

Provision 3: Objectives and Plan

3.1 Objective and land use planning of party "B" are production and improvement of agricultural products on the basis of technical-economic reports attached, which are of important meanings:

3.1.1 Primary production: cassava, palm oil, animal raising and crossbreeding

3.1.2 Secondary production: crop diversification, tree planting, and products processing

3.1.3 Factory building: infrastructure facility, water basin, building and factory

3.2 Land Use Planning: Party "B" should use the land as mentioned in 1.1 of this agreement during 10 years from the deadline of signing the agreement in the following planning:

Year 1:	1%
Year 2:	3%
Year3:	6%
Year 4:	8%
Year 5:	12%
Year 6:	12%
Year 7:	12%
Year 8:	12%
Year 9:	14%
Year 10:	20%

Provision 4: Deposit and Land Rental

4.1 Deposit: Party "B" should pay one dollar per hectares of land as pledge for the contract performance. The deposit has to pay in proportion with the scale of land in 1.1 no longer than 3 months after the deadline of signing the agreement. The posit will be returned following the completion of activities in 3.2.

4.2 Party "B" should pay in US Dollar as land rental per hectare per year on the total scale of land as in 1.1. Rental rate and time for payment was determined and approved by the government. The payment should be no later than 31 January every year.

4.3 The government preserves its rights to revise the rental rate within every five years, which should not exceed 5% of total annual rental amount of the most recent year. Every revision has to inform the party "B" in writing at least 2 months before the new one.

4.4 In case of late payment as stated in 4.2, the party "B" should be fined 2% of each annual rental amount according to how long it was late in month. In case of failure to pay during one year, party "A" has the rights to breach the contract and seize all location of land, deposit and properties included furniture and trees or plants fixing to the ground without any compensation.

4.5 Land rental and deposit should be transfered into bank account of MoAFF

4.6 Party "B" should charge other obligation amounts required by law

Provision 5: Assignment, Sublease and Sale

5.1 Party "B" should not transfer rights to third party rather than its legal heir. Any notice on assign or any decision to the third party should be made during 6 months before enforcement.

5.2 Party "B" cannot sublease the location to third party. Under its responsibilities before the law and this contract, party "B" should be able to cooperate with its partners to develop production-business as stipulated in this contract. In this case party "B" is still the responsibilities holder in the contract.

Provision 6: Rights and Duties of the Party "A "

Party "A " has the following duties:

6.1 Take necessary measures to relevant organizations to solve the eventual incidence of any offense that affects or violates party "B" rights to development and use of locations or part of locations in the contract framework.

6.2 Monitor on

6.2.1 Contract performance

6.2.2 Environmental effect

6.2.3 Technical work and production-business plan/program

6.3 Assist party "B" in request of approval from related authorities for functioning product improvement and production in its concession areas and help facilitate negotiation with third party.

Provision 7: Rights and Duties of the Party "B"

Party "B" has the following duties:

7.1 Agrees to properly pay deposit and land rental as in provision 4 of this contract till its termination

7.2 Party "B" agrees to charge all expenses as stated in the provisions of the agreement

7.3 Has the right to recruit local labor or expatriate expert to direct or advise technical work of production / business as needed in conformity with Cambodian law.

7.4 Pays attention to living condition, health and technical training of its staff, workers and their families depended on technical needs of concession area development.

7.5 Practices business plans such as: forest clearing, road construction, farming/plant and maintenance in respect to sustainable condition of location with no effect on environment.

7.6 Prepares production-business implementation as planned in technical-economic reports and provision 3.

7.7 Has the right to trade or deliver all kind of products both local and oversea in accordance with government policy.

7.8 Has the right to import machines, spare parts, and chemical products for supporting/serving production-business activities and it should pay taxes fixed by Cambodian law.

7.9 Has the right to use water (river, basin, lake, etc.) road and other public infrastructures existing in or outside the concession areas in conformity with Cambodian laws.

7.10 Should allow party "A" and Ministry of Environment to follow up, monitor, evaluate effects on environment following Environment Law of Cambodia.

Provision 8: Construction Permission

8.1 Party "B" is allowed to carry out legally all construction works on the location in line with existing law of Cambodia and working objectives in provision 3 of the contract.

8.2 All infrastructure constructions such as dam, canal that may have effect on surrounding areas should be allowed by party "A" or relevant institutions.

Provision 9: Rights to Possession

All real estate and achievement established by party "B" are possessed by party "B" until the termination of the contract.

Provision 10: End of the Contract

10.1 Party "B" has right to revoke from the overall or part of the project plan in condition of uncontrolled management and should be bilaterally accepted by the parties.

Government insures returning safety of foreign staff and their families or the sale of equipments, machines, ships, vehicles, and other transportation materials or fixture in conformity with Cambodian law.

10.2 In case where party "B" unilaterally revokes the contract, party "B" should hold responsibilities under article 23 of the 1994 Investment Law of Cambodia.

10.3 If party "B" has not fulfilled any condition in this contract or provisions of Cambodian Law, the government of Cambodia should unconditionally rescind the contract with no compensation. In this case, the deposit should be seized as State property.

10.4 During one year from deadline of the contract signed, if party "B" has not started its production activities in the concession areas, the government has the right to rescind the contract without any condition and compensation. In this case, the deposit should be seized as State property.

10.5 If party "A" prevents party "B" from performing this agreement, party "B" shall reserve the right to revoke the agreement and unconditionally withdraw all of investment capitals but discharges the contract duties of party "A".

10.6 If party "A" or third party prevents party "B" from punctually applying the agreement as scheduled in 3.2, party "B" has the right to request party "A" for delaying enforcement of the agreement with clear reason.

Provision 11: Conflict and Solution or Arbiter

11.1 In case when the conflict happens during implementation, both parties should facilitate solution according to rights and obligations of each party in the contract.

11.2 If both parties cannot facilitate or solve the conflict during 60 days, it must be sent to Council for the Development of Cambodia to take action.

11.3 If the Cambodian Council Development is still unable to deal with the conflict during 30 days after receiving the request as stated in 11.2, both parties shall be able to refer the case to Arbitration Council with bilateral approval.

Provision 12: Invalid Section

If any part of the contract is invalid or is not enforceable, the remaining parts should be valid as recognized, to all extension, by law.

Provision 13: Governing Law

Laws of Kingdom of Cambodia govern or cover the agreement of the contract

Provision 14: Definitive Agreement

The agreement instrument is completely agreed by parties and rejects previous involvement, delegate and all of agreements both in word or writing related to the contract. This contract should not be changed or revised unless it was made under the approval required to be in writing signed and recognized by both parties.

Provision 15: Emergency Event (Force Major)

In case of emergency, neither of the parties can perform completely the duties in the contract, the party "B" should inform party "A" in writing the motive of the event. In this case, party "B" duties will be temporarily interrupted during related period.

The case of emergency includes fire, flood, storm, war, earthquake, and etc. In addition, civil disturbance, uprising, epidemic of diseases, and other events which are uncontrolled by these parties.

Provision 16: Right to Natural Resources and Heritage

16.1 Party "B" should pay royalties on timber for land clearing for development to party "A" based on forestry policy and laws.

16.2 Mines, precious stone, gold or various heritages of the nation were kept as State properties despite that were discovered from the concession land or underground, if any.

Provision 17: Language

The agreement was made in Phnom Penh in Khmer and English in fifteen original copies, each having equal value. English text should be principal in interpretation.

Provision 18: Start and End

The contract is enforceable July 23, 1998 till July 23, 2068.

Made in Phnom Penh, July 23, 1998

Party "B" representative
Director of CAMBODIA HAINING GROUP Co., Ltd.
(Signed and Stamped)

Yang Zhao Fu

Party "A" representative
Minister of Ministry of Agriculture, Forestry and Fisheries
(Signed and Stamped)

TAO SENG HOU

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- Office of Council of Minister
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- Ministry of Justice
- Ministry of Industry, Mines and Energies
- Ministry of Environment
- Council for the Development of Cambodia (CDC)
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- Division of Agriculture, Forestry and Fisheries of Kampong Speu
- Party "A"
- Party "B"
- Documentation