

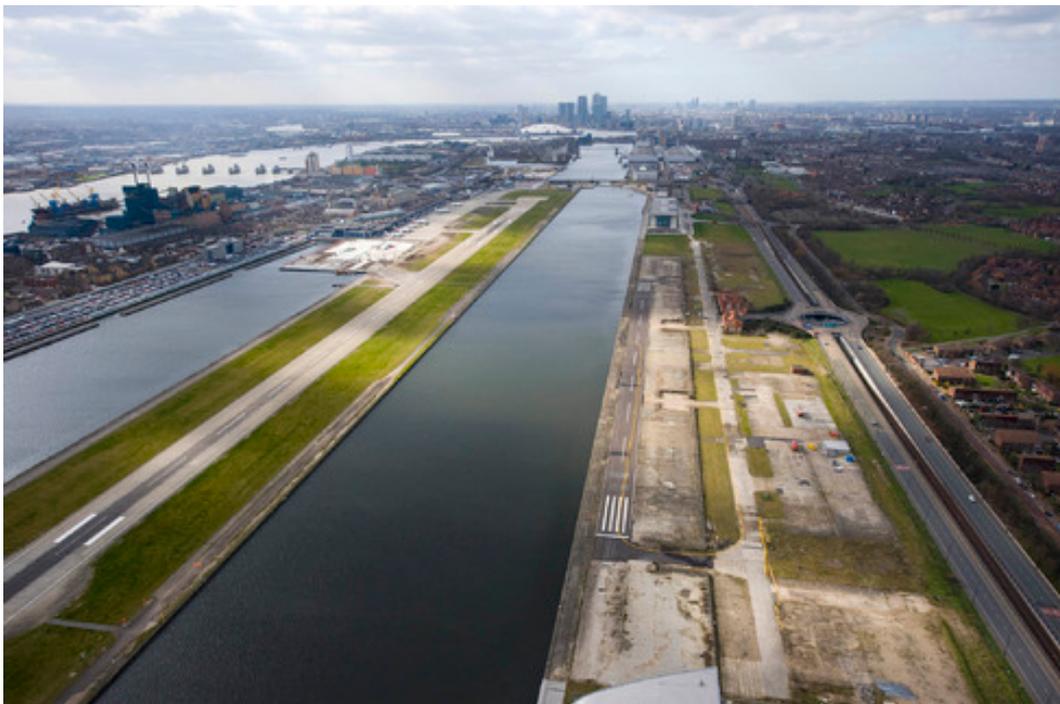
China Builder Revives \$2.6 Billion U.K. Project on Xi Visit

by Bloomberg News

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Royal Albert Dock in London. Photographer: Jason Hawkes/Getty Images

Chinese developer ABP (China) Holdings Group Ltd. has brought in a unit of state-backed Citic Group as an investor in a project to transform London's Royal Albert Dock into a financial center after the estimated cost surged and work was delayed.

ABP, which signed an agreement with London officials in 2013, formed a venture with Citic Construction Co. “to ensure the project will go forward,” it said in an e-mailed statement Wednesday. The venture will invest in and hold a 25 percent stake in ABP’s London unit, ABP said without disclosing Citic’s investment breakdown in the dock project. Citic Construction will serve as a contractor for the development, according to the statement.

The agreement was part of a string of deals Chinese President Xi Jinping signed during a state visit to London this week that would boost investment in the U.K., and helped revive a stalled redevelopment of the dock in the city’s Docklands area. The project was put on hold after ABP and co-investor China Minsheng Investment Corp. couldn’t agree on the stake holding, China Minsheng said in a statement last week. ABP’s statement didn’t mention China Minsheng.

“The Royal Albert Dock project will be guaranteed to be delivered on time and to a high quality,” ABP London said in the statement.

ABP said the project, which would redevelop a 35-acre (14-hectare) site near London City Airport into a third financial district, may almost double in value to 3 billion pounds, according to statement. The estimated cost escalated 70 percent since it was originally announced in 2013 to 1.7 billion pounds (\$2.6 billion).

The Beijing-based company plans to start construction work on the site early next year and deliver more than 600,000 square feet of office space by 2017. The entire 4.7 million-square-foot development will be completed within six to eight years, it said, adding that the first phase, spanning 4.4 million square feet, will be finished by 2018.

ABP will remain the main shareholder of the Royal Albert Dock project, it said in the statement. China Minsheng hadn’t signed an official investment agreement with ABP, it said in the statement last week. China Minsheng said Thursday it has no further comment following ABP’s statement.

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