Loan Agreement

(Bengbu Integrated Environment Improvement Project)

between

PEOPLE’S REPUBLIC OF CHINA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated May 26, 2008
LOAN AGREEMENT

AGREEMENT dated May 26, 2008, between PEOPLE’S REPUBLIC OF CHINA (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION (“Bank”). The Borrower and the Bank hereby agree as follows:

ARTICLE I – GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in Appendix 1 to this Agreement.

ARTICLE II – LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of one hundred million dollars ($100,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).

2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.

2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to LIBOR for the Loan Currency plus the Variable Spread, provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non payment continues for a period of thirty (30) days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02(d) of the General Conditions.

2.05. The Payment Dates are May 15 and November 15 in each year.
2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to all or any portion of the principal amount of the Loan from a Variable Rate to a Fixed Rate, or vice versa; and (iii) the setting of limits on the Variable Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

(c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05(c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

ARTICLE III – PROJECT

3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article V of the General Conditions and the Project Agreement.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV – REMEDIES OF THE BANK
4.01. The Additional Events of Suspension consists of the following, namely, that any party to the Subsidiary Agreements shall have failed to perform any of its respective obligations thereunder.

ARTICLE V – EFFECTIVENESS

5.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE VI – REPRESENTATIVE; ADDRESSES

6.01. The Borrower’s Representative is the Borrower’s Minister of Finance.

6.02. The Borrower’s Address is:

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

Facsimile:

(86-10) 6855-1125

6.03. The Bank’s Address is:

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

Cable address: Telex: Facsimile:

INTBAFRAD 248423(MCI) or 1-202-477-6391
Washington, D.C. 64145(MCI)
AGREED at Beijing, People’s Republic of China, as of the day and year first above written.

PEOPLE’S REPUBLIC OF CHINA

By /s/ Yang Shaolin
Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ David Dollar
Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to assist Anhui Province in improving the effectiveness and sustainability of selected urban environmental services delivered in Bengbu Municipality, including improving water supply, reducing incidents of land submergence from flooding and enhancing wastewater management.

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


(a) Improve the management of Tianhe Lake as a drinking water resource, inter alia, by increasing water storage capacity of Tianhe Lake Reservoir and constructing flood discharge pump stations.

(b) Improve the management of Longzi Lake to decrease floods in neighboring areas and to improve its ecology, inter alia, by constructing flood discharge pumping stations; upgrading lake embankments and removing silt from the lake.

Part 2: Urban Environmental Infrastructure Improvement

(a) Improve and expand the storm drainage and wastewater networks and access in selected areas of Bengbu City, inter alia, by: (i) constructing new and improving existing storm drainage networks and related storm drainage facilities to facilitate storm drainage; (ii) de-silting and widening drainage ditches, strengthening embankments of rivers, and constructing pumping stations to facilitate flood management; (iii) constructing wastewater collection networks and related amenities to facilitate wastewater management; and (iv) constructing roads and bridges to facilitate access to selected areas.

(b) Improve flood management, wastewater collection and access in selected areas in Huishang District, inter alia, by: (i) constructing and expanding flood discharge pumping stations and storm drainage pumping stations, and constructing and improving drainage ditches to facilitate flood management; (ii) constructing a pipeline to transfer wastewater from Gubei new district of Huaiyuan County for treatment in Huaishang District to facilitate wastewater management; and (iii) constructing roads, bridges sewers and telecommunication ducts to facilitate access to selected areas.
Part 3: Sub-urban Environmental Infrastructure Improvement

(a) Improve flood management, storm drainage, wastewater management and access in selected areas in Guzhen County, inter alia, by: (i) desilting flood canals and constructing drainage ditches, storm drainage pumping stations and related amenities to facilitate storm drainage and flood management; (ii) constructing interceptors, wastewater collection networks and related amenities to facilitate wastewater management; and (iii) constructing roads and bridges to facilitate access to selected areas.

(b) Improve flood management, storm drainage and access in selected areas in Huaiyuan County, inter alia, by: (i) rehabilitating flood retention basins and related amenities to facilitate flood management; (ii) constructing storm drainage networks and storm drainage pumping stations and rehabilitating pumping stations to facilitate storm drainage; and (iii) constructing roads to facilitate access to selected areas.

(c) Improve flood management and urban infrastructure in selected areas in the Mohekou Industrial Zone and Mohekou Township in Wuhe County, inter alia, by: (i) constructing intakes, treatment plants, booster pump stations, distribution mains and related amenities to facilitate water supply; (ii) constructing sewers and wastewater treatment plants to facilitate wastewater management; (iii) constructing storm drainage networks and related amenities to facilitate storm drainage; (iv) de-silting canals, raising embankments and constructing flood discharge pumping stations and related amenities to facilitate flood management; and (v) constructing roads to facilitate access to selected areas.

Part 4: Institutional Development and Capacity Building

(a) Develop and implement a plan to improve monitoring of water quality in Bengbu Municipality and the Counties of Guzhen, Huaiyuan and Wuhe, including establishment and equipping of data monitoring and processing stations and systems.

(b) Provide support for implementation of the Project through the following:

(i) With respect to Mohekou Industrial Zone (“MIZ”) in Wuhe County, provision of technical assistance for: (A) preparation of detailed designs of infrastructure investments; (B) development of rules and operations procedures for management of said zone; and (C) preparation of request for proposals for selection of a professional manager.

(ii) Provision of technical assistance to aid implementing agencies and entities in their review of designs of infrastructure facilities, in Project
management and in monitoring Project implementation (including implementation of EMPs and RAPs).

(c) Enhance various aspects of the institutional capacity of implementing agencies and entities through the following:

(i) Provision of technical assistance, equipment, vehicles and other goods to strengthen the management and financial capacity of the Project Companies and the implementing agencies within Bengbu Municipality.

(ii) Development of a water sector management strategy for Bengbu Municipality.

**Part 5: Resettlement**

Carrying out resettlement and rehabilitation of Displaced Persons in connection with the implementation of Parts 1, 2 and 3 of the Project.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Financing Arrangements

1. The Borrower shall make available the proceeds of the Loan to the Project Implementing Entity, under terms and conditions satisfactory to the Bank, and the following principal terms:

(a) The principal amount shall be made available in Dollars (determined on the date, or respective dates, of withdrawal from the Loan Account) of the value of the currency or currencies so withdrawn.

(b) The principal amount so made available (including an amount equal to the fee paid pursuant to Section 2.03 of this Agreement) shall be recovered over a period of twenty-five (25) years, inclusive of a grace period of eight (8) years.

(c) Interest shall be charged on such principal amount withdrawn and outstanding from time to time at a rate equal to the rate of interest applicable from time to time to the Loan pursuant to the provisions of Section 2.04 of this Agreement.

B. Anti-Corruption

1. The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Borrower shall monitor and evaluate, and cause the Project Implementing Entity to monitor and evaluate, the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the indicators set forth in Annex B of the Schedule to the Project Agreement. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Bank not later than February 15 and August 15 in each year, starting on February 15, 2009.
2. For purposes of Section 5.08(c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Bank not later than six (6) months after the Closing Date.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain, or cause to be maintained, a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Borrower shall prepare and furnish to the Bank as part of the Project Report by not later than March 15 and September 15 in each year after the end of each calendar semester, interim un-audited financial reports for the Project covering the calendar semester, in form and substance satisfactory to the Bank.

3. The Borrower shall have its Financial Statements audited in accordance with the provisions of Section 5.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Goods and Works. All goods and works required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants’ Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded
on the basis of International Competitive Bidding. The provisions of paragraphs 2.55 and 2.56 of the Procurement Guidelines and Appendix 2 thereto shall apply to goods manufactured in the territory of the Borrower (other than goods manufactured in the Hong Kong Special Administrative Region or the Macau Special Administrative Region of the Borrower).

2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding.</td>
</tr>
<tr>
<td>In addition, the procedures to be followed for National Competitive Bidding shall be those set forth in the Law on Tendering and Bidding of the People’s Republic of China promulgated by Order No.21 of the President of the People’s Republic of China on August 30, 1999, with the following clarifications required for compliance with the Procurement Guidelines:</td>
</tr>
<tr>
<td>(i) All invitations to prequalify or to bid shall be advertised in a newspaper of national circulation in the Borrower’s country, except for civil works contracts that are estimated cost less than $2,000,000 equivalent each and for goods contracts that are estimated to cost less than $300,000 equivalent each, which may be advertised in a provincial daily newspaper. Such advertisement shall be made in sufficient time for prospective bidders to obtain prequalification or bidding documents and prepare and submit their responses. In any event, a minimum of thirty (30) days shall be given to bidders between the date of advertisement in such newspaper and the deadline for submission of bids, and the advertisement and bidding documents shall specify the deadline for such submission.</td>
</tr>
<tr>
<td>(ii) Qualification requirements of bidders and the method of evaluating the qualification of each bidder shall be specified in detail in the bidding documents.</td>
</tr>
<tr>
<td>(iii) All bidders that meet the qualification criteria set out in the prequalification document shall be allowed to bid and there shall be no limit on the number of pre-qualified bidders.</td>
</tr>
</tbody>
</table>
| (iv) All bidders shall be required to provide security in an amount sufficient to protect the Borrower or the Project Implementing
Entity, as the case may be, in case of breach of contract by the contractor, and the bidding documents shall specify the required form and amount of such security.

(v) Bidders will be allowed to submit bids by mail or by hand. The time for opening of all bids shall be the same as the deadline for receipt of such bids.

(vi) All bids shall be opened in public; all bidders shall be offered an opportunity to be present (either in person or through their representatives) at the time of bid opening, but bidders shall not be required to be present at the bid opening.

(vii) All bid evaluation criteria shall be disclosed in the bidding documents and quantified in monetary terms or expressed in the form of pass/fail requirements.

(viii) No bid may be rejected solely on the basis that the bid price falls outside any standard contract estimate, or margin or bracket of average bids established by the Borrower or the Project Implementing Entity, as the case may be.

(ix) Each contract shall be awarded to the lowest evaluated responsive bidder, that is, the bidder who meets the appropriate standards of capability and resources and whose bid has been determined: (A) to be substantially responsive to the bidding documents; and (B) to offer the lowest evaluated cost. The winning bidder shall not be required, as a condition of award, to undertake responsibilities for work not stipulated in the bidding documents or otherwise to modify the bid as originally submitted.

(x) Each contract financed with the proceeds of the Loan shall provide that the suppliers and contractors shall permit the Bank, at its request, to inspect their accounts and records relating to the performance of the contract and to have said accounts and records audited by auditors appointed by the Bank.

(xi) Government owned enterprises in the Borrower’s country may be permitted to bid or submit a proposal of goods and works if they can establish that they: (A) are legally and financially autonomous; (B) operate under commercial law; and (C) are not a dependent agency of the agency conducting the procurement.
(xii) Re-bidding should not be allowed solely because the number of bids is less than three (3).

(b) Shopping

C. Particular Methods of Procurement of Consultants’ Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. Other Methods of Procurement of Consultants’ Services. The following table specifies the methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality-based Selection</td>
</tr>
<tr>
<td>(b) Selection based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>(c) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(d) Single-source Selection</td>
</tr>
<tr>
<td>(e) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(f) Sole Source Procedures for the Selection of Individual Consultants</td>
</tr>
</tbody>
</table>

D. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Bank’s Prior Review. All other contracts shall be subject to Post Review by the Bank.

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such
additional instructions as the Bank shall specify by notice to the Borrower (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan (“Category”), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category (inclusive of taxes subject to the provisions of Section 2.06 of the General Conditions).

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in Dollars)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Civil works to be carried out by:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) BHNTIGC for construction of the initial portion of the sewer network in the High Technology Development Zone in Bengbu City</td>
<td>2,570,000</td>
<td>)</td>
</tr>
<tr>
<td>(b) BHNTIGC for construction of the subsequent portion of said sewer network</td>
<td>1,000,000</td>
<td>)</td>
</tr>
<tr>
<td>(c) BHNTIGC for other construction</td>
<td>4,190,000</td>
<td>)</td>
</tr>
<tr>
<td>(d) WCIC</td>
<td>15,820,000</td>
<td>)</td>
</tr>
<tr>
<td>(e) BEDZIC</td>
<td>20,570,000</td>
<td>)</td>
</tr>
<tr>
<td>(f) BHNDDC</td>
<td>10,419,000</td>
<td>)</td>
</tr>
<tr>
<td>(g) GUIDC</td>
<td>5,710,000</td>
<td>)</td>
</tr>
<tr>
<td>(h) HZUIC</td>
<td>3,160,000</td>
<td>)</td>
</tr>
<tr>
<td>(i) HWDIC</td>
<td>3,540,000</td>
<td>)</td>
</tr>
<tr>
<td>(j) BDC</td>
<td>6,480,000</td>
<td>)</td>
</tr>
<tr>
<td>(k) B3WTC</td>
<td>1,491,000</td>
<td>)</td>
</tr>
<tr>
<td>(l) Others</td>
<td>18,820,000</td>
<td>)</td>
</tr>
<tr>
<td>(2) Goods</td>
<td>2,250,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Consultants’ services, training and study tours</td>
<td>3,730,000</td>
<td>100%</td>
</tr>
<tr>
<td>Category</td>
<td>Amount of the Loan Allocated (expressed in Dollars)</td>
<td>Percentage of Expenditures to be financed (inclusive of Taxes)</td>
</tr>
<tr>
<td>--------------------------</td>
<td>----------------------------------------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>(4) Front-end Fee</td>
<td>250,000</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07(b) of the General Conditions</td>
</tr>
</tbody>
</table>

**TOTAL AMOUNT**

- **100,000,000**

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

   (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed $1,000,000 equivalent may be made for payments made prior to this date but on or after January 1, 2008, for Eligible Expenditures.

   (b) (i) under each of Categories (1)(a) through (1)(k) until the Bank shall have notified the Borrower and the Project Implementing Entity of its receipt of a copy of the Subsidiary Agreement entered into between the Project Participant concerned and its Respective Project Company, satisfactory to the Bank and in accordance with the provisions of Section I, paragraph E.1 of the Schedule to the Project Agreement;

   (ii) in addition, with respect to Category (1)(b), until a contract, acceptable to the Bank, has been signed between BHNTIGC and a contractor for the construction of a wastewater treatment plant in southern Bengbu City to treat wastewater that will be conveyed through the sewer network to be constructed under Part 2(a) of the Project in the High Technology Development Zone in Bengbu City; and
(iii) in addition, with respect to Category (1)(d), until detailed designs, prepared according to terms of reference acceptable to the Bank, have been completed for infrastructure construction under Part 3(c) of the Project in Mohekou Industrial Zone and Mohekou Township in Wuhe County.

2. The Closing Date is June 30, 2014.
SCHEDULE 3

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share"). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 15, 2016</td>
<td>1.90%</td>
</tr>
<tr>
<td>November 15, 2016</td>
<td>1.95%</td>
</tr>
<tr>
<td>May 15, 2017</td>
<td>2.00%</td>
</tr>
<tr>
<td>November 15, 2017</td>
<td>2.05%</td>
</tr>
<tr>
<td>May 15, 2018</td>
<td>2.10%</td>
</tr>
<tr>
<td>November 15, 2018</td>
<td>2.15%</td>
</tr>
<tr>
<td>May 15, 2019</td>
<td>2.20%</td>
</tr>
<tr>
<td>November 15, 2019</td>
<td>2.26%</td>
</tr>
<tr>
<td>May 15, 2020</td>
<td>2.32%</td>
</tr>
<tr>
<td>November 15, 2020</td>
<td>2.37%</td>
</tr>
<tr>
<td>May 15, 2021</td>
<td>2.43%</td>
</tr>
<tr>
<td>November 15, 2021</td>
<td>2.49%</td>
</tr>
<tr>
<td>May 15, 2022</td>
<td>2.56%</td>
</tr>
<tr>
<td>November 15, 2022</td>
<td>2.62%</td>
</tr>
<tr>
<td>May 15, 2023</td>
<td>2.69%</td>
</tr>
<tr>
<td>November 15, 2023</td>
<td>2.75%</td>
</tr>
<tr>
<td>May 15, 2024</td>
<td>2.82%</td>
</tr>
<tr>
<td>November 15, 2024</td>
<td>2.89%</td>
</tr>
<tr>
<td>May 15, 2025</td>
<td>2.96%</td>
</tr>
<tr>
<td>November 15, 2025</td>
<td>3.04%</td>
</tr>
<tr>
<td>May 15, 2026</td>
<td>3.11%</td>
</tr>
<tr>
<td>November 15, 2026</td>
<td>3.19%</td>
</tr>
<tr>
<td>May 15, 2027</td>
<td>3.27%</td>
</tr>
<tr>
<td>November 15, 2027</td>
<td>3.35%</td>
</tr>
<tr>
<td>May 15, 2028</td>
<td>3.44%</td>
</tr>
<tr>
<td>November 15, 2028</td>
<td>3.52%</td>
</tr>
<tr>
<td>May 15, 2029</td>
<td>3.61%</td>
</tr>
<tr>
<td>Date</td>
<td>Interest Rate</td>
</tr>
<tr>
<td>-----------------</td>
<td>---------------</td>
</tr>
<tr>
<td>November 15, 2029</td>
<td>3.70%</td>
</tr>
<tr>
<td>May 15, 2030</td>
<td>3.79%</td>
</tr>
<tr>
<td>November 15, 2030</td>
<td>3.89%</td>
</tr>
<tr>
<td>May 15, 2031</td>
<td>3.99%</td>
</tr>
<tr>
<td>November 15, 2031</td>
<td>4.09%</td>
</tr>
<tr>
<td>May 15, 2032</td>
<td>4.19%</td>
</tr>
<tr>
<td>November 15, 2032</td>
<td>4.31%</td>
</tr>
</tbody>
</table>

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

(a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

(b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an
Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.
APPENDIX 1

Definitions


2. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


4. “Displaced Persons” means persons who, on account of the execution of the Project, have experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such persons; and a “Displaced Person” means any of such Displaced Persons.

5. The acronym “EMPs” means, collectively, the following plans all dated August 8, 2007, which set out the environmental protection measures in respect of the Project, as well as administrative and monitoring arrangements to ensure the implementation of said plans, as said plans may be revised from time to time with the agreement of the Bank:

   (a) the environmental management plan contained in the Environmental Impact Assessment and Environmental Management Plan Report for:

   (i) Tianhe Flood Control Project;

   (ii) Longzi Lake Flood Control and Environment Improvement Project;

   (iii) Urban (South of Huai River) Environmental Infrastructure Improvement Project;

   (iv) Xijiagou and Baligou Environment Improvement Project;

   (v) Huaishang District Flood Control and Urban Environmental Infrastructure Improvement Project;
(vi) Guzhen County Integrated Environment Improvement Project;

(vii) Huaiyuan County Integrated Environment Improvement Project; and

(viii) Wuhe County Mohekou Integrated Environment Improvement Project; and

(b) the environmental management plans to be prepared by the Project Participants with respect to the Related Activities and agreed by the Bank pursuant to the provisions of Section I, paragraph C.2(b) of the Schedule to the Project Agreement.

The acronym “EMP” means, individually, any such plan.

6. “Fiscal Year” means the fiscal year of the Project Companies, covering the period January 1 through December 31.


9. “Project Company” means, individually, each of the Project companies set forth in the second column of the table in Appendix 2 to this Agreement, which company is established and operating pursuant to its:

(a) Charter issued on the date specified in the said table; specifically, in the fourth column of the same row as the Project Company concerned; and

(b) Business license issued by the relevant Municipal Industrial and Commercial Administration Bureau on the date and with the license number specified in the said table; specifically, in the sixth and fifth columns of the same row as the Project Company concerned,

and any successor thereto; and “Project Companies” means, collectively, all such companies.

10. “Project Implementing Entity” means Borrower’s Province of Anhui, and any successor thereto.
11. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated October 2007, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

12. “Project Participant” means, individually, each of the city, counties or district set forth in the first column of the table in Appendix 2 to this Agreement, and any successor thereto; and “Project Participants” means, collectively, all such city, counties and district.

13. The acronym “RAPs” means, collectively, the following plans, all dated October 2007, which set out the principles and procedures governing the acquisition of land and other assets, and the resettlement, compensation and rehabilitation of Displaced Persons on account of the execution of Parts 2 and 3 of the Project, as well as monitoring and reporting arrangements to ensure compliance with said plans, as the same may be revised from time to time with the prior agreement of the Bank:

(a) Resettlement Action Plan of Xijiagou and Baligou Integrated Environment Improvement Project;

(b) Resettlement Action Plan of City Area (South of Huai River) Environmental Infrastructure Improvement Project and Longzihu Flood Control and Environment Improvement Project;

(c) Resettlement Action Plan of Huaishang District Flood Control and Infrastructure Improvement Project;

(d) Resettlement Action Plan of Guzhen County Integrated Environment Improvement Project;

(e) Resettlement Action Plan of Mohekou Integrated Environment Improvement Project in Wuhe County;

(f) Resettlement Action Plan for Huaiyuan County Integrated Environment Improvement Project; and

(g) the resettlement action plans to be prepared by the Project Participants with respect to Related Activities and agreed by the Bank pursuant to the provisions of Section I, paragraph C.1(b)(ii) of the Schedule to the Project Agreement.

The acronym “RAP” means, individually, any such plan.

14. “Related Activities” means, collectively:
(a) The construction of a wastewater treatment plant in southern Bengbu City to treat wastewater that will be conveyed through the sewer network to be constructed under Part 2(a) of the Project in the High Technology Development Zone in Bengbu City.

(b) The acquisition of remaining land required for the establishment of Mohekou Industrial Park located in Mohekou town of Wuhe County which park will be served by flood management and urban infrastructure to be constructed under Part 3(c) of the Project.

(c) The relocation of polluting chemical industries, presently situated in Bengbu City, to the Mohekou Industrial Zone or other dedicated industrial park.

“Related Activity” means, individually, any such activity.

15. “Resettlement Policy Framework” means the Resettlement Policy Framework for China Bengbu Integrated Environment Project, dated December 7, 2007, which framework sets out the policies and procedures for land acquisition, resettlement, compensation and rehabilitation of Displaced Persons, and for the preparation of resettlement action plans whenever required during implementation of the Related Activities or of the Project.

16. “Respective Parts of the Project” means in respect of: (a) each Project Participant, activities under the Project to be carried out within its jurisdiction; and (b) each Project Company, activities under the Project to be carried by said Project Company within the jurisdiction of the Project Participant concerned.

17. “Respective Project Company” means in respect of each Project Participant, the Project Company or Project Companies set forth in the same row as the Project Participant in the table in Appendix 2 to this Agreement, and any successor thereto; and “Respective Project Companies” means, collectively, all such companies.

18. “Subsidiary Agreements” means, collectively, the agreements to be entered into between each Project Participant and its Respective Project Company pursuant to Section I, paragraph E.1 of the Schedule to the Project Agreement, as the same may be amended from time to time, and such term includes all schedules and supplements to said agreements; and a “Subsidiary Agreement” means, individually, any of said Subsidiary Agreements.

19. The following acronyms refer to the following Project Companies:

(a) “BDC” means Bengbu Municipal Drainage Company;
(b) “B3WTC” means Bengbu No.3 Wastewater Treatment Company;

(c) “BEDZIC” means Bengbu Economic Development Zone Investment Company Limited;

(d) “BHNDDC” means Hebei New District Investment and Development Company Limited;

(e) “BHNTIGC” means Bengbu High Tech Zone Investment Group Company Limited;

(f) “GUIDC” means Guzhen Urban Investment & Development Company Limited;

(g) “HWDIC” means Huaiyuan Western Development Investment Company Limited;

(h) “HZUIC” means Huaiyuan Zhengda Urban Investment Company Limited; and

(i) “WCIC” means Wuhe Construction Investment Company Limited.

Each of the above listed Project Company is established and operating pursuant to its Charter issued on the date specified in the table in Appendix 2 to this Agreement and Business license issued by the relevant Municipal Industrial and Commercial Administration Bureau on the date and with the license number specified in the said table, and any successor thereto.
## APPENDIX 2

<table>
<thead>
<tr>
<th>Name of Project Participant</th>
<th>Name of Project Company</th>
<th>Acronym</th>
<th>Date of Charter</th>
<th>Business License Number</th>
<th>Date of Business License</th>
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<tr>
<td>1. Bengbu Municipality</td>
<td>Bengbu Municipal Drainage Company</td>
<td>BDC</td>
<td>September 1, 2004</td>
<td>3403001001256</td>
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<td>BEDZIC</td>
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<td>340300000000051</td>
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<td>Bengbu High Tech Zone Investment Group Company Limited</td>
<td>BHNTIGC</td>
<td>June 30, 2006</td>
<td>3403001002534</td>
<td>January 24, 2006</td>
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<td></td>
<td>Hebei New District Investment and Development Company Limited</td>
<td>BHNDDC</td>
<td>March 2003, as amended</td>
<td>3403001002760</td>
<td>April 29, 2006</td>
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<td>5. Huaiyuan County</td>
<td>Huaiyuan Zhengda Urban Investment Company Limited</td>
<td>HZUIC</td>
<td>November 30, 2005</td>
<td>3403211000674</td>
<td>December 1, 2005</td>
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<td>Huaiyuan Western Development Investment Company Limited</td>
<td>HWDIC</td>
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