

HD **Roundup: China Merchants wins historic bid for Newcastle port**

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SYDNEY, April 30 (Xinhua) -- China Merchants Group (CMG) Wednesday secured a critical foothold in Australia's key export port-city of Newcastle with State Premier Mike Baird and Treasurer Andrew Constance announcing the winning China Merchants Group bid - partnered with Hastings Fund Management - will secure the lease for 98 years.

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While investment bank Morgan Stanley tackled an intense bidding process on behalf of the New South Wales (NSW) state government - five separate groups were competing for the port including industry leaders ATEC, Cheung Kong Infrastructure and Macquarie Infrastructure.

The NSW government has agreed to lease the port for 98 years to Port of Newcastle Investments, a consortium which comprises Hastings Funds Management and CMG.

It is a landmark acquisition with the asset in its entirety - the world's largest coal export port, servicing more than 2,200 vessels carrying about 150 million tonnes of cargo in the past year - at the crest of an infrastructure wave that will reshape the city of Newcastle as well.

The state government came to terms over 98 years with the consortium comprising Hastings Funds Management and China Merchants, acting as Port of Newcastle Investments.

According to Treasurer Constance, the long-term lease will deliver gross proceeds of 1.75 billion Australian dollars.

Premier Baird confirmed 340 million dollars from the proceeds will be used for the revitalization of the Newcastle CBD, in addition to the 120 million dollars the government has already allocated to the project, which includes a new light rail service.

Baird described the deal as "momentous" and one that "exceeds all expectations."

He said the scale of this transaction means the people of Newcastle and the Hunter Region of NSW should enjoy a cascade of further initiatives in the region.

"Transactions such as this bring enduring benefits to communities and the economy, and build on the NSW government's successful track record in recycling mature state-owned assets to deliver major infrastructure projects that will unlock opportunities for growth, jobs and economic development," the premier told journalists in Newcastle.

The state government reached an agreement with Port of Newcastle Investments for the lease following a competitive five-month bidding process.

Treasurer Constance said the Port of Newcastle lease is the latest in a series of successful asset recycling projects, including the sale of Eraring Energy and Delta Electricity's western power stations, the long-term lease of Port Botany and Port Kembla, and the refinancing of the Sydney Desalination Plant.

"The strong level of interest from a highly-qualified and experienced bidding field - resulting in five final bids - is a powerful endorsement of Newcastle and the Hunter and the NSW government's ability to run a robust and transparent process."

Constance said the two members of Port of Newcastle Investments are well-known, long-term global infrastructure investors, with an attractive track record in asset ownership, **operations** and developments. Having built terminals in **China**'s major seaports, the CMG has been looking overseas for growth.

The CMG has a 50 percent share in a deepwater container port in Togo and is building a new 500 **million** U.S. dollars terminal in Colombo, a trans-shipment hub in the Indian Ocean.

"They have the infrastructure management experience and the resources needed to secure the ongoing development and professional management of the port," Constance said.

The CMG has consistently reported growing gross assets, five years ago at 201.2 **billion** yuan (29.5 **billion** U.S. dollars) and 1, 732 **billion** yuan (253.4 **billion** U.S. dollars) under management.

With a 140-year history as an owner and operator of ports and transport businesses, the CMG has been operating in the trading and retail sector in Australia for more than 20 years. In 2010, it acquired leading Australian-based container pallet logistics provider Loscam.

The looking-out policy has secured the **company** a massive global footprint with a proven track record across Asia and Africa and a renewed focus on the potential of the Asia-Pacific.

Hastings Funds Management and **China** Merchants Group are equal partners in Port of Newcastle Investments. Hastings has been involved in many successful government asset transactions, including the Sydney Desalination Plant and Cairns and Mackay Airports.

"I congratulate Port of Newcastle Investments on their successful bid and the NSW government looks forward to long and productive working relationship."

The NSW government will continue to retain regulatory oversight of the Port of Newcastle as well as responsibility for a range of maritime safety and security functions, including emergency response, harbor master, port safety operating license and pilotage functions.

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CO chkinf : Cheung Kong Infrastructure Holdings Ltd | hasfml : Hastings Funds Management Limited | hutwam : Hutchison Whampoa Limited | wstpac : Westpac Banking Corporation Limited

IN i5020017 : Harbor Construction | i831 : Financial Investments | i502 : Heavy Construction | iconst : Construction | icre : Real Estate/Construction | ifinal : Financial Services | iinv : Investing/Securities | i81502 : Trusts/Funds/Financial Vehicles | i8150211 : Unit Trusts/Mutual Funds

RE austr : Australia | china : China | sydney : Sydney | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRIC Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia | nswals : New South Wales

IPD Australia

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