

法規名稱：(終)LOAN AGREEMENT FOR TRANSMISSION AND SUBSTATIONS PROJECT BETWEEN THE REPUBLIC OF CHINA AND THE SAUDI FUND FOR DEVELOPMENT

終止日期：民國 87 年 09 月 15 日

LOAN NO.: 4/127

AGREEMENT dated Muharam 27, 1401 A.H. corresponding to December 5, 1980 A.D. between:

1 THE REPUBLIC OF CHINA (hereinafter called the Borrower), represented by H. E. C. C. Chang, Minister of Finance;

and

2 THE SAUDI FUND FOR DEVELOPMENT, Riyadh, Kingdom of Saudi Arabia(hereinafter called the Fund), represented by H. E. Sheikh Mohammad Aba Alkhail, Minister of Finance and National Economy and Chairman of the Board of Directors of the Fund.

PREAMBLE

WHEREAS the Borrower has requested the Fund to grant it a loan to assist in the financing of the Transmission and Substations project, described in Schedule (2) to this Agreement (hereinafter called the project);

WHEREAS the Project will be carried out by Taiwan Power Company with the Borrower's assistance, and as part of such assistance, the Borrower shall make available to the company the proceeds of the Loan as hereinafter provided;

WHEREAS the purpose of the Fund is to assist developing countries in developing their economies and to provide them with loans necessary to the execution of their development projects and programs;

HEREAS the Fund is convinced of the importance of the Project and its beneficial effects for the economic development of the friendly people of the Republic of China; and

WHEREAS the Board of Directors of the Fund has agreed, in view of the foregoing, by its Resolution No. 5/30/279 dated 22.11.14-00 A. H. to grant the Borrower a loan on the terms and conditions set forth in this Agreement.

NOW THEREFORE, the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The parties to this Agreement accept all the provisions of the General Conditions Applicable to Loan Agreements of the Fund issued by Resolution of the Board of Directors of the Fund No. 11/14 dated Rajab 29, 1396 A. H., corresponding to July 26, 1976 A.D., with the same force and effect as if they were fully set forth herein (said General Conditions Applicable to Loan Agreements of the Fund being hereinafter called the General Conditions.)

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions and in the Preamble to this Agreement have the respective meanings therein set forth and the following additional terms have the following meanings:

- (a) "The Company" means Taiwan Power Company, a Company established under the Borrower's Company Law of December 30, 1929 Article 387.
- (b) "Subsidiary Loan Agreement" means the agreement to be entered into between the Borrower and the Company pursuant to the provisions of Section 3.01 (b) of this Agreement, as the same may be amended from time to time.

ARTICLE II

The Loan

Section 2.01. The Fund agrees to lend to the Borrower, on the terms and conditions in the Loan Agreement set forth or referred to, a loan in an amount of One hundred forty nine million and four hundred thousand (149,400,000) Saudi Riyals.

Section 2.02. The amount of the Loan may be withdrawn by the Borrower from the Loan Account in accordance with the provisions of Schedule I to this Agreement, as such Schedule may be amended from time to time by agreement between the Fund and the Borrower, for expenditures made (or, if the Fund shall so agree, to be made) in respect of the reasonable cost of the goods and services required for the Project and to be financed out of the proce-

eds of the Loan.

Section 2.03. The Borrower shall cause the Company to apply the proceeds of the Loan exclusively to financing the reasonable cost of the goods required for the carrying out of the Project. The specific goods to be financed out of the proceeds of the Loan and the methods and procedure for the procurement thereof, shall be determined by agreement between the Fund and the Borrower, subject to modification by further agreement between them. The Borrower shall cause the Company to obtain Fund's approval before awarding the contracts to be financed out of the proceeds of the Loan and before effecting any modification thereto in the future

Section 2.04. the Closing Date shall be June 30, 1988 or such later date as shall be agreed between the Fund and the Borrower.

Section 2.05. The Borrower shall pay a loan charge at the rate of four and half (4.5%) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

Section 2.06. Loan Charge and other charges shall be payable semi-annually on March 15 and September 15, in each year.

Section 2.07. The term of the Loan is eighteen years including a three-year grace period. The Borrower shall repay the principal amount of the Loan in accordance with the Amortization Schedule set forth in Schedule (3) to this Agreement.

ARTICLE III

Execution of the Project

Section 3.01. (a) The Borrower shall carry out the Project through the Company with due diligence and efficiency and in conformity with appropriate engineering, financial and public utility practices and shall provide, or cause to be provided, promptly as needed, the funds the facilities, services and other resources required for the purpose.

(b) the Borrower shall relend the proceeds of the Loan to the Company under a Subsidiary Loan Agreement to be entered into between the Borrower and the Company, under terms and conditions which shall have been approved by the Fund. The Subsidiary

diary Loan Agreement shall provide for the execution by the Company of all the obligations and conditions which the Borrower undertakes by virtue of the provisions of this Agreement to cause the Company to comply with.

(c) The Borrower shall exercise its rights under the Subsidiary Loan Agreement in such a manner as to protect the interests of the Borrower and the Fund and to accomplish the purposes of the Loan and, except as the Fund shall otherwise agree, the Borrower shall not assign, nor amend, abrogate, or waive the Subsidiary Loan Agreement or any provisions thereof.

(d) Without limiting the generality of paragraph (a) of this Section, the Borrower shall make available or cause to be made available to the Company promptly as needed, all other funds which shall be required for the carrying out of the Project (including any funds that may be required to meet any increase in the cost beyond the estimated cost of the Project at the time of signing this Agreement), all such sums to be made available on terms and conditions acceptable to the Fund. Section 3.02. In carrying out the Project, the Borrower shall cause the Company to employ qualified and experienced Contractors upon terms and conditions acceptable to the Fund.

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Section 3.03. The Borrower shall cause the Company to insure, or make adequate provision for the insurance of, the imported goods to be financed out of the proceeds of the Loan against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, and for such insurance any indemnity shall be payable in a currency freely usable by the Company to replace or repair such goods.

Section 3.04. The Borrower shall ensure that all goods and services financed out of the proceeds of the Loan shall be used exclusively for the Project.

Section 3.05. The Borrower shall cause the Company to furnish to

the Fund, promptly upon their preparation, the plans, models, specifications, reports, contract documents, construction and procurement schedules, for the Project, and any modifications thereof or additions thereto, in such detail as the Fund shall request, as well as photographs of the completed Project in the appropriate size.

Section 3.06. (a) The Borrower shall cause the Company to: (i) maintain records adequate to record the progress of the Project (including the cost thereof) and to identify the goods and services financed out of the proceeds of the Loan, and to disclose the use thereof in the Project; (ii) enable the Fund's accredited representatives to visit the facilities and construction sites included in the Project and to examine the goods financed out of the proceeds of the Loan and any relevant records and documents; and (iii) furnish to the Fund all such information as the Fund shall request concerning the Project, the expenditure of the proceeds of the Loan and the goods and services financed out of such proceeds.

(b) The Borrower shall cause the Company to enable the Fund's representatives to examine all plants, installations, sites works, buildings, property and equipment of the Company and any relevant records and documents.

ARTICLE IV

Particular Covenants

Section 4.01. The Borrower shall, at all times, cause the Company to maintain its corporate existence and right to carry on its operations, and to take all steps necessary to acquire, maintain and renew all rights, powers privileges, concessions and franchises which are necessary or useful in the conduct of its business.

Section 4.02. The Borrower shall cause the Company to operate and maintain its plants, equipment and property, and to make, from time to time, all necessary renewals and repairs thereof, all in accordance with appropriate engineering and public utility practices.

Section 4.03. The Borrower shall, at times, cause the Company to carry on its operations, manage its affairs, maintain its financial position and plan the future expansion of its electric power system, all in accordance with appropriate business, financial and public utility principles and practices and under the supervision of experienced and competent management.

Section 4.04 The Borrower shall cause the Company to take out and maintain with responsible insurers, or make other provision satisfactory to the Fund for insurance against such risks and in such amounts as shall be consistent with appropriate public utility practices.

Section 4.05. The Borrower shall cause the Company to maintain records adequate to reflect in accordance with consistently maintained appropriate accounting practices its operations and financial condition.

Section 4.06. The Borrower shall cause the Company to; (i) have its accounts and financial statements (balance sheets, statements of income and expenses and related statements) for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Fund; (ii) furnish to the Fund as soon as available, but in any case not later than six months after the end of each year, (A) certified copies of its financial statements for such year as so audited and (B) the report of such audit by said auditors, of such scope and in such detail as the Fund shall have requested; and (iii) furnish to the Fund such other information concerning the accounts and financial statements of the Company and the audit thereof as the Fund shall from time to time request.

Section 4.07. (a) The Borrower and the Fund confirm their agreement that no other external debt shall enjoy any priority over the loan by way of a lien created on governmental assets. To that end, the Borrower undertakes that, except as the Fund 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 and at no cost to the Fund equally and ratably secure

the payment of the principal of the Loan, the Loan Charge and other charges on the Loan and that in the creation of any such lien express provision will be made to that effect.

(b) The undertaking provided for in paragraph (a) 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 the 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.

(c) As used in this Section, the term "governmental assets" means assets of the Borrower, of any political or administrative subdivision thereof and of any entity owned or controlled by, or operating for the account or benefit of, the Borrower or any such subdivision, including gold and other foreign exchange assets held by any institution performing the functions of a central bank or exchange stabilization fund, or similar functions for the Borrower.

Section 4.08. The Borrower shall take all such actions as shall be necessary to acquire as and when needed all such land and rights in respect of land as shall be required for carrying out of the Project.

Section 4.09. The Borrower undertakes to provide the Fund within three months of signing this Agreement with a written statement guaranteeing the provision of all the necessary funds for the completion of the Project from sources and upon terms and conditions that are acceptable to the Fund.

ARTICLE V

Remedies of the Fund

Section 5.01. For the purposes of Section 6.02 of the General C-

conditions, the following additional events are specified pursuant to paragraph (f) thereof:

(a)

(i) Subject to subparagraph (ii) of this paragraph:

- (A) The right of the borrower or the Company to withdraw the proceeds of any loan made to the Borrower or the Company for the financing of the Project shall have been suspended, cancelled or terminated in whole or in part, pursuant to the terms of the Agreement providing therefor; or
- (B) any such loan shall have become due and payable prior to the agreed maturity thereof.

(ii) Subparagraph (i) of this paragraph shall not apply if the Borrower establishes to the satisfaction of the Fund that (A) such suspension, cancellation, termination or premature ending is not caused by the failure of the Borrower or the Company, as the case may be, to perform any of their respective obligations under such agreement, and (B) adequate funds for the Project are available to the Borrower or the Company from other sources on terms and conditions consistent with the obligations of the Borrower under this Agreement.

(b) A substantial change in the Borrower's Company Law of 1929 under which the Company was established and operating, shall have occurred, which, in the judgement of the Fund, shall materially and adversely affect the ability of the Company to carry out or operate the Project.

Section 5.02. For the purposes of Section 7.01 of the General Conditions, the following events are specified pursuant to paragraph (d) thereof, namely, any event specified in paragraph (a) (i) and (B) or paragraph (b) of Section 5.01 of this Agreement shall occur.

ARTICLE VI

Effective date; Termination

Section 6.01. The following event is specified as an additional condition to the effectiveness of the Loan Agreement within the

meaning of Section 12.01 (b) of the General Conditions:

That the execution and delivery of the Subsidiary Loan Agreement on behalf of the Borrower and the Company, respectively, have been duly authorized or ratified by all necessary governmental and corporate action.

Section 6.02. The following is specified as an additional matter, within the meaning of Section 12.02 (b) of the General Conditions, to be included in the Legal Opinion or opinions to be furnished to the Fund:

That the Subsidiary Loan Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower and the Company, respectively, and is legally binding upon the Borrower and the Company in accordance with its terms.

Section 6.03. The date March 5, 1981 is hereby specified for the purposes of Section 12.04 of the General Conditions.

ARTICLE VII

Representative of the Borrower; Addresses

Section 7.01. The Minister of Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions.

For the Fund:

Saudi Fund for Development

P. O. Box 1887

Riyadh

Kingdom of Saudi Arabia.

Cable Address:

SAUDI FUND FOR DEVELOPMENT

RIYADH

KINGDOM OF SAUDI ARABIA

Telex:

201145 SUNDOQ SJ

For the Borrower:

Ministry of Finance

2, Ai Kuo West Road

Taipei, Taiwan 107

Republic of China

Cable Address:

MINISTRY OF FINANCE

TAIPEI, TAIWAN

REPUBLIC OF CHINA

Telex:

11840 MOF TAIPEI

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Agreement to be signed in their respective names, in Taipei, Republic of China, as of the day and year first above written, in two counterparts in the Arabic language, each of which shall be an original.

For

The Republic China

By C. C. Chang

Minister of Finance and

Authorized Representative.

For

The Saudi Fund for Development

By Sheikh Mohammad Aba Alkhail

Minister of Finance and

National Economy and Chairman

of the Board of Directors of

the Fund.

SCHEDULE (1)

Withdrawal of the Proceeds of the Loan

A. The table below sets forth the Categories of items to be financed out of the Proceeds of the Loan, the allocation of the amounts of the Loan to each Category and the percentage of expenditure for items to be financed in each Category:

Amount Allocated	% of foreign
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Category	(Expressed in Saudi Riyals)	expenditure to be financed
1 Power Circuit Breakers Parts 2,4 and 6 of the Project Description	92,500,000	100
2 Switchgear Equipment Parts 2,4 and 6 of the Project Description	43,000,000	100
3 Contingencies	13,900,000	
Total:	149,400,000	

B. For the purposes of this Schedule, the term "foreign expenditures" means expenditures for goods produced in, or services supplied from, the territories, and in the currency, of any country other than the Borrower's.

C. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of:

- (a) expenditures made prior to the date of this Agreement;
- (b) payments for taxes imposed under the laws of the Borrower or laws in effect in its territories on goods or services, or on the importation, manufacture or supply thereof.

SCHEDULE (2)

Description of the Project

The Project is to extend various transmission lines and substations facilities to cover Taiwan Power System requirements by 1987, and it consists of the following parts:

PART (1): 345 KV Transmission Lines

PART (2): High Voltage Substations*

PART (3): 161 KV Transmission Lines

PART (4): Primary Substations*

PART (5): Subtransmission Lines

PART (6): Secondary Substations*

PART (7): Power Control Communication System

PART (8): Construction Tools.

Details of above Parts are shown in Annex (1) of this Schedule.

The total cost of the project is estimated at US\$1,081,939,000

the equivalent of approximately 3,254,931,000 Saudi Riyals.

The Project is expected to be completed by December 1987.

ANNEX (1) OF SCHEDULE (2)

The Fund will finance 100% of the foreign component required for the procurement of the following major equipment for the early stage of the Project:

Item	Quantity	Estimated Cost in Saudi Riyals
(1) Power Circuit Breakers:	┐	
(A) 345 KV, 4000 A, 63 KA	37	
(B) 161 KV, 2000 A, 50 KA	100	
(C) 69 KV, 2000 A, 37 KA	135	
(D) 69 KV, 2000 A, 37 KA, for capacitor switching	12	92,500,000
(E) 69 KV, 2000 A, 26 KA, for capacitor switching	12	
(F) 69 KV, 1200 A, 19 KA	160	
(G) 69 KV, 1200 A, In- door drawout type	35	
(II) Switchgear Equipment:	┐	
(A) 13.8 KV, 1600 A, 12 KA Metal-clad	10	



(B) 23 KV, 2000 A, 12 KA, Met- al-clad	3		
(C) 69 KV, 1200 A, 26 KA, SF6 gas insulated	4		
(D) 161 KV, 2000 A, 40 KA, SF6 gas insulated	3		43,000,000
(E) 161 KV, 4000 A, 50 KA, SF6 gas insulated	1		
(F) 161 KV, 4000 A, 50 KA, co- mbiined SF6 gas insulated	4		
(G) 161 KV, 2000 A, 50 KA, co- mbiined SF6 gas insulated	1		
Total:			135,500,000

Part No. in
Schedule (2)

- (2)
(2)&(4)
(2)&(4)
(4)

(6)

(6)
(6)

(6)

(4)

(4)&(6)

(4)

(4)

(2)&(4)

(2)

SCHEDULE (3)

Amortization Schedule

Installment No.	Date of Payment	Payment of Principal (Expressed in Saudi Riyals)
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1	March 15,1984	4,980,000
2	September 15, 1984	4,980,000
3	March 15,1985	4,980,000
4	September 15, 1985	4,980,000
5	March 15,1986	4,980,000
6	September 15, 1986	4,980,000
7	March 15,1987	4,980,000
8	September 15, 1987	4,980,000
9	March 15,1988	4,980,000
10	September 15, 1988	4,980,000
11	March 15,1989	4,980,000
12	September 15, 1989	4,980,000
13	March 15,1990	4,980,000
14	September 15, 1990	4,980,000



15	March 15,1991	4,980,000
16	September 15, 1991	4,980,000
17	March 15,1992	4,980,000
18	September 15, 1992	4,980,000
19	March 15,1993	4,980,000
20	September 15, 1993	4,980,000
21	March 15,1994	4,980,000
22	September 15, 1994	4,980,000
23	March 15,1995	4,980,000
24	September 15, 1995	4,980,000
25	March 15,1996	4,980,000
26	September 15, 1996	4,980,000
27	March 15,1997	4,980,000
28	September 15, 1997	4,980,000
29	March 15,1998	4,980,000
30	September 15, 1998	4,980,000
Total:		149,400,000

* See Annex (1) of Schedule (2) for specific list of goods financed by this Loan Agreement from these Parts.