
MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MoU) is made on April 12, 2013 in Budapest, Hungary by and between:

China Civil Engineering Construction Corporation (CCECC)

and

MAV Hungarian State Railways Company (MAV Co.)

After friendly consultation, Parties reached a consensus on cooperation as follows:

- (1) The Pre-feasibility Study with an investment budget regarding the new bypass railway line V0 in the southern area of Budapest to be implemented with double tracks has been elaborated. The project has been introduced to the CCECC and the Chinese Development Bank by the Management of MAV Co. during the meeting in Beijing between 28 January 2013 and 03 February 2013.
- (2) During the meeting MAV Co. indicated that the Hungarian Government made a decision in March 2013 (1096/2013. III.4.) and agreed with the fastest possible implementation of V0 project and with the examination of financial possibilities such as EUR 1 billion Chinese loan, as a primary source and/or EIB (European Investment Bank) loan.
- (3) Before the meeting between 11 and 12 April 2013 in Budapest, MAV Co. has sent the English version of the Executive Summary of the project description to CCECC.
- (4) The Hungarian Party finds that on the basis of the Pre-feasibility Study a decision could be made on the necessary financing. Thereof, MAV Co. wishes to carry on consultations and to approve the common project with CCECC in the fastest possible manner.
- (5) In order to fulfill the task set by the Hungarian Government, MAV Co. will present a report until the end of April 2013 that will contain the supporting declaration of CCECC regarding the cooperation in the implementation.
- (6) Parties agree that they shall make every effort in order that the necessary technical documents regarding the feasibility are prepared as soon as possible. In order to reach this objective, CCECC will send a delegation composed of experts/engineers to MAV Co.'s offices in Budapest.