

Country Bird Holdings claws deeper into Sovereign

By [Marc Hasenfuss](#)

4 Aug 2016

Poultry group Country Bird Holdings (CBH) has dug its claws deeper into rival Sovereign Food Investments following a sizeable block trade on the JSE on Friday.



[© 123RF.com](#)

CBH CEO Marthinus Stander confirmed that the company had pushed its stake in Eastern Cape-based Sovereign from about 17.7% to more than 25%. The move should add considerable spice to Sovereign's annual general meeting, which is being held in Port Elizabeth today.

It appears that smaller investment boutiques and individual investors opted to sell out to CBH at about 875c/share.

CBH has tabled a takeover bid for Sovereign at 900c/share. But so far, three of Sovereign's biggest shareholders — Prudential, Old Mutual and Sanlam — have not indicated support for the bid. RECM and Calibre, which owns more than 11% of Sovereign, signalled last week it would not accept CBH's bid and reiterated its confidence in management's ability to deliver good longer-term returns.

The big four shareholders support Sovereign's controversial empowerment proposals that would see Sovereign's senior management participate in the new black economic empowerment structure.

Sovereign shareholders were due to vote on the empowerment transaction last week, but the meeting was adjourned until mid-October to give shareholders time to mull the CBH offer. The deal may now be at risk as CBH would hold enough shares to block the transaction at the forthcoming meeting.

But last week, Sovereign indicated it had received further backing for the empowerment transaction, claiming irrevocable support for the deal now amounted to more than 75% of the offer shares.

CBH's takeover offer is conditional on the empowerment deal not being implemented and on it being able to secure a 50% stake in Sovereign.

Source: Business Day

For more, visit: <https://www.bizcommunity.com>