

SE Features
HD LHG woos local Chinese market
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The Singapore-based group plans to list on the Australian bourse

THE Singapore-based Lian Huat Group plans to list a Chinese industrial property development company on the Australian bourse as it targets Australia's growing Chinese population.

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Mr Kho Choon Keng, Lian Huat Group's executive chairman told The Australian his company was working with the Australian Securities Exchange on documentation and a prospectus for the initial public offering of the company, LionHub Group. This listing is aimed for next month.

Lian Huat, which has a Sydney property portfolio of about \$45 million, has invested in an electronic company, Arasor International Limited suspended from trading on the ASX, and is using this for a backdoor listing. Arasor International has been renamed as LionHub Group Limited.

Lian Huat intends to seek shareholder approval to transform it into a property development and investment group.

Through its subsidiary Lian Keng Enterprises, Lian Huat Group holds a substantial stake in the new company, which has already attracted investor interest in Singapore.

Mr Kho said LionHub hoped to tap into the large reservoir of Chinese Australians and permanent residents from China in Australia for its capital raising.

But he hopes that LionHub will also appeal to the wider Australian investor base. "We chose to list in Australia because we see a niche for a developer of industrial properties in China on the ASX," said Mr Kho, adding that Arasor provided LionHub with an investor base of 4000.

Australia was experiencing a strong influx of Chinese investment and Chinese immigrants making it an appropriate location to list, he said.

Australia stood out as a nation with a strong commercial relationship with China, forged on the back of China's reliance on Australian resources. "Even though the resource boom is waning, we anticipate there will be a new wave of business opportunities," said Mr Kho.

Subject to shareholders' approval, its first project will be a business park on a 2.2sq km site in Xuancheng, a major city in the southeast of Anhui province in central China.

Mr Kho said the business park, Xuancheng Singapore Technology Park, would include warehouses/distribution centres, industrial buildings and campus-style offices.

"We do have a pipeline of development land, totalling 8sq km, which could provide LionHub with future projects," Mr Kho said.

The project had the backing of the Anhui provincial government, which was keen to develop logistics infrastructure to capture a slice of China's burgeoning e-commerce business.

Lian Huat first entered the Australian market in the early 1990s, developing the 32-level Hyde **Park** Tower **apartment** block in Elizabeth Street in central Sydney.

It acquired what was then the Southern Cross **Hotel** in Sydney, which was subsequently **sold** to the Toga **Group**, and renamed Vibe **Hotel**.

Other **residential** projects included a serviced **apartment** block on a **site** adjacent to the Southern Cross **Hotel** and 1 Dixon Street in **Chinatown**.

Mr Kho said the apartments were **sold** on completion, but that Lian Huat had retained a portfolio of strata-titled offices and retail space in various buildings in the central business district and **Chinatown**.

After more than a decade as a passive investor in Australia, during which the ownership of the parent **company** was restructured, Lian Huat was actively looking for sites on the **Gold** Coast and Brisbane for development.

"The competition for good sites has made it very difficult for us to secure the right land," he said.

Lian Huat **Group** has its core business in **property** and hotels, and is building a **hotel** with retail space and an upmarket **residential** block in Singapore. It is developing industrial properties in the northern **Chinese** city of Tianjin.

"We have been in **China** for many years now, developing in Tianjin (south-east of Beijing), and only recently went to Anhui Province," said Mr Kho. The **group** works with joint-venture partners in all projects in Singapore and **China**.

The total completed value of its current projects in Singapore and **China** is close to \$S1 **billion** (\$880 **million**).

Lian Huat is one of Singapore's largest and oldest privately held **property** groups. The Kho patriarch, Kho Beng Kang, founded the **company** as a nutmeg and mace trader in 1957.

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