MEDIA RELEASE

Singapore-Liaoning Economic and Trade Council identifies opportunities in services sector in Liaoning as cities expand

IE Singapore facilitates Crestar Education’s S$1 million investment in Shenyang; Pacific International Lines to open a ship repair and recycling yard JV project on Changxing Island

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Singapore, Monday, 23 April 2012

1. The coastal province of Liaoning grew at a GDP of 12.1% and attracted US$24.2 billion worth of investments in 2011, making it the province with the second highest FDI in China. The key cities of Shenyang and Dalian are expanding their urban areas to boost growth, creating opportunities for Singapore-based companies in the services sectors.

2. Mr Gan Kim Yong, Minister for Health, is now in Liaoning with 65 Singapore-based companies. This business mission follows the 6th Singapore-Liaoning Economic and Trade Council (SLETC) meeting held in Singapore last September. Minister Gan and Liaoning Governor Chen Zhenggao are the Co-Chairmen of the Council, with IE Singapore as the Singapore secretariat.

3. Said Minister Gan, “Liaoning is an attractive investment location due to several factors. First, it plays a key role in the Central government’s plans to revitalise the Northeast region; second, it is geographically close to key economies like Korea and Japan, serving as China’s gateway to Northeast Asia; third, it has relatively lower operational costs. Coupled with these advantages, cities like Shenyang and Dalian are growing their urban areas to boost growth. This creates new opportunities for our companies in services, including urban solutions, transport and logistics, and even consumer-related areas like pre-school education.”
4. IE Singapore organised the mission jointly with the Singapore Chinese Chamber of Commerce and Industry (SCCCI). Companies on the mission span sectors from urban solutions, transport and logistics, environmental and business services.

**Expansion of urban areas creates opportunities in services**

5. GDP of Shenyang and Dalian hit 12.6% and 14% respectively in 2011. The governments are expanding urban areas to spread out their commercial centres, and reduce congestion. This will increase demand for services in urban solutions, transport and logistics, and education, lining up perfectly with the strengths of Singapore-based companies.

6. The Dalian government will increase dedicated urban area from 609 sq km to about 2,900 sq km by 2021. In Shenyang’s 12th Five Year Plan, the government focuses on developing four key areas: Shenbei New Area in the north (北部的沈北地区), Shenxi Industrial Corridor in the west (部的沈西工业走廊), Hunnan Region in the south (南部的大浑南地区) and Qipanshan Tourist Resort in the east (东部的棋盘山旅游度假区). This strategy re-looks at the city’s layout, with plans to expand the city space by developing four key areas. The delegation visited some of these new areas – Jinzhou New Area¹ (金州区) and Ganjingzi District² (甘井子区) in Dalian, and Shenbei New Area³ (沈北新区) in Shenyang.

**Crestar seals pre-school project in Shenyang with IE Singapore’s assistance**

7. Today, Crestar Education Group signed a Collaborative Agreement with Chinese real estate company Country Garden Group for a pre-school project in Yuhong District of Shenyang. IE Singapore worked with the company over the years on their entry into China including Liaoning. The S$1 million project in Yuhong is Crestar’s largest kindergarten in Shenyang and will open in March 2013. It now has eight kindergartens in Liaoning. Yuhong is a new district with population of 660,000 and a focus district in Shenyang’s 12th Five Year Plan. *(Please see Annex 1 for more details on the project)*

¹ Jinzhou New Area focuses on three key industries clusters: petrochemical industrial base, advanced manufacturing industrial base and Asian electronic information industrial base.

² Ganjingzi District is the hub and gateway for transportation inside and outside Dalian, where the Dalian International Airport, the new Dalian Railway Station, Shenyang-Dalian Expressway exit, Dalian Port cargo terminal and passenger terminal converge are located.

³ Shenbei New Area has municipal administrative privileges and some rights of state-level development zones. To revitalise old industrial bases and serve the economies of Northeast Asia and Shenyang Economic Region, Shenbei has embarked on a project to build a modern international Eco-City in Northeast China.
Continued focus on Liaoning Coastal Economic Belt Zone

8. The Liaoning Coastal Economic Belt Zone strategy (沿海经济带发展战略) is the SLETCC’s key focus. The zone comprises the ports of Dalian (including Changxing Island), Jinzhou, Yingkou, Huludao and Dandong. This strategy focuses on developing industries like shipbuilding, petroleum refining, advanced equipment manufacturing, raw materials, high-tech industries and agriculture processing. This will offer opportunities in supporting services, including water and waste management.

9. On Thursday, Pacific International Lines (PIL) officially opens its Ship Repair and Ship Recycling Yard on Changxing Island. This S$600 million joint venture is the result of the strategic partnership established among PIL, Dalian Shipbuilding Industry Corporation and Angang Steel Company Ltd. Another Singapore-based company, IMC Group, will complete the construction of its fourth berth on Changxing Island by the end of 2012. It is also looking into the possibility of participating in another six berths.

10. Beyond Changxing Island, Yingkou is another part of the Liaoning Coastal Economic Belt Zone that Singapore-based companies should explore. Growing at GDP of 15% last year, Yingkou is strategically situated between Shenyang and Dalian, serving as a key connecting point. Much effort has been put in to improve Yingkou’s transportation network, including construction of the new Yingkou airport and the new Harbin-Dalian Express Train.

11. The business delegation will visit Yingkou Port and Yingkou Bonded Logistics Centre tomorrow. The mission ends this Thursday.

Annex 1: Information on Crestar’s MOU signing
Annex 2: Chinese terms

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Singapore-Liaoning Economic and Trade Council

The Singapore-Liaoning Economic & Trade Council (SLETC) was established on 18 November 2003. The launch of SLETC was witnessed by then Singapore Prime Minister Goh Chok Tong and Chinese Premier Wen Jiabao. The Council is to promote economic exchanges and cooperation between Liaoning Province and Singapore. It is formed by leaders, government officials and private sector representatives of Singapore and Liaoning.

The Council shall endeavor to achieve its objective through the following means:

a. exchange of economic data and information, and familiarize each other on the respective economic policies;
b. promote, guide, and assist in bilateral trade and investment;
c. organise exchange activities in the areas of economic, trade, and investments;
d. coordinate and help businesses solve problems in joint businesses;
e. other work that are mutually beneficial for economic and social development.
Collaborative Agreement between Crestar Education Group and Country Garden Group, 23 April 2012

Crestar Education Group signed a Collaborative Agreement with Chinese real estate company Country Garden Group to operate and manage the kindergarten in Country Garden’s Galaxy Palace Project. This is a mix development located at the north of Hunhe River in Yuhong District, Shenyang. It includes high-end apartments, villas, a five-star resort hotel and a shopping mall. Occupying 4,000 sqm, the kindergarten comprises 12 classes, with capacity of 400 students. Total investment for this project is about S$1 million and marks Crestar’s largest kindergarten in Shenyang. The kindergarten will be opened at the end of the year.

With this new addition, Crestar now has 8 kindergartens in Liaoning – 5 in Dalian, 1 in Fushun and 2 in Shenyang. The company plans to open more in Shenyang and other parts of Liaoning such as Panjin.

The Collaborative Agreement was signed by Mr Simon Lam, General Manager, China Division, Crestar Education Group and Mr Wu Yang, Deputy MD, Garden Real Estate Co., Northeastern Division.

Chinese terms

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<tr>
<th>Singapore-Liaoning Economic &amp; Trade Council</th>
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<tr>
<td>International Enterprise (IE) Singapore</td>
<td>新加坡国际企业发展局（简称：企发局）</td>
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<tr>
<td>Mr Gan Kim Yong</td>
<td>颜金勇先生</td>
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<td>Minister for Health</td>
<td>新加坡卫生部部长</td>
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<td>Co-Chairman</td>
<td>联合主席</td>
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<td>Mr Chen Zhenggao</td>
<td>陈政高先生</td>
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<td>Liaoning Governor</td>
<td>辽宁省长</td>
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