LOAN NUMBER 2614-VIE (SF)

LOAN AGREEMENT
(Special Operations)

(SOE Reform and Corporate Governance Facilitation Program - Project 1)

between

SOCIALIST REPUBLIC OF VIET NAM

and

ASIAN DEVELOPMENT BANK

DATED 27 SEPTEMBER 2010

LAS: VIE 39538

LOAN AGREEMENT
(Special Operations)

LOAN AGREEMENT dated 27 September 2010 between the SOCIALIST REPUBLIC OF VIET NAM (hereinafter called the "Borrower") and ASIAN DEVELOPMENT BANK (hereinafter called "ADB").

WHEREAS

(A) by a framework financing agreement between the Borrower and ADB, ADB has agreed to provide a multitranche financing facility to the Borrower for purposes of financing projects under the SOE Reform and Corporate Governance Facilitation Program;

(B) by a periodic financing request submitted by the Borrower, the Borrower has applied to ADB for loans for the purposes of the Project described in Schedule 1 to this Loan Agreement;

(C) the Project will be carried out by Song Da Corporation, Southern Waterborne Transport Corporation and Debt and Asset Trading Corporation (hereinafter called the "Implementing Agencies"), and for this purpose the Borrower will make available to the Implementing Agencies the proceeds of the Loan provided for herein upon terms and conditions satisfactory to ADB;

(D) by an agreement of even date herewith between the Borrower and ADB (hereinafter called the "Ordinary Operations Loan Agreement"), ADB has agreed to lend to the Borrower from ADB's Ordinary Capital resources an amount equivalent to one hundred twenty million Dollars ($120,000,000) in connection with the Project (hereinafter called the "Ordinary Operations Loan"); and

(E) ADB has agreed to make a loan to the Borrower from ADB's Special Funds resources upon the terms and conditions hereinafter set forth and in the Project Agreement of even date herewith between ADB and the Implementing Agencies;

NOW THEREFORE the parties hereto agree as follows:

ARTICLE I

Loan Regulations; Definitions

Section 1.01. All the provisions of the Special Operations Loan Regulations of ADB, dated 1 January 2006 (hereinafter called the "Loan Regulations"), are hereby made applicable to this Loan Agreement with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications:

(a) Section 2.01(25) is deleted and the following is substituted therefor:

25. "Project Agreement" means the project agreement, if any, between ADB and the Implementing Agencies, being the Project Agreement referred to in the Loan Agreement, as such agreement may be amended from time to time; and such term includes all agreements supplementary to the Project Agreement and all schedules to the Project Agreement.

Section 1.02. Wherever used in this Loan Agreement, unless the context otherwise requires, the several terms defined in the Loan Regulations have the respective meanings therein set forth, and the following additional terms have the following meanings:

(a) "Component" means a particular component of the Project, as more fully described in Schedule 1 to this Loan Agreement;

(b) "Consulting Guidelines" means ADB's Guidelines on the Use of Consultants by Asian Development Bank and its Borrowers (2007, as amended from time to time);

(c) "DATC" means the Borrower's Debt and Asset Trading Corporation or any legal successor thereto;

(d) "Facility" means the multitranche financing facility provided by ADB to the Borrower for purposes of financing projects under the Investment Program;

(e) "FFA" means the framework financing agreement dated _____ between ADB and the Borrower with respect to the Facility;

(f) "Goods" means equipment and materials to be financed out of the proceeds of the Loan; and including related services such as transportation, insurance, installation, commissioning, training, and initial maintenance, but excluding consulting services;

(g) "Implementing Agencies" means Song Da, Sowatco and DATC, or any successors thereto;

(h) "Investment Program" means the SOE Reform and Corporate Governance Facilitation Program;

(i) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (January 2007, as amended from time to time);

(j) "MOF" means the Borrower's Ministry of Finance or any successor thereto;

(k) "PFR" means the periodic financing request submitted or to be submitted by the Borrower, for the purposes of each loan under the Facility, and for the purpose of this Loan Agreement means the periodic financing request dated _____;

(l) "Procurement Guidelines" means ADB's Procurement Guidelines (2007, as amended from time to time);

(m) "Procurement Plan" means the procurement plan for the Project dated 30 October 2009 and agreed between the Borrower and ADB, as updated from time to time in accordance with Procurement Guidelines, Consulting Guidelines, and other arrangements agreed with ADB;

(n) "Project Executing Agency" for the purposes of, and within the meaning of, the Loan Regulations means MOF or any legal successor thereto acceptable to ADB, which is responsible for the carrying out of the Project;

(o) "Project facilities" means any facilities to be constructed, provided and maintained under the Project;

(p) "SOE" means a state-owned enterprise, as defined in the Borrower's Law on State-Owned Enterprises in 2003;

(q) "Song Da" means the Song Da Corporation duly incorporated within the territory of the Borrower or any legal successor thereto;

(r) "Sowatco" means the Southern Waterborne Transport Corporation duly incorporated within the territory of the Borrower or any legal successor thereto;

(s) "Subsidiary Loan Agreements for the Ordinary Operations Loan" means the subsidiary loan agreements between the Borrower and Song Da and Sowatco respectively, as described in Section 3.01 of the Ordinary Operations Loan Agreement: and

(t) "Subsidiary Loan Agreements for the Special Operations Loan" means the subsidiary loan agreements between the Borrower and the respective Implementing Agencies, as described in Section 3.01 of this Loan Agreement.

ARTICLE II

The Loan

Section 2.01. ADB agrees to lend to the Borrower from ADB's Special Funds resources an amount in various currencies equivalent to six million two hundred sixty-seven thousand Special Drawing Rights (SDR 6,267,000).

Section 2.02. (a) The Borrower shall pay to ADB an interest charge at the rate of one percent (1%) per annum during the grace period, and one and one-half percent (1.5%) per annum thereafter, on the amount of the Loan withdrawn from the Loan Account and outstanding from time to time.

(b) The term "grace period" as used in paragraph (a) of this Section means the period prior to payment of the first principal amount of the Loan on the payment

date in accordance with the amortization schedule set forth in Schedule 2 to this Loan Agreement.

Section 2.03. The interest charge and any other charge on the Loan shall be payable semiannually on 15 May and 15 November in each year.

Section 2.04. The Borrower shall repay the principal amount of the Loan withdrawn from the Loan Account in accordance with the amortization schedule set forth in Schedule 2 to this Loan Agreement.

Section 2.05. The currency of repayment of the principal of the Loan and the currency of payment of the interest charge for the purposes of Sections 4.03(a) and 4.04 of the Loan Regulations shall be Dollar.

ARTICLE III

Use of Proceeds of the Loan

Section 3.01. (a) The Borrower shall relend the proceeds of the Loan equivalent to (i) four million one hundred thirty-six thousand Special Drawing Rights (SDR4,136,000) to Song Da, (ii) four hundred thirty-nine thousand Special Drawing Rights (SDR439,000) to Sowatco, and (iii) one million six hundred ninety-two thousand Special Drawing Rights (SDR1,692,000) to DATC, under the respective Subsidiary Loan Agreements for the Special Operations Loan, in each case upon terms and conditions satisfactory to ADB.

(b) The Borrower shall cause the Implementing Agencies to apply the proceeds of the Loan to the financing of expenditures on parts of the Project in accordance with the provisions of this Loan Agreement and the Project Agreement.

Section 3.02. The Goods, consulting services and other items of expenditure to be financed out of the proceeds of the Loan and the allocation of amounts of the Loan among different categories of such Goods, consulting services and other items of expenditure shall be in accordance with the provisions of Schedule 3 to this Loan Agreement, as such Schedule may be amended from time to time by agreement between the Borrower and ADB.

Section 3.03. Withdrawals from the Loan Account in respect of Goods and consulting services shall be made only on account of expenditures relating to

(a) Goods which are produced in and supplied from and services which are supplied from such member countries of ADB as shall have been specified by ADB from time to time as eligible sources for procurement, and

(b) Goods and consulting services which meet such other eligibility requirements as shall have been specified by ADB from time to time.

Section 3.04. Except as ADB may otherwise agree, all Goods and consulting services to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of Schedule 4 to this Loan Agreement.

Section 3.05. The Loan Closing Date for the purposes of Section 8.02 of the Loan Regulations shall be 30 June 2013 or such other date as may from time to time be agreed between the Borrower and ADB.

ARTICLE IV

Particular Covenants

Section 4.01. In the carrying out of the Project and operation of the Project facilities, the Borrower shall perform, or cause to be performed, all obligations set forth in Schedule 5 to this Loan Agreement.

Section 4.02. The Borrower shall enable ADB's representatives to inspect the Project, the Goods financed out of the proceeds of the Loan and any relevant records and documents.

Section 4.03. The Borrower shall take all action which shall be necessary on its part to enable the Implementing Agencies to perform their obligations under the Project Agreement, and shall not take or permit any action which would interfere with the performance of such obligations.

Section 4.04. (a) The Borrower shall exercise its rights under the Subsidiary Loan Agreements for the Special Operations Loan in such a manner as to protect the interests of the Borrower and ADB and to accomplish the purposes of the Loan.

(b) No rights or obligations under the Subsidiary Loan Agreements for the Special Operations Loan shall be assigned, amended, or waived without the prior concurrence of ADB.

ARTICLE V

Suspension; Acceleration of Maturity

Section 5.01. The following are specified as additional events for suspension of the right of the Borrower to make withdrawals from the Loan Account for the purposes of Section 8.01(m) of the Loan Regulations:

(a) The Borrower shall have failed to perform any of its obligations under the Ordinary Operations Loan Agreement.

(b) Any of the Implementing Agencies shall have failed to perform any of their obligations under the respective Subsidiary Loan Agreements for the Special Operations Loan.

Section 5.02. The following are specified as additional events for acceleration of maturity for the purposes of Section 8.07(d) of the Loan Regulations:

(a) The Borrower shall have failed to perform any of its obligations under the Ordinary Operations Loan Agreement.

(b) Any two of the Implementing Agencies shall have failed to perform any of their obligations under the respective Subsidiary Loan Agreements for the Special Operations Loan.

ARTICLE VI

Effectiveness

Section 6.01 The following are specified as additional conditions to the effectiveness of this Loan Agreement for the purposes of Section 9.01(f) of the Loan Regulations:

(a) the Ordinary Operations Loan Agreement shall have been duly executed and delivered on behalf of the Borrower and shall have become fully effective and binding upon the Borrower in accordance with its terms, subject only to the effectiveness of this Loan Agreement;

(b) the Borrower shall have established (i) a facility steering committee, as described in paragraph 2 of Schedule 5 to this Loan Agreement, and (ii) a project management unit with necessary staffing satisfactory to ADB; and

(c) the Subsidiary Loan Agreements for the Special Operations Loan shall have been duly executed and delivered on behalf of the Borrower and the respective Implementing Agencies and shall have become fully effective and binding upon the Borrower and the respective Implementing Agencies in accordance with their terms, subject only to the effectiveness of this Loan Agreement.

Section 6.02. A date ninety (90) days after the date of this Loan Agreement is specified for the effectiveness of the Loan Agreement for the purposes of Section 9.04 of the Loan Regulations.

ARTICLE VII

Delegation of Authority

Section 7.01. The Borrower hereby designates the respective Implementing Agencies its agents for the purposes of taking any action or entering into any agreement required or permitted under Sections 3.02 and 3.04 of this Loan Agreement and under Sections 5.01, 5.02, 5.03 and 5.04 of the Loan Regulations.

Section 7.02. Any action taken or any agreement entered into by the Implementing Agencies pursuant to the authority conferred under Section 7.01 of this Loan Agreement shall be fully binding on the Borrower and shall have the same force and effect as if taken by the Borrower.

Section 7.03. The authority conferred on the Implementing Agencies under Section 7.01 of this Loan Agreement may be revoked or modified by agreement between the Borrower and ADB.

ARTICLE VIII

Miscellaneous

Section 8.01. The Governor of the State Bank of Vietnam of the Borrower is designated as representative of the Borrower for the purposes of Section 11.02 of the Loan Regulations.

Section 8.02. The following addresses are specified for the purposes of Section 11.01 of the Loan Regulations:

For the Borrower

State Bank of Vietnam
47 – 49 Ly Thai To
Hanoi, Viet Nam

Facsimile Numbers:

(84-4) 38250-612
(84-4) 38258-385

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names and to be delivered at the principal office of ADB, as of the day and year first above written.

SOCIALIST REPUBLIC OF VIET NAM

By _____
NGUYEN VAN GIAU
Governor
State Bank of Viet Nam

ASIAN DEVELOPMENT BANK

By _____
AYUMI KONISHI
Country Director
Viet Nam Resident Mission

SCHEDULE 1

Description of the Project

1. The impact of the Investment Program is expected to be an increased profitability and transparency of equitized and restructured SOEs, including large general corporations and their subsidiaries. The outcome of the Program is transformation of several general corporations and their subsidiaries into focused, efficient businesses with strong balance sheets and improved corporate governance, through (i) restructuring general corporations' debt through financial and corporate restructuring; (ii) increasing operational efficiency and improving corporate governance of the participating general corporations; and (iii) strengthening and enhancing governance of institutions supporting key aspects of SOE reform. The Project is the first project of the Investment Program.

2. The Project comprises the following components:

Component 1. Financial and corporate restructuring of Song Da and Sowatco: Restructuring a part of existing debt of Song Da and Sowatco into less expensive and/or longer-term debt, and implementing corporate restructuring.

Component 2. Operational restructuring and strengthening of Song Da, Sowatco and the DATC: Enhancing operational efficiency of the Implementing Agencies by strengthening corporate management process and improving governance, through measures as described in the PFR of this Project, including,

- implementing the management restructuring plans, submitted by Song Da and Sowatco respectively;
- enhancing operational efficiency of Song Da and Sowatco by strengthening corporate management process and improving governance; and
- operational restructuring of DATC, including:
    (a) improving legal framework and preparing development strategy;
    (b) developing and improving management process;
    (c) developing human resources; and
    (d) carrying out pilot-financing for restructuring selected SOEs.

3. Component 2 shall be financed by the Loan, and Component 1 shall be financed by the Ordinary Operations Loan.

4. The Project is expected to be completed by 31 December 2012.

SCHEDULE 2

Amortization Schedule

(SOE Reform and Corporate Governance Facilitation Program – Project 1)

Date Payment Due	Payment of Principal (Expressed in Special Drawing Rights)
15-May-2018	130,563.00
15-Nov-2018	130,563.00
15-May-2019	130,563.00
15-Nov-2019	130,563.00
15-May-2020	130,563.00
15-Nov-2020	130,563.00
15-May-2021	130,563.00
15-Nov-2021	130,563.00
15-May-2022	130,563.00
15-Nov-2022	130,563.00
15-May-2023	130,563.00
15-Nov-2023	130,563.00
15-May-2024	130,563.00
15-Nov-2024	130,563.00
15-May-2025	130,563.00
15-Nov-2025	130,563.00
15-May-2026	130,563.00
15-Nov-2026	130,563.00
15-May-2027	130,563.00
15-Nov-2027	130,563.00
15-May-2028	130,563.00
15-Nov-2028	130,563.00
15-May-2029	130,563.00
15-Nov-2029	130,563.00
15-May-2030	130,563.00
15-Nov-2030	130,563.00
15-May-2031	130,563.00
15-Nov-2031	130,563.00
15-May-2032	130,563.00
15-Nov-2032	130,563.00
15-May-2033	130,563.00
15-Nov-2033	130,563.00
15-May-2034	130,563.00
15-Nov-2034	130,563.00
15-May-2035	130,563.00
15-Nov-2035	130,563.00
15-May-2036	130,563.00
15-Nov-2036	130,563.00
15-May-2037	130,563.00

Schedule 2

Date Payment Due	Payment of Principal (Expressed in Special Drawing Rights)
15-Nov-2037	130,563.00
15-May-2038	130,563.00
15-Nov-2038	130,563.00
15-May-2039	130,563.00
15-Nov-2039	130,563.00
15-May-2040	130,563.00
15-Nov-2040	130,563.00
15-May-2041	130,563.00
15-Nov-2041	130,539.00
Total	6,267,000.00

* The figures in this column represent SDR equivalents determined as of the respective dates of withdrawal. The arrangements for payment of each maturity are subject to the provisions of Sections 3.04 and 4.03 of the Loan Regulations.

SCHEDULE 3

Allocation and Withdrawal of Loan Proceeds

General

1. The table attached to this Schedule sets forth the Categories of Goods, consulting services and other items of expenditure to be financed out of the proceeds of the Loan and the allocation of amounts of the Loan to each such Category (hereinafter called the "Table"). (Reference to "Category" or "Categories" in this Schedule is to a Category or Categories of the Table.)

Percentages of ADB Financing

2. Except as ADB may otherwise agree, the items of the Categories listed in the Table shall be financed out of the proceeds of the Loan on the basis of the percentages set forth in the Table.

Interest Charge

3. The amount allocated to Category 3 is for financing the interest charge on the Loan during the implementation period of the Project.

Reallocation

4. Notwithstanding the allocation of Loan proceeds and the withdrawal percentages set forth in the Table,

(a) if the amount of the Loan allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, by notice to the Borrower, (i) reallocate to such Category, to the extent required to meet the estimated shortfall, amounts of the Loan which have been allocated to another Category but, in the opinion of ADB, are not needed to meet other expenditures, and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the withdrawal percentage applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made; and

(b) if the amount of the Loan then allocated to any Category appears to exceed all agreed expenditures in that Category, ADB may, by notice to the Borrower, reallocate such excess amount to any other Category.

Disbursement Procedures

5. Except as ADB may otherwise agree, the Loan proceeds for financing Goods, consulting services and other items shall be disbursed in accordance with the Loan Disbursement Handbook.

Schedule 3

Imprest Account; Statement of Expenditures

6. (a) Except as ADB may otherwise agree, each of the Implementing Agencies shall establish immediately after the Effective Date, an imprest account at a commercial bank acceptable to ADB. The imprest account shall be established, managed, replenished and liquidated in accordance with the Loan Disbursement Handbook and detailed arrangements agreed upon between the Borrower, Implementing Agencies and ADB. The currency of the imprest account shall be Dollars. The initial amount to be deposited into the respective imprest account shall not exceed the lower of (i) the estimated expenditure to be financed from such imprest account for the first six months of Project implementation, or (ii) the equivalent of ten (10) percent of the amount of the respective Subsidiary Loan Agreement for the Special Operations Loan.

(b) The statement of expenditures (SOE) procedure may be used for reimbursement of eligible expenditures and to liquidate advances provided into the imprest account, in accordance with the Loan Disbursement Handbook and detailed arrangements agreed upon between the Borrower, Implementing Agencies and ADB. Each payment under the SOE shall not exceed the equivalent of $100,000 per payment.

Retroactive Financing

7. Withdrawals from the Loan Account may be made for reimbursement of reasonable expenditures incurred under the Project before the Effective Date, but not earlier than 12 months before the date of this Loan Agreement, subject to a maximum amount equivalent to 20 percent of the Loan amount.

Attachment to Schedule 3

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (SOE Reform and Corporate Governance Facilitation Program – Project 1)			
CATEGORY			ADB FINANCING
Number	Item	Amount Allocated SDR Category	Percentage and Basis for Withdrawal from the Loan Account
1	Equipment	2,469,000	100 percent of total expenditure*
2	Consulting Services	3,334,000	100 percent of total expenditure*
3	Interest Charge	464,000	100 percent of amount due
	Total	6,267,000	

* Exclusive of taxes and duties imposed within the territory of the Borrower.

SCHEDULE 4

Procurement of Goods and Consulting Services

A. General

1. All Goods and consulting services to be financed out of the proceeds of the Loan shall be subject to and governed by the Procurement Guidelines, and the Consulting Guidelines, respectively.

2. All terms used and not otherwise defined in this Loan Agreement have the meanings provided in the Procurement Guidelines and/or the Consulting Guidelines, as applicable.

B. Procurement for Goods

3. Except as ADB may otherwise agree, Goods shall only be procured on the basis of the methods of procurement set forth below:

International Competitive Bidding
National Competitive Bidding
Shopping

The methods of procurement are subject to, among other things, the detailed arrangements and threshold values set forth in the Procurement Plan. The Borrower may only modify the methods of procurement or threshold values with the prior agreement of ADB, and modifications must be set out in updates to the Procurement Plan.

4. Domestic Preference. The Borrower may grant a margin of preference in the evaluation of bids under international competitive bidding in accordance with paragraphs 2.55(a) and 2.56 of the Procurement Guidelines for domestically manufactured Goods.

5. National Competitive Bidding. The Borrower and ADB shall ensure that, prior to the commencement of any procurement activity under national competitive bidding, the Borrower's national competitive bidding procedures are consistent with the Procurement Guidelines. Any modifications or clarifications to such procedures agreed between the Borrower and ADB shall be set out in the Procurement Plan. Any subsequent change to the agreed modifications and clarifications shall become effective only after written approval of such change by the Borrower and ADB.

C. Selection of Consulting Services

6. Quality- and Cost-Based Selection. Except as ADB may otherwise agree, and except as set forth in the paragraph below, the Borrower shall apply quality- and cost-based selection for selecting and engaging consulting services.

7. The Borrower shall recruit the individual consultants for areas as approved later by ADB in accordance with procedures acceptable to ADB for recruiting individual consultants.

D. Industrial or Intellectual Property Rights

8. (a) The Borrower shall ensure that all Goods procured (including without limitation all computer hardware, software and systems, whether separately procured or incorporated within other goods and services procured) do not violate or infringe any industrial property or intellectual property right or claim of any third party.

(b) The Borrower shall ensure that all contracts for the procurement of Goods contain appropriate representations, warranties and, if appropriate, indemnities from supplier with respect to the matters referred to in subparagraph (a) of this paragraph.

9. The Borrower shall ensure that all ADB-financed contracts with consultants contain appropriate representations, warranties and, if appropriate, indemnities from the consultants to ensure that the consulting services provided do not violate or infringe any industrial property or intellectual property right or claim of any third party.

E. ADB's Review of Procurement Decisions

10. The first contracts procured under national competitive bidding procedures and contracts for consulting services shall be subject to prior review by ADB, unless otherwise agreed between the Borrower and ADB and set forth in the Procurement Plan.

SCHEDULE 5

Execution of Project and Operation of Project Facilities; Financial Matters

A. Project Management

1. MOF shall be the Project Executing Agency. It shall be responsible for the overall supervision and execution of the Investment Program and the Project through its program management unit, including but not limited to, preparation of the PFRs; inter-ministry coordination as needed; monitoring and evaluation of the Investment Program and the Project; and preparation of quarterly and annual progress reports.

2. A facility steering committee, comprising the Borrower's relevant agencies and the Implementing Agencies and headed by a Vice Minister in MOF, shall monitor implementation of the Investment Program and the Project.

3. Component 1 shall be implemented by Song Da and Sowatco for their respective parts, and Component 2 shall be implemented by the respective Implementing Agencies,

B. SOE Reform Master Plan

4. By the end of the Project implementation, the Borrower shall undertake a comprehensive review of the existing Master Plan for SOE reform and develop a new plan incorporating all the lessons learnt. Especially, the Borrower shall review and incorporate relevant findings from the implementation of the Project.

C. State Capital Management

5. By the end of the Project implementation, the Borrower shall develop an enhanced framework for improved management of the Borrower's capital invested in the SOE sector, and shall keep ADB informed of any progress. The experience to date with the Borrower's state capital management shall be reviewed, including regulatory and legal obstacles to effective performance and measures to deal with such obstacles.

D. Enhancing DATC's Operations

6. Within eighteen (18) months of the Effective Date, the Borrower shall have developed and adopted, in a manner satisfactory to ADB, the legal framework to (i) carry out effective debt resolution through DATC, and (ii) enhance DATC's operational effectiveness.

E. Financial Covenants for the Implementing Agencies

7. The Borrower shall ensure that Song Da and Sowatco will maintain prudent (i) maximum long-term debt to equity ratio, (ii) minimum debt service coverage ratio, (iii) minimum self financing ratio, and (iv) such other financial ratios, as all deemed appropriate and satisfactory to ADB.

Schedule 5

F. Governance and Anti-Corruption

8. The Borrower shall ensure that all activities under the Project shall comply with ADB's *Anticorruption Policy* (1998, as amended to date) particularly in respect of the sections of the Procurement Guidelines and Consulting Guidelines that relate to fraud and corruption, and where appropriate, ensure that relevant provisions of ADB's Anticorruption Policy are included in all bidding documents for the Project. The Borrower (i) acknowledges ADB's right to investigate, directly or through its agents, any alleged corrupt, fraudulent, collusive and coercive practices relating to the Project, and (ii) agrees to cooperate fully with, and cause the Project Executing Agency and the Implementing Agencies to cooperate fully with, any such investigation and to extend all necessary assistance, including providing access to all relevant books and records, as may be necessary for the satisfactory completion of any such investigation. All external costs related to such investigations shall be met by the Project resources.

9. The Borrower shall ensure that the Implementing Agencies monitor and inspect all contractors' activities related to fund withdrawals and settlements. The Borrower shall further ensure that all contracts financed by the Loan proceeds include provisions specifying the ADB's right to audit and examine the records and accounts of contractors, suppliers, consultants and other service providers as they relate to the Project.

G. SOE Restructuring Plan

10. The Borrower shall ensure that Song Da and Sowatco implement the respective corporate and management restructuring measures as approved by the Borrower and ADB, and in particular:

(a) Song Da and Sowatco shall transfer all business activities to their respective subsidiaries operating in the same business or to newly established subsidiaries;

(b) (i) all subsidiaries operating the same business segment shall be grouped under an appropriate sub-holding company, if there is more than one segment, (ii) such sub-holding company shall be a listed company, and (iii) management and key execution of the business segment shall be centralized at the respective sub-holding company;

(c) identified non-core businesses shall be divested within the time limit acceptable to ADB; and

(d) the enhancements to the management and reporting process and practices, approved by the respective Board of Management and agreed by ADB, shall be duly implemented.