LOAN NUMBER 2613-VIE

LOAN AGREEMENT
(Ordinary Operations)

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

between

SOCIALIST REPUBLIC OF VIET NAM

and

ASIAN DEVELOPMENT BANK

DATED 27 SEPTEMBER 2010

LOAN AGREEMENT
(Ordinary 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; and

(C) the Project will be carried out by Song Da Corporation, Southern Waterborne Transport Corporation and Debt and Asset Trading Corporation, and for this purpose the Borrower will make available to Song Da Corporation and Southern Waterborne Transport Corporation 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 Special Operations Loan Agreement), ADB has agreed to lend to the Borrower from ADB's Special Funds resources an amount equivalent to six million two hundred sixty-seven thousand Special Drawing Rights (SDR6,267,000) in connection with the Project (hereinafter called the "Special Operations Loan"); and

(E) ADB has agreed to make a loan to the Borrower from ADB's Ordinary Capital resources upon the terms and conditions hereinafter set forth and in the Project Agreement of even date herewith between Song Da Corporation, Southern Waterborne Transport Corporation, Debt and Asset Trading Corporation and ADB;

NOW THEREFORE the parties hereto agree as follows:

ARTICLE I

Loan Regulations; Definitions

Section 1.01. All the provisions of the Ordinary Operations Loan Regulations Applicable to LIBOR-Based Loans Made from ADB's Ordinary Capital Resources, dated 1 July 2001, 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 thereof (said Ordinary Operations Loan Regulations as so modified being hereinafter called the "Loan Regulations"):

(a) Section 2.01(50) is deleted and the following is substituted therefor:

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

(b) Section 3.03 is deleted and the following is substituted therefor:

Commitment Charge; Credit. (a) The Borrower shall pay a commitment charge on the unwithdrawn amount of the Loan at the rate and on the terms specified in the Loan Agreement.

(b) ADB shall provide to the Borrower a credit at the rate specified in the Loan Agreement, which credit shall remain fixed for the term of the Loan. ADB shall apply the amount of the credit against the interest payable by the Borrower.

(c) Section 3.06 is deleted and the following is substituted therefor:

(a) Following any announcement by ADB that the Fixed Spread applicable to new Loans shall be reduced, ADB shall provide a Rebate to any Borrower with an outstanding Loan on which a higher Fixed Spread is applicable. The amount of the Rebate shall be determined by multiplying (i) the difference between the Fixed Spread applicable to the outstanding Loan and the Fixed Spread that will be applied to new Loans (expressed as a percentage per annum), by (ii) the principal amount of the outstanding Loan on which the Borrower shall pay interest for all interest periods commencing on and after the effective date of the lower Fixed Spread that will be applied to new Loans.

(b) Following any announcement by ADB that its Funding Cost Margin calculations with respect to any Loan Currency (or Approved Currency) in any Semester resulted in ADB achieving savings, ADB shall provide a Rebate to the Borrower. The amount of the Rebate shall be determined by multiplying (i) the Funding Cost Margin (expressed as a percentage per annum) by (ii) the principal amount of the Loan on which the Borrower shall pay interest for the Interest Period commencing immediately after the Semester for which the Funding Cost Margin was calculated. ADB shall apply the amount of the Rebate against the interest payable by the Borrower for the Interest Period commencing immediately after

the Semester for which the Funding Cost Margin was calculated.

(d) Section 3.07 is deleted and the following is substituted therefor:

(a) Following any announcement by ADB that the Fixed Spread applicable to new Loans shall be increased, any Borrower with an outstanding Loan on which a lower Fixed Spread is applicable shall pay ADB a Surcharge. The amount of the Surcharge shall be determined by multiplying (i) the difference between the Fixed Spread that will be applied to new Loans and the Fixed Spread applicable to the outstanding Loan (expressed as a percentage per annum), by (ii) the principal amount of the outstanding Loan on which the Borrower shall pay interest for all interest periods commencing on and after the effective date of the higher Fixed Spread that will be applied to new Loans.

(b) Following any announcement by ADB that its Funding Cost Margin calculations with respect to any Loan Currency (or Approved Currency) in any Semester resulted in ADB incurring additional costs, the Borrower shall pay ADB a Surcharge. The amount of the Surcharge shall be determined by multiplying (i) the Funding Cost Margin (expressed as a percentage per annum) by (ii) the principal amount of the Loan on which the Borrower shall pay interest for the Interest Period commencing immediately after the Semester for which the Funding Cost Margin was calculated. ADB shall add the amount of the Surcharge to the interest payable by the Borrower for the Interest Period commencing immediately after the Semester for which the Funding Cost Margin was calculated.

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

ARTICLE II

The Loan

Section 2.01. (a) ADB agrees to lend to the Borrower from ADB's Ordinary Capital resources an amount of one hundred twenty million Dollars ($120,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.06 of this Loan Agreement.

(b) The Loan has a principal repayment period of 20 years, and a grace period as defined in paragraph (c) of this Section.

(c) The term "grace period" as used in paragraph (b) of this Section means the period prior to the first Principal Payment Date in accordance with the amortization schedule set forth in Schedule 2 to this Loan Agreement.

Section 2.02. The Borrower shall pay to ADB interest on the principal amount of the Loan withdrawn and outstanding from time to time at a rate for each Interest Period equal to the sum of LIBOR and 0.60% as provided by Section 3.02 of the Loan Regulations, less a credit of 0.40% as provided by Section 3.03 of the Loan Regulations.

Section 2.03. The Borrower shall pay a commitment charge of 0.15% per annum. Such charge shall accrue on the full amount of the Loan (less amounts withdrawn from time to time), commencing sixty (60) days after the date of this Loan Agreement.

Section 2.04. Interest and other charges on the Loan shall be payable semiannually on 15 may and 15 November in each year.

Section 2.05. The Borrower shall repay the principal amount of the Loan withdrawn from the Loan Account in accordance with the provisions of Schedule 2 to this Loan Agreement.

Section 2.06. (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, whether withdrawn and outstanding 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 withdrawn and outstanding from a Floating Rate to a Fixed Rate, or vice versa; and

(iii) the setting of limits on the Floating 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 said Floating Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by ADB shall be considered a "Conversion", as defined in Section 2.01(6) of the Loan Regulations, and shall be effected in accordance with the provisions of Article V of the Loan Regulations and the Conversion Guidelines.

ARTICLE III

Use of Proceeds of the Loan

Section 3.01. (a) The Borrower shall relend the proceeds of the Loan equivalent to (i) one hundred seventeen million and five hundred thirty-three thousand Dollars ($117,533,000) to Song Da, and (ii) two million and four hundred sixty-seven thousand Dollars ($2,467,000) to Sowatco under the respective Subsidiary Loan Agreements for the Ordinary Operations Loan upon terms and conditions satisfactory to ADB.

(b) The Borrower shall cause Song Da and Sowatco to apply the proceeds of the Loan to the financing of a part of the Project in accordance with the provisions of this Loan Agreement and the Project Agreement.

Section 3.02. The expenditure to be financed out of the proceeds of the Loan and the allocation of amounts of the Loan among different categories of such 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. The closing date for withdrawals from the Loan Account for the purposes of Section 9.02 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. (a) The Borrower shall cause Song Da and Sowatco to carry out the Project with due diligence and efficiency and in conformity with sound administrative, financial, engineering, environmental and SOE reform practices.

(b) 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 the Special Operations Loan Agreement.

Section 4.02. The Borrower shall make available to Song Da and Sowatco, promptly as needed, the funds, facilities, services and other resources which are required, in addition to the proceeds of the Loan, for the carrying out of the Project.

Section 4.03. The Borrower shall ensure that the activities of its departments and agencies with respect to the carrying out of the Project are conducted and coordinated in accordance with sound administrative policies and procedures.

Section 4.04. The Borrower shall take all action which shall be necessary on its part to enable Song Da and Sowatco 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 4.05. (a) The Borrower shall exercise its rights under the Subsidiary Loan Agreements for the Ordinary 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 Ordinary Operations Loan shall be assigned, amended, abrogated 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 9.01(l) of the Loan Regulations.

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

(b) Either Song Da or Sowatco shall have failed to perform any of its obligations under the respective Subsidiary Loan Agreement for the Ordinary Operations Loan.

Section 5.02. The following are specified as additional events for acceleration of maturity for the purposes of Section 9.07(a)(iv) of the Loan Regulations:

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

(b) Song Da shall have failed to perform any of its obligations under the Subsidiary Loan Agreement for the Ordinary 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 10.01(f) of the Loan Regulations:

(a) the Special 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;

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

(d) the Subsidiary Loan Agreement for the Ordinary Operations Loan between the Borrower and Sowatco shall have been duly executed and delivered on behalf of the Borrower and Sowatco, and shall have become fully effective and binding upon the Borrower and Sowatco in accordance with its 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 10.04 of the Loan Regulations.

ARTICLE VII

Delegation of Authority

Section 7.01. The Borrower hereby designates Song Da and Sowatco its agents for the purposes of taking any action or entering into any respective agreements required or permitted under Sections 3.02 of this Loan Agreement and under Sections 6.01, 6.02, 6.03 and 6.04 of the Loan Regulations.

Section 7.02. Any action taken or any agreement entered into by Song Da and Sowatco 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 Song Da and Sowatco 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 State Bank of Vietnam of the Borrower is designated as representative of the Borrower for the purposes of Section 12.02 of the Loan Regulations.

Section 8.02. The following addresses are specified for the purposes of Section 12.01 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

For ADB

Asian Development Bank
P.O. Box 789
0980 Manila, Philippines

Facsimile Numbers:

(632) 636-2444
(632) 636-2331.

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:
    i. improving legal framework and preparing development strategy;
    ii. developing and improving management process;
    iii. developing human resources; and
    iv. carrying out pilot-financing for restructuring selected SOEs.

3. Component 1 shall be financed by the Loan, and Component 2 shall be financed by the Special 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)

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 shall 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 ADB by multiplying: (a) the total principal amount of the Loan withdrawn and outstanding as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayment amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

Date Payment Due	Installment Share (Expressed as a % based on 10% annuity)
15 May 2015	0.827816
15 Nov 2015	0.869207
15 May 2016	0.912667
15 Nov 2016	0.958301
15 May 2017	1.006216
15 Nov 2017	1.056526
15 May 2018	1.109353
15 Nov 2018	1.164820
15 May 2019	1.223061
15 Nov 2019	1.284214
15 May 2020	1.348425
15 Nov 2020	1.415846
15 May 2021	1.486639
15 Nov 2021	1.560971
15 May 2022	1.639019
15 Nov 2022	1.720970
15 May 2023	1.807019
15 Nov 2023	1.897369
15 May 2024	1.992238
15 Nov 2024	2.091850
15 May 2025	2.196442
15 Nov 2025	2.306264
15 May 2026	2.421578
15 Nov 2026	2.542657
15 May 2027	2.669789
15 Nov 2027	2.803279
15 May 2028	2.943443

15 Nov 2028	3.090615
15 May 2029	3.245146
15 Nov 2029	3.407403
15 May 2030	3.577773
15 Nov 2030	3.756662
15 May 2031	3.944495
15 Nov 2031	4.141720
15 May 2032	4.348806
15 Nov 2032	4.566246
15 May 2033	4.794558
15 Nov 2033	5.034286
15 May 2034	5.286000
15 Nov 2034	5.550311
Total	100.000000

2. If the proceeds of the Loan shall not 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 as follows:

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

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

3. Withdrawals made 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.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the withdrawn principal amount of the Loan to an Approved Currency, the amount so converted in said Approved Currency that shall be repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by ADB by multiplying such amount in its currency of denomination immediately prior to said Conversion by either: (i) the exchange rate that reflects the amounts of principal in said Approved Currency payable by ADB under the Currency Hedge Transaction relating

to said Conversion; or (ii) if ADB so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the principal amount of the Loan withdrawn and outstanding from time to time shall be denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

SCHEDULE 3

Allocation and Withdrawal of Loan Proceeds

General

1. The table attached to this Schedule sets forth the Categories of items 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 and Commitment Charge

3. The amount allocated to Category 3 is for financing interest and commitment charge on the Loan during the implementation period of the Project. ADB shall be entitled to withdraw from the Loan Account and pay to itself, on behalf of the Borrower, the amounts required to meet payments, when due, of such interest charge.

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 shall be disbursed in accordance with the Loan Disbursement Handbook.

Schedule 3

Imprest Account

6. Except as ADB may otherwise agree, Song Da 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, Song Da and ADB. The currency of the imprest account shall be Dollars. The maximum amount to be deposited into a particular imprest account shall not exceed the lower of, (i) the estimated expenditure for the six months of Project implementation for Song Da, or (ii) ten (10) percent of the total amount to be onlent to Song Da.

Condition of Withdrawals from Loan Account

7. Notwithstanding any other provision of this Loan Agreement, no withdrawals shall be made from the Loan Account under the particular Subsidiary Loan Agreement for the Ordinary Operations Loan unless:

(i) Song Da or Sowatco, as the case may be, shall have approved its restructuring plan in a form and substance satisfactory to ADB; and

(ii) Song Da or Sowatco, as the case may be, shall have engaged primary consultants (for development of corporate restructuring plan; strategic planning; improvement of management structure; and improvement of corporate governance practices) as required for implementing Component 2 of the Project satisfactory to ADB.

Attachment to Schedule 3

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (SOE Reform and Corporate Governance Facilitation Program – Project 1)			
CATEGORY			**ADB FINANCING BASIS**
Number	Item	Total Amount Allocated for ADB Financing $ Category	Percentage of ADB Financing from the Loan Account
1	Debt restructuring for Song Da	109,591,000	100 percent of amount claimed
2	Debt restructuring for Sowatco	2,300,000	100 percent of amount claimed
3	Interest and Commitment Charge	8,109,000	100 percent of amounts due
	Total	120,000,000	