



PRESS STATEMENT: pictured winning the G1 Caulfield Guineas in the colours of the China Horse Club. The exciting colt will stand his first season at Vinery Stud in Scone.
PHOTO COLIN BULL

The Orient Express

JESSICA OWERS delves into the China boom that is engulfing world racing, particularly in Australia.

Bloodstock agent Peter Ford will tell you a good story, the one that saw him cherry-pick Helsing from an Inglis broodmare catalogue. But ask a few more questions and he'll tell you something better. "My father," Ford says, "he paved the road into Asia that everyone is walking now."

As early as 1948, the Ford family were exporting Australian horses to Asia, at first mostly ponies, army remounts and police hacks, but into the 1960s it was racing stock. In 1966, Frank Ford sent 600 racehorses to Seoul, among 7000 animals the Fords estimate they have exported. Their destinations included

South Korea, Singapore, Malaysia and even Omar, in what may be the earliest large-scale commercial link between Australian and Asian bloodstock. It's that road that Peter Ford is talking about, the one that everyone is walking.

In the past handful of years, there has been an explosion of Asian buying presence within

Australian breeding circles. That's not to say it's a recent gig; the likes of Dato Tan Chin Nam and Ananda Krishnan have been doing business here for decades. But recently, Australian and New Zealand buying trends have leaned towards some big, wealthy Chinese names—China Horse Club, Yu Long Investments, Domeland and

Lang Lin, who refers to himself as “Mr Wolf”.

At William Inglis’ Easter sale this year, China Horse Club was the fourth-leading buyer by aggregate. At times in partnership with WinStar, Vinery or both, it bought 10 yearlings for \$4.35 million. Domeland, which has had an on-again-off-again relationship with Australia, bought five for \$1.3 million. A total of 19 yearlings were purchased by mainland Chinese groups for \$6.4 million, about six per cent of Easter’s aggregate. It’s a figure that will likely grow.

In New Zealand, similar patterns are emerging. A week after Inglis Easter, New Zealand Bloodstock’s (NZB) modest South Island Sale recorded China Horse Club via Michael Wallace as its leading buyer with 21 yearlings. The purchases accounted for 22 per cent of the catalogue. The sale itself witnessed a mammoth 121 per cent increase on its 2015 aggregate, with the clearance rate leaping from 64 per cent to 92 per cent.

Andrew Seabrook, managing director of NZB, called it “spectacular”. And the spikes are being seen across the bloodstock board. At the recently concluded Inglis Broodmare sale in Sydney, three of the top five lots went to Chinese buyers—Yu Long Investments, Sun Stud (formerly Eliza Park International) and China Horse Club (with Coolmore). The cheapest of these was \$580,000.

With an eye on this expanding market, in 2013 Inglis appointed a Chinese representative in bloodstock agent Jin Tian. A graduate of the Darley Flying Start program, Tian had worked at the Wuhan Jockey Club in central China’s most populous city, and his assignment to Inglis was double-jointed—identify potential new investors in China, and better service Inglis’ existing investors.

“By 2014 we were seeing Chinese faces showing up clearly at sales,” Tian says, “but at this stage, we are still seeing only a handful of clients coming from mainland China. They are the top players. The challenge is to get people who know nothing about racing.”

Despite this handful of clients

representing enormous buying power, Tian says these are the racing-educated Chinese, the likes of “Mr Wolf”, Ren Ningning and Zhang Yuesheng (Yu Long Investments), billionaires who know about the sport and move within it. Tian is looking to the rest of China’s wealthy who are yet to know anything about racing, which is understandable in a country with no (legal) gambling, no syndication and limited racing. And yet, many believe there has been a swell of interest from the Chinese public in the sport of horse racing.

Melbourne-based Barry Pang, whose part-ownership in Fiorente landed him the accolade of being the first Chinese owner of a Melbourne Cup winner, says China’s interest in this race alone is phenomenal.

“Mr Wolf” would back this up. Last year, the self-made fast-food billionaire intended to fly out 150 people to Australia to cheer home Mongolian Khan in the Melbourne Cup (the horse was scratched after a colitis scare). His obsession with winning the famous staying race is well documented. Young and boyishly enthusiastic, with little to no English, Lang is the founder and CEO of the Inner Mongolia Rider Horse Group, an emerging northern-China empire that has seen him spend a fortune on bloodstock, in particular in New Zealand. Conservative estimates say Lang has spent NZ\$11 million on more than 800 horses in the past four years.

“Chinese investment has been very important to New Zealand, particularly given the decline in volume of horses required for traditional export markets such as Macau and Malaysia,” says Andrew Birch, CEO of New Zealand Thoroughbred Marketing (NZTM).

“Not only have Chinese investors sought horses at lower levels for their emerging domestic market, but they have also provided some inward investment, racing horses in New Zealand or purchasing horses from New Zealand to race in our most significant market, Australia.”

Each week, there are new rumours in New Zealand that “Mr Wolf” has bought Cambridge Stud. None has been substantiated. Lang is believed to have met Sir Patrick Hogan during the May sales at Karaka, >



BILLIONAIRE INVESTOR: Yu Long Investment’s Zhang Yeusheng (left) with Inglis’ Chinese representative Jin Tian.
PHOTO: COURTESY OF WILLIAM INGLIS & SON



CHINA HORSE CLUB FOUNDER: Teo Ah Khing at Inglis’ Newmarket complex with Inglis managing director Mark Webster.
PHOTO COURTESY OF WILLIAM INGLIS & SON



KIWI HORSE OF THE YEAR: Lang Lin celebrates the 2016 Caulfield Cup winner Mongolian Khan's Horse Of The Year Award with New Zealand Racing Minister Nathan Guy (left) and interpreter Victoria Wang.

PHOTO NICOLE TROOST

only to be told Cambridge is not for sale. If it ever occurs, NZTM believes Lang will be the first Chinese owner of a breeding operation in New Zealand, though he won't be the only Asian presence. Highview Stud is the Australasian base for the Hong Kong Breeders Club, while the very successful Raffles Farm is owned by Malaysian Dato Yap.

For boutique breeder Tony Bott, the surge in Chinese investment is nothing new. Bott has operated Evergreen Stud Farm, located at Heatherbrae in the Hunter Valley, with Chinese investors for more than a decade. At first it was with Tony Cheung, but these days it is with the Sui family, affable, well-educated billionaires who manufacture, among other things, LED headlights, jacks, connector plugs and switches.

In partnership with Bott, they paid \$3 million in 2009 for Princess Coup, a record price for a broodmare for Magic Millions, which was passed in June when the China Horse Club and agent Bruce Perry paid \$3.4 million for the Listen Here, the dam of Shooting To Win and Deep Field. "I spent a lot of time in the East years ago, selling horses to Hong Kong and Singapore," says Bott, a former partner in Segenhoe Stud.

"I'd got to know a lot of people up there. A lot of the Chinese I was dealing with, particularly in Hong Kong, had been breeding and keeping horses down in Australia and New Zealand for many years, and you didn't hear a lot about it then. A lot of big players have come to the table since, and they are spending a lot more money

now, but the Chinese have been involved in a smaller way for many, many years."

Bott agrees with Jin Tian. The Chinese buyers that are already here are only a drop in the wider ocean of Chinese wealth. "It's very minimal compared to the potential that's there."

If Chinese investors have been dipping their toes here for a while, none have made a splash like the China Horse Club (CHC). Advertised as a "lifestyle club", it was founded in 2012 (named in 2013) by vivacious, Malaysian-born identity Teo Ah Khing. Teo had been critical in the design and construction of Meydan racecourse, and is a specialist in the planning of equine facilities. He is a man of the East with a penchant for the West, and boasts an enormous financial cushion.

The China Horse Club burst on to the racing scene with the endorsement of some of the biggest guns in world finance, including Joseph Deiss, formerly president of the UN General Assembly, and Andreas Jacobs, chairman of investment conglomerate Jacobs Holdings AG. Also on the board were John Magnier, of Coolmore, and John Warren, bloodstock adviser to Queen Elizabeth.

"Our ethos is that we are a lifestyle business and a thoroughbred racing club, and our priorities are very much in that order," says Eden Harrington, vice-president and head of marketing and

partnerships at the CHC.

"Our goal is to provide lifestyle and business opportunities for our members, and we do that through the portal of horse racing. That's the avenue through which our members enter."

The club does not disclose numbers on membership, but membership is by invitation only, and it's safe to assume you must fit a financial demographic. Harrington says that while membership is focused on mainland Chinese, the membership base is not exclusively mainland Chinese. "Membership is by invitation because we are very conscious of having like-minded people together, but one of our core elements is social responsibility (philanthropy, etc.). We certainly don't want the China Horse Club being seen as just a rich person's club."

The CHC is working very well as a platform between mainland China and the rest of the world, linking its members to financial and social opportunities around the globe. "Bringing China to the world, and the world to China," says Harrington.

To a great deal, it has achieved this because of horse racing. With its Coolmore partnership in Epsom Derby-winning colt Australia, the CHC had a lofty introduction to the sport. It has since bought interests in Australian stallions Vancouver, Dissident, Deep Field and Wandjina, and more recently Press Statement, Pride Of Dubai and Extreme Choice. In total, the club holds some claim to 11 stallions around the world. It has about 350 horses (racing and breeding stock) in seven different countries, and has celebrated winners in eight different nations. The obvious question then: with all this success and capital, will the CHC operate a farm of its own in the future?

"At the moment, our mentality on that is very clear—no, we don't want a commercial stud of our own standing stallions," Harrington says. "We are in a position now where we have a number of wonderful partners (Coolmore, Vinery, Newgate, WinStar, along with Sheikh Fahad al Thani and Sheikh Mohammed bin Khalifa, to name a few), and they're very, very good at what they do. If we were to set up our own



DOCKSIDE: circa 1960s, an early export of Ford horses waiting for the boat at Melbourne dock.

PHOTO COURTESY OF PETER AND JOHN FORD

operation, we'd run the risk of alienating some of these people, and that wouldn't be advantageous."

As such, that puts the CHC in a unique position within Australasian racing. Without a physical stallion property of its own, it is free to draw on the strengths of its top-tier partners, rather than compete with them. This sets the club aside from Eliza Park International, for example, which was bought in June 2013 by Macau's Cheng Ting Kong and his Hong Kong-based Sun International Group, and which changed its name, and branding, to Sun Stud as recently as April.

Sun International is a multi-faceted organisation involved in real estate, casinos and household goods, but it has been strategic in its handling of Victoria's largest breeding farm. Recently, it purchased a 50 per cent stake in Group 1 Australian Guineas winner Palentino (by Teofilo), a move the stud described as "the start of an expansion in Australian racing and breeding".

Yu Long Investments is also in Victoria. The company's founder, billionaire Zhang Yeusheng, has two properties in the hamlet of Bayles, near



THE RISING SUN: exciting colt Palentino (white blaze) holds off Tarzino to win the Group 1 Australian Guineas at Flemington. Palentino will stand at Sun Stud in Victoria in 2017.

PHOTO COLIN BULL

Pakenham, one an intended spelling and pre-training property, the other a broodmare farm. Zhang is a horseman.

In his Shanxi province, west of Beijing, he keeps an eventing team, importing Irish coaches and sport horses to compete at the best levels.

In Australia at least, it's his bloodstock buying that has made him famous. In 2016, he

was the leading buyer at the Inglis Classic Summer Yearling Sale, signing for 11 youngsters. At the time of writing, only two of these were destined for China. Zhang will send the others to race with trainers Mick Price and Darren Weir in Victoria and the Snowden partnership, father Paul and son Peter, in New South Wales.

In a time when much of

Australia grumbles nervously about foreign investment in agriculture, racehorse breeding and racing appears to be welcoming it.

The China Horse Club, Sui family, Yu Long Investments, Sun Stud and others are driving an economic boom in this industry that is felt from the sale rings to the breakers, vets and ground staff. **U**

2016 INGLIS AUSTRALIAN EASTER YEARLING SALE: CHINA PURCHASES

Lot	Col	Sex	Vendor	Sire	Dam	Purchaser	Price
478	B.	Filly	Kitchwin Hills, Scone	Snitzel	Cupid Shuffle	Golden East Horse Pty Ltd	\$120,000
416	B.	Colt	Yarraman Park Stud, Scone	Fastnet Rock	Mizzle (USA)	Golden East Horse Pty Ltd	\$360,000
134	B.	Filly	Newgate Farm, Aberdeen	Fastnet Rock	Valourina	China Horse Club	\$600,000
303	Gr.	Filly	Southern Cross Breeders (Ashleigh, Byerley), Hunter Valley	Foxwedge	Figure of Eight (FR)	China Horse Club	\$200,000
397	B.	Filly	Coolmore Stud, Jerry's Plains	Fastnet Rock	Menntou (IRE)	China Horse Club	\$500,000
10	B.	Colt	Sledmere Stud, Scone	Street Cry (IRE)	Planet Rock	China Horse Club / Vinery Stud / WinStar	\$650,000
75	Ch.	Colt	Musk Creek Farm, Flinders, Vic	Starspangledbanner	Sky Rubi	China Horse Club / WinStar	\$200,000
81	B.	Colt	Newgate Farm, Aberdeen	Exceed and Excel	So Tempted	China Horse Club / WinStar	\$400,000
311	Ch.	Colt	Middlebrook Valley Lodge, Scone	Choisir	Forest Beauty	China Horse Club / WinStar	\$160,000
315	Br.	Colt	Riversdale, Scone	Medaglia d'Oro (USA)	Frontal	China Horse Club / WinStar	\$700,000
322	Ch.	Colt	Segenhoe Stud Australia Pty Ltd, Scone	Choisir	Girl Hussler	China Horse Club / WinStar	\$520,000
356	Ch.	Colt	Edinburgh Park, Wingham	Sebring	Jester's Girl	China Horse Club / WinStar	\$420,000
33	Ch.	Colt	Milburn Creek, Wildes Meadow	Snitzel	Red Typhoon	Domeland Pty Ltd	\$150,000
41	B.	Colt	Segenhoe Stud Australia Pty Ltd, Scone	Pierro	Rocha	Domeland Pty Ltd	\$450,000
198	B.	Colt	Windsor Park Stud, Cambridge, NZ	Rip Van Winkle (IRE)	Better Alternative	Domeland Pty Ltd	\$370,000
199	Ch.	Colt	Widden Stud, Widden Valley	Sebring	Better Life	Domeland Pty Ltd	\$170,000
409	B.	Colt	Willow Park Stud, Scone	Fastnet Rock	Miss Helga (IRE)	Domeland Pty Ltd	\$170,000
162	Ch.	Filly	Glastonbury Farms, Scone	Sebring	Admiring	Yu Long Investments (Australia) Pty Ltd	\$210,000
196	B.	Filly	Erinvale Thoroughbreds, Buckley, Vic	Fastnet Rock	Bellelulia	Yu Long Investments (Australia) Pty Ltd	\$45,000

(data courtesy of William Inglis & Son)