

Press Release

## China State Construction Engineering Corporation to invest in SKAI Holdings' AED3.67bn (US\$1bn) Viceroy Dubai Palm Jumeirah

- ***Marks China State's first Middle East investment in its 61-year history***
- ***World's largest construction company to form joint venture firm, ASSAS, with Dubai's SKAI Holdings***
- ***Viceroy Dubai Palm Jumeirah project secures AED2.1bn worth of sales***

**Dubai, UAE, June 26, 2013:** China State Construction Engineering Corporation (Middle East) (L.L.C) (CSCECME), the regional operations of the world's largest construction company, has today announced it will invest in SKAI Holdings' AED3.67bn (US\$1bn) Viceroy Dubai Palm Jumeirah project, marking the Chinese firm's first investment in the Middle East in its 61-year history.

CSCEC, the main contractor of the Viceroy Dubai Palm Jumeirah, has formed a special purpose vehicle, ASSAS, together with SKAI Holdings, the Dubai-based real estate investment firm, reaffirming its commitment to Dubai's real estate sector.

"We are thrilled to be partnering with SKAI Holdings to develop this exciting new project, which we believe will become one of the region's most sought-after resorts. This is CSCEC's first investment in a development project in the Middle East and marks a significant milestone in our growth in the region," said Yu Tao, President and CEO of China State Construction Engineering Corporation (Middle East) (L.L.C).

"China has witnessed a surge in the number of individuals turning to alternative investments overseas as they look to preserve their wealth in light of its fast-changing economy. Dubai's strategic location between Asia, Europe and Africa together with its burgeoning real estate sector is set to become a vital area of growth for Chinese investment," he added.

"We are extremely pleased to be partnering with the world's largest contracting firm for our Viceroy Dubai Palm Jumeirah project. CSCEC's investment not only confirms its commitment to the region but also ensures that we are able to work in synergy to complete what is set to become one of Dubai's most prestigious hotel projects on time and to the highest possible standard," said Kabir Mulchandani, CEO of SKAI Holdings.

China, the world's second largest economy, is ramping up its investment in the Middle East as it looks to diversify its foreign assets. China and UAE trade has increased 35% every year for the last decade to reach AED128.5bn, according to the Dubai Chamber of Commerce and Industry.

CSCEC, which has been operating in the region since 2003, is China's largest construction, building work contractor and real estate conglomerate. In 2012, CSCEC's annual total value of contracts signed stood at AED631.7bn while turnover reached AED341.6bn.

Today's announcement follows weeks after SKAI Holdings launched the AED3.67bn hotel and furnished residences project on the Palm Jumeirah, Dubai. The development, which is currently under construction, is scheduled to be completed in 2016.

The resort has a unique investor model that enables buyers to purchase hotel rooms, which are then leased back in exchange for 40% of the room revenue. Based on current market conditions, investors' annual rate of return is estimated at 12%. The project has secured AED2.1bn worth of sales to date.

Viceroy Dubai Palm Jumeirah will offer its guests 481 large rooms and suites and 221 signature *Viceroy Residences* with breathtaking views of the Arabian Sea. The property's attractive location, situated at the base of The Palm Jumeirah archipelago, is easily accessible from mainland Dubai. The ideal location is just 15 minutes from the city's downtown centre, and is close to major tourist and business attractions such as the Dubai Marina and Dubai Media City.

Viceroy Dubai Palm Jumeirah will feature services and amenities created especially for the diverse group of business and leisure guests expected to frequent the hotel and residences. The hotel will also include spectacular dining venues hosted by world-class chefs and a modern spa. A beach club and a 100 metre-long pool will also be complemented by children's clubs, entertainment and sporting activities.

**ENDS**

## **Notes to Editors**

### **About SKAI Holdings [www.skaiholdings.com](http://www.skaiholdings.com)**

SKAI Holdings is a Dubai-based real estate investment firm. Launched in 2011, it offers the entire range of services in the real estate industry from development to refurbishment to sales and hospitality. Being involved in all sectors of the industry allows of seamless forward-integration and economies of scale. Property Development: SKAI Holdings is involved in the construction and development of properties across the UAE. Currently projects under development are valued at AED 3.6 billion.

**Property Investment:** SKAI Holdings purchases ready-properties with potential of improvement with their values, significantly enhances them and puts them back on the market.

**Property Development Completion:** SKAI Holdings identifies quality unfinished projects and through joint ventures with developer and contractors, infuses capital and know-how which results in completion of struggling incomplete projects.

**Brokerage:** SKAI Real Estate is a new brokerage firm of SKAI Holdings that will change the way the industry operates. It offers property for sale or for rent with the lowest commission in the market and full transparency. [www.skai-re.com](http://www.skai-re.com)

**Deluxe Serviced Apartments:** SKAI Residency brings a brand new range of modern and deluxe hotel apartments to Dubai. [www.skairesidency.com](http://www.skairesidency.com)

### **About China State Construction Engineering Corporation (Middle East)**

China State Construction Engineering Corporation Ltd (CSCEC) is China's largest construction, building work contractor and real estate conglomerate. In 2012 the company was listed as the No.1 Construction Company in the Global Top 500 by Fortune and No. 3 among Top 225 Global Contractors by ENR. CSCEC has enjoyed a longstanding reputation for completing a large number of renowned projects in its domestic market and abroad. The Shenzhen International Trade Center and Sun Hing Square projects, received national recognition for CSCEC's ability to achieve record delivery time frames while the New Hong Kong Airport Passenger Terminal has been labeled one of the top ten building projects of the 20<sup>th</sup> Century.

As an integrated part of and one of its major overseas operational entities, China State Construction Engineering Corporation (Middle East) (L.L.C) was formed in Dubai in 2005. The regional operations have comprehensive capabilities of undertaking major building, civil engineering and infrastructure works, steel structure works as well as mechanical & electrical works. During the past ten years CSCECME has been awarded a number of landmark projects in the GCC, including the Palm Jumeirah Garden Villa Projects, Sheikh Khalifa Specialist Hospital, the Emirates Road Extension, the Doha High Rise Office Building in Qatar and the new Central Bank of Kuwait headquarters in Kuwait.