

20 January 2016

Cassy O'Connor MP  
7 Franklin Wharf,  
HOBART TAS 7000

Dear Ms O'Connor,

### **Right to Information Request 10 November 2015**

Thank you for the opportunity for us to provide you with a briefing related to Part one of your request (detailed below) and your advice that you no longer require a copy of the document/information. In relation to the other items of you request I advise that I am authorised to make decisions on behalf of Hydro Tasmania in respect of applications for information under the RTI Act.

#### **1. Your Request**

Your request was for:

1. The Hydro China joint venture Heads of Agreement with Entura;
2. Any documents outlining the agreement between Hydro Tasmania and Shenhua Energy regarding cooperation on electricity retail prospects in China; and
3. Any Memorandum of Understanding signed between HydroChina and Entura.

(Collectively "the Request")

#### **2. Determination and Reasons for Determination of Request**

Following review of advice from the third parties to the information relevant to all three parts of the Request, I have determined as follows:-

##### **2.1 Information relevant to the Request Part 1**

The information I have determined that is responsive to Part 1 is numbered 1 and listed under Part 1 of Annexure A.

##### **2.2 Information relevant to the Request Part 2**

The information I have determined which can be disclosed to you that is responsive to Part 2 is numbered 2 and listed under Part 2 of Annexure A.

##### **2.3 Information relevant to the Request Part 3**

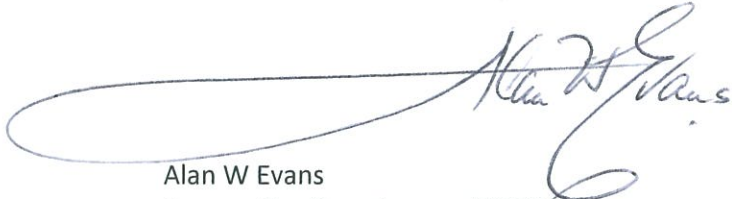
The information I have determined which can be disclosed to you that is responsive to Part 3 is numbered 3 and listed under Part 3 of Annexure A.

#### **3. Review of Rights**

As you have advised that you no longer require the information (document) relevant to Part 1 of the Request and that the information relevant to Parts 2 and 3 have been provided in full, the Request is complete and closed.

Should you have any questions on the information provided please contact the undersigned.

Yours sincerely

A handwritten signature in black ink, appearing to read "Alan W Evans". The signature is written in a cursive style with a large, sweeping loop on the left side that extends across the line of the signature.

Alan W Evans  
Corporation Secretary and RTI Officer  
Hydro Tasmania  
t 03 6230 5300  
e [alan.evans@hydro.com.au](mailto:alan.evans@hydro.com.au)

## **Annexure A**

### **PART 1**

1. Heads of Agreement between PowerChina Huadong Engineering Corporation Limited, Hydro-Electric Corporation and HydroChina Corporation dated September 2015. **Disclosure by way of briefing provided by Hydro Tasmania CEO and senior executives.**

### **PART 2**

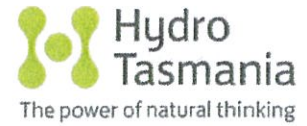
2. Memorandum of Understanding – Electricity Retail Cooperation between Hydro Tasmania and Guohua Energy Investment Co LTD dated 11 September 2015 of 12 pages. **To be disclosed - YES in full – attached.**

### **PART 3**

3. Memorandum of Understanding between Hydro-Electric Corporation trading as Entura, Australia and HYDROCHINA CORPORATION, China dated 18 November 2014 of 5 pages. **To be disclosed – YES in full – attached.**



神华国华能源投资有限公司



**Memorandum of Understanding**  
**Electricity Retail Cooperation**  
关于电力零售的战略合作协议

**Hydro Tasmania and**  
塔洲水电集团

**Guohua Energy Investment Co., LTD**  
国华能源投资有限公司

September 2015

二〇一五年九月

## Strategic Co-operation Agreement – Energy Retail Cooperation

### 关于电力零售合作的战略合作协议

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<b>Date of agreement</b> 协议日期	11 September 2015 2015年9月11日
<b>Parties</b> 双方	Hydro Tasmania and Guohua Energy Investment Co., LTD 塔州水电与国华能源投资有限公司
<b>Hydro Tasmania</b> 塔州水电	<b>Name</b> 公司名称 <b>Hydro-Electric Corporation</b> 塔州水电集团  <b>ABN</b> 48 072 377 158  <b>Address</b> 地址 4 Elizabeth Street, Hobart Tasmania, Australia, 7000  <b>Fax</b> 传真 +61 3 6223 3279  <b>Attention</b> 联系人 Chief Executive Officer 首席执行官
<b>Guohua</b> 国华	<b>Name</b> 公司名称 <b>Guohua Energy Investment Co., LTD 国华能源投资有限公司</b>  <b>Registration Number</b> 工商登记号 100000000029029  <b>Address</b> 地址 No. 3 Dongzhimen South Road, Dongcheng District, Beijing 北京市东城区南大街3号  <b>Fax</b> 传真 +86 10 58157777  <b>Attention</b> 联系人 Deputy Chief Engineer 副总工

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### Recitals

#### 前言

- A. Hydro Tasmania is an established vertically integrated clean energy business operating in the National Electricity Market in Australia. Hydro Tasmania generates over 30% of Australia's renewable energy through its hydro and wind generation assets in
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Tasmania. The business of Hydro Tasmania group encompasses generation, trading, retail and consulting services.

塔州水电是一家在澳大利亚国家电力市场上运营的纵向一体化的清洁能源知名企业。全澳洲 30% 以上的可再生能源均由塔州水电利用其在塔斯马尼亚州的水电和风电资产生产。塔州水电集团的业务包括电力、贸易、零售与咨询服务。

- B. As Shenhua Group's wholly owned subsidiary focusing on renewable energy business, Guohua Energy Investment (Guohua) is one of the largest wind energy developers and operators globally. Guohua owns and operates over 5,000 MW of wind assets in China and holds a 75% stake of Woolnorth and Musselroe wind farms in Tasmania. a

国华能源投资有限公司（“国华”）作为神华集团经营可再生能源的全资子公司，是世界上最大的风能开发和运营企业之一。国华在中国拥有和运营超过 5000 兆瓦的风电资产，并拥有塔州 Woolnorth 和 Musselroe 风电场 75% 的股权。

- C. As China has commenced the process of deregulating the power sector, Guohua is preparing its power business for electricity wholesale competition and potential expansion into retail sector. The parties intend that Hydro Tasmania will provide services to Guohua on commercial basis to assist Guohua in building wholesale competition capability and preparing for potential expansion into retail business.

鉴于中国已经启动电力行业放松管制进程，国华正在准备开展电力竞价上网和电力零售业务。双方达成意向，塔州水电将以商业服务形式为国华在竞价上网能力建设以及开展电力零售业务方面提供支持。

- D. Depending on China's market regulations and Guohua's retail business plans, Guohua and Hydro Tasmania will explore potential cooperative joint venture retail business in both Australian and Chinese markets.

国华和塔州水电将根据中国电力市场监管法规和国华的电力零售业务计划，探讨在澳大利亚和中国电力市场上开展电力零售合资合作。

- E. The Parties intend for this Agreement to foster the spirit of co-operation which exists between them.

双方希望通过本协议进一步深化双方的友好合作。

## **It is agreed**

### **兹同意**

#### **1 Definitions and interpretation**

##### **定义与释义**

In this Agreement, except where otherwise clearly intended:  
本协议中，除另有明确规定外：

- (1) **Agreement** means the terms and conditions contained in the body of this document.  
“协议”指本文件正文中包含的条款和条件。
- (2) **Confidential Information** means the contents of any discussions between the Parties in relation to the Intent and any information notified by the disclosing party to the recipient party as confidential.  
“保密信息”指双方之间有关合作意向的任何讨论的内容，以及披露方告知接收方具有保密性的任何信息。
- (3) **Commencement Date** means the date of execution of this Agreement.  
“生效日”指本协议签订之日。
- (4) **Future Agreement** means such future agreement or agreements which the Parties may negotiate and agree to give effect to the Intent.  
“未来协议”指双方未来就合作意向进行协商并签订的一份或多份协议。
- (5) **Intellectual Property** means all statutory and other proprietary rights in respect of inventions, innovations, patents utility models, designs, circuit layouts, mask rights, copyrights (including future copyrights), confidential information, trade secrets, know-how, trade marks and all other rights in respect of intellectual property as defined in Article 2 of the Convention establishing the World Intellectual Property Organisation of July 1967.  
“知识产权”指与发明、创新、实用新型专利、设计、电路布图、掩膜设计、版权（包括未来的版权）、保密性信息、交易秘密、技术诀窍、商标以及其他于 1967 年 7 月《建立世界知识产权组织公约》第二条中定义的所有权利相关的、所有法定的和其他专有权利。
- (6) **Intent** has the meaning described in Recitals C and D.  
“合作意向”具有前言 C 和 D 部分描述的含义。
- (7) **Parties** means the parties to this Agreement and **Party** means any one of them.  
“双方”指签订本协议的双方，“一方”指其中任意一方。

## 2 Strategic context 战略背景

### 2.1 Joint Co-operation 共同合作

The Parties intend:

双方拟议:

- (1) to enter into discussions to identify any joint opportunities within the scope of the Intent; and

进行洽商以发现合作意向范围内的合作机会; 以及

- (2) if there are any such joint opportunities, to seek to co-operate to exploit those opportunities.

如果存在上述合作机会, 则寻求合作以便利用该等机会。

## 2.2 Conduct 行事准则

In pursuing the Intent, the Parties agree:  
在落实合作意向的过程中, 双方同意就合作意向:

- (1) to work co-operatively; and

通力合作; 以及

- (2) at all times to communicate openly and honestly with each other in a spirit of mutual co-operation,

在任何时候, 以合作的精神公开、坦诚地沟通。

in respect of the Intent.

## 2.3 Exclusivity 排他性

The Parties acknowledge that:  
双方确认:

- (1) nothing in this Agreement is to be construed as creating an exclusive arrangement between the Parties in relation to the Intent or any matter ancillary to or in any way in connection with the Intent. While the Parties agree, based on the terms of this Agreement to associate with each other for the purpose of the Intent, the Parties agree that there may be opportunities or projects that arise that potentially fall beyond the appetite of either Party; and

本协议中的任何内容, 都不应被理解为在双方之间形成与合作意向或合作意向的任何附带事项或任何其他相关事项有关的排他性安排。尽管双方同意依据本协议的条款为了合作意向进行协作, 双方同意, 可能出现某一方并不感兴趣的潜在的机会或项目; 以及

- (2) exclusive arrangements required by either Party (if any) will be expressly dealt with in any Future Agreement.



任何一方要求的排他性安排（如有）将在未来协议中做出明确安排。

## 2.4 Contact officers 联系人

The following are the relevant contacts for the daily administration of this Agreement:  
下列人员是本协议日常执行事项的联系入：

### (1) Hydro Tasmania 塔州水电

Mr Chunhua Li  
李春华先生  
Business Development Manager 业务发展经理  
Level 25, 500 Collins Street, Melbourne, Victoria, 3000  
Phone 电话: +61 3 8628 9725  
Mobile 手机: +61 438 305 535  
Email 电子邮箱: Chunhua.Li@hydro.com.au

### (2) Guohua Energy Investment Co., LTD 国华能源投资有限公司

Mr Gao Hui  
高辉先生  
Deputy Chief Engineer 副总工程师  
No.3 South Rd. of Dongzhimen, Dongcheng District, Beijing  
北京市东城区东直门南大街 3 号  
Phone 电话: +86 10 5815 1869  
Mobile 手机: +86 136 0103 4350  
Email 电子邮箱: gaohui@guohua.com.cn

## 3 Negotiation of any Future Agreement 关于未来协议的谈判

### 3.1 The Parties will negotiate in good faith any potential Future Agreement.

双方应诚信地、就任何潜在的未来协议进行谈判。

### 3.2 The Parties acknowledge that the nature of any Future Agreement has not, as at the Commencement Date, been finalised or agreed.

双方确认，在生效日尚未就任何未来协议的性质做出定性或达成一致。

### 3.3 This Agreement will not be construed in any manner to create an obligation on the Parties to enter into any Future Agreement. If a Party assumes any obligations or enters into any arrangements with third parties before any Future Agreement is executed, it does so at its own risk. It is understood that any Future Agreement:

本协议将不会以任何方式被解释为创设了双方签订未来协议的义务。在未来协议签署之前，如果一方承担任何义务或与第三方达成任何安排，该方就其行为自负风险。双方理解，任何未来协议：

- (1) will require approval by appropriate levels of each Party's respective management;

将需要得到每一方各自适当级别的管理层的批准；

- (2) may require regulatory and shareholder approvals (if any) by Hydro Tasmania of executive government in accordance with the *Government Business Enterprises Act 1995* (Tas) and the *Hydro-Electric Corporation Act 1995* (Tas);

可能要求塔州水电获得政府的审批和股东的批准（如有），以符合 1995 年《政府商业企业法案（塔州）》和 1995 年《水电公司法案（塔州）》的规定；

- (3) may require regulatory and shareholder approvals (if any) by Guohua, including foreign investment approval in Australia by the Foreign Investment Review Board and approvals in China by the National Development and Reform Commission, the Ministry of Commerce, the State Administration of Foreign Exchange and the State-owned Assets Supervision and Administration Commission;

可能要求国华获得监管部门和股东的批准（如有），包括澳大利亚外国投资审核委员会(the Foreign Investment Review Board)的外国投资批准，以及中国国家发改委、商务部、外汇管理局以及国有资产监督管理委员会的批准；

- (4) is subject to the negotiation of mutually acceptable terms; and

受限于双方均可接受的条款的谈判；以及

- (5) must be duly executed by individuals having authority for such execution on behalf of each Party.

必须由每一方的有权签字人代表该方妥善签订。

#### 4 Liability 责任

In no event will a Party be liable for any direct, indirect, special, incidental or consequential damages, loss of revenue, loss of profits or loss of business opportunity resulting from or arising out of or in any way in connection with this Agreement, even if informed of the possibility of such damages. To the extent permitted by law, this limitation will apply regardless of how the loss or damage may have occurred and regardless of the theory of liability (whether in contract, tort including (without limitation) negligence, restitution or statute, arising out of or any way in connection with this Agreement or any act or omission of the Parties).

在任何情形下，一方均不就本协议所导致的、由本协议产生的或与本协议相关的直接、间接、特殊、偶然或结果性的损失、收入损失、利润损失或商业机会的损失承担责任，即便知道发生前述损失的可能性。在法律允许的范围内，无论损失或损害是如何产生的，也无论责任的基础为何【由本协议产生的或与本协议相关的或由于双方的任何作为或不作为而导致的，无论是基于合同、侵权（包括但不限于过失）、恢复原状还是法律规定】，前述责任限制均将适用。

## 5 Confidentiality 保密

### 5.1 Non-Disclosure 不披露

The Parties agree, in respect of any Confidential Information:  
关于保密信息，双方同意：

- (1) subject to clause 5.2 (Representatives), not to disclose such information to any person, without the prior written consent of the disclosing party, unless and until:

受限于第 5.2 条（代表），若未获得披露方的事先书面同意，不向任何人披露此类信息，除非以及直至：

- (a) such information becomes generally available to the public in printed publications in general circulation in Australia, through no action, default or other breach by the recipient party; or

此类信息可由公众在澳大利亚广泛流通的印刷出版物上普遍获取，且与接收方的行为、不履行或其他违约无关；或

- (b) the recipient party is required by law to make disclosure, and then only to such extent; and

接收方被依法要求进行披露，且只披露至法律要求的程度；以及

- (2) to keep such documents and any other material containing or incorporating any Confidential Information, in safe custody.

安全保管包含或整合了任何保密信息的文件和其他材料。

### 5.2 Representatives 代表

Each Party may, notwithstanding clause 5.1 (Non-Disclosure), disclose Confidential Information to such of its representatives (including their professional advisers) who may need such information and only to the extent so needed, to enable such party to fulfil its obligations under this Agreement.

尽管有第 5.1 条（不披露）的规定，每一方可以在使其能够履行本协议项下的义务的范围內，向该方可能需要保密信息的代表（包括其专业顾问）披露该信息。

## **6 Publicity** 公开宣传

- 6.1 The Parties must agree the wording and timing of all public announcements and statements by them relating to this Agreement or any Future Agreement before the relevant announcement or statement is made.

在做出与本协议或任何未来协议有关的公告和声明之前，双方必须就这些公告和声明的措辞和公布的时间达成一致。

- 6.2 Any Party making a public announcement or statement must immediately give a copy of that announcement or statement to the other.

任何做出公告或声明的一方，应立刻向另一方提供该公告或声明的副本。

## **7 Intellectual Property** 知识产权

- 7.1 Unless otherwise agreed by the Parties, the ownership of any Intellectual Property contributed by the Parties pursuant to this Agreement shall remain the property of the Party who contributed that Intellectual Property. Nothing in this Agreement shall transfer ownership of or create rights in the Intellectual Property of any Party to this Agreement, including as it relates to third parties.

除非另有约定，双方根据本协议投入的任何知识产权的所有权，仍属于投入该知识产权的一方。本协议中的任何条款均未规定对任一方的知识产权的所有权进行转让，或在该等知识产权上创设新的权利，包括涉及第三方的情形。

- 7.2 Intellectual Property created jointly in the course of the execution of this Agreement will be the property of all Parties available only for application to the execution of this Agreement and any Future Agreement.

在本协议履行过程中双方共同开发的知识产权，将作为双方的财产，仅用于履行本协议和任何未来协议。

## **8 Commencement and termination of this Agreement** 本协议的生效和终止

- 8.1 This Agreement shall commence on the Commencement Date.

本协议自生效日起生效。

- 8.2 Excepting clauses 4 (Liability), 5 (Confidentiality), 6 (Publicity) and 7 (Intellectual Property), this Agreement shall terminate upon the earlier of any one or more of the following events upon the day that:

除第 4 条（责任）、第 5 条（保密）、第 6 条（公开宣传）和第 7 条（知识产权）之外，本协议于以下日期中最早的日期终止：

- (1) unless the Parties otherwise agree in writing, 2 years after the Commencement Date;  
生效日两（2）年之后，双方另行书面同意的除外；
- (2) the Parties successfully conclude and execute any Future Agreement; or  
双方成功达成并签署未来协议；或
- (3) a Party notifies the other Party in writing of termination.  
一方以书面形式通知另一方终止本协议。

## **9 Intention to bind and relationship of the Parties** 法律约束力和双方的关系

9.1 The Parties agree that except for clauses 4 (Liability), 5 (Confidentiality), 6 (Publicity), 7 (Intellectual Property), 8 (Commencement and termination of this Agreement), 9 (Intention to bind and relationship of the Parties) and 10 (General), there is no intention that any part of this Agreement will be legally binding on them.

双方同意，除第 4 条（责任）、第 5 条（保密）、第 6 条（公开宣传）、第 7 条（知识产权）、第 8 条（本协议的生效和终止）、第 9 条（法律约束力和双方的关系）和第 10 条（一般条款）之外，本协议的其他条款对双方不具有法律约束力。

9.2 The Parties acknowledge and agree that this Agreement does not represent or imply a partnership, agency, fiduciary relationship, joint venture or any other category of commercial or personal relationship between the Parties recognised by law or in equity as giving rise to forms of specific rights and obligations.

双方确认并同意，本协议未明示或暗示双方之间形成了法律上或权益上的、使双方承担具体权利和义务的，合伙、代理、信托关系、合资公司或其他任何种类的商业或个人关系。

## **10 General** 一般条款

### **10.1 Variation** 变动

An amendment or variation to this Agreement is not effective unless it is in writing and signed by the Parties.

除非对本协议以书面形式进行修订或变动并由双方签字，该修订或变动无效。

**10.2 Governing law**  
适用法律

- (1) The law of Victoria governs this Agreement.

本协议适用维多利亚州法律。

- (2) The Parties agree to submit to the non-exclusive jurisdiction of the courts of Victoria and of the Federal Court of Australia.

双方同意接受维多利亚州和澳大利亚联邦法院的非排他性管辖。

**10.3 Entire agreement**  
完整合意

- (1) This Agreement contains the entire agreement between the Parties and supersedes and replaces any prior or inconsistent agreements, negotiations, representations and promises, written or oral, between the Parties respecting the subject matter hereof.

本协议包含了双方的完整合意，取代并替换双方与本协议所述事项有关的任何之前的、或存在不一致的协议、协商、意思表示和承诺，包括书面的和口头的。

- (2) No Party has relied on any promises, inducements or representations by the other, except those expressly stated in this Agreement.

除在本协议中明确表达的内容之外，任一方均未以另一方的任何承诺、诱导或意思表示为依据。

**10.4 Assignment**  
转让

This Agreement is personal to the Parties and cannot be assigned.

本协议项下的权利义务专属于双方，不可转让。

**Executed as an agreement**  
**作为协议签订**

**Executed as an agreement for and on behalf  
of Hydro-Electric Corporation:**  
代表塔州水电集团签订协议:

\_\_\_\_\_  
Signature 签名

In the presence of:  
出席代表:

\_\_\_\_\_

\_\_\_\_\_  
Signature 签名

\_\_\_\_\_  
Full Name (print) 全名(印刷体)

**Executed as an agreement for and on behalf  
of Guohua Energy Investment Co., LTD by:**  
代表国华能源投资有限公司签订协议:

\_\_\_\_\_  
Signature 签名

In the presence of:  
出席代表:

\_\_\_\_\_

\_\_\_\_\_  
Signature 签名

\_\_\_\_\_  
Full Name (print) 全名(印刷体)

**MEMORUNDUM OF UNDERSTANDING**

**between**

**Hydro -Electric Corporation**

**trading as**

**ENTURA, Australia**

**and**

**HYDROCHINA CORPORATION, China**

**November 2014**



This Memorandum of Understanding (hereinafter called the "MOU") is made and entered into on the 18<sup>th</sup> of November 2014,

between Hydro-Electric Corporation trading as Entura, (hereinafter called "Entura"), with address at 89 Cambridge Park Drive, Cambridge, Tasmania, 7170, Australia

and HYDROCHINA CORPORATION (hereinafter called "HYDROCHINA"), with address at No.2 Beixiaojie, Liupukang, Dewai, Beijing, 100120, China.

In this MOU, Entura and HYDROCHINA shall be separately referred to as "Party" and collectively referred to as the "Parties".

## **PREAMBLE**

WHEREAS, Entura is one of Australia's most experienced energy and water consultants, whose experts work with utilities, governments, developers and international companies to help them achieve their business goals using clever engineering and scientific solutions. Entura's full range of consulting services covers every aspect of major energy and water projects planning, design, construction, operation and maintenance. Entura is part of Hydro Tasmania, Australia's largest renewable energy generator and one of the largest resource managers, with expertise backed by 100 years of developing, operating and maintaining power and water infrastructure.

WHEREAS, with a development history over 60 years, HYDROCHINA is a Chinese state-owned enterprise that was established in December 2002 with the approval of China's State Council and under the administration of State-owned Assets Supervision and Administration Commission of the State Council. On September 29, 2011, after the restructuring and establishment of Power Construction Corporation of China ("POWERCHINA"), HYDROCHINA became a wholly-owned subsidiary of POWERCHINA, which ranked No. 313 in the Fortune Global 500 in 2014, with business covering over 90 countries. HYDROCHINA is the only large corporation group in China that provides comprehensive technical services with respect to hydropower and water conservancy constructions and renewable energy development. It mainly engages in site planning, investigation and design, construction and supervision, EPC general contracting and investment in water conservancy, hydropower, renewable energy projects, and has successfully entered industries such as industrial and civil construction, municipal engineering, environment engineering, transportation, water utilities and petroleum. In 2014, HYDROCHINA was ranked No. 12 in the Top 150 Global Design Firms by ENR. Relying on powerful technical and management advantages, HYDROCHINA has high-level positioning, a clear thought and a vast prospect.

WHEREAS, the Parties intend to develop cooperation in energy and water sectors, including

hydropower and renewable energy, sustainability and environmental management, power transmission, capacity building projects, etc. (hereinafter collectively referred to as "Project"), and to establish a long-term strategic cooperative relation to share information and supplement each other's advantages so as to create opportunities of further development for each other.

THEREFORE the Parties hereto agree to cooperate as follows.

## **SECTION 1: DECLARATION OF THE PARTIES**

In order to clarify the strategic cooperation framework established by the Parties and the forms for the Parties to carry out the cooperation, the Parties agree to sign this MOU through amicable consultations.

The Parties agree to develop a strategic cooperation based on the principle of "equality, mutual benefits, complementary advantages, mutual respect and trust".

The Parties undertake to strictly comply with the laws, regulations and policies issued by the government of the country where the cooperation project is located.

The Parties acknowledge that this MOU reflects the commitment of both Parties, who recognize it as a binding understanding in fulfilling the objective of the cooperation.

The Parties acknowledge that this MOU is only a description of principles of the intention and possible scope and forms of cooperation with respect to the project mentioned above; however, this MOU does not create any financial or legal liability or obligation to either party.

The Parties declare that this MOU is a non-exclusive agreement to the Parties. Each Party shall be free to pursue business opportunities independently of the other.

## **SECTION 2: CONTENT AND FORM OF COOPERATION**

The Parties engage in conducting business in design, consultancy and turn-key contract projects in energy and water sectors in order to expand business field, create opportunities to achieve and cooperate with each other in successful Projects.

The Parties shall communicate, complement and cooperate with each other in the business in the same areas, in such a way that avoids vicious competition and which is mutually beneficial for the Parties to follow, acquire and implement projects.

If a Party identifies a Project which is suitable for joint undertaking with the other Party, the Party shall refer the opportunity to the other Party for consideration. If the Parties agree to undertake a Project jointly, the Parties shall enter a follow-up Agreement regarding the development and implementation of the Project in an exclusive manner ("Detailed Agreement"), to mobilize both parties' resources in pursuing such Project.

Both Parties shall indicate information of the Project, including the scale, finance arrangement, social and economic conditions of implementation, expected return, etc., in the Detailed Agreement, or identify issues such as respective scope of work, allocation of cost, distribution of benefits and returns, solutions of costs incurred regarding third parties step by step in the works.

When Detailed Agreement is signed, both Parties shall identify the other Party as the exclusive partner in the Project, and shall not attempt to cooperation with any third Party regarding the Project without the written consent of the other Party.

### **SECTION 3: CONFIDENTIALITY**

The Parties shall maintain confidentiality from any third Party of any and all information regarding the Projects, business activities and the Clients of other Party.

Within the validity of this MOU, the Parties shall maintain the confidentiality of any and all information acquired from the other party on company, project, clients and business and shall not disclose to any third party without advance written consent of the other Party.

The obligation of confidentiality shall remain valid for a period of three (3) years following the termination or completion of the MOU.

However, the terms in Confidentiality in this Section shall not apply to any information that is in the public domain, or which, was lawfully acquired by a third Party from channels other than the Parties.

### **SECTION 4: SETTLEMENT OF DISAGREEMENTS**

The Parties and their nominated staff shall work in a spirit of openness, transparency and consultation on the basis of good faith and trust.

In the event of any disagreement, mutual consultation and dialogue will be the first means of resolving the problem, thus avoiding unilateral actions. In the event of any continuing disagreement, a high level meeting shall be arranged between the two Parties within two weeks so as to settle the disagreement amicably in the interest of both the Parties.

### **SECTION 5: AMENDMENT / TERMINATION OF THE MOU**

Any amendments to the MOU, or change in the terms, objective, operational modalities, change of status or name of any Party contained in this MOU, shall only be made through a written supplementary agreement between the Parties.

If one Party intends to terminate this MOU, 30 days' advance written notice shall be given, with explanation of the reason of termination.

### **SECTION 7: EFFECTIVENESS**

The MOU shall be deemed to have come into effect upon signing by both the Parties, and shall be effective initially for 12 (twelve) months from the date of signatures, unless terminated earlier, extended or followed by supplementary agreements or detailed agreements.



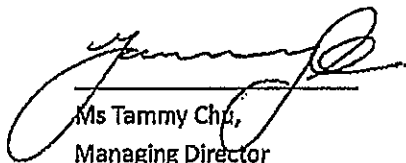
## SECTION 8: THIS MOU

This MOU shall supersede all the previous correspondence exchanged on cooperation, between the Parties.

This MOU has four originals, with two held by each party, all of which have the same effect.

IN WITNESS WHEREOF the undersigned being duly authorized representatives of the Parties hereto, have signed this Memorandum of Understanding on the day and year above written.

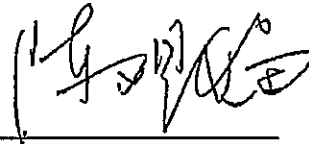
Entura



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Ms Tammy Chi,  
Managing Director  
Entura

HYDROCHINA CORPORATION



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Chen Guanfu,  
Vice-President  
HYDROCHINA CORPORATION