

No. 7998

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
and
REPUBLIC OF CHINA**

Loan Agreement—*Railway Project* (with annexed Loan Regulations No. 3 and Project Agreement between the Bank and the Province of Taiwan and the Taiwan Railway Administration). Signed at Washington, on 28 April 1965

Official text: English.

Registered by the International Bank for Reconstruction and Development on 3 December 1965.

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
RÉPUBLIQUE DE CHINE**

Contrat d'emprunt — *Projet relatif aux chemins de fer* (avec, en annexe, le Règlement n° 3 sur les emprunts et le Contrat relatif au Projet entre la Banque, la province de Taïwan et l'Administration des chemins de fer de Taïwan). Signé à Washington, le 28 avril 1965

Texte officiel anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 3 décembre 1965.

No. 7998. LOAN AGREEMENT¹ (*RAILWAY PROJECT*) BETWEEN THE REPUBLIC OF CHINA AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 28 APRIL 1965

AGREEMENT, dated April 28, 1965, between REPUBLIC OF CHINA (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS the Borrower and the Taiwan Railway Administration (hereinafter called TRA), an agency of the Province of Taiwan (hereinafter called the Province) entrusted with the administration and operation of the Borrower's railway facilities in the Province of Taiwan, have requested the Bank to assist in the financing of part of the TRA's rehabilitation, modernization and expansion program for the years 1965 to 1968 ;

WHEREAS the TRA will, with the Borrower's assistance, carry out such program, and, as part of such assistance, the Borrower will make available to the TRA the proceeds of the loan provided for herein ;

WHEREAS the Bank is willing to make a loan available on the terms and conditions provided herein and in a project agreement of even date herewith² between the Bank, the Province and the TRA ;

NOW THEREFORE the parties hereto hereby agree as follows :

Article I

LOAN REGULATIONS ; SPECIAL DEFINITIONS

Section 1.01. The parties to this Loan Agreement accept all the provisions of Loan Regulations No. 3 of the Bank dated February 15, 1961,³ with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications thereof (said Loan Regulations No. 3 as so modified being hereinafter called the Loan Regulations) :

¹ Came into force on 25 June 1965, upon notification by the Bank to the Government of the Republic of China.

² See p. 164 of this volume.

³ See p. 162 of this volume.

(a) by the deletion in Section 5.06 of the words “these Regulations and the Loan Agreement” and the substitution therefor of the words “these Regulations, the Loan Agreement and the Project Agreement”; and

(b) by the insertion in Section 7.02 of the words “or the Project Agreement” after the words “the Loan Agreement”.

Section 1.02. Except where the context otherwise requires, the following terms have the following meanings wherever used in this Agreement or any schedule thereto :

(a) the term “Project Agreement” means the agreement of even date herewith between the Bank, the Province and the TRA, as the same may be amended from time to time by agreement between the Bank, the Province and the TRA ; and

(b) the term “Subsidiary Loan Agreement” means the loan agreement, referred to in Section 5.02 (a) of this Agreement, to be entered into between the Borrower and the TRA.

Article II

THE LOAN

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in this Agreement set forth or referred to, an amount in various currencies equivalent to twenty million dollars (\$20,000,000).

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, this Agreement and the Loan Regulations.

Section 2.03. The Borrower shall pay to the Bank a commitment charge at the rate of three-eighths of one per cent ($\frac{3}{8}$ of 1%) per annum on the principal amount of the Loan not so withdrawn from time to time.

Section 2.04. The Borrower shall pay interest at the rate of five and one-half per cent ($5\frac{1}{2}\%$) per annum on the principal amount of the Loan so withdrawn and outstanding from time to time.

Section 2.05. Except as the Borrower and the Bank shall otherwise agree, the charge payable for special commitments entered into by the Bank at the request of the Borrower pursuant to Section 4.02 of the Loan Regulations shall be at the rate of one-half of one per cent ($\frac{1}{2}$ of 1%) per annum on the principal amount of any such special commitments outstanding from time to time.

Section 2.06. Interest and other charges shall be payable semi-annually on April 15 and October 15 in each year.

Section 2.07. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1 to this Agreement.

Article III

USE OF PROCEEDS OF THE LOAN

Section 3.01. The Borrower shall cause the proceeds of the Loan to be applied exclusively to financing the cost of goods required to carry out the Project described in Schedule 2 to this Agreement. The specific goods to be financed out of the proceeds of the Loan and the methods and procedures for procurement of such goods shall be determined by agreement between the Borrower, the TRA and the Bank, subject to modification by further agreement between them.

Section 3.02. The Borrower shall cause all goods financed out of the proceeds of the Loan to be used in the territories of the Borrower exclusively in the carrying out of the Project and in the operation of the railway facilities administered by the TRA.

Article IV

BONDS

Section 4.01. The Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in the Loan Regulations.

Section 4.02. The Minister of Finance of the Borrower and such person or persons as he shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 6.12 of the Loan Regulations.

Article V

PARTICULAR COVENANTS

Section 5.01. (a) The Borrower shall cause the Project to be carried out and the operations of the railway facilities administered by the TRA to be conducted with due diligence and efficiency and in conformity with sound railway, engineering and financial practices.

(b) The Borrower shall cause the Province and the TRA punctually to perform all the covenants and agreements on their part to be performed as set forth in the Project Agreement, shall take or cause to be taken all action which shall be necessary to enable the Province and the TRA to perform such covenants and agreements and shall not take any action that would interfere with such performance.

Section 5.02. (a) The Borrower shall enter into a Subsidiary Loan Agreement with the TRA, satisfactory to the Bank, which shall provide for the relending of the proceeds of the Loan by the Borrower to the TRA and shall contain appropriate provisions with respect to the financing and carrying out of the Project and other

obligations of the Borrower and the TRA under the Loan Agreement and the Project Agreement.

(b) Except as the Bank shall otherwise agree, the Borrower shall not amend, assign, abrogate or waive any provisions of the Subsidiary Loan Agreement.

Section 5.03. (a) It is the mutual understanding of the Borrower and the Bank that the TRA and the Province are primarily responsible for the provision of funds required for the Project.

(b) Without limitation or restriction upon any of the other covenants on its part in this Agreement contained, the Borrower shall, whenever there is reasonable cause to believe that the funds available to the TRA will be inadequate to meet the estimated expenditures required for carrying out the Project, make arrangements, satisfactory to the Bank, promptly to provide the TRA or cause the TRA to be provided with such funds as are necessary to meet such expenditures.

Section 5.04. (a) The Borrower 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 Borrower, such information shall include information with respect to financial and economic conditions in the territories of the Borrower and the international balance of payments position of the Borrower.

(b) The Borrower 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 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 or the maintenance of the service thereof.

(c) The Borrower shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of the Borrower for purposes related to the Loan.

Section 5.05. It is the mutual intention of the Borrower 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 Borrower undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower 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 ; (ii) any lien on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of sale of such commercial goods ; or (iii) any lien

arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

The term "assets of the Borrower" as used in this Section includes assets of the Borrower or of any of its political subdivisions or of any agency of the Borrower or of any such political subdivision, including the Central Bank of China or any other institution performing the functions of a central bank.

Section 5.06. Unless otherwise agreed between the Borrower and the Bank, if the TRA shall repay in advance of maturity any part or all of its indebtedness under the Subsidiary Loan Agreement, the Borrower shall repay, in advance of maturity, an equivalent amount of the Loan. All the provisions of the Loan Regulations relating to repayment in advance of maturity shall apply to any repayment by the Borrower in accordance with this Section ; provided, however, that any amount of the Loan to be repaid pursuant to the foregoing provisions of this Section which cannot be applied to the payment of an entire maturity may, notwithstanding the provisions of Section 2.05 (b) of the Loan Regulations, be applied to the payment of a part of a maturity only.

Section 5.07. 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 imposed under the laws of the Borrower or laws in effect in its territories ; 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 Borrower.

Section 5.08. The Loan Agreement, the Bonds and the Project Agreement shall be free from any taxes that shall be imposed under the laws of the Borrower or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof and the Borrower shall pay all such 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.

Section 5.09. The principal of, and interest and other charges on, the Loan and the Bonds shall be paid free from all restrictions imposed under the laws of the Borrower or laws in effect in its territories.

Section 5.10. (a) The Borrower shall from time to time take or cause to be taken all necessary measures (including, but without limitation, adjustments in the rates and fares of the TRA) satisfactory to the Bank, as shall be required to provide the

TRA with revenues sufficient, by such date or dates as shall be agreed between the Borrower, the Province, the TRA and the Bank, to: (i) meet all cash operating expenses of the TRA and interest payment on its debt; (ii) cover depreciation of the assets of the TRA; and (iii) earn a reasonable return on the net fixed assets of the TRA.

(b) For the purposes of this Section, the assets administered by the TRA shall be deemed to be assets of the TRA.

Article VI

REMEDIES OF THE BANK

Section 6.01. (i) If any event specified in paragraph (a) or paragraph (b) of Section 5.02 of the Loan Regulations or in paragraph (b) of Section 6.02 of this Agreement shall occur and shall continue for a period of thirty days, or (ii) if any event specified or referred to in paragraph (c) of Section 5.02 of the Loan Regulations or in paragraph (a) of Section 6.02 of this Agreement shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower, then at any subsequent time during the continuance thereof, the Bank, at its option, may declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Agreement or in the Bonds to the contrary notwithstanding.

Section 6.02. The following additional events are specified for the purposes of Section 5.02 (h) of the Loan Regulations:

(a) a default shall have occurred in the performance of any covenant or agreement of the Province or the TRA under the Project Agreement;

(b) a default shall have occurred in the payment of principal, interest, service charge or any other payment required under any development credit agreement between the Borrower and the International Development Association.

Article VII

EFFECTIVE DATE ; TERMINATION

Section 7.01. The following events are specified as additional conditions to the effectiveness of this Agreement within the meaning of Section 9.01 (b) of the Loan Regulations:

(a) that the execution and delivery of the Project Agreement on behalf of the Province and the TRA have been duly authorized or ratified by all necessary corporate and governmental action; and

(b) that the Subsidiary Loan Agreement has been duly executed in form satisfactory to the Bank and has become binding upon the parties thereto in accordance with its terms.

Section 7.02. The following are specified as additional matters, within the meaning of Section 9.02 (c) of the Loan Regulations, to be included in the opinion or opinions to be furnished to the Bank :

(a) that the Project Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Province and the TRA, that all acts, consents and approvals necessary therefor have been duly and validly performed or given, and that such Project Agreement constitutes a valid and binding obligation of the Province and the TRA in accordance with its terms ; and

(b) that the Subsidiary Loan Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the parties thereto, that all acts, consents and approvals necessary therefor have been duly and validly performed or given, and that such Subsidiary Loan Agreement constitutes a valid and binding obligation of the parties thereto in accordance with its terms.

Section 7.03. A date 60 days after the date of this Agreement is hereby specified for the purposes of Section 9.04 of the Loan Regulations.

Article VIII

MISCELLANEOUS

Section 8.01. The Closing Date shall be December 31, 1968, or such other date as may from time to time be agreed between the Borrower and the Bank.

Section 8.02. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Borrower :

Ministry of Finance
Taipei
Taiwan, China

Alternative address for cables and radiograms :

Chifinance
Taipei

For the Bank :

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

Alternative address for cables and radiograms :

Intbafrad
Washington, D.C.

Section 8.03. The Minister of Finance of the Borrower is designated for the purposes of Section 8.03 of the Loan Regulations.

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

Republic of China :

By Martin WONG
Authorized Representative

International Bank for Reconstruction and Development :

By J. Burke KNAPP
Vice President

SCHEDULE 1

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>
April 15, 1969	\$380,000	October 15, 1977	\$600,000
October 15, 1969	390,000	April 15, 1978	620,000
April 15, 1970	400,000	October 15, 1978	635,000
October 15, 1970	410,000	April 15, 1979	655,000
April 15, 1971	425,000	October 15, 1979	670,000
October 15, 1971	435,000	April 15, 1980	690,000
April 15, 1972	445,000	October 15, 1980	710,000
October 15, 1972	460,000	April 15, 1981	730,000
April 15, 1973	470,000	October 15, 1981	750,000
October 15, 1973	485,000	April 15, 1982	770,000
April 15, 1974	500,000	October 15, 1982	790,000
October 15, 1974	510,000	April 15, 1983	810,000
April 15, 1975	525,000	October 15, 1983	835,000
October 15, 1975	540,000	April 15, 1984	855,000
April 15, 1976	555,000	October 15, 1984	880,000
October 15, 1976	570,000	April 15, 1985	915,000
April 15, 1977	585,000		

* To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.03), 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 part of the principal amount of the Loan pursuant to Section 2.05 (b) of the Loan Regulations or on the redemption of any Bond prior to its maturity pursuant to Section 6.16 of the Loan Regulations :

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than three years before maturity	1/2 %
More than three years but not more than six years before maturity	1 1/2 %
More than six years but not more than eleven years before maturity	2 1/2 %
More than eleven years but not more than sixteen years before maturity	3 1/2 %
More than sixteen years but not more than eighteen years before maturity	4 1/2 %
More than eighteen years before maturity	5 1/2 %

SCHEDULE 2

DESCRIPTION OF THE PROJECT

The Project is the major part of the Taiwan Railway Administration program for the years 1965 to 1968 for the rehabilitation, modernization, expansion and increase in the capacity of, and more effective utilization of, the railway facilities administered by the TRA.

The Project consists of the acquisition and placing in service of diesel locomotives, diesel railcars, trailers and chair coaches, the manufacture and placing in service of passenger coaches, baggage cars and freight wagons, the installation of signalling and grade crossing equipment and the construction at Chi-tu of a new marshalling yard.

The Project is expected to be completed by the end of 1968.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 3, DATED 15 FEBRUARY 1961

LOAN REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO MEMBER
GOVERNMENTS

[Not published herein. See United Nations, Treaty Series, Vol. 414, p. 268.]

PROJECT AGREEMENT
(RAILWAY PROJECT)

AGREEMENT, dated April 28, 1965, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank), the PROVINCE OF TAIWAN (hereinafter called the Province) and TAIWAN RAILWAY ADMINISTRATION (hereinafter called TRA).

WHEREAS, by an agreement of even date herewith between Republic of China (hereinafter called the Borrower) and the Bank, which agreement and the schedules therein referred to are hereinafter called the Loan Agreement,¹ the Bank has agreed to make available to the Borrower a loan in various currencies equivalent to twenty million dollars (\$20,000,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Province and the TRA agree to undertake certain obligations to the Bank as hereinafter in this Project Agreement set forth ;

NOW THEREFORE the parties hereto hereby agree as follows :

Article I

DEFINITIONS

Section 1.01. Wherever used in this Project Agreement, unless the context shall otherwise require, the several terms defined in the Loan Agreement and in the Loan Regulations² (as so defined) shall have the respective meanings therein set forth.

Article II

PARTICULAR COVENANTS

Section 2.01. (a) The TRA shall carry out the Project with due diligence and efficiency and in conformity with sound railway, engineering and financial practices.

(b) The TRA shall make available promptly as needed all sums which shall be required for the carrying out and operation of the Project.

Section 2.02. (a) Upon request from time to time by the Bank, the TRA shall furnish to the Bank, promptly upon their preparation, the plans and specifications for the Project and any material modifications subsequently made therein, in such detail as the Bank shall request.

(b) The TRA shall maintain records adequate to identify the goods financed out of the proceeds of the Loan, to disclose the use thereof in the Project, and to record the progress of the Project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices its operations and financial condition ; shall enable the Bank's representatives to inspect the Project, the goods, the railway property and equipment administered or operated by the TRA and any relevant records

¹ See p. 146 of this volume.

² See p. 162 of this volume.

and documents ; and 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 goods, and its operations and financial condition.

Section 2.03. (a) The Bank, the Province and the TRA 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.

(b) The Bank, the Province and the TRA shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan. The Province and the TRA 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 performance by the Province or the TRA of their respective obligations under this Project Agreement or by the TRA under the Subsidiary Loan Agreement or which shall increase or threaten to increase materially the estimated cost of the Project.

Section 2.04. Goods purchased or paid for out of the proceeds of the Loan shall not be sold or otherwise disposed of without the prior consent of the Bank.

Section 2.05. Except as shall be otherwise agreed between the Bank and the TRA, the TRA shall insure or cause to be insured with responsible insurers all goods financed with the proceeds of the Loan. Such insurance shall cover such marine, transit and other risks incident to delivery of the goods into the territories of the Borrower and shall be for such amounts, as shall be consistent with sound commercial practice. Such insurance shall be payable in freely convertible currencies or in the currency in which the cost of the goods insured thereunder shall be payable.

Section 2.06. The TRA shall at all times manage and operate the railway facilities owned or administered by it in accordance with sound business, financial and railway practices.

Section 2.07. (a) The Province and the TRA shall from time to time take or cause to be taken all necessary measures (including, but without limitation, adjustments in the rates and fares of the TRA) satisfactory to the Bank, as shall be required to provide the TRA with revenues sufficient, by such date or dates as shall be agreed between the Borrower, the Province, the TRA and the Bank, to : (i) meet all cash operating expenses of the TRA and interest payment on its debt ; (ii) cover depreciation of the assets of the TRA ; and (iii) earn a reasonable return on the net fixed assets of the TRA.

(b) For the purposes of this Section, the assets administered by the TRA shall be deemed to be assets of the TRA.

Section 2.08. The TRA shall give priority to the carrying out of the Project and shall, if necessary to ensure the prompt completion of the Project, defer the carrying out of other works.

Section 2.09. The Province shall cause the TRA punctually to perform all the covenants and agreements on its part to be performed as set forth in this Project Agreement, shall take or cause to be taken all action which shall be necessary to enable the TRA to perform such covenants and agreements and shall not take any action that would interfere with such performance.

Section 2.10. The Province shall at all times provide the TRA or cause the TRA to be provided, promptly as needed, with all funds and other resources which shall be required for the carrying out of the Project.

Article III

EFFECTIVE DATE ; TERMINATION

Section 3.01. This Project Agreement shall come into force and effect on the Effective Date.

Section 3.02. This Project Agreement shall terminate and the obligations of the parties hereunder shall cease and determine on the date when the Loan Agreement shall terminate in accordance with its terms.

Article IV

MISCELLANEOUS

Section 4.01. Any notice or request required or permitted to be given or made under this Project Agreement and any agreement between the parties contemplated by this Project Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram, cable or radiogram to the party to which it is required or permitted to be given or made at its address hereinafter specified, or at such other address as such party shall have designated by notice to the party giving such notice or making such request. The addresses so specified are :

(a) For the Bank :

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

Alternative address for cables and radiograms :

Intbafrad
Washington, D.C.

(b) For the Province :

Governor of the Province of Taiwan
Taiwan Provincial Government
Nan-tou
Taiwan, China

(c) For the TRA :

Taiwan Railway Administration
2 Yen-Ping Road (N)
Taipei
Taiwan, China

Alternative address for cables and radiograms :

Tairail
Taipei

Section 4.02. (a) Any action required or permitted to be taken, and any document required or permitted to be executed, under this Project Agreement on behalf of the Province may be taken or executed by the Commissioner, Department of Communications of the Taiwan Provincial Government or such other person or persons as he shall designate in writing.

(b) Any action required or permitted to be taken, and any documents required or permitted to be executed, under this Project Agreement on behalf of the TRA may be taken or executed by the Managing Director of the TRA or such other person or persons as the TRA shall designate in writing.

Section 4.03. The Province and the TRA shall furnish to the Bank sufficient evidence of the authority of the person or persons who will on behalf of the Province and of the TRA respectively, take any action or execute any documents required or permitted to be taken or executed by the Province or the TRA respectively, pursuant to any of the provisions of this Project Agreement and the authenticated specimen signature of each such person.

Section 4.04. This Project Agreement may be executed in several counterparts, each of which shall be an original and all collectively but one instrument.

IN WITNESS WHEREOF the parties hereto have caused this Project Agreement to be signed in their respective names by their representatives thereunto duly authorized 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

Province of Taiwan :

By Martin WONG
Authorized Representative

Taiwan Railway Administration :

By John C. C. YUAN
Authorized Representative