

**Risk Assessment Report of
the construction suspension of Changwa Hydro Power project, in Yizhou city**

June 30th, 2004

Changwa hydro Power Project was started to build on December 15, 2003. The construction has been suspended from April 10, 2004 until to now. Required by the project owner (Gaungxi Yizhou Changmao Power Co., Ltd), according to the agreement signed by the project owner and the construction supervision records, the cost occurred in the past period and would be occurred in the future was analyzed; and also the risk assessment on the construction suspension of the project has also been considered in the report.

1. Estimating the loss of construction temporary suspension

1.1 Cost before the suspension:

Parts of the project has been finished from the starting date till suspension on April 10, 2004, including temporary construction of construction of road and levelling the building site, earth-rock cofferdam in the first-phase, basic pit pumping and basic digging project. The sum of 1,670,000RMB has been expended in them.

Cost of detail items is shown as follow:

Item	Cost (10 ⁴ RMB)	Date	Remarks
Road and levelling the building site	35	12/2003—2/2004	
Basic digging	92	01/2004-04/2004	
Others	40	12/2003-04/2004	

2. The maintenance cost and labor idle cost during suspension is about 35,000RMB every month. Drainage and cleaning work cost about 100 thousand.

3、 Risk analysis

Except the problems analyzed above, the total investment of the project is increased a lot compared to the original design proposal where the construction cost is increased up to 20%. This is caused by the increasing of the price of the construction material and the electromechanical device in the construction period, the adjustment and perfection of the design and the difference between the actual engineering and the design. Currently, the project is facing the fund shortage problem, if the project owner can not get low interest rate bank loan, it will lose 1.2 million RMB every year in the future.

So the project owner should take the investment risks into account seriously and do the preparations work as early as possible.

4、 Conclusion and Advices

According to the above analysis, we suggest that try to get the bank loan with lowest interest to assist and accelerate the construction of the project.

Guangxi Liyuan Construction Supervising Co., Ltd
Changwa Project Department
June 30th, 2004

宜州市长瓦水电站施工暂停阶段性风险评价报告

2004年6月30日

长瓦水电站 2003 年 12 月 15 日开工建设, 2004 年 4 月 10 日停工至今。根据业主广西宜州长茂电力有限责任公司要求, 参考业主已签订的合同和监理施工记录汇总, 对已发生和需发生的费用分析, 对宜州市长瓦水电站进行施工暂停阶段性风险评价。

一、停工损失估算

1. 已发生工程费用

长瓦电站开工以来, 至 2004 年 4 月 10 日停工, 完成了现场三通一平等临时工程、一期工程(右岸坝和厂房)的土石围堰, 基坑抽水和基础开挖工程, 工程发生实际费用共计 167 万元。明细如下:

项目	费用(万元)	时间	备注
三通一平	35	2003.12-2004.2	含临建营地
基础开挖	92	2004.1-4	
其它	40	2003.12-2004.4	

2. 停工期维护费及窝工补偿费, 每月约 3.5 万元。复工前基坑排水、清淤等恢复性工程费约 10 万元。

二、风险分析

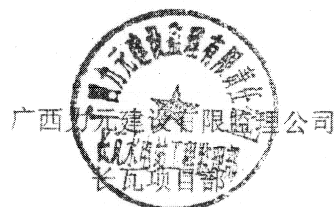
除上停工损失问题分析外, 因施工期间延长以及本工程今后建设

调加部分工程项目，实际工程量与原设计有一些出入，导致本项目投资将会比原设计方案有较大增加，建设成本将增加 20%。目前已经出现资金短缺现象，如无法获得银行低息贷款支持，项目将面临每年 120 万元以上亏损。

故请业主方做好充分的准备工作，慎重考虑项目投资风险。

四、结论建议

基于上述分析，我方提出如下建议尽量争取低息贷款支持项目加速建设运行：



广西元建设工程有限公司

2004年6月30日