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CKS - Crookes Brothers Limited - Acquisition of Ha

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CROOKES BROTHERS LIMITED

(INCORPORATED IN THE REPUBLIC OF SOUTH AFRICA)

(REGISTRATION NUMBER 1913/000290/06)

SHARE CODE: CKS & ISIN: ZAE000001434

("Crookes" or the "Company")

- ACQUISITION OF "HAGIAR KIM" SUGAR CANE FARM IN MAZABUKA, ZAMBIA

- WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1. ACQUISITION OF "HAGIAR KIM" SUGAR CANE FARM

1.1 Introduction

The board of Crookes is pleased to announce that the Company, through its wholly owned subsidiary CBL Agri Zambia Limited, reached agreement on 15 December 2009 with D G Garner Limited, a company incorporated in Zambia ("the Seller") for the acquisition of the Hagiar Kim Sugar Cane Farm ("Farming Enterprise") as a going concern. The shareholders of the Seller are CD Martin, JS Martin, LM Taylor, DJL Taylor and GA Pedlar.

1.2 Effective date

The effective date of the acquisition will be Friday, 31 December 2009 or such later date as may be agreed in writing.

1.3 Settlement of the purchase consideration

The total purchase consideration for the Farming Enterprise is US\$4,850 million payable by no later than 31 December 2009. The consideration will be settled as follows:

- An initial cash payment of US\$300 000.00 payable by 22 December 2009 and
- the balance of US\$4 550 000.00 on or before 31 December 2009.

1.4 Warranties

The Farming Enterprise is being purchased "as is" and is subject to warranties that are normal for a transaction of this nature.

1.5 Conditions precedent

The acquisition is subject to conditions that are considered normal for transactions of this nature, of which the following remain outstanding:

- Regulatory approvals, where necessary.

1.6 Description of the Farming Enterprise

The Farming Enterprise is located in the Southern Province of the Republic of Zambia. It includes the leasehold rights in and to the property, the movables and the biological assets and totals approximately 494,1323 hectares being the remaining Extent of Farm No. 554 "Hagiar Kim". The Farming Enterprise is a producer of sugar cane off approximately 435 hectares of productive land.

1.7 Funding of the acquisition

The purchase consideration will be funded by the use of bank borrowings.

1.8 Rationale for the acquisition

The operations of the Farming Enterprise are complementary to those of Crookes, while providing regional diversity. The acquisition provides Crookes with the opportunity to apply its skills in an agriculturally rich location and to spread both farming and regional risk.

2. FINANCIAL EFFECTS

The unaudited pro forma financial effects of the acquisition are set out below. The unaudited pro forma financial effects have been prepared for illustrative purposes only to provide information on how the acquisition may have impacted on the results and financial position of Crookes.

Preparation of the unaudited pro forma financial effects is the responsibility of the directors. Because of their nature, the unaudited pro forma financial effects may not fairly present Crookes' financial position after the acquisition or the effects on future earnings:

Before the	After the	Percentage
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for the six	Pro forma	acquisition % months ended 30 September 2009	acquisition change	
Unaudited				
Earnings per share (cents)(1), (2)		197.0	209.8	6.5%
Headline earnings per share (cents)(1), (2)		68.2	81.0	18.7%
Net asset value and net tangible asset value (cents per share)(3)		2842	2842	0.0%
Number of shares in issue		12 385 000	12 385 000	-
Weighted average number of share in issue		12 385 000	12 385 000	-

Notes and assumptions:

- (1) Unaudited earnings and headline earnings per share in the "before the acquisition" column are based on Crookes` published unaudited interim results for the 6 months ended 30 September 2009.
- (2) Earnings and headline earnings per share in the "After the acquisition" column are derived from the addition to the figures in the first column of the unaudited earnings and headline earnings of the Farming Enterprise for the six months ended 30 September 2009 divided by the number of Crookes shares in issue and adjusted for the notional interest costs of the purchase consideration over the period.
- (3) The unaudited net asset value and net tangible asset value per share in the "before the acquisition" column are based on Crookes` published unaudited interim balance sheet at 30 September 2009. There is no change to the figure in the first column because the Farming Enterprise was purchased at its book value and the entire purchase consideration was funded by borrowings.

3. CATEGORISATION OF THE TRANSACTION

The acquisition is categorized as a Category 2 transaction in terms of the JSE Limited Listings Requirements.

4. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

Shareholders are referred to the cautionary announcement published on SENS on 30 November 2009. By virtue of the conclusion of the agreement referred to in this announcement, caution is no longer required to be exercised by shareholders when dealing in their securities.

Renishaw

23 December 2009

Sponsor: Sasfin Capital

A division of Sasfin Bank Limited

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