

## Cardrona sale marks first step in Singapore refocus

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Vealls Ltd has named its preferred bidder for Cardrona Alpine Resort, the first step in a strategy to refocus on Singapore that is opposed by shareholder Elevation Capital Management.

Te Anau-based tourism company Real Journeys, whose businesses include the TSS Earnslaw and Milford Sound cruises, will make its first foray into skifields if the acquisition meets due diligence and gets shareholder approval.



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Cardrona's operating assets were valued at \$A40.9 million, according to Vealls' first-half accounts, and the skifield was the biggest source of earnings, at \$A5.7 million, while the Australian company's biggest asset, some \$A57 million held on deposit with banks, generated just \$A509,000, reflecting low interest rates.

Vealls announced in February that it was cashing up its existing investment portfolio to focus on companies listed in Singapore after a strategic review.

It appears to have resisted a call by Elevation Capital Management managing director Chris Swasbrook in February 2012 to return capital to shareholders using cash holdings and franking credits.

"I have a strong preference for a return of capital versus a redeployment of capital via Singapore," Mr Swasbrook told BusinessDesk.

The Elevation Capital Value Fund held 38,000 Vealls capital shares, according to its April disclosure, amounting to 2.5 percent of the firm's portfolio. Mr Swasbrook said he was happy with that holding.

Vealls is winding up subsidiaries that do not conduct material business, selling its skifield interests by June 30 and disposing of land holdings over the next two to three years.

Following the asset sales, Vealls will use the proceeds to become an investment company and then give thought to listing itself on the Singapore Stock Exchange.

(BusinessDesk)