Mr. Yang Xiong  
Mayor of Shanghai Municipality  
c/o Shanghai Finance Bureau  
Room 1805, No. 800, Zhaojiabang Road  
Shanghai, 200030  
People’s Republic of China

Re: People’s Republic of China – Shanghai Urban Environment Project, Phase III  
Loan No. 7707-CN  
Amendment to the Project Agreement

Dear Mr. Yang,

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 9, 2009 (the “Loan Agreement”) and the Project Agreement of the same date between the Bank and Shanghai Municipality (the “Project Agreement”) for the above-referred project (the “Project”).

We also refer to the letter dated May 8, 2015, from Mr. Yang Yingming, Deputy Director-General, International Economic and Financial Cooperation Department, Ministry of Finance, requesting the restructuring of the Project, which requires certain amendments to the Loan and the Project Agreement. We are pleased to inform you that the Bank concurs with the requests, 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:

“Shanghai shall monitor and evaluate the progress of the Project and prepare Project Reports for the Project in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the indicators set forth in the Results Framework. Each Project Report shall cover a six-month period and shall be furnished to the Bank by April 30 (covering the preceding September 1 through February 28) and October 31 (covering the preceding March 1 through August 31) each year, starting April 30, 2010.”

2. Paragraphs (6), (7) and (8) of Section II of Annex A to the Schedule to the Project Agreement are deleted in their entirety and remaining paragraphs are renumbered, accordingly.

3. 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 Shanghai Municipality 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 Shanghai Municipality; and (b) a duly countersigned original of the amendment letter to the Loan Agreement by the authorized representative of the Borrower.

Sincerely yours,

Bert Hofman
Country Director, China
East Asia and Pacific Region

CONFIRMED:

SHANGHAI MUNICIPALITY

By: [Signature]

Authorized Representative

Name: Jiang Zhuqing
Title: Vice Mayor
Date: 8, 10, 2015 (Aug. 10)
Cc:  Mr. Yao Licheng, Director
     Mr. Peng Xiang, Deputy Director
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     Ministry of Finance
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     Mr. Zhu Shiqing, Deputy Director General
     Mr. Xu Yizhi, Deputy Division Chief
     Shanghai Water Authority

     Mr. Lu Liyong, Division Chief
     Shanghai Landscape & Sanitation Bureau