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Danone to acquire a 49.9% stake in Yashili New Zealand

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Danone has signed a non-binding agreement to acquire a 49.9 per cent stake in Yashili New Zealand Dairy Company, after its Danone Asia Pacific Holdings (DAPH) subsidiary agreed a memorandum of understanding with Yashili International.



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Yashili New Zealand produces a range of dairy products such as infant formulas for consumers in China and New Zealand, and the company announced its intention to sell a non-controlling interest in certain factory assets on 23 May.

According to Yashili, the consideration, the payment method and the payment schedule shall be determined after arm’s length negotiations and mutual agreement between the parties.

The deal is subject to approval from the New Zealand Overseas Investment Office, approval from independent shareholders and satisfaction of other specific conditions as agreed by DAPH and Yashili (HK) following completion of DAPH’s due diligence exercise.

DAPH currently owns a 25 per cent stake in Yashili International, and this deal further strengthens its position in the infant formula market.

Yashili has a strong presence in New Zealand, and inaugurated an infant formula factory in Pokeno in 2015, which is capable of producing 50,000 tonnes of infant formula annually.