



NZAX AND MEDIA RELEASE

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## **Cooks provides update on Chinese and Middle East JVs**

Cooks Global Foods Limited (NZAX:CGF) today announces it is targeting settlement of its planned joint venture arrangements for the Middle East and China by the end of the current financial year.

Cooks Executive Chairman Keith Jackson said: “We are pleased with the progress we are making to establish our planned joint ventures in the Middle East and China. We believe the arrangements will accelerate growth in these regions and drive shareholder value.”

Cooks is working with Suzhou Yueying Enterprise Investment Partnership to create a new company to become the master franchisee for the Esquires Coffee brand in China, Hong Kong, Macau and Taiwan.<sup>1</sup>

Cooks set 30 September 2017 as the base date for the commencement of the Chinese joint venture. From 1 October Cooks has entered into a co-management arrangement in the region that will see Cooks and its partners sharing operational costs on a 50:50 basis until the joint venture agreements are completed.

“Due diligence regarding the existing China business is nearing completion. We have already taken a non-cash \$4.0 million fair value write down to our Chinese operations ahead of the venture, although the finalisation of due diligence could result in further adjustments,” Mr Jackson said.

As signalled in September<sup>2</sup>, Cooks is planning a new 50:50 venture with its current Saudi Arabian Master Franchisee, Anasia Foods, to drive growth of its branded coffee outlets in the Middle East, North Africa, and West Asia.

“Discussions with Anasia Foods are proceeding well. We are hopeful the venture can commence trading at the start of the new year,” Mr Jackson said.

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<sup>1</sup> Detail of the Chinese joint venture was announced to the NZAX on 13 June 2017. The announcement is available [here](#).

<sup>2</sup> Detail of the Middle East, North Africa and West Asia joint venture was announced to the NZAX on 21 September 2017. The announcement is available [here](#)

Anasia Foods is majority owned by Sheikh Anas Abudawood, Chairman of Abudawood Group which distributes products in the Middle East region for multinational companies such as Proctor & Gamble, Quaker Oats & Ferrero Rocher.

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**About Cooks Global Foods**

Cooks Global Foods operates in world markets and is listed on the NZAX market operated by NZX Limited in New Zealand under the code CGF. It owns the intellectual property and master franchising rights to Esquires Coffee Houses worldwide excluding New Zealand and Australia. Cooks currently operates or franchises Esquires Coffee in Canada, the United Kingdom, Ireland, Bahrain, Kuwait, Saudi Arabia, UAE, Indonesia, and China. For more information visit: [www.cooksglobalfoods.com](http://www.cooksglobalfoods.com)