

FINANCIAL REVIEW

SE Market Wrap - Street Talk
HD **Chinese** billionaire revealed as Hoyts mystery suitor
BY Edited by Sarah Thompson, Anthony Macdonald and Jake Mitchell
WC 432 words
PD 12 December 2014
SN The Australian Financial Review
SC AFNR
ED First
PG 14
LA English
CY Copyright 2014. Fairfax Media Management Pty Limited.
LP

China's 149th richest person, Sun Xishuang, who has links to cinema giant Dalian Wanda, is the mystery bidder for cinema chain Hoyts **Group**.

According to documents sent to Hoyts' offshore lenders on Thursday, Sun Xishuang is the owner of ID Leisure International Capital, the entity seeking to **buy** Hoyts from Australian private equity **firm** Pacific Equity Partners.

TD

Sun Xishuang is chairman of Dalian Yifang **Group**, one of the biggest **property** developers in **China**, and is both the investor and fund manager of ID Leisure.

Forbes says Beijing-based Mr Sun is worth \$US1.3 billion (\$1.6 billion) and is **China**'s 149th richest person.

However, it is understood Mr Sun also has links to **China**'s Dalian Wanda **Group**, including a 6.3 per cent stake in **Hong Kong**-listed Dalian Wanda **Commercial** Properties.

And, perhaps more relevantly, he is believed to have a 4.2 per cent interest in Wanda Cinemas.

Dalian Wanda, which has long been touted as the **group** most likely to take Hoyts off PEP's hands, paid nearly \$US3 billion for North American cinema theatre chain AMC Entertainment in May 2012.

According to offshore lending sources, PEP sent documents to lenders on Thursday which revealed the man behind ID Leisure. The documents come as Australia's largest private equity investor is seeking lender approval for the **transaction**.

Street Talk last week revealed that PEP was in talks to sell Hoyts to ID Leisure and was seeking a signed deal by the end of the year.

Hoyts is one of the final investments in PEP's portfolio. It is understood Hoyts is held across PEP's third and fourth funds, although much of the original equity has been returned to investors through dividend recapitalisations including a hugely successful recapitalisation in the US Term Loan B market last year.

Hoyts is the region's second-largest cinema operator with about 450 screens and 44 cinema complexes, according to PEP's website.

It also has a movies-to-home offering and owns the Val Morgan cinema advertising brand.

The **company** met with offshore equity investors in September, ahead of a potential \$800 million initial public offering. Hoyts chief executive Damian Keogh said the focus was on growing the **company's** premium cinema offering, where customers spent an average three times more on a trip to the movies.

However, the IPO plans were cut short as the trade talks ramped up. UBS and Gilbert + Tobin are advising PEP.

CO dwcrec : Dalian Wanda Commercial Properties Co Ltd | dwgrcl : Dalian Wanda Group Company Limited | hoytcn : Hoyts Cinemas Limited | peptr : Pacific Equity Partners

IN i81502 : Trusts/Funds/Financial Vehicles | i8150203 : Private Equity | i8396 : Diversified Holding Companies | i85 : Real Estate Transactions | i8500029 : Retail Real Estate | i97105 : Film/Video Exhibition | ialtin : Alternative Investments | ibcs : Business/Consumer Services | icireal : Commercial/Industrial Real Estate | icre : Real Estate/Construction | ifinal : Financial Services | iinv : Investing/Securities | ilea : Leisure/Arts/Hospitality | ireest : Real Estate

NS cacqu : Acquisitions | ccat : Corporate/Industrial News | c18 : Ownership Changes | c181 : Acquisitions/Mergers/Takeovers | cactio : Corporate Actions | ncat : Content Types | nfact : Factiva Filters | nfcpin : C&E Industry News Filter

RE china : China | austr : Australia | dalian : Dalian | liaon : Liaoning | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRICS Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia

PUB Fairfax Media Management Pty Limited

AN Document AFNR000020141211eacc00033