



SENWES LIMITED

ISIN NUMBER: ZAEZ00000018

(Incorporated in the Republic of South Africa)

(Registration number 1997/005336/06)

(“Senwes”)

SENWESBEL LIMITED

ISIN NUMBER: ZAEZ00000026

(Incorporated in the Republic of South Africa)

(Registration number 1996/017629/06)

(“Senwesbel”)



**SUIDWES HOLDINGS (RING-FENCED)
(PROPRIETARY) LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number 1998/007242/07)

(“Suidwes”)

(“the Senwes Group”)

(Jointly referred to as “the Companies”)

**JOINT MEDIA ANNOUNCEMENT REGARDING THE APPROVAL OF THE MERGER BETWEEN
THE COMPANIES**

The boards of directors of the Senwes Group and Suidwes refer the Senwes Group shareholders and the Suidwes shareholders to earlier announcements regarding the Scheme of Arrangement and the Offer to Suidwes Shareholders (“the Offer”). It is hereby confirmed that, in accordance with the suspensive conditions in terms of the provisions of the Offer, the Suidwes shareholders approved the Offer on 29 May 2020 and the Competition Tribunal (“the Tribunal”) also approved the merger (as defined in section 12 of the Competition Act, 1998), between Suidwes and the Senwes Group on 18 August 2020. All the pre-conditions for the merger and implementation of the Offer have therefore been fulfilled.

The Tribunal found that the merger does not raise any competition issues. However, due to perceived concerns regarding potential concentration, the Tribunal approved the merger subject to the following conditions:

Divesture condition:

- i) That the Companies divest of their silos in certain so-called overlapping areas identified as Jan Kempdorp (Senwes), Strydpoort (Suidwes) and Wolmaransstad (including the mill) (Suidwes) to a suitable third-party purchaser during a specific prescribed period. This process will be done on commercial terms under the auspices and oversight of an independent trustee. Until such divesture, it will be business as usual and the companies will inform the market of all relevant practical arrangements when able to do so.

Silo tariffs condition:

- ii) The differential in the Suidwes and Senwes handling and storage tariffs at silos remain as is for a period of 5 years unless investment in technology and increased efficiencies in the silos dictate otherwise. The said investments will generally entail aspects such as drying and aeration.

Public Interest condition:

- iii) Senwes provides production loans to emerging farmers of R20 million annually in terms of its credit policy for a period of three years, amounting to R60 million in aggregate; and
- iv) that, subject to certain qualification criteria, the majority of Suidwes employees will be retained for a period of two years.

The Companies are grateful that the merger implementation process can commence and that various products and services for Suidwes shareholders and clients can be pursued, especially now that the new summer crop plantings are at hand.

The merger implementation process and integration will take some time and the clients of the Companies will be advised of all developments as soon as possible.

“We are committed to continue with, and to grow, the Suidwes brand”, said Mr Francois Strydom, CEO of Senwes. “The critical element of this Offer, which is not negotiable, is the continued service delivery to and involvement of the Suidwes farmer shareholders in a larger combined agricultural business with a wider footprint”. Dr Herman van Schalkwyk, Suidwes’ CEO added: “Suidwes is excited and extremely enthusiastic about the future prospects which this transaction will unlock, which will now also include new value adding propositions such as a suitable credit solution.”

**By order of the boards of directors of the
Companies**

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18 August 2020**

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18 August 2020**