Mr. Chen Shixin  
Director-General  
International Economic  
and Financial Cooperation Department  
Ministry of Finance  
Beijing  
People’s Republic of China

RE: China: Anhui Xuancheng Infrastructure for Industrial Relocation  
(Ln. No. 8270-CN)  
Cancellation and Amendment to Loan Agreement

Dear Mr. Chen:

We refer to the Loan Agreement (the Loan Agreement) dated August 16, 2013 between the People’s Republic of China (the Borrower) and the International Bank for Reconstruction and Development (the Bank) for the above-referenced project (the Project).

We also refer to: (a) the letter from the Ministry of Finance, dated September 1, 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 (b) the letter from Mr. Zhong Dongyon, Mayor, Xuancheng Municipality, dated November 15, 2016, setting forth certain commitments on behalf of Xuancheng Municipality. On the basis of the foregoing, we are pleased to inform you that the Bank concurs with the request, and accordingly agrees on the following:

1. In accordance with the provisions of Section 7.01 of the General Conditions for Loans applicable to the Loan Agreement, the Bank hereby cancels, as of September 1, 2016, an amount equal to USD 60,000,000 from Category (1) set forth in the table in Section IV.A.2 of Schedule 2 to the Loan Agreement.

The withdrawal table set forth in Section IV.A.2 of Schedule 2 to the Loan Agreement (the “Withdrawal Table”) has been revised accordingly and the revised withdrawal table is set forth in the Annex to this letter.

2. The Loan Agreement is further amended as follows:

a. (i) The percentage of expenditures to be financed for Eligible Expenditures for Category (1) of the Withdrawal Table is increased from 61% to 100%; and (ii) the proceeds of the Loan are reallocated among the Categories of the Withdrawal Table; both as set forth in the Annex to this letter.
b. Item (12) in Section I (Definitions) of the Appendix to the Loan Agreement is deleted in its entirety and replaced by the following:

“12. "Project Area" means the area of approximately 14.6 square kilometers located within Phase 2 of XETDZ, bordering: (a) to the north with Huanshanbei Road; (b) to the east with both Jinglin Road and Chachang Road; (c) to the south with Baochengxi Road; and (d) to the west with Changqiao Road, as well as the site of the Changqiao wastewater treatment plant referred to in Part B.2 of the Project.”

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

Please confirm your agreement to the amendments set forth in paragraph 2 to this letter on behalf of the Borrower 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 upon receipt by the Bank of a duly countersigned original of this letter by the authorized representative of the Borrower.

Yours sincerely,

[Signature]

Bert Ho man
Country Director, China

CONFIRMED:
PEOPLE’S REPUBLIC OF CHINA

By: [Signature]
Authorized Representative

Name: Zhongjing Wang
Title: Deputy Director-General
Date: February 14, 2017
## ANNEX

**Loan No. 8270-CN**  
**Revised Withdrawal Table**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works</td>
<td>81,125,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods</td>
<td>3,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Consultants’ services</td>
<td>3,320,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Training and Workshops</td>
<td>1,680,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Front-end Fee</td>
<td>375,000</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>(6) Interest Rate Cap or Interest Rate Collar premium</td>
<td>0</td>
<td>Amount due pursuant to Section 2.07(c) of this Agreement</td>
</tr>
<tr>
<td>Amount Cancelled as of September 1, 2016</td>
<td>60,000,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>150,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
CC: 
Ms. Ye Jiandi, Director
Mr. Zhang Lei, Deputy Director
IFI Division 1, International Economic and Financial Cooperation Department
Ministry of Finance
Email: yeduanluo@sina.com; zhangleimof@sina.cn

Mr. Li Junyuan, Director
Mr. Feng Baoshan, Deputy Director
Foreign Loans Division, Foreign Fund Utilization Department
National Development and Reform Commission
Email: lijy@ndrc.gov.cn; fengbsh@126.com

Ms. Liu Hua, Division Chief
International Debt Management Division
Anhui Provincial Finance Bureau
Anhui Province
Email: afbwbd@vip.sohu.com

Mr. Zhang Liyong, Vice Mayor
Xuancheng City, Anhui Province
Peoples’ Republic of China
Fax: 0563-3023719
Email: xzqzly@126.com

Mr. Dai Gaojun, Deputy Director
Xuancheng Development and Reform Commission
Director of Xuancheng PMO
Xuancheng, Anhui Province
Fax No: 0563 3022782
Email: xcfgwdgj@163.com

Mr. Chen Xianping, Director
Xuancheng Municipal Finance Bureau
Xuancheng, Anhui Province
Fax No: 0563 3023117
Email: xcczcxp@163.com