



Autoridad de El Gran Canal  
Interoceánico de Nicaragua

05 June 2013

HK Nicaragua Canal Development Investment Co., Limited  
Suites 1801-1807, 18th Floor  
Two International Finance Centre  
8 Finance Street  
Central, Hong Kong  
Attn: Board of Directors

Empresa Desarrolladora de Grandes Infraestructuras S.A.  
Del Hospital Militar  
1 cuadra al norte  
Managua, Nicaragua  
Attn: Board of Directors

**Re: The Nicaraguan Canal and Development Project**

Dear Sirs:

Since its formation pursuant to Law 800 on 9 July 2012, the Nicaragua Interoceanic Grand Canal Authority (the "**Authority**") has worked assiduously to attract the capital and expertise necessary to effectuate the Nicaraguan Canal and Development Project (the "**Project**") in a manner that will result in a sustainable transformation of the economy of Nicaragua and a dramatic improvement in the lives of its citizens.

In the course of these efforts, the Authority identified HK Nicaragua Canal Development Investment Co., Limited ("**HKC**") as the partner best suited to help Nicaragua realise its goals with respect to the Project. Accordingly, the Authority and HKC have entered into written agreements (a memorandum of understanding dated 5 September 2012 and a deed of cooperation dated 31 October 2012) setting out the exclusive relationship between the parties regarding the Project and other related infrastructure projects.

Empresa Desarrolladora de Grandes Infraestructuras S.A., a corporation incorporated under the laws of Nicaragua ("**EDGI**"), was acquired by subsidiary undertakings of HKC on 12 April 2013 for the purpose of promoting the implementation of the Project.

Since that time, the Authority, EDGI and HKC have worked together to develop a legal framework for the implementation of the commercial terms previously agreed between the Authority and HKC. To fulfill this objective, a Master Concession and Implementation Agreement (the "**MCA**") that details the concessions and investment incentives to be granted, the process for collaboration amongst the parties and other key terms has been agreed between the Authority, EDGI and HKC in the form attached hereto as Appendix A.

In light of this positive development, the Authority would propose that we, and upon EDGI and HKC counter-signing this letter, the Authority, EDGI and HKC each irrevocably and unconditionally undertake to:

1. execute the MCA in the form attached to this letter as soon as reasonably practicable (and, if possible, on 14 June 2013) upon the Authority being authorised under the laws of Nicaragua to execute the MCA and the MCA being a legal, valid and binding obligation, enforceable with respect to the Authority according to its provisions following such execution;
2. use their respective best endeavours to procure that each other relevant party executes the MCA in the form attached to this letter as soon as practicable following the execution of the MCA by the Authority, EDGI and HKC; and
3. take such further actions and deliver or cause to be delivered any additional agreements, instruments or documents as may reasonably necessary for the purpose of giving full force and effect to the provisions of the MCA and the agreements and transactions contemplated thereby.

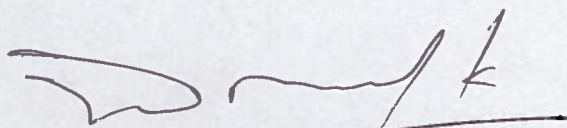
The terms of this letter shall expire on 24 June 2013. If these terms are acceptable, please return a signed counterpart of this letter to the Authority at your earliest convenience. Thank you for your outstanding efforts so far. We look forward to continuing our collaboration with you and to creating a world-class, international centre for trade and commerce here in Nicaragua that can be beneficial to people all over the world.

*[Remainder of this page intentionally left blank]*

Please indicate your acceptance of the provisions of this letter by returning to us an executed counterpart hereof.

Sincerely,

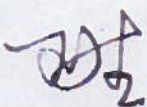
NICARAGUA INTEROCEANIC GRAND CANAL AUTHORITY



By: Manuel Coronel Kautz  
Its: President

Agreed and Accepted:

HK NICARAGUA CANAL DEVELOPMENT INVESTMENT CO., LIMITED



By: Wang Jing  
Its: Director

EMPRESA DESARROLLADORA DE GRANDES INFRAESTRUCTURAS S.A.



By: Wang Jing  
Its: Authorised Representative