CHINA'S CEFC ADDS TO CZECH BUYING SPREE WITH AIRLINE, BREWERY DEALS

News / Airlines, Finance

China's sixth largest private company CEFC added to a weeklong buying spree in the Czech Republic on Saturday, announcing deals to buy a majority stake in a top brewery group and a share in an airline company in the central European country.

The Czechs have sought more investment ties with the world's second largest economy. This week President Milos Zeman was the only Western leader to attend a massive military parade to mark the end of World War Two in Beijing.

CEFC, which counts energy and financial services as its core businesses, had already announced a series of deals, including taking a majority in Slavia Prague, one of the oldest Czech soccer clubs.

On Saturday, CEFC China Energy Company said it had acquired a 10 percent stake in Travel

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Service, operator of airline Smartwings and the second-largest shareholder in Czech Airlines after Korean Air. CEFC said it planned to acquire a further 39.92 stake in Travel Service at a later date.

"An investment into the largest Czech airline operator is a big opportunity for us to develop our business in Europe," CEFC President Chan Chauto said. "We chose Prague as the headquarters of our European activities and plan to invest in all areas."

CEFC will also be the lead investor in a 1.9 billion crown ($78.46 million) deal to buy a 79.4 percent stake in brewer Pivovary Lobkowicz Group by taking 70 percent control of the special purposed company buying the share. Czech investment group J&T will hold 20 percent.

Lobkowicz Chief Executive Zdenek Radil, who had agreed to buy the brewery stake in June, will have 10 percent in the new shareholder and an option to buy another 10 percent from CEFC.

Lobkowicz is the fifth largest brewer in the Czech Republic - home of the original Pilsner lager and the world's highest per-capita annual beer consumption rate. It said CEFC's involvement will create opportunities in Asian markets.

CEFC had already announced this week it would buy two buildings in Prague's center and double its stake in J&T Finance Group to 9.99 percent, aiming to grow that to 30 percent.

It also said on Saturday it would buy minority stakes in communication firm Medea Group and media company Empresa Media, which owns television channel TV Barrandov and publishes weekly magazine Tyden.

05 SEPTEMBER 2015

SOURCE: REUTERS
ARTICLE LINK:
https://ids.50skyshades.com/news/finance/chinas-cefc-adds-to-czech-buying-spree-with-airline-brewery-deals

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