January 6, 2015

Mr. Dong Jun
Mayor
Xi’an Municipality
No. 159, Bei Yuan Men
People’s Republic of China

RE: Xi’an Sustainable Urban Transport Project
Loan Number 7558-CN
Amendment to Project Agreement

Dear Mr. Dong,

We refer to the Loan Agreement between the People’s Republic of China (the Borrower) and the International Bank for Reconstruction and Development (the Bank) dated September 29, 2008 (the Loan Agreement) and the Project Agreement of the same date between the Bank and Xi’an Municipality (the Project Agreement) for Xi’an Sustainable Urban Transport Project (the Project).

We also refer to the letter dated April 21, 2014, from the Borrower’s International Department, Ministry of Finance, requesting certain amendments to the Loan Agreement, as well as discussions between the Borrower and the Bank relating to other amendments during the midterm review of the Project and as reflected in the aide-memoires transmitted to the Borrower through the Bank’s letters dated December 5, 2013 and April 18, 2014, relating to reallocation, increase in disbursement percentage, changes to the Project Development Objective, Parts of the Project and the Project indicators, and extension of closing date.

We are pleased to inform you that the Bank concurs with the request, and accordingly amends the Loan Agreement as provided in the letter of even date herewith from the Bank to the Borrower (the Letter of Amendment of the Loan Agreement); and the Project Agreement is amended as set forth below subsequent to the request.

1. Section II.A.1 of Schedule I is amended to read as follows (emphasis added):

   “1. The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08(b) of the General Conditions and on the basis of the indicators set forth in the PIP. Each such Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Borrower not later than one (1) month after the end of the period covered by such report for incorporation and forwarding by the Borrower to the Bank of the overall Project Report.”
2. The supplemental letter regarding performance monitoring indicators dated September 29, 2008 agreed further to Section II.A.1 of Schedule 1 to the Project Agreement is deleted in its entirety.

3. A new Section IV is introduced as follows in Schedule 1:

"Section IV. Other Undertakings

By no later than December 31, 2014, the Project Implementing Entity shall have updated the Subsidiary Loan Agreement with IIC for the purpose of assisting the Project Implementing Entity in carrying out of the Project activities pursuant to Section 2.01(c) of this Agreement."

Except as specifically amended in this letter, all other terms and conditions of the Project Agreement shall remain in full force and effect.

Please confirm your agreement to the foregoing on behalf of Xi’An Municipality by countersigning and dating the corresponding form of confirmation set forth below, and returning one fully countersigned original of this letter to us. The above amendment to the Project Agreement shall become effective as of the date of this letter upon receipt by the Bank of: (i) a duly countersigned original of this letter by the authorized representative of Xi'an Municipality; and (ii) a duly countersigned original of the Letter of Amendment of the Loan Agreement of the same date by the authorized representative of the Borrower amending the Loan Agreement.

Yours sincerely,

Bert Hofman
Country Director, China
East Asia and Pacific Region

CONFIRMED:

XI’AN MUNICIPALITY

By: 
Authorized Representative

Name: 董军
Title: 市长
Date: 2015年1月6日

CC: Mr. Yang Shaolin
Director-General
International Economic and Financial Cooperation Department
Ministry of Finance
Beijing 100820
People’s Republic of China