

Exchange of Notes at Beijing January 5 and January 10, 2005
Entered into force January 10, 2005

EXCHANGE OF NOTES AMENDING THE ARRANGEMENT BETWEEN THE GOVERNMENT
OF THE REPUBLIC OF KOREA AND THE GOVERNMENT OF THE PEOPLE ' S REPUBLIC
OF CHINA CONCERNING THE SIXTH PHASE-FIRST LOANS FROM THE ECONOMIC
DEVELOPMENT COOPERATION FUND

(Chinese Proposing Note)

January 5, 2006 Beijing

Mr. Shin Bong-kil
Minister
The Embassy of The Republic of Korea
to The People's Republic of China

Sir,

I have the honour to refer to the Arrangement between the Government of the Republic of Korea and the Government of the People's Republic of China concerning the First Phase - Sixth Loan from the Economic Development Cooperation Fund, concluded on 28 January 2003.

I have further the honour to propose that the Guangde Water Supply Project, Anhui Province be deleted from the relevant paragraph of the said Arrangement and therefore, the said Arrangement be amended as follows:

Article 1 (1), (2), (3) and Article 3 (1) shall be replaced by the following:

- "1. (1) The Government of the Republic of Korea shall enable the Government of the People's Republic of China to obtain a loan (hereinafter referred to as "the Loan") from the Export-Import Bank of Korea (hereinafter referred to as "the Bank"), the government agency for the Economic Development Cooperation Fund (hereinafter referred to as "the EDCF"), for the implementation of the Pengshui Highway Project in Chongqing Municipality (hereinafter referred to as "the Project").
- (2) The Government of the People's Republic of China, acting through the Ministry of Finance, hereby designates Bank of Communications as the Borrower and guarantees the due and punctual repayment of the principal of the Loans and payment of the accrued interest thereon as well as all other amounts due and payable by the relevant Borrower under the Loans. However, any change of the Borrower may be made by the prior notice of the Ministry of Finance to the Bank.
- (3) The Loan shall be denominated in Korean Won. The amount of the Loan

denominated in Korean Won shall not exceed the equivalent of four million nine hundred and fifty thousand US dollars (US\$ 4,950,000) and shall be fixed at the average of the telegraphic transfer selling rates of Korean Won against US Dollar as quoted by the Bank during the one month period from the 16th day of two months prior to the month when the first procurement contract is signed, to the 15th day of one month prior thereto, in accordance with a Loan Agreement to be concluded between the Borrower and the Bank (hereinafter referred to as "the Loan Agreement").

3. (1) The eligible source country for the procurement of goods and services required for the Project shall be the Republic of Korea."

If the foregoing proposals are acceptable to the Government of the Republic of Korea, I have further the honour to propose that the present Note and your reply thereto constitute an Agreement between the two Governments which shall enter into force on the date of your reply.

Please accept, Sir, the assurances of my highest consideration.

Yu Zhensheng
Deputy Director General
Finance Department, Ministry of Finance
The People's Republic of China

(Korean Reply Note)

Beijing, January 10, 2006

Mr. Yu Zhensheng
Deputy Director General
Finance Department
Ministry of Finance
The People's Republic of China

Sir,

I have the honour to acknowledge the receipt of your Note of January 5, 2006, which reads as follows:

".....(Chinese Proposing Note)....."

I have further the honour to inform you that the foregoing proposal is acceptable to the Government of the Republic of Korea and to agree that your Note and this Note in reply shall constitute an Agreement between the two Governments, which shall enter into force on the date of this Note in reply.

Please accept, Sir, the assurances of my highest consideration.

Shin Bong-kil
Minister
Embassy of The Republic of Korea
to The People's Republic of China