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**Acquisitions and Disposals :: Changes in Company's Interest :: COMPLETION OF ACQUISITION IN SOUTH BEACH CONSORTIUM PTE. LTD. AND JV WITH IOI CORPORATION BERHAD**

\* 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
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**>> Announcement Details**

The details of the announcement start here ...

Announcement Title *	COMPLETION OF ACQUISITION IN SOUTH BEACH CONSORTIUM PTE. LTD. AND JV WITH IOI CORPORATION BERHAD
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Description	Please refer to the attached Announcement in relation to the above subject matter.
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**Attachments**

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**CITY DEVELOPMENTS LIMITED**  
(Company Reg. No. 196300316Z)

**ANNOUNCEMENT**

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1. **COMPLETION OF THE ACQUISITION OF ORDINARY SHARES IN SOUTH BEACH CONSORTIUM PTE. LTD.**
  2. **JOINT VENTURE WITH IOI CORPORATION BERHAD**
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1. **COMPLETION OF THE ACQUISITION OF ORDINARY SHARES IN SOUTH BEACH CONSORTIUM PTE. LTD.**

1.1 On 24 February 2011, City Developments Limited (the “**Company**” or “**CDL**”) announced, *inter alia*, that:

(a) Scottsdale Properties Pte. Ltd. (“**Scottsdale**”), an indirect wholly-owned subsidiary of CDL and a holder of approximately 33.33% shareholding interest in South Beach Consortium Pte. Ltd. (“**SBCPL**”), received notice from Istithmar Beach Road FZE (“**Istithmar**”) of its intention to sell its entire stake in SBCPL (the “**Istithmar Shares**”); and

(b) Scottsdale had exercised its right to acquire the Istithmar Shares and had entered into a conditional sale and purchase agreement (the “**Istithmar SPA**”) for the proposed acquisition (the “**Istithmar Acquisition**”). Parties have commenced the process for the fulfillment of the conditions precedent.

1.2 SBCPL is the lessee and developer of the South Beach project at Land Parcel 698 (Lot 858K of Town Subdivision 11) at Beach Road (the “**South Beach Project**”). The development for the South Beach Project has a total land area of 376,295 square feet (total gross floor area of over 1.6 million square feet) and has a leasehold tenure of 99 years. The development is expected to comprise of premium office space, luxury hotel, high-end retail outlets and prestigious city residences.

1.3 Further to the announcement on 24 February 2011, CDL wishes to announce that Scottsdale has on 5 April 2011 (following approval for the Istithmar Acquisition being obtained from the Urban Redevelopment Authority (“**URA**”) and upon fulfillment of other conditions precedent in the Istithmar SPA), completed the acquisition of 238,351,251 ordinary shares in the issued share capital of SBCPL, representing approximately 33.33% of the total issued ordinary shares of SBCPL, from Istithmar for a total cash consideration of S\$155,000,000.<sup>1</sup>

1.4 CDL further understands that IOI Corporation Berhad (“**IOI Corp**”), has also on 1 April 2011 completed the acquisition from Elad Group Singapore Pte Ltd (“**Elad**”) of 238,351,251 ordinary shares in the issued share capital of SBCPL (the “**Elad Shares**”), representing approximately 33.33% of the total issued ordinary shares of SBCPL (the “**Elad Acquisition**”). The approval for the Elad Acquisition had also been obtained from the URA prior to completion of the Elad Acquisition. The ordinary shares of SBCPL acquired by IOI Corp pursuant to the Elad Acquisition are held through Iselin Limited (“**Iselin**”), an indirect wholly-owned subsidiary of IOI Corp which was incorporated in the Cayman Islands and nominated by IOI Corp as the transferee of the Elad Shares for the purposes of the Elad Acquisition.<sup>2</sup>

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<sup>1</sup> Following the completion of the Istithmar Acquisition, Istithmar continues to hold a nominal equity interest in SBCPL of one (1) ordinary share.

<sup>2</sup> Following the completion of the Elad Acquisition, Elad continues to hold a nominal equity interest in SBCPL of one (1) ordinary share.

## 2. JOINT VENTURE WITH IOI CORPORATION BERHAD

CDL also wishes to announce that CDL and its wholly-owned subsidiary, Ascent View Holdings Pte. Ltd. ("**Ascent**"), have on 8 April 2011 entered into a subscription agreement with (i) IOI Corp, (ii) IOI Consolidated (Singapore) Pte. Ltd. ("**IOI Consolidated**"), and (iii) Scottsdale, for the subscription of ordinary shares in the share capital of Scottsdale (the "**Scottsdale Subscription**"). The Scottsdale Subscription was completed on 8 April 2011.

Pursuant to the Scottsdale Subscription, Ascent had subscribed for 115,229,998 new ordinary shares in the share capital of Scottsdale, and IOI Consolidated had subscribed for 114,770,000 new ordinary shares in the share capital of Scottsdale. Following completion of the Scottsdale Subscription and pursuant to the terms thereof:

- (a) Ascent presently holds 115,230,000 ordinary shares in the issued share capital of Scottsdale (including the two ordinary shares already held by Ascent prior to the Scottsdale Subscription), representing 50.1% of the issued share capital of Scottsdale, and IOI Consolidated presently holds 114,770,000 ordinary shares in the issued share capital of Scottsdale, representing 49.9% of the issued share capital of Scottsdale;
- (b) CDL and Ascent have entered into a joint venture agreement with IOI Corp and IOI Consolidated, to regulate the relationship of Ascent and IOI Consolidated as shareholders of Scottsdale (the "**Scottsdale Joint Venture**"); and
- (c)
  - (i) the entire issued ordinary share capital of Iselin, consisting of one (1) ordinary share (the "**Iselin Equity Stake**") has been transferred by IOI Consolidated to Scottsdale; and
  - (ii) Scottsdale has granted to IOI Consolidated a put option and IOI Consolidated has granted to Scottsdale a call option, in respect of the transfer to Scottsdale of all of the 174,342,527 redeemable preference shares issued by Iselin to IOI Consolidated (the "**Iselin RPS**"). Upon exercise of the put option or the call option (as the case may be), the Iselin RPS would be transferred to Scottsdale in consideration of a shareholder loan owing by Scottsdale to IOI Consolidated in the amount of S\$174,342,527,

(collectively, the "**Iselin Restructuring**").

Following completion of the Istithmar Acquisition, the Elad Acquisition, the Scottsdale Subscription and the Iselin Restructuring, CDL will hold approximately 50.1% interest in SBCPL whilst IOI Corp will hold approximately 49.9% interest.

## 3. INFORMATION ON FUNDING ARRANGEMENTS FOR SOUTH BEACH

Going forward, Ascent and IOI Consolidated may be required to contribute, in proportion to their respective shareholdings in Scottsdale, further funding estimated to be in the region of S\$500,000,000 each for the purposes of *inter alia* redeeming the existing mezzanine notes that were earlier issued by SBCPL, for working capital requirements and/or to finance the construction of the South Beach Project. This will further strengthen SBCPL's balance sheet and provide SBCPL to have access to ready funds to meet its various funding requirements.

SBCPL is in the process of securing a new S\$1.6 billion financing facility to be provided by the existing consortium of banks which had previously extended a S\$800 million facility to SBCPL in June 2009. The Company will keep shareholders updated in the event that there is any material development in respect of the new S\$1.6 billion financing facility. CDL Group's balance sheet continues to be healthy. As at 31 December 2010, net gearing ratio had reduced to 29.0% (as at 31 December 2009: 40.0%). This did not take into consideration any fair value gains on investment properties. Interest cover had also improved to 20.7 times for 2010 (2009: 14.5 times).

#### **4. FURTHER INFORMATION ON THE ISTITHMAR ACQUISITION, THE SCOTTSDALE SUBSCRIPTION, THE ISELIN RESTRUCTURING AND IOI CORPORATION BERHAD**

##### **4.1 Consideration for the Istithmar Acquisition**

The aggregate consideration for the Istithmar Acquisition was determined at arm's length and on a willing-buyer, willing-seller basis after taking into account, *inter alia*, the net asset value of the Istithmar Shares of S\$227,262,071 as at 31 December 2010, and satisfied by Scottsdale by the payment thereof in cash through internal sources of funds and available cash.

##### **4.2 Consideration for the Scottsdale Subscription, and the transfer of the Iselin Equity Stake and the Iselin RPS from IOI Consolidated to Scottsdale pursuant to the Iselin Restructuring**

The subscription amount payable in respect of Ascent's subscription for 115,229,998 new ordinary shares in the share capital of Scottsdale was S\$115,229,998, and was satisfied by the payment thereof in cash of S\$499 and the balance amount through a capitalisation of a part of an existing shareholder loan of S\$115,229,499 extended by Ascent to Scottsdale.

The aggregate consideration for the transfer of the Iselin Equity Stake comprising one (1) ordinary share in Iselin was S\$1, and was satisfied by the payment thereof in cash.

In addition, upon exercise of the put option or the call option (as described in paragraph 2(c)(ii) of this announcement), the Iselin RPS would be transferred to Scottsdale in consideration of a shareholder loan owing by Scottsdale to IOI in the amount of S\$174,342,527. The consideration for the transfer of the Iselin RPS was determined at arm's length and on a willing-buyer, willing-seller basis.

##### **4.3 Information on IOI Corporation Berhad**

IOI Corp is a public listed company on the Bursa Malaysia, and helms a group comprising of hundreds of companies (the "IOI Group") with business activities under three (3) key segments – plantation, resource-based manufacturing and property.

IOI Group's formation years were associated with real estate when it forayed into property development in 1982 followed by oil palm plantations in 1985.

Today, the IOI Group is internationally known as a leading global integrated palm oil player with operations stretching the entire palm value chain from seedlings to plantations to crop oil extraction to diverse value-added manufacturing across major continents - serving global markets in more than 65 countries. Closer to its home-base in Malaysia, the IOI Group is also prominently known as one of the leading property developers with significant investment holdings of prime real-estates.

#### **5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or Controlling Shareholders of the Company has any interest, direct or indirect, in the transactions described in this announcement, save in respect of his/its shareholdings (if any) in CDL.

#### **6. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the Istithmar SPA (as amended by a side letter dated 7 January 2011 and further amended by an amendment letter dated 5 April 2011) may be inspected at the registered office of CDL at 36 Robinson Road, #04-01, City House, Singapore 068877 during normal business hours for a period of three (3) months from the date of this announcement.

#### **BY ORDER OF THE BOARD**

Shufen Loh @ Catherine Shufen Loh  
Enid Ling Peek Fong  
Company Secretaries  
8 April 2011