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 HD Chinese \$900m to polish Gold Coast's **Jewel** project
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The Wanda Group is entering the market for the first time

CHINESE hotel and development giant the Wanda Group will underwrite construction of the \$900 million triple-tower **Jewel** project on the Gold Coast in its first foray into the Australian development market.

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The Chinese-backed international group has announced it met the requirements of the Foreign Investment Review Board to invest in the gleaming **Surfers Paradise** luxury hotel and apartment proposal.

In a release to the Hong Kong Stock Exchange this week, Wanda Commercial Properties said the **Jewel** project would go to market early next year with an expected completion date of 2018, the year the Gold Coast will host the Commonwealth Games.

"The board believes that given the unique location of the **Jewel** property and its unobstructed waterfront views along **Surfers Paradise** of the Gold Coast, the company is confident it can maximise the development value of the **Jewel** property and generate attractive returns on this investment," the circular said.

Wanda is the 55 per cent shareholder in a partnership with Chinese-backed Ridong Group for the **Jewel** project, which had stalled after being launched to fanfare in 2011.

The Australian revealed that Wanda had been in discussions to buy into **Jewel** in July and held meetings with Trade Minister Andrew Robb, Queensland Premier Campbell Newman and Gold Coast Mayor Tom Tate.

Jewel is set to feature three towers — the premium, luxury and classic — housing a Wanda-branded five-star 188-room hotel, cinemas, karaoke and 470 apartments within the oceanfront site.

Wanda, China's biggest developer, will be responsible for any additional project funding over the \$290m stake from its Hong Kong-listed arm, Wanda Commercial Properties.

"Having regard to preliminary discussions with banks and the estimated construction costs, the company and Wanda HK have considered the total capital commitment of Wanda Australia Commercial can be reasonably set at \$290m", the circular said.

"In the event the capital commitment falls short of the actual funding requirements, Wanda HK will provide the necessary funding for **Jewel** Project Co, which will not be subject to any cap amount." The joint venture requires shareholder approval by November 30. The company said it expected 60 per

cent of the project's total cost, or \$540m, would be funded by bank loans and 40 per cent (\$360m) would come from shareholders of the joint venture **Jewel** Project Co.

Modified planning approvals are expected to be finalised by the end of this year ahead of construction and pre-sales starting in the first quarter of 2015.

Wanda Commercial Properties also reasserted its commitment to provide \$HK12.5bn (\$1.85bn) to fund further real estate projects in Australia through its Master Australia joint venture with Wanda HK.

"The company aims to obtain additional credit facility which may be used for the development of the **Jewel** Project and other real property projects in Australia to be taken up by Wanda Australia Commercial, if any, by the end of 2014," it said.

"The aggregate capital commitment of \$HK12,500m is determined with reference to, among other things, the current real property market in Australia and the expected acquisition and development costs for suitable real property projects." The Dalian Wanda Group has a string of shopping centres, five-star hotels, department stores and karaoke centres across China. In the past year it has embarked on an international drive, buying British Sunseeker yachts and American AMC cinemas, and investing in property in London and Spain.

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