

FINANCIAL REVIEW

SE Property
 HD **Chinese group swoops on rural deal**
 BY ExclusiveMatthew Cranston
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One of China's top 500 companies Hailiang Group has contracted to buy more than \$40 million worth of cattle and cropping land east of St George in southern Queensland.

The conglomerate is controlled by Feng Hailiang, China's 90th richest man according to Forbes, and has interests across mining, real estate, agriculture and education.

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The group, which outlaid \$34 million for a residential development site at Campsie in south-west Sydney in January, has agreed in principle to purchase about 50,000 hectares spread across two stations.

The 34,000-hectare Hollymount Station owned by Traikant - a holding company of the Duddy family - is to be purchased for about \$31.5 million and the neighbouring station Mount Driven, owned by Michael Gibbs, is to be sold for more than \$10 million.

The deals were struck around Christmas and are to settle in March. Ray White Rural's Bruce Gunning had been marketing Hollymount Station but could not be contacted. Neither of the buying or selling parties were available for comment.

Hailiang Group has about 12,000 employees and total assets of 58.74 billion yuan (\$12.1 billion).

The group is targeting an operating income of more than 120 billion yuan and total assets of 70 billion yuan by the end of this year.

Forbes records Mr Hailiang's wealth at about \$US1.7 billion (\$2.14 billion).

The Hailiang Organic Farming Company is the group's agricultural arm. Established in 2011 it provides "a comprehensive whole-industry chain of organic agriculture".

Hailiang Organic has set up plants and breeding facilities in 16 provinces including inner Mongolia and Guangdong and has distribution centres in Beijing and Shanghai. "By the end of 2020, Hailiang is supposed to be a world-leading brand," Hailiang's website said.

If the new purchases of the southern Queensland rural properties go through they will build on a steadily growing collection of Chinese investments in the area.

The two properties are less than 200 kilometres from Australia's largest irrigated cotton farm, Cubbie Station, purchased in 2013 by the Chinese and Japanese-backed consortium Shandong Ruyi for \$232 million.

Last year another Chinese group, Orient Agriculture, emerged as the buyer of south-west Queensland cropping property Undabri, about 120 kilometres away from the two properties, for \$30 million.

The transactions clearly reflect China's growing appetite for farmland and its ability to feed its massive population.

However, they come at a time when the federal government is enforcing greater transparency on foreign ownership of farmland.

Last week, it announced it would lower the screening threshold under which foreign investors must obtain approval for purchases to \$15 million.

IN ireest : Real Estate | icre : Real Estate/Construction

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

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