or company, we are willing and happy to have frank communication with them. For more information, please visit our website [www.uachc.com](http://www.uachc.com).