

THE AUSTRALIAN BUSINESS REVIEW

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'King of Toys' Francis Choi offloads Sydney block

By BEN WILMOT

17 minutes ago. Updated 7 minutes ago The Australian Business Network



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Hong Kong-based Early Light International, controlled by billionaire Francis Choi, has offloaded a Sydney office block for \$196.4m, with the exit showing a 10 per cent dip on what the company paid five years ago.

Early Light had forked out about \$220m to buy the tower at 1 Castlereagh Street in the central business district from US private equity giant Blackstone in 2019. It then pumped about \$37m into revamping the complex and won new tenants, but is exiting at loss.

Mr Choi, founder and chairman of Early Light International, the world's largest toymaker, is known as the "King of Toys". But his holdings in hotels and property in China and Hong Kong, as well as Australia, have come under pressure as commercial values have dropped and China's property market has stalled.

Mr Choi is also [selling the nearby 20 Bridge Street](#), which is also in the Sydney CBD. Early Light had paid about \$335m in 2017 to buy the building from Malaysian pension fund Kumpulan Wang Persaraan, but with the ASX moving out, it could now trade around the \$270m mark.

The Castlereagh Street block has been bought by Sim Lian – Metro Capital, a Singapore-based private real estate fund management business managing a portfolio of office and retail assets in Australia. It already has 17 mixed-use retail and commercial assets across several NSW, Victoria, Queensland and Western Australia.

The 27-storey office and retail building is on a 1,164sq m site on the corner of Castlereagh Street and Hunter Street, opposite the entrance of the newly completed Sydney Metro at Martin Place Station.

Singapore-listed Metro Group has a stake in the venture that bought the building. Its chief executive Yip Hoong Mun said the tower was in the highly sought-after core precinct of Sydney's CBD, which is benefiting from flight-to location and flight-to-quality trends. "The acquisition enhances our portfolio in Australia and deepens our strategic partnership with Sim Lian," he said.

Knight Frank agents Dominic Ong, Paul Roberts, Ben Schubert and Jonathan Vaughan handled the sale.

The revamped building spans about 12,418sq m with 23 levels of offices and retail space on the ground and lower ground floors, as well as basement parking for 28 vehicles. It was extensively refurbished in 2020-2021 at a cost of \$24m as two storeys of penthouse office, and plant and equipment were shifted. Another \$13m was poured into a new lobby, tenant amenities, facade maintenance, and other upgrades.

The block is around 85 per cent occupied by tenants including Dental Boutique, Citrus Group, the Recruitment Company, Verkada Australia, Wrays and Red Bottle.

Mr Ong said the property attracted significant buyer interest from a wide range of parties, with the purchaser drawn to the location as it is close to iconic buildings including One Circular Quay, Brookfield Place, Martin Place Metro Towers, and Chifley South.

"The property is also directly opposite the newly opened Martin Place Metro Station entrance and within close proximity of the CBD's world-class transport options including rail, light rail and the ferry," he said.

Offshore investors, particularly those from Singapore, were "very active" in Sydney's office investment market, he said. There has been a series of purchases, including Singaporean group [Keppel buying a half interest in a Sydney skyscraper](#), 255 George St, from a Mirvac-run fund in a deal valuing that tower at about \$700m.

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**BEN WILMOT** COMMERCIAL PROPERTY EDITOR

Ben Wilmot has been The Australian's commercial property editor since 2013. He was previously a property journalist with the Australian Financial Review.

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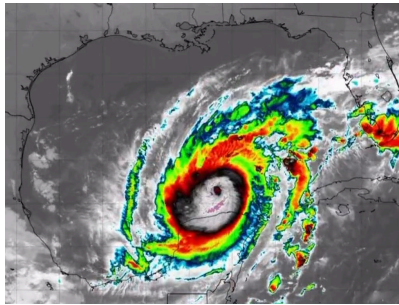


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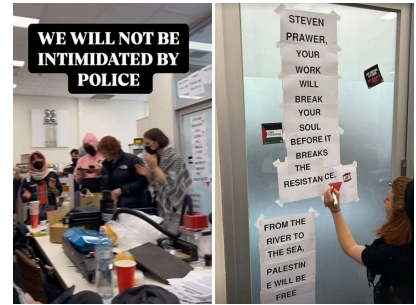


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