Mr. Sun Wei  
Vice Governor  
Shandong Province  
People’s Republic of China

RE: China: Shandong Energy Efficiency Project  
(Ln. No. 8059-CN)  
Amendment to Project Agreement

Dear Mr. Sun:

We refer to the Loan Agreement (the Loan Agreement) dated September 2, 2011 between the People’s Republic of China (the Borrower) and the International Bank for Reconstruction and Development (the Bank) and the Project Agreement (the Project Agreement) of the same date between the Bank and Shandong Province, both for the above-referenced project (the Project), as amended thereof.

We also refer to the letter from the Ministry of Finance, dated September 12, 2016, requesting: (i) cancellation of an amount of the above-captioned Loan; and (ii) the restructuring of the Project, which requires certain amendments to the Loan Agreement and the Project Agreement. We are pleased to inform you that the Bank concurs with the request, and accordingly amends the Project Agreement as set forth below:

1. Paragraph 1 of Section II.A of the Schedule to the Project Agreement is deleted in its entirety and replaced by the following:

   “Shandong 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 Results Framework. Each such Project Report shall cover the period of one (1) calendar year, and shall be furnished to the Borrower and the Bank not later than March 15 of each calendar year, starting March 15, 2012. Shandong shall prepare and furnish to the Bank not later than September 15 and March 15 of each calendar year, commencing March 15, 2012, semi-annual Project progress reports.”

2. Annex C to the Schedule to the Project Agreement is deleted in its entirety.

Except as specifically amended in this letter, all other terms and conditions of the Project Agreement shall remain in full force and effect. The Loan Agreement is similarly being amended as reflected in an amendment letter to the Loan Agreement of even date herewith.
Please confirm your agreement to the foregoing on behalf of Shandong Province by
countersigning and dating the corresponding form of confirmation set forth below, and returning
one fully countersigned original of this letter to us. This amendment letter shall become effective
as of the date of the last countersignature of the two amendment letters (including this one)
prepared further to the above-mentioned request, upon receipt by the Bank of: (a) a duly
countersigned original of this letter by the authorized representative of Shandong Province; and
(b) a duly countersigned original of the amendment letter to the Loan Agreement by the authorized
representative of the Borrower.

Yours sincerely,

Bert Holman
Country Director, China

CONFIRMED:
SHANDONG PROVINCE

By:  
Authorized Representative

Name:  Sun Wei

Title:  Vice Governor

Date:  10/26/2016
CC:  Mr. Chen Shixin
     Director-General
     International Economic and Financial Cooperation Department
     Ministry of Finance
     Beijing 100820
     People’s Republic of China

     Mr. Yang Yuanjie, Acting Director
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