

CHINA EXIMBANK GCL NO. (2010) 17 TOTAL NO. (314)
1290003992010110252

**Mattala Hambantota International Airport
PROJECT**

GOVERNMENT CONCESSIONAL LOAN AGREEMENT

BETWEEN

The Government of the Democratic Socialist Republic of Sri Lanka

**Represented by The Ministry of Finance and Planning of The
Democratic Socialist Republic of Sri Lanka
as Borrower**

AND

THE EXPORT-IMPORT BANK OF CHINA

as Lender

DATED 5th March 2010

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THIS GOVERNMENT CONCESSIONAL LOAN AGREEMENT is made on the day of 5th March 2010.

BETWEEN

The Government of the Democratic Socialist Republic of Sri Lanka, represented by the Ministry of Finance and Planning of the Democratic Socialist Republic of Sri Lanka (hereinafter referred to as the "**Borrower**"), having its office at The Secretariat, Colombo 01, Sri Lanka;

AND

THE EXPORT-IMPORT BANK OF CHINA (hereinafter referred to as the "**Lender**"), having its registered office at No. 30 Fu Xing Men Nei Street Xicheng District, Beijing 100031, People's Republic of China.

WHEREAS:

On 23 December 2009, the Government of the People's Republic of China and the Government of the Democratic Socialist Republic of Sri Lanka entered into The Framework Agreement between the Government of the People's Republic of China and the Government of the Democratic Socialist Republic of Sri Lanka on Provision of Government Interest-Subsidized Concessional Loans by China to Democratic Socialist Republic of Sri Lanka (hereinafter referred to as the "**Borrower's Country**") (hereinafter referred to as the "**Framework Agreement**").

For the purpose of the implementation of this Project (as defined in Article 1 below), Airport and Aviation Services (Sri Lanka) Ltd and China Harbour Engineering Company Ltd entered into on 27th November 2009 the Mattala Hambantota International Airport Contract (hereinafter referred to as the "**Commercial Contract**") with the contract number HIA-2009.11.

NOW THEREFORE, the Borrower and the Lender hereby agree on providing the concessional loan under the Framework Agreement as follows:

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ARTICLE 1 DEFINITIONS

Where used in this Agreement, unless the context otherwise requires, the following terms have the following meanings:

- 1.1 “**Account Bank of the Lender**” means the Export-Import Bank of China.
- 1.2 “**Agreement**” means this government concessional loan agreement and its appendices and any amendment to such agreement and its appendices from time to time upon the written consent of the parties.
- 1.3 “**Availability Period**” means the period commencing on the date on which this Agreement becomes effective and ending on the date falling Forty-eight (48) months thereafter.
- 1.4 “**Banking Day**” means a day on which banks are open for ordinary banking business in Beijing, including Saturdays and Sundays on which banks are open for business as required by the provisional regulations of China, but excluding the legal festivals and holidays of China and Saturdays and Sundays falling out of the aforesaid regulations.
- 1.5 “**China**” means the People’s Republic of China.
- 1.6 “**Commitment Fee**” means the fees calculated and paid in accordance with Article 2.2 and Article 3.6.
- 1.7 “**Drawdown Date**” means the date indicated in the Irrevocable Notice of Drawdown, on which the Borrower is to draw the Facility hereunder.
- 1.8 “**Event of Default**” means any event or circumstance specified as such in Article 7.

- 1.9 “**Facility**” has the meaning set forth in Article 2.1.
- 1.10 “**Final Repayment Date**” means the date on which the Maturity Period expires.
- 1.11 “**First Repayment Date**” means the first repayment date of principal and interest after the maturity of the Grace Period.
- 1.12 “**Grace Period**” means the period commencing on the date on which this Agreement becomes effective and ending on the date Sixty (60) months after the date on which this Agreement becomes effective, during which period only the interest and no principal is payable by the Borrower to the Lender. The Grace Period includes the Availability Period.
- 1.13 “**Irrevocable Notice of Drawdown**” means the notice issued in the form set out in Appendix 5 attached hereto.
- 1.14 “**Management Fee**” means the fees calculated and paid in accordance with Article 2.2 and Article 2.6.
- 1.15 “**Maturity Period**” means the period commencing on the date on which this Agreement becomes effective and ending on the date falling Two Hundred and Forty (240) months thereafter, including the Grace Period and the Repayment Period.
- 1.16 “**Project**” means the Mattala Hambantota International Airport project using the concessional loan under the Framework Agreement.
- 1.17 “**Borrower’s Country**” refers to the country where the Borrower locates, i.e., The Democratic Socialist Republic of Sri Lanka.
- 1.18 “**Renminbi**” means the lawful currency for the time being of the People’s Republic of China.

1.19 "Repayment Date of Principal and Interest" means 21 March and 21 September of each year and the Final Repayment Date.

1.20 "Repayment Period" means the period commencing on date on which the Grace Period expires and ending on the Final Repayment Date.

ARTICLE 2 CONDITIONS AND UTILIZATION OF THE FACILITY

2.1 Subject to the terms and conditions of this Agreement, the Lender hereby agrees to make available to the Borrower a concessional loan facility (hereinafter referred to as the "Facility") in a maximum aggregate amount of up to Renminbi One Billion and Three Hundred Million Yuan (¥1,300,000,000). All the drawdowns and repayments in connection with the Facility under this Agreement shall be recorded in Renminbi. In case drawdowns in US Dollar (or other convertible hard currencies accepted by the Lender) are requested, the amount in US Dollar shall be purchased with Renminbi in accordance with the selling rate of US Dollar (or other convertible hard currencies accepted by the Lender) to Renminbi promulgated by the Account Bank of the Lender on the date the aforesaid disbursements are made by the Lender and recorded in Renminbi. Any principal, interest and other cost due and payable by the Borrower under this Agreement may be repaid or paid in US Dollar (or other convertible currency accepted by the Lender) and recorded in Renminbi in accordance with the buying rate of US Dollar (or other convertible hard currencies accepted by the Lender) to Renminbi promulgated by the Account Bank of the Lender on the date such payments are received by the Lender. The Lender shall not bear any foreign exchange risk in the aforesaid process. The Borrower hereby undertakes that the amounts due and payable by the Borrower under this Agreement shall not be affected by any change in the exchange rate between Renminbi and any other currencies or the exchange rates among the currencies other than Renminbi.

2.2 The rate of interest applicable to the Facility shall be two percent (2%) per annum. The rate applicable to the Management Fee shall be zero point five percent (0.5%). The rate applicable to the Commitment Fee shall be zero point five percent (0.5%) per annum.

2.3 The Maturity Period for the Facility shall be Two Hundred and Forty (240) months, among which the Grace Period shall be Sixty (60) months and the Repayment Period shall be One Hundred and Eighty (180) months.

2.4 The proceeds of the Facility shall be used exclusively for funds requirements under the Project.

2.5 The goods, technologies and services purchased by using the proceeds of Facility shall be purchased from China preferentially.

2.6 The Borrower shall pay to the Lender a Management Fee on the aggregate amount of the Facility in one lump within thirty (30) days after this Agreement becomes effective but not later than the first Drawdown Date in any case, which amount shall be calculated at the rate set forth in Article 2.2. The Management Fee shall be paid to the account designated in Article 4.4.

ARTICLE 3 DRAWDOWN OF THE FACILITY

3.1 The Borrower may make drawdowns on any Banking Day within the Availability Period, provided that the first drawdown is subject to the satisfaction of the conditions precedent set out in Appendix 1 attached hereto (or such conditions precedent have been waived by the Lender in writing).

3.2 In relation to each drawdown after the first drawdown, besides the satisfaction of the conditions set forth in Article 3.1, such drawdown shall also be subject to the satisfaction of the conditions set out in Appendix 2 attached hereto.

3.3 The Availability Period may be extended, provided that an application for such extension is submitted by the Borrower to the Lender thirty (30) days prior to the end of the Availability Period and such application is approved by the Lender. Any portion of the Facility undrawn at the end of the Availability Period or the extension thereof shall be automatically canceled. Before the end of the Availability Period, the

Borrower shall not, without the consent of the Lender, cancel all or any part of the undrawn Facility.

3.4 The Lender shall not be obliged to make any disbursement under this Agreement unless it has received all the documents set forth in Article 3.1 or 3.2 and has determined after examination that the conditions precedent to the drawdown of the Facility by the Borrower have been satisfied. For those conditions which have not been satisfied by the Borrower, the Lender may require the remedy by the Borrower within a specified period. In the event that the Borrower fails to remedy within a reasonable period of time, the Lender may refuse to make the disbursement.

3.5 Forthwith upon the making by the Lender of the disbursement in accordance with the Irrevocable Notice of Drawdown, such disbursement shall become the indebtedness of the Borrower, and the Borrower shall repay to the Lender the principal amount drawn and outstanding under the Facility together with any interest accrued thereon in accordance with this Agreement.

3.6 During the Availability Period, the Borrower shall pay semi-annually to the Lender a Commitment Fee calculated at the rate set forth in Article 2.2 on the undrawn and uncanceled balance of the Facility, which shall be paid on March 21 and September 21 of each year. The Commitment Fee shall accrue from the date falling 30 days after the date on which this Agreement becomes effective and shall be calculated on the basis of the actual number of days elapsed and a 360 day year. The Commitment Fee shall be paid to the account designated in Article 4.4.

ARTICLE 4 REPAYMENT OF PRINCIPAL AND PAYMENT OF INTEREST

4.1 The Borrower is obligated to repay to the Lender all the principal amount drawn and outstanding under the Facility, all the interest accrued thereon and such other amount payable by the Borrower in accordance with the terms and conditions of this Agreement. Without the written consent of the Lender, the Maturity Period shall not be extended.

4.2 The Borrower shall pay interest on the principal amount drawn and outstanding under this Agreement from and including the first Drawdown Date at the rate set forth in Article 2.2. The interest shall be paid on the Repayment Date of Principal and Interest of each year and shall be calculated on the basis of the actual number of days elapsed and a 360 day year. If any Repayment Date of Principal and Interest is not a Banking Day, such payment shall be made on the next succeeding Banking Day.

4.3 All the principal amount drawn under this Agreement shall be repaid to the Lender by Thirty (30) equal installments on each Repayment Date of Principal and Interest within the Repayment Period and the Final Repayment Date.

4.4 Any payments or repayments made by the Borrower under this Agreement shall be remitted to the following account or any other account from time to time designated by the Lender on the Repayment Date of Principal and Interest of each year:

Payee: The Export-Import Bank of China

Opening Bank: Business Department, Bank of China, Head Office
(SWIFT CODE: BKCHCNBJXXX)

Account No.: 80019048026014

4.5 The Lender shall open and maintain on its book a lending account for the Borrower entitled "The Ministry of Finance and Planning of the Democratic Socialist Republic of Sri Lanka Account on Mattala Hambantota International Airport " (hereinafter referred to as the "**Borrower's Account**") to record the amount owing or repaid or paid by the Borrower. The amount of the Facility recorded as drawn and outstanding in the Borrower's Account shall be the evidence of the Borrower's indebtedness owed to the Lender and shall be binding on the Borrower in the absence of manifest error.

4.6 Both the Borrower and the Lender shall keep accurate book records of any disbursement under the Facility and repayment of principal and interest under this Agreement and shall verify such records once a year.

4.7 The Borrower may prepay the principal amount drawn and outstanding under the Facility by giving the Lender a 30 days' prior written notice, and such prepayment shall be subject to the consent of the Lender. At the time of prepayment, the Borrower shall also pay to the Lender all interest accrued on the prepaid principal in accordance with Article 4.2 up to the date of prepayment. Any prepayment made pursuant to this Article shall reduce the amount of the repayment installments in inverse order of maturity.

4.8 At the time of prepayment which is made in accordance with the above provisions, the Borrower shall pay an indemnity to the Lender for such prepayment at the rate of one percent (1%) per annum accrued on the prepaid principal from and including the date of prepayment up to and including the repayment date of such prepaid amount, which shall be calculated on the basis of actual number of days elapsed and a 360 day year, and shall accrue on a daily basis.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES BY THE BORROWER

The Borrower hereby represents and warrants to the Lender as follows:

5.1 The Borrower is the government of The Democratic Socialist Republic of Sri Lanka and represented by The Ministry of Finance and Planning of the Democratic Socialist Republic of Sri Lanka and has full power, authority and legal rights to borrow the Facility on the terms and conditions hereunder.

5.2 All authorizations, acts and procedures necessary for the signing and performance of this Agreement have been completed and are in full force and effect.

5.3 The Borrower has completed all the acts and procedures as required by the laws of the Borrower's Country in order for this Agreement to constitute valid and legally binding obligations of the Borrower in accordance with its terms, including obtaining all the approvals and authorizations from relevant authorities of the Borrower's Country, and effecting all the registrations or filings as required by the laws of the Borrower's Country, and such approvals, authorizations, registrations and filings are in full force and effect.

5.4 As from the date on which this Agreement becomes effective, this Agreement constitutes legal, valid and binding obligation of the Borrower.

5.5 The Borrower is not in default under any law or agreement applicable to it, the consequence of which default could materially and adversely affect its ability to perform its obligations under this Agreement and no Event of Default has occurred under this Agreement.

5.6 The Borrower agrees that the signing and delivery of this Agreement, and the borrowing of the loans hereunder and exercise of its other rights and performance of its obligations hereunder shall be regarded as commercial acts rather than governmental acts. The Borrower is subject to civil and business laws with respect to its obligations under this Agreement and the consent given by the Borrower in Article 8.1 is irrevocably binding on the Borrower.

The Borrower represents and warrants to the Lender that the foregoing representations and warranties will be true and accurate throughout the Maturity Period with reference to the facts and circumstances subsisting from time to time.

ARTICLE 6 SPECIAL COVENANTS

6.1 The Borrower hereby covenants to the Lender that the obligations of the Borrower under this Agreement shall rank at all times at least pari passu with all other unsecured indebtedness of the Borrower. Any preference or priority granted by the Borrower to such indebtedness shall be forthwith applicable to this Agreement without prior request from the Lender.

6.2 The Borrower undertakes with the Lender that it will ensure that all amounts disbursed under this Agreement be used for the purposes specified in Article 2.4 and Article 2.5 and that it will pay the interest and any other payable amounts hereunder and repay the principal to the Lender in accordance with the terms and conditions hereunder. The performance by the Borrower of all its obligations under this Agreement shall be

unconditional under all circumstances.

6.3 All taxes, charges and costs which may be incurred under this Agreement shall be borne by the Borrower. The Borrower undertakes with the Lender that all payments of principal, interest, Commitment Fee, Management Fee and other sums payable by the Borrower under this Agreement shall be paid in full without any deduction or withholding. In the event the Borrower is required by any laws or regulations to make any such deduction or withholding (on account of tax or otherwise) from any payment hereunder, the Borrower shall, together with such payment, pay to the Lender such additional amount as will result in the immediate receipt by the Lender (free and clear of any tax or other deductions or withholdings) of the full amount which would have been received had no such deduction or withholding been made.

6.4 The Borrower hereby covenants to the Lender that it will take immediate steps and fulfill all the conditions necessary to maintain in full force and effect all approvals, authorizations, registrations and filings specified in Article 5.3.

6.5 The Borrower shall submit to the Lender the following documents and hereby covenants to the Lender that the information contained in such documents is true and accurate:

(1) The Borrower shall submit to the Lender semi-annually during the Maturity Period reports on the actual progress and operation status of the Project and the utilization of the disbursed Facility proceeds.

(2) The Borrower shall supply to the Lender any other information pertaining to the performance of this Agreement at any time reasonably requested by the Lender.

6.6 The Lender shall be entitled to examine and supervise the utilization of the proceeds of the Facility and the performance of this Agreement. The Borrower shall facilitate the aforesaid examination and supervision of the Lender, including without limitation cause the relevant authority to issue the long-term multiple entry visa of The

Democratic Socialist Republic of Sri Lanka to loan officer of the Lender provided the loan officer fulfils the relevant immigration laws, procedures and rules.

6.7 During the Maturity Period, the Borrower shall inform in writing the Lender within 30 days from the date on which the following events occur:

(1) any material decision, change, accident and other significant facts pertaining to the Project or the Borrower;

(2) any change of the authorized persons and the specimen of their signatures involved in the drawdown of the Facility under this Agreement;

(3) any change of the communication address of the Borrower specified in Article 8.7;

(4) the occurrence of any Event of Default specified in Article 7;

(5) any significant amendment or supplement to the Commercial Contract;

6.8 The Borrower undertakes with the Lender that so long as any sum remains outstanding under this Agreement, the Borrower will not engage in the activities which, in the opinion of the Lender, will adversely affect the performance of the Borrower's obligations under this Agreement.

ARTICLE 7 EVENTS OF DEFAULT

7.1 Each of the following events and circumstances shall be an Event of Default:

(1) The Borrower, for any reason, fails to pay any due and payable principal, interest, Commitment Fee, Management Fee or other sums in accordance with the provisions hereof;

(2) Any representation and warranty made by the Borrower in Article 5 ,

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Article 6 or other Articles of this Agreement, or any certificate, document and material submitted and delivered by the Borrower pursuant to this Agreement proves to have been untrue or incorrect in any material respect ;

(3) The Borrower fails to punctually perform any of its other obligations under this Agreement or is in breach of any of its covenants and undertakings made under this Agreement, and does not remedy such breach to the satisfaction of the Lender within 30 days after receipt of written notice from the Lender requiring it to do so;

(4) Significant changes have occurred with respect to the Project or the Borrower, either of which, in the opinion of the Lender, may have material adverse effect on the ability of the Borrower to perform its obligations under this Agreement;

(5) The Borrower stops or suspends repayment to its creditors generally;

(6) There occurs any change in the laws or government policies in the country of either the Lender or the Borrower, which makes it impossible for either the Lender or the Borrower to perform its obligations under this Agreement.

7.2 Upon the occurrence of any of the aforesaid Event of Default, the Lender may, by written notice to the Borrower, terminate the disbursement of the Facility, and/or declare all the principal and accrued interest and all other sums payable hereunder to be immediately due and payable by the Borrower without further demand, notice or other legal formality of any kind.

ARTICLE 8 MISCELLANEOUS

8.1 The Borrower irrevocably and unconditionally agrees that should the Lender bring a legal action or proceedings against it or its assets in relation to any matters arising out of this Agreement no immunity, whether characterized as sovereign immunity or otherwise, from such legal action or proceedings (which shall be deemed to include, without limitation, any service of process, jurisdiction of any arbitral institution or arbitral tribunal, and attachment prior to judgment, attachment in aid of execution) shall

be claimed by the Borrower or with respect to its assets.

8.2 Without prior written consent of the Lender, the Borrower may not assign or transfer all or any part of its rights or obligations hereunder in any form to any third party. The Lender is entitled to assign or transfer all or any part of its rights, interests and obligations hereunder to a third party designated by the Government of China with written notice to the Borrower. The Lender should share with the Borrower the information in relation to the transfer or assignment made by the Lender in accordance with this Article. The Borrower shall sign all such documents and do necessary acts and things as the Lender may reasonably require for the purpose of perfecting and completing any such assignment and transfer, provided that any costs incurred by the Borrower in connection therewith shall be borne by the Lender.

8.3 This Agreement is legally independent of the relevant Commercial Contract. Any claims or disputes arising out of the Commercial Contract shall not affect the obligations of the Borrower under this Agreement.

8.4 This Agreement as well as the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of China.

8.5 Any dispute arising out of or in connection with this Agreement shall be resolved through friendly consultation. If no settlement can be reached through such consultation, each party shall have the right to submit such dispute to the China International Economic and Trade Arbitration Commission (CIETAC) for arbitration. The arbitration shall be conducted in accordance with the CIETAC's arbitration rules in effect at the time of applying for arbitration. The arbitral award shall be final and binding upon both parties. The arbitration shall take place in Beijing and the language of the arbitration shall be English.

8.6 The Borrower hereby irrevocably designates the Ambassador for Sri Lanka in China with its address at No. 3 Jian Hua Lu, Beijing 100600, China as its authorized agent to receive and acknowledge on its behalf service of any notice, writ, summons, order, judgment or other legal documents in China. If for any reason the agent named

above (or its successor) no longer serves as agent of the Borrower to receive legal documents as aforesaid, the Borrower shall promptly designate a successor agent satisfactory to the Lender. The Borrower hereby agrees that, any such legal documents shall be sufficiently served on it if delivered to the agent for service at its address for the time being in Beijing, whether or not such agent gives notice thereof to the Borrower.

8.7 All notices or other documents in connection with this Agreement shall be in writing and shall be delivered or sent either personally or by post or facsimile to the following respective address or facsimile number of both parties; in the event that the following address or facsimile number of any party hereunder has changed, such party shall immediately inform the other party in the way set out in this Agreement:

to the Lender : Concessional Loan Dept.
The Export-Import Bank of China
No. 30 Fu Xing Men Nei St., Xicheng District, Beijing 100031
People's Republic of China
Fax No.: 0086-10-66086308
Telephone: 0086-10-83578500
Contact Person: Candy

to the Borrower: Department of External Resources
Ministry of Finance & Planning
P.O. Box 277
3rd Floor, The Secretariat
Colombo 01, Sri Lanka
Fax No.: 0094-11-2447633
Telephone: 0094-11-2484653
Contact Person: A. Kumarasiri

Any notice or document so addressed to the relevant party under this Agreement shall be deemed to have been delivered:

(1) if sent by personal delivery: at the time of delivery;

(2) if sent by post: 15 days after posting (excluding Saturdays, Sundays and statutory holidays):

(3) if sent by facsimile, when the notice or document is dispatched by fax machine .

8.8 This Agreement shall be signed in the English language. The notes and other written documents delivered between the Borrower and the Lender under this Agreement shall all be written in English.

8.9 Unless otherwise provided, no failure or delay by the Lender in exercising any of its rights, power or privilege under this Agreement shall impair such right, power or privilege or operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any further exercise thereof or the exercise of any other right, power or privilege.

8.10 The appendices to this Agreement shall be deemed as an integral part of this Agreement and have the same legal effect as this Agreement.

8.11 Matters not covered in this Agreement shall be settled through friendly consultation and signing of supplementary agreements between the Borrower and the Lender.

ARTICLE 9 CONDITIONS TO EFFECTIVENESS

9.1 This Agreement shall become effective upon the satisfaction of the following conditions:

(1) The Lender has received copies of the approval issued by the relevant authorities of the Borrower's Country approving the borrowing by the Borrower hereunder;

9.2 The effective date of this Agreement shall be the date specified in a written notice sent by the Lender to the Borrower after all the conditions precedent to the effectiveness of this Agreement have been fully satisfied.

9.3 In the event that this Agreement fails to become effective within one year after signing by the parties, the Lender shall have the right to re-evaluate the implementation conditions of the Project and utilization conditions of the Facility to determine whether to continue the performance of this Agreement or not.

9.4 This Agreement shall be made in two counterparts with equal legal effect.

IN WITNESS WHEREOF, the two parties hereto have caused this Agreement to be duly signed on their respective behalf, by their duly authorized representatives, on the date stated at the beginning of this Agreement.

The Ministry of Finance & Planning of
Democratic Socialist Republic of Sri
Lanka

The Export-Import Bank of China



Name: Mr. P.B. Jayasundera

Title: The Secretary



Name: Mr. Zhu Hongjie

Title: Vice President

Appendices:

1. Conditions Precedent to the First Drawdown
2. Conditions Precedent to Each Drawdown after the First Drawdown
3. Power of Attorney (for Signing)
4. Power of Attorney (for Drawdown)
5. Form of Irrevocable Notice of Drawdown
6. Form of Legal Opinion
7. Irrevocable Power of Attorney of Borrower's Process Agent
8. Letter of Confirmation

Appendix 1

Conditions Precedent to the First Drawdown

Upon the Borrower's application to the Lender for the making of the first drawdown, the Lender shall not be obliged to make any such disbursement to the Borrower unless the Borrower has fulfilled the following conditions and the Lender has received the following documents to its satisfaction:

- (1) Copies of this Agreement which have been duly signed by all parties thereto respectively and have become effective;
- (2) Copies of the Commercial Contract and other relevant documents in connection therewith acceptable to the Lender which have been duly signed by all parties thereto and have become effective;
- (3) Drawdown schedule submitted by the Borrower which has been recognized and accepted by the Lender;
- (4) The Borrower has opened the Borrower's Account with the Lender in accordance with this Agreement and has provided the specimen signature;
- (5) Document(s) evidencing that the factory site required for the construction of the Project has been fixed, including without limitation the relevant certificate of construction commencement license issued by the relevant authorities of the Borrower's Country;
- (6) Document(s) evidencing that the preferential policies which are mentioned in the Feasibility Study Report of the Project have been recognized by the Borrower's Country, including without limitation the approval by the relevant authorities of Borrower's Country on the exemption or reduction of tax for the importation of the goods under capital item;

(7) The authorization of the Borrower, by which the Borrower authorizes one or more representatives to sign this Agreement, Irrevocable Notice of Drawdown and any other documents in relation to this Agreement, and the signature specimen of such authorized representatives.

(8) Document(s) evidencing that the fund under the Project other than the Facility under this Agreement has been raised as planned;

(9) The Management Fee hereunder has been paid to the account as designated in Article 4.4;

(10) An original Irrevocable Notice of Drawdown in the form set out in Appendix 5 attached hereto duly signed by the authorized signatory of the Borrower and affixed with the official stamp of the Borrower and sent by courier not later than the fifteenth (15th) Banking Day prior to the date on which the drawdown is scheduled to be made; such Irrevocable Notice of Drawdown authorizes the Lender to pay the relevant amount to the account designated by the Borrower, and such drawdown shall be in compliance with the drawdown progress and purposes as stipulated under the drawdown schedule recognized by the Lender;

(11) The Borrower has paid the Commitment Fee due and payable under this Agreement in accordance with Article 3.6;

(12) Legal opinion in the form and substance set forth in Appendix 6 or in the form and substance otherwise approved by the Lender in writing issued by the Ministry of Justice or other governmental institutions with the similar authority of the Borrower's Country in connection with the transactions contemplated hereunder;

(13) The irrevocable power of attorney to the process agent by the Borrower named in Article 8.6 in the form set forth in Appendix 7 or in the form and substance otherwise approved by the Lender in writing and the written confirmation of acceptance of appointment by such process agent in the form of Appendix 8 or in the form and substance otherwise approved by the Lender in writing;

(14) Such other document(s) or condition(s) relating to the transactions under this Agreement as the Lender may reasonably request.

Appendix 2

Conditions Precedent for Each Drawdown after the First Drawdown

For each drawdown after the first drawdown hereunder, the Lender shall not be obliged to make any such disbursement to the Borrower unless all the conditions precedent set out in Appendix 1 attached hereto have been satisfied, the Borrower has fulfilled the following conditions and the Lender has received the following documents to its satisfaction:

- (1) An original Irrevocable Notice of Drawdown in the form set out in Appendix 5 attached hereto duly signed by the authorized signatory of the Borrower and affixed with the official stamp of the Borrower and sent by courier not later than the fifteenth (15th) Banking Day prior to the date on which the drawdown is scheduled to be made; such Irrevocable Notice of Drawdown authorizes the Lender to pay the relevant amount to the account designated by the Borrower, and such drawdown shall be in compliance with the drawdown progress and purposes as stipulated under the drawdown schedule recognized by the Lender;
- (2) No Event of Default has occurred (or will likely to occur as a result of the drawdown being made) under this Agreement;
- (3) All representations, warranties, and undertakings made by the Borrower hereunder shall be true and correct as at the date such drawdown is scheduled to be made with reference to the facts and circumstances then subsisting;
- (4) The Borrower has paid the interest due and payable under this Agreement in accordance with Article 4;
- (5) The Borrower has paid the Commitment Fee due and payable under this Agreement in accordance with Article 3.6;
- (6) The Facility hereunder has not been terminated;

- (7) *Contract(s) in connection with this drawdown; and*
- (8) *Such other document(s) and condition(s) as the Lender may reasonably request.*

Appendix 3

Power of Attorney (for Signing the Agreement)

I, _____ (Name of the Authorizing Person), am _____ (Title of the Authorizing Person) of _____ (hereinafter referred as the "Institution"). I hereby confirm that I have the full legal right and authority to sign the _____ Project Government Concessional Loan Agreement (hereinafter referred to as the "Agreement") on behalf of the Institution. However, in the event that I am not available when the Agreement is required to be signed, I hereby authorize Mr. _____ (hereinafter referred as the "Authorized Signatory"), _____ (Title of the Authorized Signatory) of the Institution, to sign the Agreement and other notices and documents in connection therewith on behalf of the Institution.

Signature: _____

Title: _____

Date: _____

Specimen Signature of the Authorized Signatory:

Name: _____

Title: _____

Appendix 4

Power of Attorney (for Drawdown)

I, _____ (Name of Authorizing Person), am _____ (Title of the Authorizing Person) of _____ (hereinafter referred as the "**Institution**"). I hereby confirm that I have the full legal right and authority to make drawdowns on behalf of the Institution in accordance with the terms and conditions of the _____ Project Government Concessional Loan Agreement (hereinafter referred to as the "**Agreement**"). In the event that I am not available when a drawdown is to be made, I confirm that I hereby authorize Mr. _____ (hereinafter referred as the "**Authorized Signatory**"), _____ (Title of the Authorized Signatory) of the Institution, to make the drawdown under the Agreement, to sign the documents and to handle other matters in connection therewith on behalf of the Institution.

Signature: _____

Title: _____

Date: _____

Specimen Signature of the Authorized Signatory:

Name: _____

Title: _____

Appendix 5

FORM OF IRREVOCABLE NOTICE OF DRAWDOWN
(BY EXPRESS DELIVERY)

From: _____ (the Borrower)
To: The Concessional Loan Department
The Export-Import Bank of China
No. 30 Fu Xing Men Nei Street Xicheng District, Beijing 100031
People's Republic of China

Serial No: _____

Date: _____

Dear Sir or Madam,

Pursuant to Article 3 of _____ Project Government
Concessional Loan Agreement (hereinafter referred to as the "Agreement") dated
_____ (date) between _____ (the "Borrower") and the
Export-Import Bank of China (the "Lender"), we hereby instruct and authorize you to
make a payment as follows:

Amount: _____ (Currency: RMB)

Word Figure: _____ (Currency: RMB)

_____ (Please fill in "Please pay in _____ (foreign currency)" in case
that a drawdown in a foreign currency approved by the Lender
is needed)

Payee: _____

Account Bank: _____

Account No.: _____

Date of Payment: _____

This payment is made to the _____ Invoice (Invoice No. _____) under the _____ Contract (Contract No.: _____), and for the payment of _____ (purpose).

We hereby authorize you to debit the account mentioned in Article 4.5 of the Agreement with such amount of payment in Renminbi in accordance with Article 2.1 of the Agreement.

We hereby confirm that your above-mentioned payment shall be deemed a drawdown made by us under the Agreement and upon your payment pursuant to this Irrevocable Notice of Drawdown, the amount of payment shall forthwith constitute our indebtedness to you accordingly. We shall repay such amount to you together with any interest accrued thereon in accordance with the terms and conditions of the Agreement.

We further confirm that the representations and warranties and covenants made by us in Article 5 and Article 6 of the Agreement remain true and correct as of the date of this Irrevocable Notice of Drawdown, and none of the events referred to in Article 7 of the Agreement has occurred and continuously exists.

Terms not otherwise defined herein shall have the meanings assigned to them in the Agreement.

This notice once given shall be irrevocable.

(Full Name of the Borrower)
(Official Stamp of the Borrower)

(Signature of Authorized Signatory)

Appendix 6

Form of Legal Opinion

To: The Export-Import Bank of China

Date: _____

Dear Sirs,

Re: _____ Project Government Concessional Loan Agreement (No. _____)

We are a law firm duly qualified and authorized to practice _____ law in _____ (the Borrower's Country) and to issue opinions in connection with the laws and regulations thereof. This legal opinion is delivered in connection with a Government Concessional Loan Agreement (the "Loan Agreement") dated _____ and made between the Export-Import Bank of China as the lender (the "Lender") and _____ as the borrower (the "Borrower").

Unless otherwise defined herein, terms and expressions defined in the Loan Agreement have the same meaning when used herein.

For the purposes of this legal opinion, we have examined copies of the following documents:

- (1) the signed Loan Agreement;
- (2) the Borrower's evidence documents approving the signing and delivery of the Loan Agreement and authorizing _____ to sign the Loan Agreement and other applicable documents in connection with the Loan Agreement on behalf of the Borrower;

We have also examined such other documents as we considered necessary or relevant for the purpose of this opinion.

In the examination of the documents mentioned above, we have assumed:

(1) that all signatures, seals and ^{stamps} chops appearing thereon are true and genuine; that all documents submitted to us as originals are authentic and that all documents submitted to us as copies are complete and conform to the originals;

(2) that all factual statements made in such documents are accurate and complete;

(3) that the Lender has taken all necessary actions to authorize the signing of the Loan Agreement and has duly signed the Loan Agreement and that the Loan Agreement, once signed, constitutes legally binding and enforceable obligations of all parties (other than the Borrower) thereto under all applicable laws.

This legal opinion is based on the foregoing documents as at the date thereof and we have assumed for purpose hereof that such documents have not been amended, modified, rescinded or revoked up to the date hereof. We have not made any independent investigations to ascertain any facts contained in the documents provided to us except otherwise indicated.

This legal opinion is confined to and given on the basis of the laws of the _____ effective as at the date hereof. We have not investigated, and we do not express or imply any opinion on the laws of any other jurisdiction, and we have assumed that no such other laws would affect the opinions expressed below.

Based on the foregoing, we are of the opinion that:

1. The Borrower is the Government of the Democratic Socialist Republic of Sri Lanka

and is capable of suing and being sued in its own name, and has power, authority and legal right to assume civil liabilities with its assets.

2. The Borrower has full power, authority and legal right to enter into and perform its obligations under the Loan Agreement and has taken all necessary action to authorize the signing, delivery and performance of the Loan Agreement and _____ of the Borrower has been duly authorized and has the power to sign the Loan Agreement on behalf of the Borrower.
3. The Loan Agreement has been duly signed by the Borrower, and constitutes legal, valid and binding obligations of the Borrower enforceable in accordance with its terms.
4. The signing, delivery and performance of the Loan Agreement by the Borrower do not violate or conflict with or result in a breach of any law or regulation of _____.
5. All authorizations and consents of any authority in _____ required in connection with the signing, delivery and performance of the Loan Agreement have been obtained and are in full force and effect.
6. No other actions are required to be taken under the laws and regulations of _____ or any governmental subdivision thereof or authority therein in order to (a) enable the Borrower lawfully to enter into, assume, deliver, perform and comply with its obligations, including any obligations to make payments in foreign currencies under the Loan Agreement; (b) ensure that the obligations of the Borrower under the Loan Agreement, including any obligations to make payment in foreign currencies, are legally valid, binding and enforceable in accordance with its terms; and (c) make the Loan Agreement admissible in evidence in the courts of _____.
7. The Loan Agreement is in proper form for enforcement in the courts of the _____.
8. Any judgment obtained against the Borrower in any _____ court in respect of any sum payable by the Borrower under the Loan Agreement may be expressed in US

Dollars.

9. The appointment by the Borrower of a process agent in China does not violate any provision of any law or regulation of _____.
10. It is not necessary under the laws of _____, in order to ensure their legality, validity, enforceability or admissibility in evidence of the Loan Agreement that it be filed, registered, registered or notarized with any governmental authority or court or other official body in _____.
11. No registration fee, stamp duty or similar tax is payable in _____ in respect of the Loan Agreement by the Borrower and the Lender.
12. The signing and performance of the Loan Agreement by the Borrower constitute commercial acts rather than governmental acts, and the Borrower's waiver of the sovereign immunity in respect of itself and any of its assets from arbitration, suit, execution or any other legal process in respect of the Loan Agreement is valid and binding.
13. The payment obligations of the Borrower under the Loan Agreement rank at least pari passu with all its other unsecured and unsubordinated indebtedness except those which are mandatorily preferred by operation of _____ law.
14. The choice of Chinese law as the governing law under the Loan Agreement is a valid choice of law.
15. The submission of any dispute arising out of or in connection with the Loan Agreement by the Borrower to the China International Economic and Trade Arbitration Commission for arbitration under the Loan Agreement does not contravene any law of _____.
16. No withholding would be made in respect of any payment to be made by the Borrower to the Lender under the Loan Agreement.

This legal opinion is strictly limited to the matters stated herein and may be relied upon only by you in respect of the captioned matter. It may not be relied upon for any other purposes and may not be disclosed to any other persons without our consent.

Yours faithfully,

Irrevocable Power of Attorney
(Appointment of the Borrower's Process Agent)

Date: _____

Dear Sirs:

We refer to the Government Concessional Loan Agreement dated _____, 2009 (No. _____, hereinafter referred to as "the Agreement"). We hereby appoint you under the Agreement as our agent for the sole purpose of receiving for us and on our behalf service of any legal documents issued by the China International Economic and Trade Arbitration Commission in respect of any legal action or proceedings arising out of or in connection with the Agreement. We hereby confirm that we shall as soon as possible provide you with a true and correct copy of the Agreement and all relevant related documents. We further hereby confirm that your obligations as our agent are limited to those set out in the paragraphs below and that any other services will only be on our specific request and subject to your agreement and to your customary legal fees. Your obligations are:

(1) Promptly to forward to us (to the extent lawful and possible) by registered post prepaid express airmail addressed as hereafter shown, or by such expeditious means as you may deem appropriate, the original or a copy of any notice of arbitration received by you:

Attention:

Tel:

or to such other address as we may from time to time request in a notice to you sent by registered post prepaid express airmail and marked "For the Attention of the person in charge of Service of Process/ Re: Service of Process";

(2) Perform the duties as Process Agent in accordance with the Agreement.

We should be grateful if you would indicate your acceptance of your appointment by signing the form of acknowledgement contained in the duplicate of this letter and returning the same to us or to such other person as we may identify to you.

Yours faithfully,

Name:

Title:

Appendix 8

Letter of Confirmation

To: (name of the Borrower)

Date: _____

We hereby acknowledge receipt of the letter dated _____ from the _____ (*the Borrower*), the above is a true copy of which, and agree to our appointment under it to receive on behalf of _____ (*the Borrower*) service of legal documents issued out of the China International Economic and Trade Arbitration Commission in any legal action or proceedings arising out of or in connection with the Agreement referred to in that letter.

Yours faithfully,

Name:

Title: