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Acquisitions and Disposals :: Changes in Company's Interest :: PROPOSED DISPOSAL OF 29.5% STAKE IN CHINA DAIRY GROUP LTD.

* Asterisks denote mandatory information

Name of Announcer *	FRASER AND NEAVE, LIMITED
Company Registration No.	189800001R
Announcement submitted on behalf of	FRASER AND NEAVE, LIMITED
Announcement is submitted with respect to *	FRASER AND NEAVE, LIMITED
Announcement is submitted by *	Anthony Cheong Fook Seng
Designation *	Group Company Secretary
Date & Time of Broadcast	28-Oct-2011 19:19:01
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>> Announcement Details

The details of the announcement start here ...

Announcement Title *	PROPOSED DISPOSAL OF 29.5% STAKE IN CHINA DAIRY GROUP LTD.
Description	Please see attached.

Attachments
 FNL-Proposed-Disposal-28.10.11.pdf
 Total size = **55K**
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FRASER AND NEAVE, LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No: 189800001R)

PROPOSED DISPOSAL OF 29.5% STAKE IN CHINA DAIRY GROUP LTD.

Pursuant to Rule 704(18)(c) of the Listing Manual of the Singapore Exchange Securities Trading Limited, Fraser and Neave, Limited ("**the Company**") announces that its wholly-owned subsidiary F&N Dairy Investments Pte Ltd ("**F&NDI**"), has today entered into a share purchase agreement ("**SPA**") with Oasis Ventures Limited ("**Purchaser**"), to sell its entire 29.5% shareholding interest in China Dairy Group Ltd ("**CDG**") comprising 129,700,000 shares in CDG ("**Sale Shares**") for an aggregate purchase price of approximately S\$37.9 million ("**Purchase Price**") (or S\$0.292 per Sale Share) ("**Transaction**"). The Purchase Price is payable in United States Dollars based on an agreed exchange rate.

The Purchase Price was arrived at following arm's length negotiations on a willing-buyer, willing-seller basis and taking into account, among other things, the net book value of the Sale Shares as well as transaction and trading comparables. The Purchase Price represents a gain of approximately S\$18 million, and the Purchase Price per Sale Share represents a premium of 156% to CDG's closing share price of S\$0.114 on 27 October 2011.

The Purchaser is a company incorporated in Hong Kong, and an affiliate of (or is controlled by) Shaanxi Coal and Chemical Industry Group Co., Ltd. (陕西煤业化工集团有限责任公司), a large state-owned company incorporated in the People's Republic of China.

The divestment by F&NDI of its interest in CDG is carried out to streamline its strategic objectives for the Company's food and beverage business in China.

The SPA is expected to be completed on or about 1 November 2011.

F&NDI currently has two nominees on the board of directors of CDG, who will resign from the board upon completion of the Transaction.

The Transaction is not expected to have a material effect on the net tangible asset value per share or earnings per share of the Group for the current financial year.

No director or substantial shareholder of the Company has any interest in the Transaction.

Anthony Cheong
Group Company Secretary

28 October 2011