

No. 4665

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**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
and  
FEDERATION OF MALAYA**

**Guarantee Agreement—*Cameron Highlands Project* (with annexed Loan Regulations No. 4 and Loan Agreement between the Bank and the Central Electricity Board of the Federation of Malaya). Signed at Washington, on 22 September 1958**

*Official text: English.*

*Registered by the International Bank for Reconstruction and Development on 6 February 1959.*

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**BANQUE INTERNATIONALE POUR  
LA RECONSTRUCTION ET LE DÉVELOPPEMENT  
et  
FÉDÉRATION DE MALAISIE**

**Contrat de garantie — *Projet des Cameron Highlands* (avec, en annexe, le Règlement n° 4 sur les emprunts et le Contrat d'emprunt entre la Banque et l'Office central de l'électricité de la Fédération de Malaisie). Signé à Washington, le 22 septembre 1958**

*Texte officiel anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développement le 6 février 1959.*

No. 4665. GUARANTEE AGREEMENT<sup>1</sup> (*CAMERON HIGHLANDS PROJECT*) BETWEEN THE FEDERATION OF MALAYA AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 22 SEPTEMBER 1958

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AGREEMENT, dated September 22, 1958, between FEDERATION OF MALAYA (hereinafter called the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS by an agreement of even date herewith between the Bank and Central Electricity Board of the Federation of Malaya (hereinafter called the Borrower), which agreement and the schedules therein referred to are hereinafter called the Loan Agreement,<sup>2</sup> the Bank has agreed to make to the Borrower a loan in various currencies equivalent to thirty-five million six hundred thousand dollars (\$35,600,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agree to guarantee the obligations of the Borrower in respect of such loan as hereinafter provided; and

WHEREAS the Guarantor, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed so to guarantee such obligations of the Borrower;

NOW THEREFORE the parties hereto hereby agree as follows :

*Article I*

*Section 1.01.* The parties to this Guarantee Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated June 15, 1956,<sup>2</sup> subject, however, to the modifications thereof set forth in Schedule 3<sup>3</sup> to the Loan Agreement (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

*Section 1.02.* Wherever used in this Agreement, unless the context shall otherwise require, the several terms defined in the Loan Agreement and in the Loan Regulations (as so defined) shall have the respective meanings therein set forth.

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<sup>1</sup> Came into force on 11 December 1958, upon notification by the Bank to the Government of the Federation of Malaya.

<sup>2</sup> See p. 80 of this volume.

<sup>3</sup> See p. 96 of this volume.

## Article II

*Section 2.01.* Without limitation or restriction upon any of the other covenants on its part in this Agreement contained, the Guarantor hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of the principal of, and the interest and other charges on, the Loan, the principal of and interest on the Bonds and the premium, if any, on the prepayment of the Loan or the redemption of the Bonds, all as set forth in the Loan Agreement and in the Bonds.

*Section 2.02.* Without limitation or restriction upon any of the other covenants on its part in this Agreement contained, upon representation by the Bank to the Guarantor that there is reasonable cause to believe that the Borrower is likely to fail to discharge or be unable to discharge any of its obligations or covenants under the Loan Agreement, the Guarantor shall take such appropriate action as may be required to ensure that satisfactory arrangements are made by the Borrower to enable it to discharge its obligations or covenants under the Loan Agreement.

*Section 2.03.* The Guarantor specifically undertakes, whenever there is reasonable cause to believe that the funds available to the Borrower will be inadequate to meet the estimated expenditures required for carrying out the Project, to make arrangements, satisfactory to the Bank, promptly to provide the Borrower or cause the Borrower to be provided with such funds as are needed to meet such expenditures.

## Article III

*Section 3.01.* It is the mutual intention of the Guarantor and the Bank that no other external debt shall enjoy any priority over the Loan by way of a lien on governmental assets. To that end, the Guarantor undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Guarantor as security for any external debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect; provided, however, that the foregoing provisions of this Section shall not apply to: (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property; (ii) any lien on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of sale of such commercial goods; (iii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

The term "assets of the Guarantor" as used in this Section includes assets of the Guarantor or of any statutory authority established by the Guarantor or of any agency of the foregoing or of any central bank for the Guarantor which may be established or any right, interest or share the Guarantor has or may have in the Currency Fund established under the Malayan British Borneo Currency Agreement, 1950.

*Section 3.02.* (a) The Guarantor and the Bank shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan. On the part of the Guarantor, such information shall include information with respect to financial and economic conditions in the territories of the Guarantor and the international balance of payments position of the Guarantor.

(b) The Guarantor and the Bank shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. The Guarantor shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

(c) The Guarantor shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of the Guarantor for purposes related to the Loan.

*Section 3.03.* The principal of, and interest and other charges on, the Loan and the Bonds shall be paid without deduction for, and free from, any taxes or fees imposed under the laws of the Guarantor or laws in effect in its territories; provided, however, that the provisions of this Section shall not apply to taxation of, or fees upon, payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Guarantor.

*Section 3.04.* This Agreement, the Loan Agreement and the Bonds shall be free from any taxes or fees that shall be imposed under the laws of the Guarantor or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof.

*Section 3.05.* The principal of, and interest and other charges on, the Loan and the Bonds shall be paid free from all restrictions imposed under the laws of the Guarantor or laws in effect in its territories.

#### *Article IV*

*Section 4.01.* The Guarantor shall endorse, in accordance with the provisions of the Loan Regulations, its guarantee on the Bonds to be executed and delivered by the Borrower. The Minister of Finance of the Guarantor and

such person or persons as he shall designate in writing are designated as the authorized representatives of the Guarantor for the purposes of Section 6.12 (b) of the Loan Regulations.

*Article V*

*Section 5.01.* The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Guarantor :

Minister of Finance  
The Treasury  
Kuala Lumpur  
Federation of Malaya

Alternative address for cablegrams and radiograms :

Treasury  
Kuala Lumpur

For the Bank :

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington 25, D. C.  
United States of America

Alternative address for cablegrams and radiograms :

Intbafrad  
Washington, D. C.

*Section 5.02.* The Minister of Finance of the Guarantor is designated for the purposes of Section 8.03 of the Loan Regulations.

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

Federation of Malaya :  
By Ismail RAHMAN  
Authorized Representative

International Bank for Reconstruction and Development :  
By Davidson SOMMERS  
Vice President

## INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

## LOAN REGULATIONS No. 4, DATED 15 JUNE 1956

REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO BORROWERS OTHER THAN  
MEMBER GOVERNMENTS

[*Not published herein. See United Nations, Treaty Series, Vol. 260, p. 376.*]

LOAN AGREEMENT (*CAMERON HIGHLANDS PROJECT*)

AGREEMENT, dated September 22, 1958, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and CENTRAL ELECTRICITY BOARD OF THE FEDERATION OF MALAYA (hereinafter called the Borrower), a statutory authority incorporated under The Electricity Ordinance, 1949, of the Federation of Malaya.

WHEREAS (A) the Borrower was established with the general functions and duties set out in said Ordinance and is authorized to undertake the Project;

(B) the Borrower has entered, or is about to enter, into arrangements to refinance debentures in the amount of £7,077,950 presently held by the Colonial Development Corporation, a corporation established under the Overseas Resources Development Act, 1948, of the United Kingdom of Great Britain and Northern Ireland (hereinafter called the United Kingdom) and to borrow from the Commonwealth Development Finance Company Limited, a company incorporated under the Companies Acts of the United Kingdom, the sum of £500,000; and to raise a sum of M\$38,000,000 to be provided or procured by the Guarantor;

(C) the Bank has been requested to grant a loan to the Borrower;

(D) the said loan is to be guaranteed by the Guarantor upon the terms of a Guarantee Agreement of even date;<sup>1</sup>

(E) the Bank has, on the basis of the foregoing, agreed to make a loan to the Borrower upon the terms and conditions hereinafter set forth;

NOW THEREFORE it is hereby agreed as follows :

*Article I*

## LOAN REGULATIONS; SPECIAL DEFINITIONS

*Section 1.01.* The parties to this Loan Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated June 15, 1956,<sup>2</sup> subject, however, to the modifications thereof set forth in Schedule 3<sup>3</sup> to this Agreement (said Loan Regulations

<sup>1</sup> See p. 72 of this volume.

<sup>2</sup> See above.

<sup>3</sup> See p. 96 of this volume.

No. 4 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

*Section 1.02.* Unless the context otherwise requires, the following terms shall have the following meanings :

The term " pounds sterling " and the sign " £ " mean pounds sterling in the currency of the United Kingdom.

The term " Malayan dollars " and the sign " M\$ " mean dollars in the currency of the Guarantor.

### *Article II*

#### THE LOAN

*Section 2.01.* The Bank agrees to lend to the Borrower, on the terms and conditions in this Agreement set forth or referred to, an amount in various currencies equivalent to thirty-five million six hundred thousand dollars (\$35,600,000).

*Section 2.02.* The Bank shall open a Loan Account on its books in the name of the Borrower and shall credit to such Account the amount of the Loan. The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, the Loan Regulations.

*Section 2.03.* The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent ( $\frac{3}{4}$  of 1%) per annum on the principal amount of the Loan not so withdrawn from time to time. Such commitment charge shall accrue from a date sixty days after the date of this Agreement to the respective dates on which amounts shall be withdrawn by the Borrower from the Loan Account as provided in Article IV of the Loan Regulations or shall be cancelled pursuant to Article V of the Loan Regulations.

*Section 2.04.* The Borrower shall pay interest at the rate of five and three-quarters per cent ( $5\frac{3}{4}$ %) per annum on the principal amount of the Loan so withdrawn and outstanding from time to time.

*Section 2.05.* Except as the Bank and the Borrower shall otherwise agree, the charge payable for special commitments entered into by the Bank at the request of the Borrower pursuant to Section 4.02 of the Loan Regulations shall be at the rate of one-half of one per cent ( $\frac{1}{2}$  of 1%) per annum on the principal amount of any such special commitments outstanding from time to time.

*Section 2.06.* Interest and other charges shall be payable semi-annually on January 15 and July 15 in each year.

*Section 2.07.* The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1<sup>1</sup> to this Agreement.

### *Article III*

#### USE OF PROCEEDS OF THE LOAN

*Section 3.01.* The Borrower shall apply the proceeds of the Loan exclusively to financing the cost of goods required to carry out the Project described in Schedule 2<sup>2</sup> to this Agreement. The specific goods to be financed out of the proceeds of the Loan

<sup>1</sup> See p. 94 of this volume.

<sup>2</sup> See p. 96 of this volume.

and the methods and procedures for procurement of such goods shall be determined by agreement between the Bank and the Borrower, subject to modification by further agreement between them.

*Section 3.02.* The Borrower shall cause all goods financed out of the proceeds of the Loan to be imported into the territories of the Guarantor and there to be used exclusively in the carrying out of the Project.

#### *Article IV*

##### BONDS

*Section 4.01.* The Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in the Loan Regulations.

*Section 4.02.* The Chairman of the Borrower and such person or persons as he shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 6.12 (a) of the Loan Regulations.

#### *Article V*

##### PARTICULAR COVENANTS

*Section 5.01.* (a) The Borrower shall carry out the Project with due diligence and efficiency and in conformity with sound engineering and financial practices and shall employ consulting engineers acceptable to the Bank upon terms and conditions satisfactory to the Bank.

(b) The Borrower shall furnish to the Bank, promptly upon their preparation, the plans and specifications for the Project and any material modifications subsequently made therein, in such detail as the Bank shall from time to time request.

(c) The Borrower shall maintain records adequate to identify the goods financed out of the proceeds of the Loan, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition of the Borrower; shall enable the Bank's representatives to inspect the Project, the goods and any relevant records and documents; and shall furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan, the Project, the goods, and the operations and financial condition of the Borrower.

*Section 5.02.* (a) The Bank and the Borrower shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan.

(b) The Bank and the Borrower shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. The Borrower shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.



*Section 5.03.* The Borrower undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower as security for any debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect; provided, however, that the foregoing provisions of this Section shall not apply to: (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property; (ii) any lien on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of sale of such commercial goods; or (iii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

*Section 5.04.* The Borrower shall pay or cause to be paid all taxes or fees, if any, imposed under the laws of the Guarantor or laws in effect in the territories of the Guarantor or in connection with the execution, issue, delivery or registration of this Agreement, the Guarantee Agreement or the Bonds, or the payment of the principal, interest or other charges thereunder; provided, however, that the provisions of this Section shall not apply to taxation of, or fees upon, payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Guarantor.

*Section 5.05.* The Borrower shall pay or cause to be paid all taxes and fees, if any, imposed under the laws of the country or countries in whose currency the Loan and the Bonds are payable or laws in effect in the territories of such country or countries on or in connection with the execution, issue, delivery and registration of this Agreement, the Guarantee Agreement or the Bonds.

*Section 5.06.* Except as shall be otherwise agreed between the Bank and the Borrower, the Borrower shall insure or cause to be insured the goods financed out of the proceeds of the Loan against risks incident to their purchase and importation into the territories of the Guarantor. Such insurance shall be consistent with sound commercial practice and shall be payable in dollars, pounds sterling or in the currency in which the cost of the goods insured thereunder shall be payable.

*Section 5.07.* The Borrower shall operate and maintain its plants, equipment and property, and from time to time make all necessary renewals and repairs thereof, all in accordance with sound engineering standards; and shall, except as the Bank shall otherwise agree, take all practical steps which may be reasonably necessary to maintain and renew all rights, powers, privileges and franchises which are necessary or useful in the conduct of its business; and shall at all times operate its plants and equipment and maintain its financial position in accordance with sound business and public utility practices.

*Section 5.08.* The Borrower agrees that it shall not prior to the completion of the Project, enter into any financial commitments in respect of capital expenditure in excess of the financial resources which are available or which may reasonably be expected to be available to the Borrower to meet such commitments.

*Section 5.09.* The Borrower shall so exercise and perform its functions as to secure that its total revenues will be sufficient, taking one year with another :

- (a) to cover operating expenses including proper provision for taxes, if any, maintenance, depreciation and interest;
- (b) to meet repayment of indebtedness to the extent that such repayments exceed the aggregate of the Borrower's provisions for normal depreciation and contributions to amortization reserve;
- (c) to make a reasonable contribution to a reserve for the increased cost of replacement of fixed assets;
- (d) to make such contribution to general reserve as will, together with any funds available from its provision for depreciation, and contributions to reserves for amortization, the increased cost of replacement of fixed assets and any other appropriate provisions and reserves, be sufficient, *inter alia*, to finance a substantial proportion of any capital expenditures that may be undertaken within the scope of its responsibilities.

*Section 5.10.* Except as the Bank and the Borrower shall otherwise agree, the Borrower shall not, in any such manner as would or might adversely affect the interests of the Bank or the financial position or prospects of the Borrower, alter or abrogate, or grant any waiver in respect of, the terms and conditions of any of the arrangements set forth in Recital (B) of this Agreement, for the acquisition of the moneys referred to in that Recital; nor shall the Borrower repay prior to maturity all or any debt (other than the Loan and debt incurred in the ordinary course of business and maturing by its terms less than one year after the date on which it is incurred) if as a result of so doing, the financial position or prospects of the Borrower would or might be impaired.

*Section 5.11.* Except as the Bank and the Borrower shall otherwise agree, the Borrower shall not incur debt, unless its net revenue, as defined in subsection (c) hereof, during a period of any twelve consecutive months out of the fifteen months last preceding the date on which the Borrower proposes to incur such debt, together with 65% of the reasonably estimated future additional net revenues of the Borrower including the revenue from any projects under construction and projects to be constructed with the proceeds of the proposed new debt, would be not less than 1.5 times the aggregate amount required in any fiscal year of the Borrower (including the fiscal year in which the Borrower proposes to incur such debt) for the payment of principal (including amortization and sinking fund payments) of, and interest and other charges on, all outstanding debt (including said proposed debt). For purposes of this Section :

- (a) The term "debt" shall mean all indebtedness of the Borrower including loans, credits or overdrafts contracted for but not yet drawn, but shall not include debt incurred in the ordinary course of business and maturing by its terms less than one year after the date on which it is incurred;
- (b) The term "incur" with reference to any debt shall include any assumption or guarantee of any debt or any modification of the terms of payment of any debt which would have the effect of increasing the annual service charges (including any payments on account of principal and interest and other charges) and debt shall be deemed to be incurred on the date of signing of the relevant contract or agreement;

- (c) The term "net revenue" shall mean revenue from all sources less all operating, administrative and overhead expenses, including provision for income and profit taxes, if any, but without deduction of any amounts for depreciation, replacement, retirement, obsolescence, interest, sinking fund or amortization of principal indebtedness; and
- (d) Whenever for the purpose of this Section it shall be necessary to value in Malayan dollars debt payable in another currency, such valuation shall be made on the basis of the rate of exchange at which such other currency, at the time such valuation is made, is obtainable for the purposes of servicing such debt.

### Article VI

#### REMEDIES OF THE BANK

*Section 6.01.* (i) If any event specified in paragraph (a), paragraph (b), paragraph (e) or paragraph (f) or pursuant to paragraph (j) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of thirty days, or (ii) if any event specified in paragraph (c) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower, then at any subsequent time during the continuance thereof, the Bank, at its option, may declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Agreement or in the Bonds to the contrary notwithstanding.

*Section 6.02.* For the purposes of Section 5.02 (j) of the Loan Regulations the following additional event is specified, namely, demand shall have been made, for repayment in advance of maturity, of any of the moneys referred to in Recital (B) of this Agreement, by reason of any default as specified in the relative arrangements.

### Article VII

#### EFFECTIVE DATE; TERMINATION

*Section 7.01.* The following event is specified as an additional condition to the effectiveness of this Agreement within the meaning of Section 9.01 (a) (ii) of the Loan Regulations, namely, that arrangements satisfactory to the Bank have been made for the refinancing or borrowing by the Borrower of all the moneys referred to in Recital (B) of this Agreement, from the sources therein specified or from such other sources as may be agreed between the Bank and the Borrower.

*Section 7.02.* The following is specified as an additional matter, within the meaning of Section 9.02 (e) of the Loan Regulations, to be included in the opinion or opinions to be furnished to the Bank, namely, that the arrangements for the refinancing or borrowing by the Borrower of all the moneys referred to in Recital (B) of this Agreement have, in accordance with the terms of such arrangements and subject as stated therein, become validly effective and binding in all respects upon the parties thereto.

*Section 7.03.* A date 90 days after the date of this Agreement is hereby specified for the purposes of Section 9.04 of the Loan Regulations.

*Article VIII*

MISCELLANEOUS

*Section 8.01.* The Closing Date shall be August 31, 1965.

*Section 8.02.* The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Borrower :

Central Electricity Board of the Federation of Malaya  
P. O. Box No. 1003  
Kuala Lumpur  
Federation of Malaya

Alternative address for cablegrams and radiograms :

Trang  
Kuala Lumpur

For the Bank :

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington 25, D. C.  
United States of America

Alternative address for cablegrams and radiograms :

Intbafrad  
Washington, D. C.

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 delivered in the District of Columbia, United States of America, as of the day and year first above written.

International Bank for Reconstruction and Development :

By Davidson SOMMERS  
Vice President

Central Electricity Board of the Federation of Malaya :

By O. A. SPENCER  
Authorized Representative

## SCHEDULE 1

## AMORTIZATION SCHEDULE

<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars)*</i>	<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars)*</i>
January 15, 1964 . . . . .	\$486,000	January 15, 1974 . . . . .	\$856,000
July 15, 1964 . . . . .	500,000	July 15, 1974 . . . . .	881,000
January 15, 1965 . . . . .	514,000	January 15, 1975 . . . . .	906,000
July 15, 1965 . . . . .	529,000	July 15, 1975 . . . . .	932,000
January 15, 1966 . . . . .	544,000	January 15, 1976 . . . . .	959,000
July 15, 1966 . . . . .	560,000	July 15, 1976 . . . . .	987,000
January 15, 1967 . . . . .	576,000	January 15, 1977 . . . . .	1,015,000
July 15, 1967 . . . . .	592,000	July 15, 1977 . . . . .	1,044,000
January 15, 1968 . . . . .	609,000	January 15, 1978 . . . . .	1,074,000
July 15, 1968 . . . . .	627,000	July 15, 1978 . . . . .	1,105,000
January 15, 1969 . . . . .	645,000	January 15, 1979 . . . . .	1,137,000
July 15, 1969 . . . . .	663,000	July 15, 1979 . . . . .	1,169,000
January 15, 1970 . . . . .	682,000	January 15, 1980 . . . . .	1,203,000
July 15, 1970 . . . . .	702,000	July 15, 1980 . . . . .	1,238,000
January 15, 1971 . . . . .	722,000	January 15, 1981 . . . . .	1,273,000
July 15, 1971 . . . . .	743,000	July 15, 1981 . . . . .	1,310,000
January 15, 1972 . . . . .	764,000	January 15, 1982 . . . . .	1,347,000
July 15, 1972 . . . . .	786,000	July 15, 1982 . . . . .	1,386,000
January 15, 1973 . . . . .	809,000	January 15, 1983 . . . . .	1,426,000
July 15, 1973 . . . . .	832,000	July 15, 1983 . . . . .	1,467,000

\* To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.02), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

## PREMIUMS ON PREPAYMENT AND REDEMPTION

The following percentages are specified as the premiums payable on repayment in advance of maturity of any part of the principal amount of the Loan pursuant to Section 2.05 (b) of the Loan Regulations or on the redemption of any Bond prior to its maturity pursuant to Section 6.16 of the Loan Regulations :

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than 3 years before maturity . . . . .	½ of 1%
More than 3 years but not more than 6 years before maturity . . . . .	1%
More than 6 years but not more than 11 years before maturity . . . . .	1¾%
More than 11 years but not more than 16 years before maturity . . . . .	2½%
More than 16 years but not more than 21 years before maturity . . . . .	3½%
More than 21 years but not more than 23 years before maturity . . . . .	4¾%
More than 23 years before maturity . . . . .	5¾%

## SCHEDULE 2

## DESCRIPTION OF PROJECT

The Project consists of headworks, tunnels, dams, a reservoir, a surge tank, a pressure tunnel with penstocks, two power stations, transformer stations, transmission lines and other auxiliary facilities to supply electricity to the Borrower's Central Network. These facilities will utilize the waters of the Kial, Telom, Habu and Bertam Rivers and discharge their outfall into the Batang Padang River with a total useful head of about 1,860 feet. The principal works are :

1. The Kial weir and tunnel, the Telom weir, the works to divert the flow of the Kodol River into the Telom River, and the Telom tunnel to discharge these waters into the Bertam River;
2. The Habu development, consisting of a concrete gravity dam about 30 feet high and 120 feet long together with a power station of approximately 4,300 KW capacity;
3. The Ringlet Falls Dam, about 120 feet high and 400 feet long, and the Ringlet Falls Reservoir;
4. The Bertam tunnel and pressure shafts;
5. The Jor underground power station, comprising three turbo-generator sets each with capacity of 20/25,000 KW capacity, with outfall tunnel into the Batang Padang River; and
6. Outdoor transformer stations and switchyards and approximately 217 miles of 132 KV transmission lines, together with synchronous condensers and other auxiliary facilities.

## SCHEDULE 3

## MODIFICATIONS OF LOAN REGULATIONS NO. 4

For the purposes of this Agreement the provisions of Loan Regulations No. 4 of the Bank, dated June 15, 1956, shall be deemed to be modified as follows :

(a) By the deletion of Section 2.02.

(b) By the deletion of paragraph 12 of Section 10.01 and the substitution thereof of the following new paragraph, namely :

“ 12. The term ‘Project’ means the project for which the Loan is granted, as described in Schedule 2 to the Loan Agreement and as such description shall be amended from time to time by agreement between the Bank and the Borrower. ”