SENWES EN MGK SNOER KRAGTE SAAM VIR TOEKOMSTIGE GROEI

As ondersteuning vir beide partye se groeistrategie het Senwes Beperk ("Senwes") en MGK Besigheidsbeleggings Beperk ("MGK") aangekondig dat 'n memorandum van ooreenkoms onderteken is waarvolgens Senwes, onderhewig aan die voldoening aan sekere opskortende voorwaardes, 'n beherende belang in MGK sal bekom.

Op sy beurt sal MGK, onderhewig aan die voldoening van sekere opskortende voorwaardes, die bedrywighede en bates van Senwes in die Vaalharts besproeiingskema bekom ter ondersteuning van die maatskappy se kernbesigheid, naamlik die verskaffing van dienste en produkte aan besproeiingsprodusente. Senwes en MGK sal 'n gepaste kommunikasieproses loods met betrokke belanghebbendes wat deur die transaksie geraak word sodra daar aan alle opskortende voorwaardes voldoen is.

Aandeelhouers van beide maatskappye word gemaan om omsigtig op te tree met die verhandeling van hul aandele in die betrokke maatskappye. Die transaksie is onderhewig aan sekere opskortende voorwaardes, wat insluit goedkeuring deur die mededinging en ander owerhede, afhandeling van die aandeelhouersooreenkomste en die finalisering van 'n vertroulike noulettendheidsondersoek. Die partye het ooreengekom dat gesamentlike beheer oor MGK uitgeoefen sal word en dat MGK Beherend (beheer deur produsente) en MGK bestuur 'n beduidende ekwiteitsbelang in MGK sal behou.

Francois Strydom, waarnemende besturende direkteur van Senwes, sê: "Senwes is oortuig dat die transaksie waarde op beide strategiese en operasionele vlakke kan ontsluit vir die aandeelhouers en onderskeie besighede." Die partye het ooreengekom om die kommersiële waarde van die handelsname van elke besigheid te behou en terselfdertyd voordeel te trek uit die moontlike sinergieë wat deur die ooreenkoms bereik kan word.

"MGK is baie opgewonde oor die feit dat ons droom om die voorloper in die verskaffing van dienste en produkte aan besproeiingsprodusente te wees, besig is om verwesenlik te word", sê Ben Lombard, besturende direkteur van MGK. MGK is oortuig dat die transaksie, indien dit suksesvol gesluit word, tot voordeel sal strek van kliënte, werknemers, aandeelhouers en ander belanghebbendes van beide maatskappye.

Gesamentlik uitgereik deur: Senwes en MGK

- EINDE -

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SENWES AND MGK TO COMBINE STRENGTH FOR FUTURE GROWTH

Senwes Limited ("Senwes") and MGK Business Investments Limited ("MGK") announced that, in accordance with the growth strategy of both businesses, a memorandum of understanding has been entered into in terms of which Senwes will, subject to the fulfillment of certain conditions precedent, acquire a controlling interest in MGK.

MGK will in turn, subject to the fulfillment of certain conditions precedent, acquire the business operations and assets of Senwes in the Vaalharts irrigation scheme, which will strengthen MGK's core business, namely the supply of services and products to irrigation farmers. Senwes and MGK will embark on an appropriate communication process with affected stakeholders, once the conditions precedents have been met.

Shareholders of both companies have been advised to exercise caution when dealing with their shares in the respective companies. The transaction is subject to certain conditions precedents, which include approval from competition and other authorities, conclusion of shareholders agreements and the finalisation of a confidential due diligence investigation. The parties agreed to exercise joint control over MGK, and that MGK Holdings (controlled by farmers) and MGK management will retain a significant equity interest in MGK.

Francois Strydom, acting managing director of Senwes, said: "Senwes believes that on both a strategic and operational level substantial value could be unlocked for the stakeholders of both businesses". The parties have agreed to retain the commercial value of the brands of each business whilst taking advantage of the possible synergies which may be attained.

Ben Lombard, managing director of MGK, said: "MGK is excited about the fulfillment of our vision to be a leader in the supply of services and products to irrigation farmers in South-Africa." MGK believes that the transaction, if successfully concluded, will benefit clients, employees, shareholders and other stakeholders.

Issued and released jointly by: Senwes and MGK

- ENDS -

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