

# Landbridge Holdings: connecting China to the world

Hong Kong has been chosen as the premier platform for Chinese foreign investment

**A**s a specialist in port infrastructure, energy, petrochemicals, shipping and international trading, China's Landbridge Group has always looked to the wider world to grow its business.

In 2014, Landbridge Group became the first Chinese privately owned enterprise to successfully complete the merger and acquisition of an overseas previously listed company - Australia's gas company Westside Corporation. In 2015 the Group won a 99-year lease on Darwin Port, also in Australia. Completing the hat-trick, in 2016 the Group also acquired Panama's largest port at Margarita Island and invested in the construction of an advanced container port there to facilitate China-America trade and Maritime Silk Road development.

The wisdom of the Panama investment soon became apparent when less than a year later China and Panama established diplomatic relations in June 2017. A treaty on maritime transport was subsequently signed between the two countries to promote maritime and port development, which came into effect on 17 May 2018.

## Hong Kong is key to company strategy

In 2014, Landbridge Group, set up Landbridge Holdings Ltd, an investment vehicle in the heart of Hong Kong's Central business district, and this has brought success to the company according to Vincent Lai, Landbridge Holdings chief executive.

"The Landbridge Group in China has the overriding mission of developing port infrastructure overseas to encourage the mutual development of China and its partners abroad and to boost the growth of international trade," said Mr Lai.

"Our company in Hong Kong performs two important roles. First, we act as an investment holdings vehicle charged with managing and funding overseas investment. Secondly, we are here to run the growing shipping business. Hong Kong is the ideal location for both of these functions," he added.

As a major international financial centre, Hong Kong's financial markets are characterised by a high degree of liquidity and diversity, which operate under effective and transparent regulations.

"We were particularly attracted by the mix of the familiar Chinese financial institutions, who understand China's desire to invest overseas, and the access we

have gained to many international finance providers," said Mr Lai.

## High quality human resources

"To achieve our role of successfully fulfilling many strategic overseas investments on the part of our Chinese parent we also need the services of highly qualified accountants, lawyers and other financial advisers. We have found Hong Kong to be a rich source of such professionals," he added.

The company, which is already an active oil trader, owns three VLCCs and will take delivery of a further three similar vessels from China's Dalian shipyard in 2019, makes it the largest privately owned tanker company in China.

Prior to joining Landbridge Group, Mr Lai was the chief financial officer in Wah Kwong Maritime Holdings, one of Hong Kong's leading dynastic shipowners with profound experience in growing and managing fleets.

## Maritime centre of choice

"Our ambitions in the shipping sector meant that again Hong Kong was the perfect location for our operations. "It is home to an international maritime community that has strong connections with Mainland China, as can be seen by the presence of traditional Chinese family-run shipping companies and the more recent arrival of large state-owned shipping firms from the Mainland," he says.

While Hong Kong may not feature highly in crew offerings, gaining the necessary admission documents for ship's officers from Mainland China to Hong Kong has been a relatively easy operation, especially with the assistance of the InvestHK's Transport and Logistics Team.

"InvestHK has been a great supporter of our efforts. They have been most helpful in helping us overcome practical issues. They also have access to a superb financial and shipping network that they have kindly plugged us into and thereby smoothed our way to success," Mr Lai concluded.



Vincent Lai, chief executive of Landbridge Holdings Limited