

Sanyuan to compete in auction of scandal-hit Chinese dairy company's assets

BEIJING, Feb. 15 (Xinhua) -- Beijing-based company Sanyuan confirmed on Sunday that Sanyuan Group and one of its subsidiaries would bid in next month's auction for Sanlu, a Chinese dairy company at the center of the milk contamination scandal.

Wan Qian, secretary for the board of directors of Beijing Sanyuan Foods Co. Ltd. confirmed the board had agreed that Hebei Sanyuan -- a full-asset subsidiary of Sanyuan Foods Co.Ltd.-- and Sanyuan Group would jointly bid in the auction for Sanlu, and the bid offered should not go beyond 110 percent of Sanlu's total value.

Beijing Sanyuan Foods Co. Ltd, with more than 5,000 people on its payroll, is a Sino-foreign venture which mainly produces dairy products. It also runs outlets of McDonalds and is involved in real estate development, according to a document posted on the company's website.

The company's decision was made known late Friday. Related announcements appeared at venues for securities trading across Beijing Saturday.

Beijing Sanyuan Foods decided to pool funds ranging 800 million yuan (about 117.65 million U.S. dollars) to one billion yuan through non-public selling shares to Sanyuan Group, Beijing Sanyuan's parent company, and Beijing Enterprises (Food) Co. Ltd., a big share holder, at 4 yuan per share, according to the announcements.

The money raised will be channeled to Hebei Sanyuan for its future business activities, including buying assets of Sanlu. Sanlu was declared bankrupt Thursday by the Intermediate People's Court of Shijiazhuang, capital city of Hebei Province. Hebei Sanyuan is expected to make up for the remaining financial shortage through measures including bank loans.

Beijing Sanyuan Foods Co. Ltd. also announced late Friday it would resume share trading Monday after its shares were suspended from transaction on Sept.25, 2008. The company's shares closed at 5.59 yuan that day.

Sanlu Group's assets will be auctioned on March 4 at the Intermediate People's Court of Shijiazhuang, according to a joint statement by the Hebei Jiahai Auction Co. Ltd., Hebei Dongfang Auction Co. Ltd. and Hebei General Auction Co. Ltd..

Sanlu Group's land use rights, buildings, machines and equipment will be up for bidding.

Assets also include Sanlu Group's investment rights and interests over three other dairy companies, the joint statement said.

Sanlu Group failed to repay outstanding debts, which surpassed its assets. It met the conditions for bankruptcy, according to the court order.

Sanlu Group has 274 creditors, the largest being Sanlu Business and Trade Company, a wholly-owned subsidiary of the group itself. The other creditors include banks, distributors and suppliers.

On Dec. 19, the Sanlu group borrowed 902 million yuan (132 million U.S. dollars) to pay medical fees of children sickened by baby formula tainted with melamine and to compensate victims, which increased its debt to 1.1 billion yuan.

Sanlu leased its plants to a subsidiary of Beijing Sanyuan Foods Co. Ltd. in December, days after the bankruptcy petition was accepted by the Shijiazhuang Intermediate People's Court.

Sanlu stopped production on Sept. 12. Its melamine-tainted baby milk powder was found to have caused the deaths of at least six children and sickened more than 300,000 other children.

Last month, it was fined 49.37 million yuan by the Shijiazhuang court, which also imposed a life sentence for Sanlu chairwoman Tian Wenhua. Tian was convicted of manufacturing and selling fake or substandard products by the Shijiazhuang Intermediate People's Court and sentenced to life in prison.

Sanlu Group at heart of China milk scandal ordered bankrupt by court

SHIJIAZHUANG, Feb. 12 (Xinhua) -- A Chinese court Thursday declared dairy giant Sanlu Group, the company at the heart of the melamine contamination scandal, bankrupt.

The Intermediate People's Court of Shijiazhuang, capital of northern Hebei Province, issued the bankruptcy order at the first meeting of Sanlu's creditors. [Full story](#)

Two in connection with China milk scandal sentenced to death

SHIJIAZHUANG, Jan. 22 (Xinhua) -- Two men in connection with China tainted milk scandal have been sentenced to death as of 3:00 p.m. Thursday by a local court. [Full story](#)

Sanlu Group fined nearly 50 million yuan over melamine scandal

SHIJIAZHUANG, Jan. 22 (Xinhua) -- Sanlu Group at the heart of China's melamine-tainted milk scandal was fined about 50 million yuan (7.3 million U.S. dollars) and its former board chairwoman Tian Wenhua was fined more than 20 million yuan, according to a court ruling on Thursday. [Full story](#)

Chinese court to sentence 21 defendants over tainted milk powder scandal Thursday afternoon

SHIJIAZHUANG, Jan. 22 (Xinhua) -- A Chinese court is set to sentence 21 defendants implicated in a tainted milk powder scandal Thursday afternoon, about three weeks after trials began late last month, a court spokesman has said. [Full story](#)

60 arrested over melamine-tainted Sanlu milk powder

SHIJIAZHUANG, Jan. 11 (Xinhua) -- Sixty suspects have been formally arrested over the melamine-tainted Sanlu milk powder that caused urinary problems such as kidney stones in thousands of babies in China last year. [Full story](#)

China to continue free medical treatment for tainted milk victims

BEIJING, Jan. 3 (Xinhua) -- China will continue to provide free medical treatment to sickened babies in the tainted milk powder scandal, said Mao Qun'an, spokesman of the Ministry of Health on Thursday.[Full story](#)

[Chinese dairy companies apologize for milk scandal by text message](#)

BEIJING, Jan. 2 (Xinhua) -- Sanlu and other 21 Chinese dairy firms that were implicated in a tainted milk scandal apologized to the public via text messages on Thursday. [Full story](#)

[China milk scandal companies offer to compensate victims](#)

BEIJING, Dec. 27 (Xinhua) -- Victims who fell ill or died after drinking tainted baby formula will soon get financial compensation from 22 Chinese dairy producers, China's Dairy Industry Association announced here Saturday. [Full story](#)