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Miscellaneous

* Asterisks denote mandatory information

Name of Announcer *	CITY DEVELOPMENTS LIMITED
Company Registration No.	196300316Z
Announcement submitted on behalf of	CITY DEVELOPMENTS LIMITED
Announcement is submitted with respect to *	CITY DEVELOPMENTS LIMITED
Announcement is submitted by *	Enid Ling Peek Fong
Designation *	Company Secretary
Date & Time of Broadcast	09-Mar-2011 18:03:21
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>> Announcement Details

The details of the announcement start here ...

Announcement Title *

Description

Attachments

 [09032011-BT_SBC.pdf](#)
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RESPONSE TO BUSINESS TIMES ARTICLE ON 9 MARCH 2011: "IOI SET TO PARTNER CDL IN SOUTH BEACH: SOURCES"

We refer to the abovementioned Business Times article dated 9 March 2011 ("**BT Article**"), and would inform that we have been requested by Singapore Exchange to clarify the following statements in the BT Article:

- i. Paragraph 6: "Kwek Leng Beng, executive chairman of CDL, said last month that the group eventually would like to own **more than 50 per cent** of the project, although he remains open to welcoming new investors."
- ii. Paragraph 12: "The project - located between Raffles Hotel and Suntec City, and next to the Esplanade MRT Station - was originally scheduled for completion by 2012 at a total development cost (including land) estimated at **\$2.5 billion.**"

We wish to clarify as follows:

1. City Developments Limited (the "**Company**") had already announced on 24 February 2011 that its subsidiary, Scottsdale Properties Pte. Ltd. ("**Scottsdale**"), currently a holder of 33 1/3% shareholding interest in South Beach Consortium Pte. Ltd. ("**SBCPL**"), had exercised its rights to acquire the entire 33 1/3% stake held by Istithmar Beach Road FZE ("**Istithmar**") in SBCPL. Completion under the conditional sale and purchase agreement between Scottsdale and Istithmar for Istithmar's 33 1/3% stake is subject to the fulfilment of certain conditions precedent. The Company will make the appropriate announcement upon completion of the proposed acquisition. Following the completion of the proposed acquisition, Scottsdale will own more than 50% shareholding interest in SBCPL.
2. In September 2007, the Company had announced that the consortium comprising Scottsdale, Istithmar and Elad Group Singapore Pte Ltd ("**Elad**") had been successfully awarded the tender for South Beach project at a tender price of \$1,688,888,000. In various statements made in the Company's quarterly financial results announcements released during 2009 and 2010, the Company had advised that the consortium had progressed towards refining the design plans and undergoing value-engineering reviews to enhance the South Beach development's efficiency and cost effectiveness. We would also like to highlight that the total development cost for the South Beach project as quoted in the BT Article, which appear to have arisen from press reports in December 2007, is not applicable taking into account the said refinements and reviews as well as the financing and construction cost environment over the last few years.

By Order of the Board

Shufen Loh @ Catherine Shufen Loh
Enid Ling Peek Fong
Company Secretaries
9 March 2011