

CONFORMED COPY

LOAN NUMBER 3288-0 CHA
3288-1
3288-2
3288-3
3288-4

(Shanghai Industrial Development Project)

between

PEOPLE'S REPUBLIC OF CHINA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated March 15, 1991

LOAN NUMBER 3288-0 CHA
3288-1
3288-2
3288-3
3288-4

LOAN AGREEMENT

AGREEMENT, dated March 15, 1991, between PEOPLE'S REPUBLIC OF CHINA (the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank).

WHEREAS: (A) the Borrower, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, has requested the Bank to assist in the financing of the Project;

(B) Shanghai Municipality has adopted a development program and strategy for the industrial sub-sectors of printing machinery, electrical apparatus, electronic components and precision and scientific instruments, dated May 16, 1989;

(C) Part B.2 of the Project will be carried out by Shanghai Municipality and Parts A and B.1 of the Project will be carried out by Bank of Communications, Shanghai Branch (BOCOM), China

Investment Bank (CIB), Industrial and Commercial Bank of China (ICBC), People's Construction Bank of China (PCBC) and Shanghai Investment and Trust Corporation (SITCO) (the Financial Intermediaries), all with the Borrower's assistance and, as part of such assistance, the Borrower will make available to Shanghai Municipality the proceeds of the Loan as provided in this Agreement; and

WHEREAS the Bank has agreed, on the basis, inter alia, of the foregoing, to extend the Loan to the Borrower upon the terms and conditions set forth in this Agreement, in the Shanghai Project Agreement of even date herewith between the Bank and Shanghai Municipality and in the Financial Intermediaries Project Agreement of even date herewith among the Bank and the Financial Intermediaries;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to Loan and Guarantee Agreements" of the Bank, dated January 1, 1985, with the modifications set forth in Schedule 5 to this Agreement (the General Conditions) constitute an integral part of this Agreement.

Section 1.02. Unless the context otherwise requires, the several terms defined in the General Conditions have the respective meanings therein set forth and the following additional terms have the following meanings:

(a) "BOCOM" means the Bank of Communications, Shanghai Branch, an independent legal person established and operating under the BOC Charter;

(b) "BOCOM Charter" means the Charter of the Bank of Communications, a national socialist joint-stock financial enterprise primarily under public ownership, approved by the People's Bank of China on March 10, 1987;

(c) "CIB" means China Investment Bank, a state enterprise established pursuant to the CIB Charter;

(d) "CIB Charter" means the Charter of China Investment Bank approved by the Borrower's State Council on December 4, 1981;

(e) "CIB Lending Procedures" means the Lending Procedures (on a Trial Basis) of CIB, approved by the Borrower's Ministry of Finance on April 2, 1983;

(f) "CIB Statement of Policy" and "CIB Statement of Development Strategy" mean the Policy Statement and Development Strategy Statement of CIB, respectively, as approved by its Board of Directors in July 1986 and amended thereafter with the Bank's concurrence;

(g) "CIB Supplementary Regulations" means the "Regulations Supplementary to the Charter of China Investment Bank," approved by CIB's Board of Directors on October 6, 1982;

(h) "Financial Intermediaries" means BOCOM, CIB, ICBC, PCBC and SITCO, collectively, and "Financial Intermediary" means any of the Financial Intermediaries;

(i) "Financial Intermediaries Project Agreement" means the agreement of even date herewith among the Bank and the Financial Intermediaries, as the same may be amended from time to time, and such term includes all schedules and agreements supplemental to the Financial Intermediaries Project Agreement;

(j) "foreign currency" means any currency other than the currency of the Borrower;

(k) "free-limit Sub-loan" means a Sub-loan which qualifies as a free-limit Sub-loan pursuant to the provisions of paragraph 2 (c) of Schedule 1 to the Financial

Intermediaries Project
Agreement;

(l) "ICBC" means the Industrial and Commercial Bank of China, a specialized banking institution established and operating under the laws of the Borrower, including the State Council Decision;

(m) "Investment Enterprise" means a sub-sector corporation established in accordance with paragraph 3 of the Schedule to the Shanghai Project Agreement;

(n) "Investment Project" means a specific technological restructuring project in a Project sub-sector to be carried out by an Investment Enterprise under Part A of the Project;

(o) "Investment Sub-loan" means a Sub-loan for an Investment Project;

(p) "PCBC" means People's Construction Bank of China, a specialized banking institution established and operating under the laws of the Borrower, including the State Council Decision;

(q) "Project Sub-sector" means an industrial sub-sector agreed between the Bank and Shanghai Municipality pursuant to paragraph 3 (a) of the Schedule to the Shanghai Project Agreement;

(r) "Renminbi" means the currency of the Borrower;

(s) "Shanghai Project Agreement" means the agreement between the Bank and Shanghai Municipality of even date herewith, as the same may be amended from time to time, and such term includes all schedules and agreements supplemental to the Shanghai Project Agreement;

(t) "SITCO" means the Shanghai Investment and Trust Corporation, a state enterprise operating pursuant to the SITCO Articles of Association;

(u) "SITCO Articles of Association" means the Articles of Association of SITCO, dated August 1986;

(v) "Special Accounts" means the accounts referred to in Section 2.02 (b) of this Agreement, collectively, and "Special Account" means any of the Special Accounts;

(w) "State Council Decision" means the Decision of the Borrower's State Council on the Exclusive Exercise of Central Bank Functions by the People's Bank of China, dated September 17, 1983 (State Council Document No. (1983) 146);

(x) "Sub-loan" means a loan made or proposed to be made by a Financial Intermediary to an Investment Enterprise for an Investment Project or a Technical Assistance Project out of the equivalent of the proceeds of the Loan relent or made available to said Financial Intermediary under its respective Subsidiary Loan Agreement and such term includes both Investment Sub-loans and Technical Assistance Sub-loans;

(y) "Subsidiary" means any company of which a majority of the outstanding voting stock or other proprietary interest is owned or effectively controlled by a Financial Intermediary or by any one or more Subsidiaries of said Financial Intermediary or by said Financial Intermediary and one or more of its Subsidiaries;

(z) "Subsidiary Loan Agreements" means the agreements to be entered into between Shanghai Municipality and the Financial Intermediaries pursuant to Section 2.02 (a) of the Shanghai Project Agreement, as the same may be amended from time to time, and such term includes all schedules supplemental to the Subsidiary Loan Agreements; and "Subsidiary Loan Agreement" means any of the Subsidiary Loan Agreements;

(aa) "Technical Assistance Project" means a specific technical assistance project under Part B.1 of the Project; and

(bb) "Technical Assistance Sub-loan" means a Sub-loan for a Technical Assistance Project.

ARTICLE II

The Loan

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in the Loan Agreement, various currencies that shall have an aggregate value equivalent to the amount of one hundred fifty million dollars (\$150,000,000), being the sum of withdrawals of the proceeds of the Loan, with each withdrawal valued by the Bank as of the date of such withdrawal.

Section 2.02. (a) The amount of the Loan may be withdrawn from the Loan Account in accordance with the provisions of Schedule 1 to this Agreement for amounts paid (or if the Bank shall so agree, amounts to be paid) by a Financial Intermediary on account of withdrawals made by an Investment Enterprise under a Sub-loan to meet the reasonable cost of goods and services required for the Investment Project or Technical Assistance Project in respect of which the withdrawal from the Loan Account is requested.

(b) The Borrower shall, for the purposes of the Project, open and maintain in dollars five separate special accounts, one each for BOCOM, CIB, ICBC, PCBC and SITCO, with each special account opened and maintained in a bank and on terms and conditions satisfactory to the Bank. Deposits into, and payments out of, each of the Special Accounts shall be made in accordance with the provisions of Schedule 4 to this Agreement.

Section 2.03. The Closing Date shall be June 30, 1996 or such later date as the Bank shall establish. The Bank shall promptly notify the Borrower of such later date.

Section 2.04. The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one percent (3/4 of 1%) per annum on the principal amount of the Loan not withdrawn from time to time.

Section 2.05. (a) The Borrower shall pay interest on the principal amount of the Loan withdrawn and outstanding from time to time, at a rate for each Interest Period equal to the Cost of Qualified Borrowings determined in respect of the preceding Semester, plus one-half of one percent (1/2 of 1%). On each of the dates specified in Section 2.06 of this Agreement, the Borrower shall pay interest accrued on the principal amount outstanding during the preceding Interest Period, calculated at the rate applicable during such Interest Period.

(b) As soon as practicable after the end of each Semester, the Bank shall notify the Borrower of the Cost of Qualified Borrowings determined in respect of such Semester.

(c) For the purposes of this Section:

(i) "Interest Period" means a six-month period ending on the date immediately preceding each date specified in Section 2.06 of this Agreement, beginning with the Interest Period in which this Agreement is signed.

(ii) "Cost of Qualified Borrowings" means the cost, as reasonably determined by the Bank and expressed as a percentage per annum, of the outstanding borrowings of the Bank drawn down after June 30, 1982, excluding such borrowings or portions thereof as the Bank has allocated to fund: (A) the Bank's investments; and (B) loans which may be made by the Bank after July 1, 1989 bearing interest rates determined otherwise than as provided in paragraph (a) of this Section.

(iii) "Semester" means the first six months or the second six months of a calendar year.

(d) On such date as the Bank may specify by no less than six months' notice to the Borrower, paragraphs (a), (b) and (c) (iii) of this Section shall be amended to

read as follows:

"(a) The Borrower shall pay interest on the principal amount of the Loan withdrawn and outstanding from time to time, at a rate for each Quarter equal to the Cost of Qualified Borrowings determined in respect of the preceding Quarter, plus one-half of one percent (1/2 of 1%). On each of the dates specified in Section 2.06 of this Agreement, the Borrower shall pay interest accrued on the principal amount outstanding during the preceding Interest Period, calculated at the rates applicable during such Interest Period."

"(b) As soon as practicable after the end of each Quarter, the Bank shall notify the Borrower of the Cost of Qualified Borrowings determined in respect of such Quarter."

"(c) (iii) 'Quarter' means a three-month period commencing on January 1, April 1, July 1 or October 1 in a calendar year."

Section 2.06. Interest and other charges shall be payable semi-annually on March 15 and September 15 in each year.

Section 2.07. The Borrower shall repay the principal amount of the Loan in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

ARTICLE III

Execution of the Project

Section 3.01. (a) The Borrower declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement, and, to this end, without any limitation or restriction upon any of its other obligations under the Loan Agreement, shall cause Shanghai Municipality and the Financial Intermediaries to perform in accordance with the provisions of the Shanghai Project Agreement and the Financial Intermediaries Project Agreement, respectively, all the obligations of Shanghai Municipality and the Financial Intermediaries therein set forth, shall take or cause to be taken all action, including the provision of funds, facilities, services and other resources, necessary or appropriate to enable Shanghai Municipality and the Financial Intermediaries to perform such obligations, and shall not take or permit to be taken any action which would prevent or interfere with such performance.

(b) The Borrower shall make the proceeds of the Loan available to Shanghai Municipality on terms and conditions satisfactory to the Bank.

Section 3.02. Except as the Bank shall otherwise agree, procurement of the goods and services required for the Project and to be financed out of the proceeds of the Loan shall be governed by the provisions of Schedule 2 to the Financial Intermediaries Project Agreement.

Section 3.03. The Bank and the Borrower hereby agree that the obligations set forth in Sections 9.04, 9.05, 9.06, 9.07, 9.08 and 9.09 of the General Conditions (relating to insurance, use of goods and services, plans and schedules, records and reports, maintenance and land acquisition, respectively): (a) in respect of Part B.2 of the Project, shall be carried out by Shanghai Municipality pursuant to Section 2.03 of the Shanghai Project Agreement; and (b) in respect of Parts A and B.1 of the Project, shall be carried out by the Financial Intermediaries pursuant to Section 2.04 of the Financial Intermediaries Project Agreement.

ARTICLE IV

Financial Covenants

Section 4.01. (a) For all expenditures with respect to which withdrawals from the Loan Account were made on the basis of statements of expenditure, the Borrower shall:

(i) maintain or cause to be maintained in accordance with sound

accounting practices, records and accounts reflecting such expenditures;

(ii) ensure that all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures are retained until at least one year after the Bank has received the audit report for the fiscal year in which the last withdrawal from the Loan Account was made; and

(iii) enable the Bank's representatives to examine such records.

(b) The Borrower shall:

(i) have the records and accounts referred to in paragraph (a) (i) of this Section and those for the Special Account for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Bank;

(ii) furnish to the Bank as soon as available, but in any case not later than six months after the end of each such year the report of such audit by said auditors, of such scope and in such detail as the Bank shall have reasonably requested, including a separate opinion by said auditors as to whether the statements of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals; and

(iii) furnish to the Bank such other information concerning said records and accounts and the audit thereof as the Bank shall from time to time reasonably request.

ARTICLE V

Remedies of the Bank

Section 5.01. Pursuant to Section 6.02 (k) of the General Conditions, the following additional events are specified:

(a) Shanghai Municipality or any Financial Intermediary shall have failed to perform any of its obligations under the Shanghai Project Agreement or Financial Intermediaries Project Agreement, respectively.

(b) As a result of events which have occurred after the date of the Loan Agreement, an extraordinary situation shall have arisen which shall make it improbable that Shanghai Municipality or any Financial Intermediary will be able to perform its obligations under the Shanghai Project Agreement or Financial Intermediaries Project Agreement, respectively.

(c) The BOCOM Charter, CIB Charter, CIB Supplementary Regulations, CIB Lending Procedures, SITCO Articles of Association or State Council Decision, shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of any Financial Intermediary to perform any of its obligations under the Financial Intermediaries Project Agreement.

(d) The Charter of any Investment Enterprise issued in accordance with paragraph 3(b) of the Schedule to the Shanghai Project Agreement shall have been amended, suspended, abrogated or waived so as to effect materially and adversely the ability of such Investment Enterprise to perform its obligations under its Sub-loan contract with a Financial Intermediary.

(e) The Borrower or any other authority having jurisdiction shall have taken any action for the dissolution or disestablishment of a Financial Intermediary or for the suspension of its operations.

Section 5.02. Pursuant to Section 7.01 (h) of the General Conditions, the following additional events are specified:

(a) any event specified in paragraph (a) of Section 5.01 of this Agreement shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower; and

(b) any event specified in paragraph (c), (d) or (e) of Section 5.01 of this Agreement shall occur.

ARTICLE VI

Effective Date; Termination

Section 6.01. The following events are specified as additional conditions to the effectiveness of the Loan Agreement within the meaning of Section 12.01 (c) of the General Conditions:

(a) the Borrower's State Council has approved the Loan Agreement;

(b) the Subsidiary Loan Agreements have been executed on behalf of Shanghai Municipality and the Financial Intermediaries; and

(c) the consultants for Part B.1 of the Project shall have been appointed in accordance with paragraph 5 of Schedule 2 to the Financial Intermediaries Project Agreement.

Section 6.02. The following are specified as additional matters, within the meaning of Section 12.02 (c) of the General Conditions, to be included in the opinion or opinions to be furnished to the Bank:

(a) that the Shanghai Project Agreement has been duly authorized or ratified by Shanghai Municipality, and is legally binding upon Shanghai Municipality in accordance with its terms;

(b) that the Financial Intermediaries Project Agreement has been duly authorized or ratified by the Financial Intermediaries, and is legally binding upon the Financial Intermediaries in accordance with its terms; and

(c) that the Subsidiary Loan Agreements have been duly authorized or ratified by Shanghai Municipality and the Financial Intermediaries and are legally binding upon Shanghai Municipality and the Financial Intermediaries in accordance with their respective terms.

Section 6.03. The date ninety (90) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

ARTICLE VII

Representative of the Borrower; Addresses

Section 7.01. The Minister of Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

Ministry of Finance
Sanlihe
Beijing 100820
People's Republic of China

Cable address:

Telex:

FINANMIN
Beijing

22486 MFPRC CN

For the Bank:

International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:

INTBAFRAD
Washington, D.C.

Telex:

197688 (TRT)
248423 (RCA)
64145 (WUI) or
82987 (FTCC)

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

PEOPLE'S REPUBLIC OF CHINA

By /s/ Zhao Xixin

Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ A. Karaosmanoglu

Regional Vice President
Asia

SCHEDULE 1

Withdrawal of the Proceeds of the Loan

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Loan, the allocation of the amounts of the Loan to each Category and the percentage of expenditures for items so to be financed in each Category:

Category	Amount of the Loan Allocated (Expressed in Dollar Equivalent)	% of Expenditures to be Financed
(1) BOCOM		
(a) Investment Sub-loans	20,100,000	100% of amounts disbursed by BOCOM for foreign expendi- tures and for local expenditures (ex- factory cost)
(b) Goods under	400,000	100% of foreign

	Technical Assistance Sub-loans		expenditures, 100% of local expenditures (ex-factory cost) and 75% of local expenditures for other items procured locally
	(c) Consultants' services and training under Technical Assistance Sub-loans	1,500,000	100%
(2)	CIB		
	(a) Investment Sub-loans	25,000,000	100% of amounts disbursed by CIB for foreign expenditures and for local expenditures (ex-factory cost)
	(b) Goods under Technical Assistance Sub-loans	300,000	100% of foreign expenditures, 100% of local expenditures (ex-factory cost) and 75% of local expenditures for other items procured locally
	(c) Consultants' services and training under Technical Assistance Sub-loans	2,500,000	100%
(3)	ICBC		
	(a) Investment Sub-loans	38,200,000	100% of amounts disbursed by ICBC for foreign expenditures and for local expenditures (ex-factory cost)
	(b) Goods under Technical Assistance Sub-loans	800,000	100% of foreign expenditures, 100% of local expenditures (ex-factory cost) and 75% of local expenditures for other items procured locally
	(c) Consultants' services and training under Technical Assistance Sub-loans	3,000,000	100%
(4)	PCBC		

(a)	Investment Sub-loans	27,300,000	100% of amounts disbursed by PCBC for foreign expenditures and for local expenditures (ex-factory cost)
(b)	Goods under Technical Assistance Sub-loans	400,000	100% of foreign expenditures, 100% of local expenditures (ex-factory cost) and 75% of local expenditures for other items procured locally
(c)	Consultants' services and training under Technical Assistance Sub-loans	3,500,000	100%
(5) SITCO			
(a)	Investment Sub-loans	23,200,000	100% of amounts disbursed by SITCO for foreign expenditures and for local expenditures (ex-factory cost)
(b)	Goods under Technical Assistance Sub-loans	800,000	100% of foreign expenditures, 100% of local expenditures (ex-factory cost) and 75% of local expenditures for other items procured locally
(c)	Consultants' services and training under Technical Assistance Sub-loans	3,000,000	100%
	TOTAL	150,000,000	

2. For the purposes of this Schedule:

(a) the term "foreign expenditures" means expenditures in the currency of any country other than that of the Borrower for goods or services supplied from the territory of any country other than that of the Borrower; and

(b) the term "local expenditures" means expenditures in the currency of the Borrower or for goods or services supplied from the territory of the Borrower.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of:

(a) payments made for expenditures prior to the date of this Agreement except that withdrawals, in an aggregate amount not exceeding the equivalent of \$5,000,000 may be made on account of payments made for expenditures before that date but after

March 15, 1989; or

(b) a Sub-loan unless the Sub-loan has been made in accordance with the procedures and on the terms and conditions set forth or referred to in Schedule 1 to the Financial Intermediaries Project Agreement.

SCHEDULE 2

Description of the Project

The objective of the Project is to assist the Borrower and Shanghai Municipality in the restructuring of the Project Sub-sectors, by supporting the implementation of industrial policy reforms, organizational restructuring, improvement of internal enterprise management and technological restructuring.

The Project consists of the following parts, subject to such modifications thereof as the Borrower and the Bank may agree upon from time to time to achieve such objectives:

Part A: Financial Assistance

Financing of specific technological restructuring projects through Sub-loans to enterprises in the Project Sub-sectors in Shanghai.

Part B: Institutional Support

1. Supporting the restructuring of the Project Sub-sectors through the provision of consultants' services, staff training and computer equipment and software to assist in the implementation of enterprise restructuring and in such areas as industrial engineering, management information systems, corporate planning, accounting and financial consolidation.

2. (a) Undertaking a study of enterprise reform issues in Shanghai; and
(b) Monitoring the effect of policy changes in the Project Sub-Sectors.

* * *

The Project is expected to be completed by December 31, 1995.

SCHEDULE 3

Amortization Schedule

Date Payment Due	Payment of Principal (Expressed in dollars)*		
	BOCOM	CIB	ICBC
September 15, 1996	400,000	505,000	765,000
March 15, 1997	415,000	525,000	795,000
September 15, 1997	435,000	545,000	825,000
March 15, 1998	450,000	570,000	860,000
September 15, 1998	465,000	590,000	890,000
March 15, 1999	485,000	615,000	925,000
September 15, 1999	505,000	635,000	960,000
March 15, 2000	525,000	660,000	1,000,000
September 15, 2000	545,000	685,000	1,040,000
March 15, 2001	565,000	715,000	1,080,000
September 15, 2001	585,000	740,000	1,120,000
March 15, 2002	610,000	770,000	1,165,000
September 15, 2002	635,000	800,000	1,210,000
March 15, 2003	655,000	830,000	1,255,000
September 15, 2003	680,000	860,000	1,305,000
March 15, 2004	710,000	895,000	1,355,000

September 15, 2004	735,000	930,000	1,405,000
March 15, 2005	765,000	965,000	1,460,000
September 15, 2005	795,000	1,005,000	1,515,000
March 15, 2006	825,000	1,040,000	1,575,000
September 15, 2006	855,000	1,080,000	1,635,000
March 15, 2007	890,000	1,125,000	1,700,000
September 15, 2007	925,000	1,165,000	1,765,000
March 15, 2008	960,000	1,210,000	1,830,000
September 15, 2008	995,000	1,260,000	1,900,000
March 15, 2009	1,035,000	1,310,000	1,975,000
September 15, 2009	1,075,000	1,360,000	2,050,000
March 15, 2010	1,115,000	1,410,000	2,130,000
September 15, 2010	1,160,000	1,465,000	2,215,000
March 15, 2011	1,205,000	1,535,000	2,295,000

* The figures in this column represent dollar equivalents determined as of the respective dates of withdrawal. See General Conditions, Sections 3.04 and 4.03.

Date Payment Due	Payment of Principal (Expressed in dollars)*		
	PCBC	SITCO	Total
September 15, 1996	570,000	495,000	2,735,000
March 15, 1997	590,000	510,000	2,835,000
September 15, 1997	615,000	530,000	2,950,000
March 15, 1998	640,000	550,000	3,070,000
September 15, 1998	665,000	575,000	3,185,000
March 15, 1999	690,000	595,000	3,310,000
September 15, 1999	715,000	620,000	3,435,000
March 15, 2000	740,000	640,000	3,565,000
September 15, 2000	770,000	665,000	3,705,000
March 15, 2001	800,000	695,000	3,855,000
September 15, 2001	830,000	720,000	3,995,000
March 15, 2002	865,000	745,000	4,155,000
September 15, 2002	895,000	775,000	4,315,000
March 15, 2003	930,000	805,000	4,475,000
September 15, 2003	970,000	835,000	4,650,000
March 15, 2004	1,005,000	870,000	4,835,000
September 15, 2004	1,045,000	905,000	5,020,000
March 15, 2005	1,085,000	940,000	5,215,000
September 15, 2005	1,125,000	975,000	5,415,000
March 15, 2006	1,170,000	1,010,000	5,620,000
September 15, 2006	1,215,000	1,050,000	5,835,000
March 15, 2007	1,260,000	1,090,000	6,065,000
September 15, 2007	1,310,000	1,135,000	6,300,000
March 15, 2008	1,360,000	1,180,000	6,540,000
September 15, 2008	1,415,000	1,225,000	6,795,000
March 15, 2009	1,470,000	1,270,000	7,060,000
September 15, 2009	1,525,000	1,320,000	7,330,000
March 15, 2010	1,585,000	1,370,000	7,610,000
September 15, 2010	1,645,000	1,425,000	7,910,000
March 15, 2011	1,700,000	1,480,000	8,215,000

* The figures in this column represent dollar equivalents determined as of the respective dates of withdrawal. See General Conditions, Sections 3.04 and 4.03.

Premiums on Prepayment

Pursuant to Section 3.04 (b) of the General Conditions, the premium payable on the principal amount of any maturity of the Loan to be prepaid shall be the percentage

specified for the applicable time of prepayment below:

Time of Prepayment	Premium
	The interest rate (expressed as a percentage per annum) applicable to the Loan on the day of prepayment multiplied by:
Not more than three years before maturity	0.15
More than three years but not more than six years before maturity	0.30
More than six years but not more than 11 years before maturity	0.55
More than 11 years but not more than 16 years before maturity	0.80
More than 16 years but not more than 18 years before maturity	0.90
More than 18 years before maturity	1.00

SCHEDULE 4

Special Accounts

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means: (i) for BOCOM, Category (1); (ii) for CIB, Category (2); (iii) for ICBC, Category (3); (iv) for PCBC, Category (4); and (v) for SITCO, Category (5), all set forth in the table in paragraph 1 of Schedule 1 to this Agreement;

(b) the term "eligible expenditures" means expenditures in respect of the reasonable cost of goods and services required for the Project and to be financed out of the proceeds of the Loan allocated from time to time to the eligible Categories in accordance with the provisions of Schedule 1 to this Agreement;

(c) the term "Authorized Allocation" means an amount equivalent to: (i) for BOCOM, \$1,200,000; (ii) for CIB, \$1,500,000; (iii) for ICBC, \$2,300,000; (iv) for PCBC, \$1,700,000; and (v) for SITCO, \$1,500,000, all to be withdrawn from the Loan Account and deposited into the Special Accounts pursuant to paragraph 3 (a) of this Schedule; and

(d) notwithstanding the provisions of paragraph 2 (b) of Schedule 1 to the Financial Intermediaries Project Agreement, payments for expenditures to be financed out of the proceeds of free-limit Sub-loans may be made out of a Special Account before the Bank shall have authorized withdrawals from the Loan Account in respect thereof. Such expenditures, however, shall qualify as eligible expenditures only if the Bank shall subsequently authorize such withdrawals.

2. Payments out of the Special Account shall be made exclusively for eligible expenditures in accordance with the provisions of this Schedule.

3. After the Bank has received evidence satisfactory to it that a Special Account has been duly opened, withdrawals of the Authorized Allocation and subsequent withdrawals to replenish such Special Account shall be made as follows:

(a) For withdrawals of the Authorized Allocation, the Borrower shall furnish to the Bank a request or requests for a deposit or deposits which do not exceed the aggregate amount of the Authorized Allocation. On the basis of such request or requests, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and deposit into such Special Account such amount or amounts as the Borrower shall have requested.

(b) (i) For replenishment of such Special Account, the Borrower shall furnish to the Bank requests for deposits into such Special Account at such intervals as the Bank shall specify.

(ii) Prior to or at the time of each such request, the Borrower shall furnish to the Bank the documents and other evidence required pursuant to paragraph 4 of this Schedule for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and deposit into such Special Account such amount as the Borrower shall have requested and as shall have been shown by said documents and other evidence to have been made out of such Special Account for eligible expenditures. All such deposits shall be withdrawn by the Bank from the Loan Account under the respective eligible Categories, and in the respective equivalent amounts, as shall have been justified by said documents and other evidence.

4. For each payment made by the Borrower out of any Special Account, the Borrower shall, at such time as the Bank shall reasonably request, furnish to the Bank such documents and other evidence showing that such payment was made exclusively for eligible expenditures.

5. Notwithstanding the provisions of paragraph 3 of this Schedule, the Bank shall not be required to make further deposits into any Special Account:

(a) if, at any time, the Bank shall have determined that all further withdrawals should be made by the Borrower directly from the Loan Account in accordance with the provisions of Article V of the General Conditions and paragraph (a) of Section 2.02 of this Agreement; or

(b) once the total unwithdrawn amount of the Loan allocated to the eligible Categories, less the amount of any outstanding special commitment entered into by the Bank pursuant to Section 5.02 of the General Conditions with respect to the Project, shall equal the equivalent of twice the amount of the Authorized Allocation.

Thereafter, withdrawal from the Loan Account of the remaining unwithdrawn amount of the Loan allocated to the eligible Categories shall follow such procedures as the Bank shall specify by notice to the Borrower. Such further withdrawals shall be made only after and to the extent that the Bank shall have been satisfied that all such amounts remaining on deposit in such Special Account as of the date of such notice will be utilized in making payments for eligible expenditures.

6. (a) If the Bank shall have determined at any time that any payment out of any Special Account: (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Schedule; or (ii) was not justified by the evidence furnished to the Bank, the Borrower shall, promptly upon notice from the Bank: (A) provide such additional evidence as the Bank may request; or (B) deposit into such Special Account (or, if the Bank shall so request, refund to the Bank) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Bank shall otherwise agree, no further deposit by the Bank into such Special Account shall be made until the Borrower has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Bank shall have determined at any time that any amount outstanding in any Special Account will not be required to cover further payments for eligible expenditures, the Borrower shall, promptly upon notice from the Bank, refund to the Bank such outstanding amount.

(c) The Borrower may, upon notice to the Bank, refund to the Bank all or any

portion of the funds on deposit in any Special Account.

(d) Refunds to the Bank made pursuant to paragraphs 6 (a), (b) and (c) of this Schedule shall be credited to the Loan Account for subsequent withdrawal or for cancellation in accordance with the relevant provisions of this Agreement, including the General Conditions.

SCHEDULE 5

Modifications of the General Conditions

For purposes of this Agreement, the provisions of the General Conditions are modified as follows:

1. The last sentence of Section 3.02 is deleted.
2. The following sub-paragraph is added to Section 2.01:

"21. The term 'Financial Intermediaries Project Agreement' has the meaning set forth in paragraph (i) of Section 1.02 of the Loan Agreement."

3. The words "the Bank may, by notice to the Borrower and the Guarantor, terminate the right of the Borrower to make withdrawals with respect to such amount. Upon the giving of such notice, such amount of the Loan shall be cancelled" set forth at the end of Section 6.03 are deleted and the following is substituted therefor:

"or (f) by the date specified in sub-paragraph 3 (c) of Schedule 1 to the Financial Intermediaries Project Agreement, the Bank shall, in respect of any portion of the Loan: (i) have received no applications or requests permitted under sub-paragraph (a) or (b) of said paragraph; or (ii) have denied any such applications or requests, the Bank may, by notice to the Borrower and the Guarantor, terminate the right to submit such applications or approvals or to make withdrawals from the Loan Account, as the case may be, with respect to such amount or portion of the Loan. Upon the giving of such notice, such amount or portion of the Loan shall be cancelled."

