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

People’s Republic of China – Second Liuzhou Environment Management Project  
Loan No. 8005-CN  
Amendment to Loan 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 May 25, 2011 (the “Loan Agreement”) and the Project Agreement of the same date between the Bank and Guangxi Zhuang Autonomous Region (the “Project Agreement”) for the Second Liuzhou Environment Management Project (the “Project”).

We also refer to your letters dated June 25 and November 23, 2015, requesting the restructuring of the Project, which require certain amendments to the Loan and the Project Agreement. We are pleased to inform you that after due consideration, the Bank concurs with your request and hereby amends the Loan Agreement as set forth below:

1. Part 1. of Schedule 1 is amended to read as follows(emphasis added):

“1. Construction, expansion, and/ or equipping of wastewater treatment plants and sewerage systems in the Sanjiang, Rong’an, Rongshui, and Licheng Counties, and in the Shatang, Guantang, Liubei, and Yufeng Districts of Liuzhou.”

2. The withdrawal table set forth in Section IV.A.2 of Schedule 2 is amended to read as set out in the Attachment to this Letter.

3. The Closing Date in Section IV.B.2 of Schedule 2 is extended to November 30, 2017.
4. The definition of "EMP"s" in paragraph 6 of Appendix is amended to read as follows:

"6. The acronym "EMP" means, collectively, the Project Implementation Entity’s Consolidated Environmental Impact Assessments Report dated August 13, 2010, the Environmental Management Plan dated December 19, 2010, and revised on September, 2014 which set out, with respect to the Project, measures for the protection of the environment; conservation of, and mitigation against adverse impacts on, natural habitats or their function; and avoidance of, or mitigation against, adverse impacts on physical cultural resources, as well as administrative and monitoring arrangements to ensure the implementation of said plans, as said plans may be revised from time to time with the prior written agreement of the Bank."

5. The definition of “Project County/District” in paragraph 16 of Appendix is amended to read as follows:

“16. “Project County/District” means, individually, the Borrower’s Sanjiang, Rong’an, Rongshui, and Liucheng Counties, and the Shatang, Guantang, Liubei, and Yufeng Districts, and any successor thereto; and “Project Counties/Districts” means, collectively, all such counties and districts.”

6. The definition of “RAP” in paragraph 18 of Appendix is amended to read as follows:

“18. The acronym “RAP” means the Project Implementation Entity’s Consolidated Resettlement Action Plan dated May 25, 2010 and revised on October, 2015 which set out the principles and procedures governing the acquisition of land and other assets, and the resettlement, compensation and rehabilitation of Displaced Persons on account of the execution of Parts 1 and 2 of the Project, as well as monitoring and reporting arrangements to ensure compliance with said plans, as the same may be revised from time to time with the prior written agreement of the Bank."

Except as specifically amended by this amendment letter, all other provisions of the Loan Agreement shall remain in full force and effect. The Project Agreement is similarly being amended as reflected in an amendment letter to the Project Agreement of even date.
Please confirm your agreement to the amendments set out above by having an authorized representative of the Borrower sign and date the 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 following two amendment letters: (a) a duly countersigned original of this letter by the authorized representative of the Borrower; and (b) a duly countersigned original of the amendment letter to the Project Agreement by the authorized representative of Guangxi Zhuang Autonomous Region.

Sincerely yours,

Bert Hofman
Country Director, China

Confirmed and agreed:
PEOPLE'S REPUBLIC OF CHINA

By: [Signature]
Authorized Representative

Name: Yang Yingming

Title: Deputy Director General, MoF

Date: Dec. 17, 2015

cc: Mr. Tang Renjian
Executive Vice Chairman
Guangxi Zhuang Autonomous Region
People’s Republic of China
**ATTACHMENT**

Revised Withdrawal Table under Section IV.A.2 of Schedule 2 to the Loan Agreement  
(Loan No. 8005-CN)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in Dollars)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works</td>
<td>116,218,850</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods</td>
<td>29,081,150</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, consultants’ services, non-consultant services and Training for Part 3 of the Project</td>
<td>1,780,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) 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>(5) Premium for Interest Rate Cap or Interest Rate Collar</td>
<td>0</td>
<td>Amount payable pursuant to Section 2.07(c) of this Agreement and in accordance with Section 4.05(c) of the General Conditions</td>
</tr>
<tr>
<td>(6) Interest During Construction</td>
<td>2,545,000</td>
<td>Amount payable pursuant to Section 2.04 of this Agreement and in accordance with Section 2.07(c) of the General Conditions</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>150,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
cc: Mr. Yao Licheng, Director  
Mr. Peng Xiang, Deputy Director  
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