



News Release

CHONGQING EXPRESSWAY GROUP ANNOUNCES SUCCESSFUL 49 PERCENT EQUITY DIVESTMENT OF ITS TOLL ROAD ASSET TO INTERNATIONAL INVESTOR THROUGH PUBLIC-PRIVATE PARTNERSHIP TRANSACTION

***Landmark transaction in China completed with technical assistance from
the World Bank's Singapore-based Infrastructure Finance Centre of
Excellence and the Singapore Cooperation Enterprise***

**Chongqing, Republic of China
9 December 2011, Friday**

Chongqing Expressway Group announced the successful financial close of a Public Private Partnership (PPP) transaction by Chongqing Expressway Group (CEG) to divest shares in an operational toll road. The transaction is part of the Chongqing City Government's ambitious urban transportation development plan, and is expected to further boost economic and industrial activity in and around the fast-growing city. The deal is of significant strategic importance on the development of expressway and infrastructure financing in China, and establishes a partnership model that can be replicated to similar PPPs across China in the future.

The successful equity investor – IL&FS Transportation Networks Ltd (ITNL) will hold 49 percent equity stake in the Yu He Expressway. The 58km Expressway has 4 lanes, 55 bridges (including 3 wise span bridges) and 5 tunnels. It has been in operation for 9 years, with 21 years of concession period remaining. The PPP has received strong support from the Central Government through the city's Finance Bureau and State owned Assets Supervision and Administration Commission (SASAC).

The project was developed with the technical assistance of the World Bank Infrastructure Finance Centre of Excellence (IFCOE) based in Singapore. The IFCOE provides unbiased policy advice to governments, and channels global knowledge and expertise on infrastructure financing from the public and private sectors from developed countries, including Singapore, to emerging economies. It aims to address the growing demand for technical and financial capabilities to structure commercially viable infrastructure projects that can attract funding from commercial banks and private sector investors, with the objective of developing a viable pipeline of projects for private investors.

The CEG transaction marks the first successful collaboration of its kind between the IFCOE and SCE in China. Through IFCOE's partnership with SCE, relevant Singapore based transaction advisors were pooled together to share Singapore's best practices on PPP infrastructure financing along with other relevant international experience to help CEG structure the landmark transaction. The IFCOE worked with Singapore-based experts and SCE to help CEG select the toll road for divestment, and provided policy and technical advice to CEG and the Chongqing Municipal Government on the various steps involved in the preparation of the transaction to make the asset commercially bankable and attractive for international investors, as well as the international tender and financial close.

At the signing ceremony organized by the CEG, which included Chongqing Mayor Qifan Huang and other senior leadership of the Chongqing Municipal Government, Mayor Qifan Huang noted: "This transaction demonstrates the new role of World Bank in development in the way they have partnered with Singapore to set up the Infrastructure Finance Center of Excellence which has provided us technical assistance and helped us to raise investment from a well renowned company from another fast emerging country. This transaction would not have been possible without the continuous support of the World Bank and the Singapore Cooperation Enterprise. We look forward to our continued relationship with the World Bank's Infrastructure Finance Center of Excellence and Singapore Cooperation Enterprise, and our new partnership with Infrastructure Leasing and Financial Services of India."

Speaking at the ceremony, Mr. Kamran Khan, Program Director of the World Bank's

Infrastructure Finance Centre of Excellence, congratulated CEG and the Chongqing Municipal Government on the completion of the transaction and remarked: “It has been a privilege for us to participate in this innovative transaction which sets an important landmark for China, as well as other developed and developing countries around the world.”

Mr. Alphonsus Chia, Chief Executive Officer of SCE said: “SCE is happy to partner the World Bank and Chongqing Expressway Group in bringing the transaction of the Yu He Expressway to a financial close, with a successful investor. We are grateful to have had the opportunity to show what Singapore has expertise that is relevant to China’s budding interest in PPP models for its infrastructure development needs. We expect to see many more such projects in Chongqing and other parts of China.”

Issued by the Singapore Cooperation Enterprise