

THE AUSTRALIAN

SE Local

HD **China** begins its wool empire down under EXCLUSIVE

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LP IN a \$37 million move, one of **China**'s biggest textile manufacturing companies has snapped up two of Victoria's most prized pastoral properties in the fine merino heartland of the Western District.

The deal, shrouded in secrecy and confidentiality clauses, is the first step by the Zhejiang RIFA Holding **Group** towards establishing an elite merino sheep and fine wool empire in Australia.

TD A former state-owned machinery **company**, RIFA has signed contracts to **buy** the historic 2400ha Blackwood property near Dunkeld from the Ritchie family for about \$14m.

It has also signed a heads of agreement contract to **buy** one of the biggest and most productive grazing properties in western Victoria, the 2850ha "Minjah" aggregate at Woolsthorpe north of Warrnambool for \$23m from farmer and lamb exporter Tim Clarke.

The RIFA **group** is also understood to be negotiating to **buy** a third Western district pastoral estate and its 26,000 merino sheep, Banongil Station at Skipton, for more than \$20m from former VFL footballer turned Ballarat property developer Stewart Gull.

Other grand pastoral holdings close to Naracoorte, South Australia, are also believed to be under consideration for acquisition by the RIFA **group**.

News of RIFA's surprise move comes in the same week as **Hong Kong** investors announced the \$70m purchase of Australia's sixth-biggest **dairy** processor, United **Dairy** Power.

The little-known RIFA **group** is in the process of transforming itself from a **Chinese** government textile and loom-making machinery **company** to an "independent" corporation with a focus on precision machinery, investment, sports and agriculture.

It is not yet clear whether RIFA's ambitious rural play will require the approval of the federal government and the Foreign Investment Review **Board**.

While both deals are below the current threshold value of \$248m -- which triggers automatic FIRB review of private corporate newcomers -- Zhejiang RIFA's original status as a **Chinese** state-owned machinery enterprise and its unclear current ownership structure may attract the mandatory FIRB scrutiny of all foreign government or sovereign entities buying Australian farmland.

On its website, the RIFA Holding **Group** claims to have eight subsidiaries, 1500 staff and to be worth more than 10 **billion** yuan (\$1.9 **billion**).

It is also understood to own more than three **million** sheep in **China** -- although none are merinos -- in its agricultural holdings.

Blackwood and Minjah will be used by RIFA to breed and showcase the thousands of fine-woolled merino sheep that the **company** is expected to **acquire**.

NS ccat : Corporate/Industrial News

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