

No. 10678

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**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
and  
SINGAPORE**

**Guarantee Agreement—*DBS Project* (with annexed General Conditions Applicable to Loan and Guarantee Agreements and Loan Agreement between the Bank and the Development Bank of Singapore Limited). Signed at Washington on 25 February 1970**

*Authentic text: English.*

*Registered by the International Bank for Reconstruction and Development on 18 August 1970.*

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**BANQUE INTERNATIONALE POUR  
LA RECONSTRUCTION ET LE DÉVELOPPEMENT  
et  
SINGAPOUR**

**Contrat de garantie — *Projet relatif à la DBS* (avec, en annexe, les Conditions générales applicables aux contrats d'emprunt et de garantie et le Contrat d'emprunt entre la Banque et la Development Bank of Singapore Limited). Signé à Washington le 25 février 1970**

*Texte authentique : anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développement le 18 août 1970.*

## GUARANTEE AGREEMENT<sup>1</sup>

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AGREEMENT, dated February 25, 1970, between REPUBLIC OF SINGAPORE (hereinafter called the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS by the Loan Agreement of even date herewith<sup>2</sup> between the Bank and The Development Bank of Singapore Limited (hereinafter called the Borrower) the Bank has agreed to make to the Borrower a loan in various currencies equivalent to five million dollars (\$5,000,000), 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 the General Conditions Applicable to Loan and Guarantee Agreements of the Bank dated January 31, 1969,<sup>3</sup> with the same force and effect as if they were fully set forth herein, subject, however, to the modifications thereof set forth in Schedule 2 to the Loan Agreement (said General Conditions Applicable to Loan and Guarantee Agreements, as so modified, being hereinafter called the General Conditions).

*Section 1.02.* Wherever used in this Guarantee Agreement, unless the context otherwise requires, the several terms defined in the General Condi-

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<sup>1</sup> Came into force on 28 May 1970, upon notification by the Bank to the Government of Singapore.

<sup>2</sup> See p. 12 of this volume.

<sup>3</sup> *Ibid.*

tions and in Section 1.02 of the Loan Agreement have the respective meanings therein set forth.

### Article II

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

### 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; or (ii) any lien arising in the ordinary course of banking transactions to secure a debt maturing not more than one year after the date on which it is originally incurred.

The term "assets of the Guarantor" as used in this Section includes assets of the Guarantor or of the Board of Commissioners of Currency, Singapore, of any statutory authority established by the Guarantor or of any agency of the foregoing or of any central bank of the Guarantor which may be established and any right, interest or share which the Guarantor has or may have in the assets of the Board of Commissioners of Currency, Malaya and British Borneo.

*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 finan-

cial 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, and free from all restrictions, imposed under the laws of the Guarantor, provided, however, that the provisions of this Section shall not apply to taxation of 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 Guarantee Agreement, the Loan Agreement and the Bonds shall be free from any taxes that shall be imposed under the laws of the Guarantor on or in connection with the execution, issue, delivery or registration thereof.

*Section 3.05.* The Guarantor covenants that it will not take, or cause or permit any of its agencies or instrumentalities to take, any action which would prevent or materially interfere with the performance by the Borrower of its obligations contained in the Loan Agreement and will take or cause to be taken all reasonable action necessary or appropriate to enable the Borrower to perform such obligations.

#### *Article IV*

*Section 4.01.* The Guarantor shall endorse, in accordance with the provisions of the General Conditions, its guarantee on the Bonds to be executed and delivered by the Borrower. The Minister of Finance of the Guarantor and such other person or persons as he shall appoint in writing are designated as authorized representatives of the Guarantor for the purposes of Section 8.10 of the General Conditions.

*Article V*

*Section 5.01.* The Minister of Finance of the Guarantor is designated as representative of the Guarantor for the purposes of Section 10.03 of the General Conditions.

*Section 5.02.* The following addresses are specified for the purposes of Section 10.01 of the General Conditions.

For the Guarantor:

Minister of Finance  
Ministry of Finance  
Singapore

Cable address:

Finance  
Singapore

For the Bank:

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

Cable address:

Intbafrad  
Washington, D.C.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused the 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.

Republic of Singapore:

*By* E.S. MONTEIRO  
Authorized Representative

International Bank for Reconstruction and Development:

*By* J. BURKE KNAPP  
Vice President

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
GENERAL CONDITIONS, DATED 31 JANUARY 1969  
GENERAL CONDITIONS APPLICABLE TO LOAN AND GUARANTEE AGREEMENTS  
[*Not published herein. See United Nations, Treaty Series, vol. 691, p. 300.*]

LOAN AGREEMENT

AGREEMENT, dated February 25, 1970, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and The DEVELOPMENT BANK OF SINGAPORE LIMITED (hereinafter called the Borrower), a company incorporated and existing under the laws of the Republic of Singapore (hereinafter called the Guarantor).

*Article I*

GENERAL CONDITIONS; DEFINITIONS

*Section 1.01.* The parties to the Loan Agreement accept all the provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank dated January 31, 1969,<sup>1</sup> with the same force and effect as if they were fully set forth herein, subject, however, to the modifications thereof set forth in Schedule 2 to this Agreement (said General Conditions Applicable to Loan and Guarantee Agreements of the Bank, as so modified, being hereinafter called the General Conditions).

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

(a) "investment" means an investment, other than a sub-loan, made or proposed to be made by the Borrower out of the proceeds of the loan in an Investment Enterprise for an Investment Project;

(b) "Investment Enterprise" means an enterprise to which the Borrower proposes to make or has made a sub-loan, or in which it proposes to make or has made an investment, in accordance with and as provided in Section 3.01 of this Agreement;

(c) "Investment Project" means a specific project to be carried out by an Investment Enterprise, as approved, or in respect of which withdrawals from the Loan

<sup>1</sup> See above.

Account shall have been authorized, by the Bank pursuant to Section 2.03 (b) of this Agreement;

(d) “sub-loan” means a loan or credit made or proposed to be made by the Borrower out of the proceeds of the Loan to an Investment Enterprise for an Investment Project;

(e) “Singapore Dollars” and the letters “S\$” mean currency of the Guarantor;

(f) “Memorandum and Articles” means the Memorandum and Articles of Association of the Borrower dated July 16, 1968, as amended on October 29, 1968 and July 26, 1969, and as the same may be amended from time to time;

(g) “Policy Statement” means the statement of investment and operational policies adopted by the Borrower’s Board of Directors on July 26, 1969, as the same may be amended from time to time; and

(h) “subsidiary” means any company of which a majority of the outstanding voting stock or other proprietary interest is owned, or which is effectively controlled, by the Borrower or by any one or more subsidiaries of the Borrower or by the Borrower and one or more of its subsidiaries.

## Article II

### THE LOAN

*Section 2.01.* The Bank agrees to lend to the Borrower, on the terms and conditions in the Loan Agreement set forth or referred to, an amount in various currencies equivalent to five million dollars (\$5,000,000).

*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 Agreement.

*Section 2.03. (a)* Subject to the provisions of paragraphs (b) and (c) of this Section, the Borrower shall be entitled to withdraw from the Loan Account:

- (i) amounts expended for the reasonable cost of goods and services required for carrying out the Investment Project in respect of which the withdrawal is requested; and
- (ii) if the Bank shall so agree, such amounts as shall be required to meet payments to be made for the reasonable cost of such goods and services.

(b) No amount shall be withdrawn from the Loan Account in respect of an Investment Project unless it shall have been approved by the Bank, provided, how-

ever, that such withdrawals may be made in respect of sub-loans for Investment Projects authorized by the Bank for financing hereunder in accordance with the provisions of Section 3.02 (b) of this Agreement, but only up to an amount in respect of each such Investment Project which, together with any amount or amounts previously approved or authorized for withdrawal for such Investment Project under the Loan Agreement, shall not exceed the equivalent of \$150,000 and, in respect of all such Investment Projects, the equivalent of \$1,250,000 in the aggregate, or in each case, of such other limit as shall from time to time be determined by the Bank in consultation with the Borrower.

(c) Except as the Bank and the Borrower shall otherwise agree, no withdrawals shall be made on account of expenditures made by any Investment Enterprise for any Investment Project subject to the Bank's approval more than ninety days prior to the date on which the Bank shall have first received in respect of such Investment Project the application required under Section 3.02 (a) of this Agreement or, in the case of any other Investment Project, more than ninety days prior to the date on which the Bank shall have received the description thereof pursuant to Section 3.02 (b) of this Agreement.

*Section 2.04.* 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 withdrawn from time to time.

*Section 2.05.* The Borrower shall pay interest at the rate of seven per cent (7%) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

*Section 2.06.* Interest and other charges shall be payable semi-annually on March 1 and September 1 in each year.

*Section 2.07. (a)* The Borrower shall repay the principal amount of the Loan in accordance with the amortization schedule set forth in Schedule 1 to this Agreement as such Schedule shall be amended from time to time as determined by the Bank and as reasonably required to: (i) conform in relevant part substantially to the aggregate of the amortization schedules applicable to the sub-loans and investments in respect of which withdrawals from the Loan Account shall have been approved or authorized pursuant to Section 3.02 of this Agreement, and (ii) take into account any cancellation pursuant to Article VI of the General Conditions, and any repayments made by the Borrower under Section 2.08 of this Agreement, except that repayments due hereunder shall be made on March 1 and September 1 in each year. Such amendments of said Schedule 1 shall include amendments to the table of premiums on prepayments and redemption, if required.

(b) The amortization schedule applicable to each Investment Project shall provide for an appropriate period of grace, and, unless the Bank and the Borrower shall otherwise agree (i) shall not extend beyond fifteen years from the date of approval by



the Bank of such Investment Project or of authorization by the Bank to make withdrawals from the Loan Account in respect of such Investment Project, and (ii) shall provide for approximately equal semi-annual, or more frequent, aggregate payments of principal and interest or approximately equal, semi-annual, or more frequent, payments of principal.

*Section 2.08.* Unless the Bank and the Borrower shall otherwise agree:

(a) If a sub-loan or any part thereof shall be repaid to the Borrower in advance of maturity or if a sub-loan or an investment or any part thereof shall be sold, transferred, assigned or otherwise disposed of, the Borrower shall promptly notify the Bank and shall pay to the Bank on the next following interest payment date, together with the premiums specified in Schedule 1 to this Agreement or in any amendment thereof under Section 2.07 (a) of this Agreement, an amount of the Loan equal to: (i) in the case of sub-loan, the amount withdrawn from the Loan Account in respect of such sub-loan, or the said part thereof; or (ii) in the case of an investment, the excess, if any, of the amount withdrawn from the Loan Account in respect of such investment, or the said part thereof, over the amount of the Loan theretofore repaid to the Bank in respect of such investment. The policy stated in Section 3.05 (c) of the General Conditions with respect to premiums shall apply to any such repayment.

(b) Any amount so repaid by the Borrower shall be applied by the Bank as follows: (i) in the case of a sub-loan, to payment of the maturity or maturities of the principal amount of the Loan in amounts corresponding to the amounts of the maturity or maturities of the sub-loan so repaid or disposed of, and (ii) in the case of the disposition of an investment, to the *pro rata* payment of the unpaid amounts of the maturity or maturities of the Loan reflecting the amount of such investment.

(c) The first sentence of Section 3.05 (b) of the General Conditions shall not apply to any repayment made under paragraph (a) of this Section.

### *Article III*

#### DESCRIPTION OF THE PROJECT; USE OF PROCEEDS OF THE LOAN

*Section 3.01.* The Project for which the Loan is granted is the financing by the Borrower of economic development in Singapore by providing loans to, and making investments in, privately-controlled enterprises in Singapore for productive purposes for specific development projects, all in accordance with the Memorandum and Articles, in furtherance of the corporate purposes of the Borrower as therein set forth and according to the principles set forth in the Policy Statement.

*Section 3.02. (a)* When submitting an Investment Project to the Bank for approval pursuant to Section 2.03 (b) of this Agreement, the Borrower shall furnish to the Bank an application, in form satisfactory to the Bank, together with a description of such Investment Project (including a brief description of the costs thereof proposed to be met out of the proceeds of the Loan) and the terms and conditions of the sub-loan to or investment in the Investment Enterprise, including the schedule of amortization proposed therefor, a financial and economic analysis thereof and such other information as the Bank shall reasonably request.

(b) Each request by the Borrower for authorization to make withdrawals from the Loan Account in respect of sub-loans for Investment Projects not requiring approval by the Bank shall contain a summary description of the Investment Enterprise and the Investment Project (including a brief description of the costs thereof proposed to be met out of the proceeds of the Loan), for which such authorization is requested and the terms and conditions of the sub-loan for such Investment Project, including the schedule of amortization therefor.

(c) Except as the Bank and the Borrower shall otherwise agree, applications for approval of Investment Projects pursuant to the provisions of Section 3.02 (a) of this Agreement and requests for authorizations to withdraw from the Loan Account pursuant to the provisions of Section 3.02 (b) of this Agreement shall be submitted on or before June 30, 1971.

#### *Article IV*

##### BONDS

*Section 4.01.* If and as the Bank shall from time to time request, the Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in Article VIII of the General Conditions.

*Section 4.02.* The Borrower shall from time to time, as required, notify the Bank in writing of the person or persons designated by it as its authorized representatives for the purposes of Section 8.10 of the General Conditions.

#### *Article V*

##### PARTICULAR COVENANTS

*Section 5.01.* The Borrower shall carry out the Project described in Section 3.01 of this Agreement, and conduct its operations and affairs in accordance with sound financial and investment standards and practices, with qualified and experienced management and personnel, and in accordance with the Memorandum and Articles and the Policy Statement.

*Section 5.02. (a)* The Borrower shall exercise its rights in relation to each Investment Project financed in whole or in part out of the proceeds of the Loan in

such manner as to protect the interests of the Bank and the Borrower.

(b) The Borrower undertakes that, unless the Bank shall otherwise agree, any sub-loan or investment will be made on terms whereby the Borrower shall obtain, by written agreement or by other appropriate legal means, rights adequate to protect the interests of the Borrower and rights which the Bank shall deem adequate to protect the interests of the Bank, including, in the case of any such sub-loan and, to the extent that it shall be appropriate, in the case of any such investment: (i) the right to require the Investment Enterprise to carry out and operate the Investment Project with due diligence and efficiency and in accordance with sound technical, financial and managerial standards, and to maintain adequate records; (ii) the right to require that the goods and services to be financed out of the proceeds of the Loan shall be used exclusively in the carrying out of the Investment Project; (iii) the right of the Bank and the Borrower to inspect such goods and the sites, works, and construction included in the Investment Project, the operation thereof and any relevant records and documents; (iv) the right to require that the Investment Enterprise shall take out and maintain such insurance, against such risks and in such amounts, as shall be consistent with sound business practice and that, without any limitation upon the foregoing, such insurance shall cover marine, transit and other hazards incident to the acquisition, transportation and delivery of the goods financed out of the proceeds of the Loan to the place of use or installation, and that any indemnity thereunder shall be payable in a currency freely usable by the Investment Enterprise to replace or repair such goods; (v) the right to obtain all such information as the Bank and the Borrower shall reasonably request relating to the foregoing and to the administration, operations and financial condition of the Investment Enterprise; and (vi) the right of the Borrower to suspend and terminate access by the Investment Enterprise to the use of the proceeds of the Loan upon failure by such Investment Enterprise to perform its obligations under its agreement with the Borrower.

(c) The Borrower shall at all times make adequate provision to protect itself against any loss resulting from changes in the rate of exchange between Singapore Dollars and the currency or currencies in which the Borrower's outstanding money obligations shall have to be met.

*Section 5.03.* (a) The Borrower 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 Investment Enterprises, the Investment Projects, the sub-loans, the investments, and the administration, operations and financial condition of the Borrower.

(b) The Borrower shall maintain records adequate to record the progress of the Project and of each Investment Project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition of the Borrower. The Borrower shall enable the Bank's representatives to examine such records.

(c) The Borrower shall: (i) have its accounts and financial statements (balance sheets, statements of income and expenses and related statements) for each fiscal year audited, in accordance with sound auditing principles consistently applied, by independent auditors acceptable to the Bank; (ii) furnish to the Bank, as soon as available but in any case, not later than four months after the end of each fiscal year certified copies of its financial statements for such year as so audited, and a report of such audit by the said auditors of such scope and in such detail as the Bank shall have reasonably requested; and (iii) furnish to the Bank such other information concerning the accounts and financial statements of the Borrower and the audit thereof as the Bank shall reasonably request.

*Section 5.04.* (a) The Bank and the Borrower shall cooperate fully to ensure that the purposes of the Loan will be accomplished. To that end, the Bank and the Borrower shall from time to time, at the request of either party, exchange views through their representatives with regard to the progress of the Project, the performance by the Borrower of its obligations under the Loan Agreement, the administration, operations and financial condition of the Borrower (including the adequacy of amounts appropriated to its reserves) and any other matters relating to the purposes of the Loan.

(b) 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, the maintenance of the service thereof or the performance by the Borrower of its obligations under the Loan Agreement.

*Section 5.05.* The Borrower undertakes that, except as the Bank shall otherwise agree: (a) if the Borrower or any subsidiary shall create any lien on any of its assets as security for any debt, such lien will 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; and (b) if any lien shall be created on any assets of the Borrower or of any subsidiary other than under (a) above, as security for any debt, the Borrower shall grant to the Bank an equivalent lien satisfactory to the Bank; 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; or (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after the date on which it is originally incurred.

*Section 5.06.* Except as shall be otherwise agreed between the Bank and the Borrower, the Borrower shall not incur or permit any subsidiary to incur any debt if, after the incurring of any such debt, the consolidated debt of the Borrower and of all subsidiaries then incurred and outstanding would be greater than three times the consolidated capital and surplus of the Borrower and of all subsidiaries.

For the purposes of this Section:

(a) The term “debt” means any debt incurred by the Borrower or any subsidiary maturing more than one year after the date on which it is originally incurred, including fixed-term deposits and debt assumed or guaranteed by the Borrower or any subsidiary.

(b) Debt shall be deemed to be incurred (i) under a loan contract or agreement, on the date it is drawn down pursuant to such loan contract or agreement and (ii) under a guarantee agreement, on the date the agreement providing for such guarantee has been entered into, but shall be counted only to the extent that the underlying debt is outstanding.

(c) Whenever in connection with this Section it shall be necessary to value in terms of Singapore Dollars debt payable in another currency, such valuation shall be made on the basis of the prevailing rate of exchange at which such other currency is, at the time of such valuation, legally obtainable for the purposes of servicing such debt.

(d) The term “consolidated debt of the Borrower and of all subsidiaries” means the total amount of debt of the Borrower and of all subsidiaries, excluding any debt owed by the Borrower to any subsidiary or by any subsidiary to the Borrower or to any other subsidiary.

(e) The term “consolidated capital and surplus of the Borrower and of all subsidiaries” means the aggregate of the total unimpaired paid-up capital, reserves not allocated to cover specific liabilities, and surplus of the Borrower and of all subsidiaries after excluding such items of capital, surplus and reserves as shall represent equity interests of the Borrower in any such subsidiary or of any such subsidiary in the Borrower or any other such subsidiary.

*Section 5.07.* Subject to such exemptions as shall be conferred by the provisions of Sections 3.03 and 3.04 of the Guarantee Agreement<sup>1</sup> or otherwise, the Borrower shall pay or cause to be paid all taxes, if any, 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 of the Loan Agreement, the Guarantee Agreement, or the Bonds, or the payment of principal, interest or other charges thereunder; provided, however, that the provisions of this Section shall not apply to taxation of 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 5.08.* The Borrower shall pay or cause to be paid all taxes, 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

<sup>1</sup> See p. 4 of this volume.

in connection with the execution, issue, delivery or registration of the Loan Agreement, the Guarantee Agreement or the Bonds.

*Section 5.09.* Except as the Bank shall otherwise agree, the Borrower shall not (a) make a change in its Policy Statement (as of the date of this Loan Agreement), which in the Bank's judgment shall be a substantial change without the prior approval of the Bank; or (b) sell, lease, transfer or otherwise dispose of its property and assets, except in the ordinary course of business.

*Section 5.10.* The Borrower shall cause each of its subsidiaries, if any, and each of the subsidiaries established, acquired or taken over, after the date of the Loan Agreement, if any, to observe and perform the obligations of the Borrower hereunder to the extent to which such obligations shall or can be applicable thereto, as though such obligations were binding upon each of such subsidiaries.

#### Article VI

##### REMEDIES OF THE BANK

*Section 6.01.* If any event specified in Section 7.01 of the General Conditions or in Section 6.02 of this Agreement shall occur and shall continue for the period, if any, therein set forth, then, at any subsequent time during the continuance thereof, the Bank, at its option, may, by notice to the Borrower, declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately, together with the interest and other charges thereon; and upon any such declaration such principal, interest and charges shall become due and payable immediately, anything to the contrary in the Loan Agreement or in the Bonds notwithstanding.

*Section 6.02.* The following additional events are specified for the purposes of Section 7.01 of the General Conditions:

- (a) any part of the principal amount of any loan made to the Borrower having an original maturity of one year or more shall, in accordance with the terms thereof, have become due and payable in advance of the agreed maturity thereof by reason of any default specified in the agreement providing for any such loan or in any security representing such loan;
- (b) an order shall have been made or a resolution shall have been passed for the winding up, dissolution or liquidation of the Borrower;
- (c) a change shall have been made in the Memorandum and Articles without the Bank's consent which, in the Bank's judgment, shall be a substantial change, and such change shall not have been corrected within sixty days following notice of the Bank's judgment to the Borrower; and
- (d) a subsidiary or any other entity shall have been established or acquired or taken over by the Borrower, if such establishment, acquisition or taking over would

adversely affect the conduct of the Borrower's business or the Borrower's financial situation or the efficiency of the Borrower's management and personnel.

### *Article VII*

#### EFFECTIVENESS; TERMINATION

*Section 7.01.* The following event is specified as an additional condition to the effectiveness of this Loan Agreement within the meaning of Section 11.01 (c) of the General Conditions:

That Paragraph (i) of Clause IV of the Policy Statement has been amended by the Borrower to provide that the Borrower's total financial assistance (including overdrafts but excluding commercial credit instruments such as letters of credit, trust receipts, documents on acceptance and documents on payment) to any single enterprise, at any time, shall not as a rule exceed 25% of the paid up share capital and reserves of the Borrower.

*Section 7.02.* The following is specified as an additional matter, within the meaning of Section 11.02 (c) of the General Conditions to be included in the opinion or opinions to be furnished to the Bank:

That the amendment to the Policy Statement referred to in Section 7.01 of this Agreement has been duly authorized or ratified by all necessary corporate action and that all acts, consents, sanctions and approvals necessary therefor have been fully or validly performed or given.

*Section 7.03.* The date of June 1, 1970 is hereby specified for the purposes of Section 11.04 of the General Conditions.

### *Article VIII*

#### MISCELLANEOUS

*Section 8.01.* The Closing Date shall be June 30, 1973, or such other date as shall be agreed between the Bank and the Borrower.

*Section 8.02.* The following addresses are specified for the purposes of Section 10.01 of the General Conditions:

For the Bank:

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

Cable address:

Intbafrad  
Washington, D.C.

For the Borrower:

The Development Bank of Singapore Limited  
Industrial and Commercial Bank Building  
2 Shenton Way  
Singapore-1

Cable address:  
Devbank  
Singapore

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized have caused the 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 J. BURKE KNAPP  
Vice President

The Development Bank of Singapore Limited:

By E. S. MONTEIRO  
Authorized Representative

SCHEDULE I  
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>
September 1, 1971	28.000	March 1, 1979	186.000
March 1, 1972	70.000	September 1, 1979	170.000
September 1, 1972	80.000	March 1, 1980	136.000
March 1, 1973	177.000	September 1, 1980	131.000
September 1, 1973	196.000	March 1, 1981	89.000
March 1, 1974	285.000	September 1, 1981	87.000
September 1, 1974	313.000	March 1, 1982	46.000
March 1, 1975	368.000	September 1, 1982	44.000
September 1, 1975	388.000	March 1, 1983	34.000
March 1, 1976	401.000	September 1, 1983	32.000
September 1, 1976	394.000	March 1, 1984	29.000
March 1, 1977	358.000	September 1, 1984	27.000
September 1, 1977	341.000	March 1, 1985	25.000
March 1, 1978	269.000	September 1, 1985	24.000
September 1, 1978	254.000	March 1, 1986	18.000

\* To the extent that any portion of the Loan is repayable in a currency other than dollars (see General Conditions, Section 4.02), 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 portion of the principal amount of the Loan pursuant to Section 3.05 (b) of the General Conditions or to Section 2.08 (a) of this Agreement or on the redemption of any Bond prior to its maturity pursuant to Section 8.15 of the General Conditions:

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than three years before maturity .....	1¼%
More than three years but not more than six years before maturity .....	2½%
More than six years but not more than eleven years before maturity .....	4%
More than eleven years but not more than fourteen years before maturity .....	5¾%
More than fourteen years before maturity .....	7%

SCHEDULE 2

MODIFICATIONS OF THE GENERAL CONDITIONS

For the purposes of the Loan Agreement, the provisions of the General Conditions are modified as follows:

(1) The following subparagraph (d) is added to Section 3.05:

“(d) The Bank and the Borrower may from time to time agree upon arrangements for prepayment and the application thereof in addition to, or in substitution for, those set forth in paragraph (b) of Section 3.05 and in Section 8.15.”

(2) The words “Investment Projects” are substituted for the words “the Project” at the end of Section 5.03.

(3) Section 6.03 is deleted and replaced by the following new Section:

“SECTION 6.03. *Cancellation by the Bank.* If (a) the right of the Borrower to make withdrawals from the Loan Account shall have been suspended with respect to any amount of the Loan for a continuous period of thirty days or (b) by the date specified in Section 3.02 (c) of the Loan Agreement no applications for approval or requests for authorization to withdraw from the Loan Account in respect of any portion of the Loan shall have been received by the Bank, or having been so received, shall have been denied, or (c) after the Closing Date an amount of the Loan shall remain unwithdrawn from the Loan Account, the Bank may, by notice to the Borrower, terminate the right of the Borrower to request such approvals and authorizations or to make withdrawals from the Loan Account, as the case may be, with respect to such amount or portion of the Loan. Upon the giving of such notice such amount or portion of the Loan shall be cancelled.”

(4) Paragraph (d) of Section 7.01 is amended to read as follows:

“(d) A default shall occur in the performance of any other obligation on the part of the Borrower or the Guarantor under the Loan Agreement, the Guarantee Agreement or the Bonds, or under any other loan agreement between the Borrower and the Bank or any guarantee agreement between the Guarantor and the Bank guaranteeing a loan to the Borrower, or under any bond issued pursuant to any such agreement, and such default shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower and the Guarantor.”

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