

SE Business
HD **Echo links with HK groups in casino bid**
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Gambling

Echo Entertainment Group's decision to partner with two **Hong Kong** groups in its bid to develop a multibillion-dollar casino, hotel and residential project in Brisbane could boost the chances that rival Crown Resorts will seek a partner of its own, analysts say.

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A previous four-horse race to win the development rights to the Queen's Wharf site from the Queensland government has been whittled down to three contenders after Echo signed a binding memorandum of understanding with Chow Tai Fook Enterprises (CTF) and Far East Consortium (FEC).

If awarded, Echo will now contribute 50 per cent of the capital to the development of the resort and act as the operator under a long-dated gaming operator agreement. CTF and FEC would each hold a 25 per cent **stake** in the venture and also undertake the residential component of the broader project.

Before the deal was reached, CTF and FEC had been on the government's shortlist with a joint bid. The remaining contenders are James Packer's Crown and **China's** Greenland Investment, a property developer yet to line up a casino operator partner.

It is understood Echo held discussions with Greenland and Lend Lease about potential joint ventures before selecting the **Hong Kong** partners in part because of their deeper experience in the hospitality and tourism industry.

Lend Lease, which put in an expression of interest of its own but did not make the Queensland government's shortlist, has not ruled out pursuing a partnership with Crown.

A gaming analyst said Echo's decision to partner with the **Hong Kong** companies had derisked its bid significantly. Echo shares closed 3 per cent higher at \$3.16 on Monday.

The analyst added the expectation was Crown would also be in talks with potential partners about a joint bid. "Why wouldn't they be?"

Crown declined to comment.

Echo said the confidential nature of the bid process meant it could provide little additional information.

Echo chief executive Matt Bekier said in a statement that the Queensland market, including its Brisbane and **Gold Coast** properties, was a priority for Echo. The **company** already operates casinos in Brisbane and on the **Gold Coast**, but is limited in how it can redevelop its Brisbane property, which is housed in a heritage-listed building.

CTF is controlled by Cheng Yu Tung, whose family owns property, hospitality and retail interests across Asia, including Chow Tai Fook Jewellery, the world's largest jewellery retailer. FEC, listed in

Hong Kong, has been operating in Australia since 1994 and has a management team in Melbourne. It is developing the \$1.2 **billion** Upper West Side project in Melbourne.

CO crncas : Crown Resorts Limited | ekoe : Echo Entertainment Group Ltd.

IN i97912 : Gambling Industries | ilea : Leisure/Arts/Hospitality

RE austr : Australia | hkong : Hong Kong | china : China | brisbn : Brisbane | queensl : Queensland | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRIC Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia

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