



Previously Friedshel 766 Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2006/019240/06)
Share code: ZED ISIN: ZAE000088431
("Zeder" or "the company")

PRE-LISTING STATEMENT

Prepared in terms of the JSE Listings Requirements and relating to the private placement of 350 125 000 Zeder ordinary shares and share swaps of 18 625 476 Zeder ordinary shares with a par value of R0,01 each in the share capital of the company issued at a premium of R1,99 and R2,19 respectively.

Corporate adviser to Zeder and joint sponsor



Attorneys



Lead sponsor



Reporting accountants and auditors



Zeder ordinary shares can only be traded on the JSE in electronic form. Accordingly, investors who subscribe for ordinary shares in terms of the private placement and share swaps, and who have received their ordinary shares in certificated form, will be required to dematerialise their ordinary shares should they wish to trade them on the JSE.

Date of issue: 27 November 2006

IMPORTANT INFORMATION

DEFINITIONS AND INTERPRETATION USED IN THIS PRE-LISTING STATEMENT ARE SET OUT ON PAGE 7 OF THIS PRE-LISTING STATEMENT.

This pre-listing statement is not an invitation to the public to subscribe for Zeder ordinary shares in terms of the private placement but has been prepared for the purpose of providing information on the company, the R700 250 000 raised in terms of the private placement and the exchange of Zeder ordinary shares to the value of R37 644 521 for certain unlisted agricultural investments in terms of the share swaps.

Action to be taken by shareholders

Zeder ordinary shareholders who have **not** already instructed their broker or CSDP that they wish to trade their Zeder ordinary shares in electronic form on listing date, must complete the attached form (*pink*) and provide Zeder with the information as required therein as a matter of urgency on or before Wednesday, 29 November 2006.

Directors' responsibility statement

The directors of Zeder, whose names are given in paragraph 6 below, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this pre-listing statement contains all information required by law and the JSE Listings Requirements.

Share capital of Zeder

Following the private placement, the share swaps and the further acquisitions, the share capital of Zeder will be as follows:

Authorised

- 1 500 000 000 ordinary shares with a par value of R0,01 each; and
- 250 000 000 cumulative, non-redeemable, non-participating preference shares with a par value of R0,01.

Issued

- 571 318 855 ordinary shares with a par value of R0,01 each (issued at a premium of R1,99 each in respect of the private placement, PSG investment and first share swap, and R2,19 in respect of the second share swap and further acquisitions, to the extent applicable);
- Nil cumulative, non-redeemable, non-participating preference shares with a par value of R0,01.

Ordinary shares will all rank *pari passu* in all respects. Ordinary shares will rank after any preferences shares that may be issued by Zeder in respect of dividends.

No fractions of shares will be permitted.

Zeder has no authorised debenture capital.

Particulars of the private placement and share swaps

Number of ordinary shares placed in terms of the private placement	350 125 000
Number of ordinary shares exchanged in terms of the share swaps:	
First share swap	16 657 629
Second share swap	1 967 847
Subscription price per ordinary share:	
In terms of private placement and first share swap	R2,00
In terms of second share swap	R2,20
Minimum subscription amount per applicant acting as principal in terms of the private placement	R100 000
Minimum exchange amount per applicant acting as principal in terms of the share swaps	Nil
Anticipated market capitalisation of Zeder on listing date ¹	R1,2 billion

¹ Assumed net asset value of Zeder as at last practicable date

CORPORATE INFORMATION

REGISTERED OFFICE

Zeder Investments Limited
(Registration number 2006/019240/06)
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

JOINT SPONSOR

PSG Capital Limited
(Registration number 2002/017632/06)
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

and at

Woodmead Estate
1 Woodmead Drive
Woodmead, 2128
(PO Box 987, Parklands, 2121)

LEAD SPONSOR

BDO Questco (Proprietary) Limited
(Registration number 2004/018276/07)
13 Wellington Road
Parktown, 2193
(Private Bag X60500, Houghton, 2041)

ATTORNEYS

Hofmeyr Herbstein & Gihwala Inc.
(Registration number 1997/001523/21)
6 Sandown Valley Crescent
Sandown
Sandton, 2196
(Private Bag X40, Benmore, 2010)

TRANSFER SECRETARIES

Link Market Services South Africa (Proprietary) Limited
(Registration number 2000/007239/07)
Ground Floor
11 Diagonal Street
Johannesburg, 2000
(PO Box 4844, Johannesburg, 2000)

AUDITORS AND REPORTING ACCOUNTANTS

PricewaterhouseCoopers Inc.
(Registration number 1998/012055/21)
No. 1 Waterhouse Place
Century City, 7441
(PO Box 2799, Cape Town, 8001)

and

PricewaterhouseCoopers Advisory Services (Proprietary) Limited
(Registration number 1999/024417/07)
No. 1 Waterhouse Place
Century City, 7441
(PO Box 2799, Cape Town, 8001)

COMPANY SECRETARY

PSG Corporate Services (Proprietary) Limited
(Registration number 1996/004848/07)
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

COMMERCIAL BANKERS

First National Bank Limited
(Registration number 1929/001225/06)
3rd Floor, Great Westford
240 Main Road
Rondebosch, 7700
(PO Box 367, Cape Town, 8000)

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SALIENT FEATURES

1. Introduction and purpose

Zeder is PSG Group's recently established investment company, to be listed on the JSE's main board, and which shall seek out investments in unlisted entities in the targeted sectors, as defined in the definitions and interpretation section of this pre-listing statement. It represents PSG Group's vision of establishing a viable mechanism capable of identifying value within such sectors which, although characterized by asset rich, largely well managed and profit producing companies, have nevertheless remained neglected by the investment community in South Africa. This has not been by choice, but rather as a result of the barriers to entry that makes investment in these entities extremely difficult for any party outside of the agri-arena.

PSG Group's strategy of investing in various unlisted agri-companies has become common knowledge over the course of the past two years. Such strategy is firmly rooted in the belief (and also as evidenced by the resultant attributable gains rendered by these investments) that there are exciting (and substantial) investment opportunities in such companies.

PSG has transferred its various agricultural investments to Zeder as set out in the investment portfolio in paragraph 3.5.1 on page 12 of this pre-listing statement.

Zeder offers investors the opportunity to share in this diversified portfolio of agricultural, beverage, food, grain and other agri-related assets, capable of commercially attractive returns, in a listed investment entity to be managed by a team with a track record in extracting maximum returns in this sector for PSG in the past.

This pre-listing statement provides investors and the market with information on Zeder, its investments, directors and management (being Zeder Manco), information concerning the share swaps in respect of which Zeder ordinary shares to the value of R37 644 521 were exchanged for various shares in certain agricultural companies, the raising of R700 250 000 through the private placement prior to the issue date of this pre-listing statement, and enables Zeder to bring about the listing of 571 318 855 ordinary shares on the JSE, issued in terms of the share swaps, private placement and further acquisitions.

2. Details of the share swaps, private placement and the listing

2.1. Particulars of the share swaps and private placement

Number of ordinary shares placed in terms of the private placement	350 125 000
Number of ordinary shares exchanged in terms of the share swaps:	
First share swap	16 657 629
Second share swap	1 967 847
Subscription price per ordinary share:	
In terms of private placement and first share swap	R2,00
In terms of second share swap	R2,20
Minimum subscription amount per applicant acting as principal in terms of the private placement	R100 000
Minimum exchange amount per applicant acting as principal in terms of the share swaps	Nil
Anticipated market capitalisation of Zeder on listing date ¹	R1,2 billion

¹ Assumed net asset value of Zeder as at last practicable date

Prior to the issue of this pre-listing statement, 18 625 476 Zeder ordinary shares were exchanged for various shares in certain unlisted agri-companies comprising the Zeder investment portfolio as set out in 3.5.2 below at an issue price of R2,00 and R2,20 per ordinary share, respectively, in terms of the share swaps. Simultaneously with the first share swap, Zeder also placed 350 125 000 ordinary shares privately with select investors and institutions at a subscription price of R2,00 per share in terms of the private placement. The combined effect of the PSG investment, share swaps, private placement and further acquisitions is that Zeder will be capitalised in the amount of approximately R1,2 billion on listing.

2.2 Important dates and times

Date of issue of this pre-listing statement	Monday, 27 November 2006
Proposed listing date (09:00)	Friday, 1 December 2006

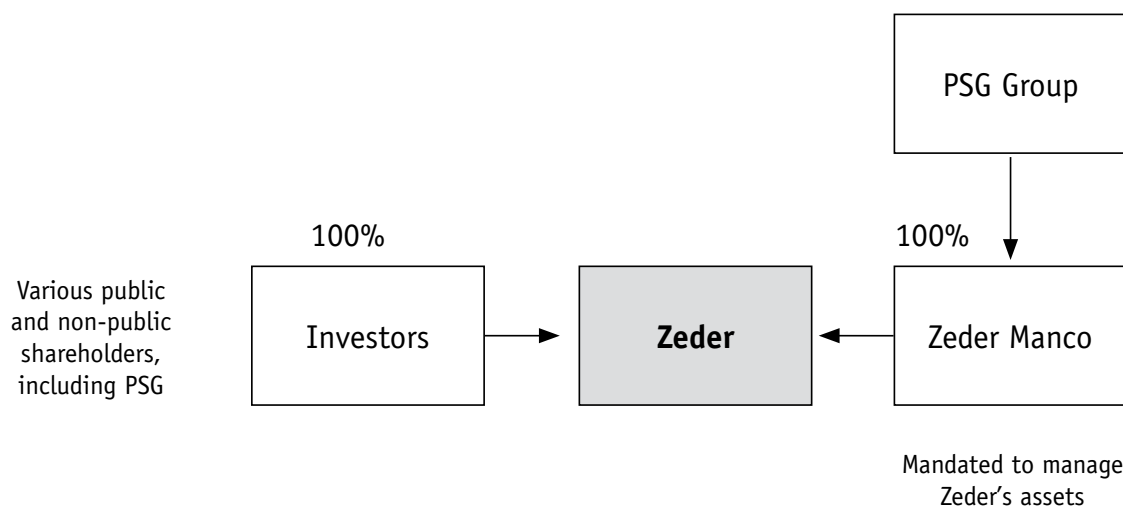
2.3 Details of the listing

Zeder will be listed in the General Financial – "Speciality Finance" sub sector of the JSE.

The listing is subject to the condition precedent that Zeder is able to fulfil the spread requirements of the JSE in respect of ordinary shareholders, namely a minimum of 500 public ordinary shareholders, and that at least 20% of the issued ordinary share capital be held by public shareholders. As at the last practicable date, Zeder had over 1 513 ordinary shareholders, of whom 1 507 are regarded as public shareholders and who collectively hold 64% of the company's issued ordinary share capital.

3. Brief overview of Zeder

3.1 Structure and investment process



Zeder Manco has been mandated in terms of a written management agreement to manage Zeder. Zeder will make investments in accordance with its clearly defined investment mandate.

All investments of Zeder will be identified and evaluated by key individuals in Zeder Manco who have been previously responsible for evaluating PSG’s agricultural investments. Such opportunities will be assessed by the aforementioned team members and, should they consider the investment to be worthwhile, presented for approval to the Zeder Manco investment committee. Depending on the size of the investment, the Zeder Manco investment committee may have to refer the investment to the board of directors for approval.

Full details of Zeder Manco are set out in paragraph 4 and the investment mandate at Annexure 2 of this pre-listing statement.

3.2 Nature of returns and risk

Zeder will invest a large proportion of its funds in assets (mainly equity based instruments) within the targeted sectors, which includes inter alia the food and beverage sectors. Such investments will largely be made in unlisted entities.

The investment approach is value-orientated and contrarian, which is considered vital for generating attractive long-term investment returns due to the highly cyclical nature of the agricultural environment. In line with this approach, Zeder may take up substantial interests in the identified entities, which may result in a lack of diversification and liquidity risk, but is considered the most appropriate method for generating such long-term returns.

Investors can therefore expect to be compensated through higher expected returns in the long term. The portfolio effect achieved by Zeder’s diversified portfolio of investments will significantly decrease the specific risks attached to each individual investment, while simultaneously allowing investors exposure to those unlisted agri-companies usually the subject of barriers to entry.

As Zeder’s investments will be largely equity based, Zeder will seek to generate investment returns in excess of the benchmark index level as defined in the definitions and interpretation section on page 7 of this pre-listing statement.

3.3 Management fees

Zeder Manco will charge the following fees:

	Percentage
Base fee per annum on net asset value of company	2,00%
Base fee per annum on cash held	0,15%
Annual performance fee (share of return above benchmark return)	10,0%

The above-mentioned fees are determined in accordance with the formulae as set out in the Management fee schedule in Annexure 4.

Zeder ordinary shares can only be traded on the JSE in electronic form. Accordingly, investors who subscribe for ordinary shares in terms of the private placement and share swaps and who have received their ordinary shares in certificated form will be required to dematerialise their ordinary shares should they wish to trade them on the JSE.

Any Zeder shareholder who wishes to dematerialise his Zeder ordinary shares so that he may trade electronically therein on the listing date must complete the form (*pink*) attached to this pre-listing statement and submit same to the company in accordance with the instructions contained therein by no later than Wednesday, 29 November 2006. Any Zeder shareholder who has already instructed his broker/CSDP accordingly need **NOT** complete the attached form (*pink*).

English copies of this pre-listing statement are available from:

- Zeder, at its registered office as set out in the "Corporate information" section;
- the sponsors both in Stellenbosch and in Johannesburg as set out in the "Corporate information" section; and
- the transfer secretaries;

An abridged version of this pre-listing statement was published on SENS on Friday, 24 November 2006 and in the press on Monday, 27 November 2006.

DEFINITIONS AND INTERPRETATION

Throughout this pre-listing statement and the annexures thereto, unless otherwise stated or the context otherwise indicates, the words in the first column shall have the corresponding meaning stated opposite them in the second column, and words in the singular shall include the plural and vice versa, words importing natural persons shall include corporations and associations of persons and any reference to one gender shall include the other genders:

“Act”	the Companies Act (Act 61 of 1973), as amended;
“BEE”	black economic empowerment;
“benchmark index”	an index calculated by equally weighting the FTSE-JSE Beverages Total Return Index (TRIO41) and the FTSE-JSE Food Producers Total Return Index (TRIO43), or similar index replacing such indices (if applicable);
“benchmark return”	the difference between the benchmark index level at the commencement of the year under consideration and the benchmark index level at the end of the year under consideration divided by the benchmark index level at the commencement of the year under consideration;
“BESA”	Bond Exchange of South Africa;
“board of directors”	the board of directors of Zeder;
“business day”	any day of the week other than a Saturday, Sunday or proclaimed public holiday in South Africa;
“CGT”	capital gains tax;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Swaziland and Lesotho;
“the company”	Zeder;
“CSDP”	Central Securities Depository Participant registered in terms of the Securities Services Act 2004 (Act 36 of 2004);
“Banks Act”	the Banks Act 1990 (Act 94 of 1990), as amended;
“directors”	directors of Zeder;
“Exco”	the executive committee of Zeder;
“the first share swap”	the share swap undertaken by the company simultaneously with the private placement during the course of September 2006 in respect of which select investors were invited to swap their shares in those agri-companies set out in paragraph 3.5.2 on page 13 for Zeder ordinary shares issued at R2,00 per ordinary share in accordance with those exchange ratios determined at the prevailing market prices of such investments as at 31 August 2006;
“the further acquisitions”	those shares and/or other assets acquired by Zeder for cash and/or by way of the issue of Zeder ordinary shares issued at R2,20 per share after the completion of the private placement during the course of October and November 2006 from select investors in those agri-companies as set out in paragraph 3.5.3 on page 13 of this pre-listing statement;
“the group” or “the PSG group”	PSG and its subsidiaries;
“investment portfolio” or “the Zeder investment portfolio”	the various agricultural and related investments as set out in paragraph 3.5.4 on page 14 of this pre-listing statement consisting of those shares transferred to Zeder in terms of the PSG investment, the share swaps and the further acquisitions, all of which form the basis of Zeder’s investment portfolio on listing;
“JSE”	JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in South Africa and licensed as a stock exchange under the Securities Services Act 2004 (Act 36 of 2004);
“King Code 2002”	the Code of Corporate Practices and Conduct contained within the King Report on Corporate Governance for South Africa 2002;
“last practicable date”	close of business on Tuesday, 14 November 2006, being the last practicable date on which information could be included in this pre-listing statement prior to its finalisation;
“listing”	listing of the issued ordinary shares of the company on the JSE in the General Financial – “Speciality Finance” sub sector under the abbreviated name “Zeder”;
“listing date”	date of the listing, which is expected to be on Friday, 1 December 2006;

“management agreement”	the management agreement entered into between Zeder and Zeder Manco on Friday, 29 September 2006;
“merger circular”	the circular to the ordinary shareholders of PSG Group, dated 22 May 2006, and dealing with various proposals required to effect the merger with Arch Equity Limited in terms of section 311 of the Act which became effective in August 2006;
“net asset value”	the audited net asset value of Zeder, if available, or failing that, the net asset value as per the financial statements of the company, but always being the average net asset value calculated on a monthly basis for any given half-year;
“ordinary shares” or “Zeder ordinary shares”	ordinary shares with a par value of R0,01 each in the issued share capital of Zeder;
“pre-listing statement”	this bound pre-listing statement including its annexures and attachments, dated Monday, 27 November 2006;
“PSG”	PSG Group or PSG Financial Services or one of its wholly owned subsidiaries;
“PSG Financial Services”	PSG Financial Services Limited (Registration number 1919/000478/06), a public company duly incorporated in South Africa whose preference shares are listed on the JSE and which is a wholly owned subsidiary of PSG Group;
“PSG Group”	PSG Group Limited (Registration number 1970/008484/06), a public company duly incorporated in South Africa and whose ordinary shares are listed on the JSE;
“PSG investment”	the investment made by PSG in Zeder in terms of which PSG transferred certain of its unlisted agricultural investments as set out in paragraph 3.5.1 on page 12 for 174 870 956 Zeder ordinary shares issued at R2,00 each in accordance with the prevailing market prices of such investments as at 31 August 2006 with effect from 1 September 2006, providing the company with an initial asset base worth R349 740 912;
“private placement”	the private placement undertaken by the company during the course of September 2006 in respect of which 350 125 000 Zeder ordinary shares were placed with select investors at a subscription price of R2,00 per ordinary share raising R750 250 000 in cash for the company and which ordinary shares shall list on the listing date;
“the second share swap”	the share swap undertaken by the company after the conclusion of the private placement and the first share swap during the course of October 2006 in respect of which select investors were invited to swap their shares in those agri-companies set out in paragraph 3.5.2 on page 13 for Zeder ordinary shares issued at R2,20 per ordinary share in accordance with such exchange ratios determined at the prevailing market prices of such investments as at 2 October 2006;
“SENS”	the Securities Exchange News Service of the JSE;
“shareholders” or “Zeder shareholders”	the holders of ordinary shares in the issued share capital of the company;
“share swaps”	collectively, the first and the second share swap;
“South Africa”	the Republic of South Africa;
“STC”	Secondary tax on companies;
“STRATE”	STRATE Limited (Registration number 1998/022242/06), a public company duly incorporated in South Africa and which is a registered central securities depository and which is responsible for the electronic settlement system used by the JSE;
“subscription price”	the subscription price per ordinary share of R2,00 in respect of the private placement and first share swap, and R2,20 in respect of the second share swap and further acquisitions (to the extent applicable);
“the targeted sectors”	those sectors in the economy in which Zeder will seek to invest, being the agricultural, agricultural processing, food, beverages, grain and other related industries;
“transfer secretaries”	Link Market Services South Africa (Proprietary) Limited (Registration number 2000/007239/07), a private company duly incorporated in South Africa.
“Zeder”	Zeder Investments Limited (Registration number 2006/019420/06), a public company duly incorporated in South Africa; and
“Zeder Manco”	PSG Group or its duly appointed nominee.

BACKGROUND

1. INTRODUCTION AND PURPOSE

Zeder is PSG Group's recently established investment company, to be listed on the JSE's main board, and which shall seek out investments in unlisted entities in the targeted sectors, as defined in the definitions and interpretation section of this pre-listing statement. It represents PSG Group's vision of establishing a viable mechanism capable of identifying value within such sectors which, although characterised by asset rich, largely well managed and profit producing companies, have nevertheless remained neglected by the investment community in South Africa. This has not been by choice, but rather as a result of the barriers to entry that makes investment in these entities extremely difficult for any party outside of the agri-arena.

Such barriers to entry include intricate control structures that have been put into place, as well as the fact that the shares are only tradable on over-the-counter platforms. Therefore many institutional and retail investors have yet to invest in this sector, despite the attractive investment opportunities that exist.

PSG Group's strategy of investing in various unlisted agri-companies has become common knowledge over the course of the past two years. Such strategy is firmly rooted in the belief (and also as evidenced by the resultant attributable gains rendered by these investments) that there are exciting (and substantial) investment opportunities in such companies.

PSG has transferred its various agricultural investments to Zeder as set out in the investment portfolio in paragraph 3.5.1 on page 12 of this pre-listing statement.

Zeder offers investors the opportunity to share in this diversified portfolio of agri-related assets, capable of commercially attractive returns, in a listed investment entity to be managed by a team with a track record in extracting maximum returns in this sector for PSG in the past.

2. RATIONALE

PSG believes for the following reasons that Zeder and its underlying agri-investments make for an exciting investment opportunity:

2.1 Attractive investment vehicle

- Zeder has a long-term strategy and believes the value gap between intrinsic value and current market price will close;
- Investing in Zeder gives investors in the agri-industry a greater geographical spread in their investment and more diversification in their underlying portfolios;
- Zeder should be a lower investment risk than a direct investment in one specific agri-company;
- Zeder offers liquidity to investors by way of its listed ordinary shares and broad shareholders' spread

2.2 Eliminate the liquidity discount

All of the agri-companies that PSG has invested in have been unlisted and have had limited liquidity in the over-the-counter market or the trading rooms where they currently trade. A listing would therefore ensure more liquidity and the listed market price should be closer to the fair value of these investments.

2.3 Increase tradability and increase market price

Because of the illiquidity in some of the agri-companies', these shares can be bought at attractive prices. As a listed entity, Zeder will offer investors increased tradability of its shares.

2.4 Shift towards returns for shareholders

The agricultural environment has undergone major changes in the past 5 to 10 years with the conversion from co-operatives to public companies. Where the co-operative's objective was only to deliver good service and products at the lowest possible price to its producers (mainly farmers who were members), it is the new agricultural company's purpose, given the effects of globalisation and the fact that banks and/or financial institutions are the main providers of capital, to not only continue to provide good service and products, but also to provide returns to its shareholders (who, initially, were the same producers as in the co-operatives, but who are now more diversified, including the likes of PSG).

2.5 Agri-companies hold significant stakes in other major companies

As a result of the historical and natural development of the agri-companies, there are in some instances those who are significant shareholders of highly successful businesses that process the primary agricultural products, such as Kaap Agri Limited that has a significant interest in Pioneer Food Group Limited, and KWV Limited with its shareholding in Distell Limited.

2.6 Agri-sector as a whole remains untapped

PSG believes that the shares of agri-companies, and other companies that form part of the agricultural chain, have been bought and still can be bought at attractive prices. These potential agri-investments comprise of companies that have failed to deliver returns in line with their significant asset bases. Such under achievement is largely attributable to the changing agricultural environment – economically and legislatively – over the past few years. The companies forming part of Zeder’s investment portfolio, and those being considered, have promising asset values and have recently also been experiencing positive dividend streams. Such companies, in most instances, also have good management in place already with strong brands such as that of KWV Limited and Pioneer Food Group Limited.

2.7 PSG has gained knowledge and insight

PSG has gained invaluable knowledge and insight into investing in the agri-sector. It is able to put such knowledge at th disposal of Zeder, and will do so in a management capacity, via Zeder Manco as more fully set out in 4 below.

2.8 Rationale for listing Zeder

- The public will indirectly acquire an interest in the agri-companies on a diversified basis, spreading the risk for such investors;
- It is easier for a listed company to achieve the necessary critical mass necessary to exploit opportunities in the agri-environment;
- Where a financial institution (like PSG) may be regarded by the agri-companies as an outsider, this is less likely with an independent listed entity that has its own board of directors. PSG is mindful of making a clear distinction between its agri-investment and related activities, through Zeder that is focused on the targeted sectors, and its other investment initiatives. It wishes to emphasise Zeder’s role as an independent investing entity. This is also evident from its investment strategy of holding approximately 20% in any given agri-investment.

THE COMPANY

3. INFORMATION RELATING TO ZEDER

3.1 Incorporation and background

Zeder was incorporated as a public company in South Africa on 21 June 2006 in Pretoria with the registration number 2006/0194240/06.

Zeder was created for the express purpose of allowing investors the opportunity to invest in those agri-related entities in the targeted sectors and to share in the returns generated from these investments.

3.2 Nature of business

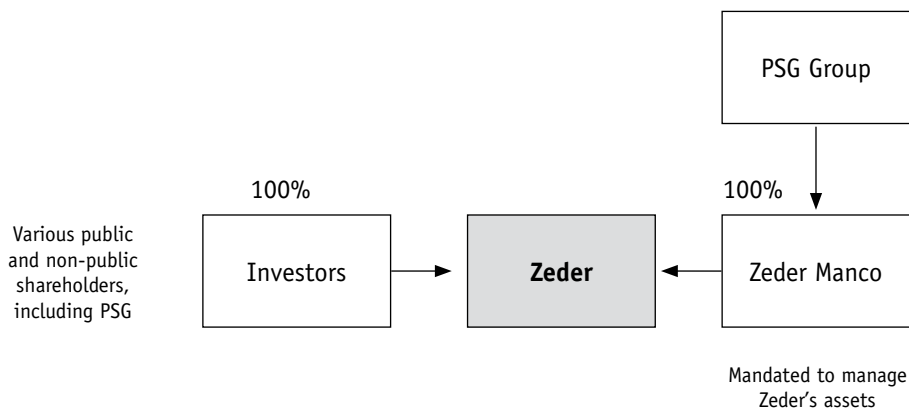
Despite the barriers to entry as set out in paragraph 1 above, PSG has successfully acquired interests in a number of unlisted agricultural companies over the past two years. These investments have, and are expected to continue, to render attractive returns in the long term. PSG has consequently established Zeder to continue to invest in such agri-companies, but also to allow investors, through the private placement and share swaps, to share in such returns on a diversified basis by way of the Zeder investment portfolio.

Against the background of the expertise gained by PSG and its team within the agricultural sector, Zeder Manco has been mandated to identify and evaluate suitable investment opportunities, and to manage the funds and assets within the company. In addition to the Zeder investment portfolio, Zeder Manco will guide the company in its primary objective to continue to seek out investments within the targeted sectors capable of adding value for Zeder shareholders.

While the agri-sector remains largely untapped, and the industry itself is in the process of consolidation and substantial change, Zeder will actively invest with a long-term view in the equity and related instruments of those select agri-companies whose share prices are still largely discounted to their net asset values. In this manner, it is anticipated that shareholders will benefit from the eventual elimination of this value gap.

3.3 Structure

The structure of Zeder is represented graphically below.



3.4 Investment mandate

3.4.1 Overview

Zeder will make investments within the targeted sectors with a long-term view to maximising returns for shareholders in excess of the benchmark indices' performance. The investment approach will be value orientated and contrarian, focussing mainly on unlisted agri-related companies. Such approach will be in line with that previously adhered to by PSG in its agricultural investment strategy.

3.4.2 Focus

Zeder will make direct investments in (mainly) equity instruments of such aforementioned companies. Alternative investment instruments may be considered where the return warrants this.

In terms of section 15.4 of the JSE's Listings Requirements, Zeder will not conduct any trading activity that is material to the PSG group as a whole.

Subject to Zeder Manco investment committee and Zeder board approval, in certain circumstances, substantial stakes may be taken in companies in exceptional circumstances.

The level of gearing to be employed in the company will be assessed on an ongoing basis in the context of the level of liquidity within the investment portfolio at any given point in time. It should be noted that at the time of listing, Zeder has employed zero gearing.

There is no specific period for the holding of any investment. Although a long-term view will be taken in the majority of cases, the holding of an investment will be assessed relative to the attractiveness of any other given investment opportunity.

3.4.3 Portfolio guidelines

Zeder will be free to invest in any company within the targeted sectors (either locally or abroad), subject to the approval of the Zeder Manco investment committee, and in certain circumstances, the Zeder board of directors.

There are no express limitations on the nature of the investments that may be made, and in exceptional circumstances Zeder may even make investments outside of the aforementioned sectors.

The implementation of each investment will be dealt with on an *ad hoc* basis depending on the circumstances of the investment in question.

As a general rule, any single investment will not exceed a 20% interest in the agri-company concerned, although there is no set limit as to the size of any one investment.

Liquidity requirements will be monitored on an ongoing basis. It is not anticipated that debt funding will be utilised in the short term.

Where PSG or Zeder Manco identifies an opportunity that is in line with Zeder's investment profile, Zeder will have the right of first refusal to pursue such opportunity.

The material terms of Zeder Manco's investment mandate appear as Annexure 2 to this pre-listing statement. Any material change to this mandate in terms of section 15.7 of the JSE Listings Requirements will require shareholder approval.

3.5 Zeder investment portfolio

3.5.1 PSG investment

The PSG investment consisted of the investments as set out below:

Company	Interest	Number of shares	Current market value R'm ¹	Percentage of Zeder investment portfolio
KWV Limited	13,0%	57 979 765	194,2	34,00%
Pioneer Food Group Limited	2,6%	4 751 865	150,1	26,00%
Kaap Agri Limited	5%	9 852 747	50,7	8,90%
Senwes Limited	2,2%	4 030 000	10,7	1,90%
KLK Landbou Limited	5,6%	1 038 125	2,3	0,40%
OVK Operations Limited	1,7%	974 761	2,2	0,30%
Suidwes Investments Limited	2,1%	2 598 363	1,7	0,20%
Total		81 225 626	411,9	72,70%

¹ As at last practicable date

3.5.2 Share swaps

The first share swap rendered the following investments:

Company	Interest	Number of shares	Current market value R'm ¹	Percentage of Zeder investment portfolio
KWV Limited	0,03%	153 257	0,5	0,07%
Pioneer Food Group Limited	0,63%	1 144 188	36,2	6,30%
Kaap Agri Limited	-	-	-	-
Senwes Limited	0,03%	51 000	0,1	0,01%
KLK Landbou Limited	0,54%	100 000	0,2	0,03%
OVK Operations Limited	-	-	-	-
Suidwes Investments Limited	-	-	-	-
Total		1 448 445	37,0	6,41%

¹ As at last practicable date

The second share swap rendered the following investments:

Company	Interest	Number of shares	Current market value R'm ¹	Percentage of Zeder investment portfolio
KWV Limited	0,16%	710 663	2,4	0,40%
Pioneer Food Group Limited	0,02%	35 118	1,1	0,10%
Kaap Agri Limited	-	-	-	-
Senwes Limited	0,13%	242 256	0,6	0,10%
KLK Landbou Limited	0,40%	71 389	0,2	0,02%
OVK Operations Limited	0,16%	95 913	0,2	0,03%
Suidwes Investments Limited	-	-	-	-
Total		1 155 339	4,5	0,65%

¹ As at last practicable date

3.5.3 Further acquisitions

Subsequent to the conclusion of the private placement, Zeder made the following acquisitions:

Company	Interest	Number of shares	Current market value R'm ¹	Percentage of Zeder investment portfolio
KWV Limited	0,46%	2 033 259	6,8	1,90%
Pioneer Food Group Limited	1,54%	2 786 760	88,0	15,40%
Kaap Agri Limited	-	-	-	-
Senwes Limited	0,16%	296 000	0,8	0,10%
KLK Landbou Limited	0,46%	85 893	0,2	0,02%
OVK Operations Limited	4,10%	2 412 990	5,3	0,90%
Suidwes Investments Limited	0,19%	239 983	0,2	0,02%
BKB Limited	1,40%	37 312	1,5	0,20%
NWK Limited	2,9%	4 224 364	15,8	2,70%
Total		12 116 561	118,6	21,24%

¹ As at last practicable date

3.5.4 Current investment portfolio

As a result of the PSG investment, the share swaps and the further acquisitions as set out above, Zeder's investment portfolio on listing is set out in the table below:

Company	Interest	Number of shares	Current market value R'm ¹	Percentage of Zeder investment portfolio
KWV Limited	13,65%	60 876 944	203,9	36,37%
Pioneer Food Group Limited	4,79%	8 717 931	275,4	47,80%
Kaap Agri Limited	5,0%	9 852 747	50,7	8,90%
Senwes Limited	2,52%	4 619 256	12,2	2,11%
KLK Landbou Limited	7,00%	1 295 407	2,9	0,47%
OVK Operations Limited	5,96%	3 483 664	7,7	1,23%
Suidwes Investments Limited	2,29%	2 838 346	1,9	0,22%
BKB Limited	1,40%	37 312	1,5	0,20%
NWK Limited	2,90%	4 224 364	15,8	2,70%
Total		95 945 971	572	100%

¹ As at last practicable date

All of the above investments were quoted equity securities in the targeted sectors and in unlisted entities.

For the purposes of this document the assets comprising the investment portfolio, details of which are contained in Annexure 3, are treated as having been transferred to Zeder. Certain of the share swaps, as set out in 8.4.1 and 8.4.2 below, have not yet been effected as at the last practicable date.

Zeder's current investment portfolio also includes certain unquoted equity securities in the targeted sectors as set out in note 2 in Annexure 7.

Zeder will receive income in the form of dividends only from the above investment portfolio and additional shares to be acquired in the above companies. Based on the dividend yields of the respective companies during the 2006 financial year, and assuming such yields remain the same for the 2007 financial year, the annual income of Zeder in terms of its current quoted investment portfolio as at the last practicable date would be as follows:

Asset	R'000
KWV Limited	3 549
Pioneer Food Group Limited	7 714
Kaap Agri Limited	812
Senwes Limited	639
KLK Limited	78
OVK Operations Limited	518
Suidwes Investments Limited	221
BKB Limited	64
NWK Limited	1 040
Total	14 635

Zeder has not made any provisions against these assets.

In terms of section 15.4 (f) of the JSE Listings Requirements, the portfolio of Zeder must be disclosed to shareholders on a quarterly basis until such time as at least 50% of the portfolio has been established in investments other than cash or short dated securities.

3.6 Dividend policy

It is in the board of directors' discretion to declare dividends as and when they deem fit. Subject to good corporate governance, future investment and working capital requirements, Zeder's stated distribution policy is to distribute all after tax dividend income realised in cash. Distributions will therefore not be made to the extent that interest or dividends on investments are accumulated but not paid. The directors may in the future make distributions to shareholders where excess capital has not been employed in the making of any specific investments at the end of any given financial year. In the short term, given the capital base, it may take time to invest the capital raised prudently.

3.7 Unclaimed dividends

All unclaimed dividends may be invested or otherwise made use of by the directors for the benefit of the company until claimed, provided that dividends unclaimed for a period of three years from the date on which they were declared may be declared forfeited by the directors for the benefit of the company. No interest will be payable on the unclaimed dividends.

4. The management of Zeder

4.1 Zeder Manco

Zeder will be managed by Zeder Manco, as nominated by PSG Group in terms of the management agreement.

4.1.1. *PSG Group's credentials*

PSG Group is a financial services company listed on the JSE in the Financial – “Speciality and other finance” sector.

Over the past ten years, PSG has demonstrated its ability to create value for its shareholders. In November 2005, the *Sunday Times* rated PSG Group as number one in a rating of JSE- listed companies on the basis of shareholders' wealth created over the last 10 years (as measured by capital growth and the value of reinvested dividends). PSG Group's compounded annual growth rate from November 1995 until November 2005 was 66,2%. On 12 November 2006, *Sunday Times* again reported that PSG Group ranked seventh place in the Top 100 listed companies, delivering compound growth of 70%.

PSG continues to deliver such returns to its shareholders, with return on equity (“ROE”) in excess of 20% per annum for the past three years (2006: 24,2%). The 2006 financial year has been the best year in the history of the PSG group, with headline earnings having increased by 72%.

The above is directly attributable to PSG's bold and often contrarian investment strategy of seeking out viable opportunities within diverse sectors, as evidenced by the range of investments presently falling under the PSG umbrella. The strength of its strategy lies in its innate ability to identify long-term potentially high-yield investments in areas or sectors not readily discernible to the investment community at large. PSG's 15% stake in the JSE Limited is an example of one such investment, as is its investment in Pioneer Food Group Limited (forming part of the Zeder investment portfolio).

It is anticipated that PSG's track record will continue in this vein within the agricultural sphere.

4.1.2. *PSG's investments*

Annexure 1 to this pre-listing statement sets out the group structure of PSG.

A detailed description of all of PSG's investments is set out in PSG's annual report which is available for inspection in accordance with paragraph 22 of this pre-listing statement.

As a result of the merger with Arch Equity Limited, which became effective in August 2006, PSG acquired a 49,9% stake in Arch Equity Investment Holdings Limited. Full details of the investments of the aforementioned company are contained in paragraph 6.4 on page 20 of the merger circular. The merger circular is available for inspection in accordance with paragraph 22 of this pre-listing statement.

4.2 The management team

The key individuals employed as the initial Zeder Manco investment committee in Zeder Manco are Messrs JF Mouton, CA Otto, and AE Jacobs, who are all directors of Zeder and whose details appear on pages 17 to 18 of this pre-listing statement.

Further appointments may be made in due course once the investment portfolio is of sufficient size and complexity.

4.3 Responsibilities of Zeder Manco

In terms of the management agreement, Zeder Manco will have the responsibility to:

- manage the general administrative activities of Zeder, such as the accounting functions, including the management of the company's bank account;
- manage the broader investment functions, such as identifying and making recommendations on investments, disposals of investments, encumbering of investments, and the co-ordination of due diligence investigations on potential investments;
- manage the financial matters of the company, such as managing and monitoring the company's gearing and liquidity position, administering the company's borrowing policy and making recommendations as to the amount, determining the price and timing of the issue of shares;
- perform semi-annual valuations of Zeder and its investments;
- manage communication to investors and other stakeholders;
- appoint and/or dismiss directors of investee entities, where entitled to do so, and attend and/or vote at the appropriate meetings of such entities in accordance with the board's instructions; and
- remunerate the directors of Zeder.

4.4 Investment process

Zeder Manco will manage the investment process by identifying suitable investments in the targeted sectors consistent with its investment mandate and the company's objectives. The approval process for an investment will depend on the size of the investment. A summary of the process is set out below. Where the amount required to be committed by the company to an investment:

- is less than R100 million, Zeder Manco will consider and make such investment on behalf of Zeder; and
- is in excess of R100 million Zeder Manco will consider and recommend such investment to the board as a potential investment.

A summary of the investment process is more fully set out in Annexure 2 to this pre-listing statement.

4.5 The investment committee

The initial Zeder Manco investment committee will be comprised of those team members as set out in 4.2 above. A quorum of two members will be required to properly constitute a meeting. More appointments may be made as and when the size of the investment portfolio warrants such appointments. Members of the Zeder investment committee shall be remunerated by Zeder Manco.

4.6 Expenses and fees

Zeder Manco, being PSG Group or its duly appointed nominee, will bear the cost of all reasonable expenses related to the general administration of the company, the promotion of the company and the financial functions performed or co-ordinated.

Zeder Manco will only be entitled to reimbursement of certain costs in very limited circumstances that it has incurred in the management of the company, such as, for example, future capital raising and placement fees, acquisition costs in acquiring investments, taxes that may become payable by Zeder and legal claims/costs incurred on behalf of Zeder.

Zeder Manco will charge the following fees:

	Percentage
Base fee per annum on net asset value of company	2,00%
Base fee per annum on cash held	0,15%
Annual performance fee (share of return above benchmark return)	10,0%

As per the private placement memorandum, PSG Group will pay the brokerage fee of 0,4% (excluding VAT) and the preliminary listing expenses.

It should be noted that the private placement memorandum stated that the base fee payable by Zeder per annum on cash was 2%. However, as a result of R700 250 000 being raised in respect of the private placement (and not R250 000 000 as initially indicated in the private placement memorandum), the directors of Zeder subsequently resolved that such fee should be reduced to 0,15% per annum, as per the table above. This effectively amounts to a reduction in the base fee payable to PSG Group by the company from R14 005 000 to R1 050 375 in respect of cash held by Zeder over a 12-month period. Given the raising of the additional capital in this manner, the board of Zeder has resolved that, in addition to the 0,4% brokerage (excluding VAT) payable by PSG Group, Zeder shall also pay a capital raising fee of R1 951 578 (excluding VAT) as a result of the aforesaid reduction in fees to Zeder Manco. Save for the aforementioned placement fee, no other commission or consideration has been paid by Zeder in connection with the issue or listing of any of its shares.

The above-mentioned fees are determined in accordance with the formulae as set out in the Management fee schedule in Annexure 4.

4.7 Duration of appointment

Zeder Manco has been appointed indefinitely as the manager of Zeder. The appointment may however be terminated as follows:

- automatically if Zeder is wound up, whether provisionally or finally;
- on 180 days notice given by the Zeder Manco, if the latter wishes to terminate its appointment as manager;
- on 180 days notice by Zeder, if the shareholders of Zeder resolve by special resolution to terminate the appointment after a period of at least five years after Zeder Manco's appointment as manager; or
- in accordance with a procedure prescribed in the management agreement if the manager fails to perform (and when requested, fails to remedy) a material obligation in the management agreement.

5. Prospects

The transformation of companies in the agricultural sector, from being producer focused to being shareholder focused, is and will continue to be a lengthy one. In the limited instances where such shift has been made, shareholders have benefited substantially. Therefore Zeder intends participating in identifying those agri-companies yet to tackle the industry consolidation and company rationalisation that is inevitable, and which are capable of rendering returns in the long term to Zeder shareholders.

Zeder will strive to deliver returns in excess of the benchmark index level, as defined in the definitions and interpretation section on page 7 of this pre-listing statement which, in terms of the returns rendered to PSG in the past by its existing agri-investments, is indeed possible.

It is expected that returns will be similar to the returns on Zeder's current investment portfolio. More details on current investments are contained in Annexure 3.

Zeder may become a shareholder of reference and a source of capital for agri-companies.

6. Directors

6.1 Directors' details

The full names, capacities, ages, date of appointment, business addresses and profiles of the directors of Zeder as at the last practicable date are set out below:

Johannes Fredericus Mouton ^{1 2}

Capacity: Chairman

Age: 60

Appointed: 21 August 2006

Business Address: 1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, 7600

Qualifications: BComm (Hons), CA(SA), AEP

Directorships: Non-executive chairman of Capitec Bank Holdings Limited, executive chairman of PSG Group and non-executive director of Steinhoff International Holdings Limited.

Summary of curriculum vitae: Mr Mouton is the founder of PSG Group. He also serves as a trustee of trusts and investment funds of Stellenbosch University. Prior to the establishment of PSG Group, he co-founded and served as managing director of the stock broking firm SMK. He was directly involved in the establishment of both Capitec Bank Limited and Zeder.

Chris Adriaan Otto ^{1 2}

Capacity: Non-executive director

Age: 57

Appointed: 21 August 2006

Business address: 1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, 7600

Qualifications: BComm, LLB

Directorships: Executive director of PSG Group, non-executive director of Capitec Bank Holdings Limited, and Channel Life Limited.

Summary of curriculum vitae: Mr Otto has been an executive director of PSG Group since 1996. He has been directly involved in the establishment of Capitec Bank Limited and Zeder. He has played an integral role in the establishment and management of PSG Group and its various operating subsidiaries. Such operating subsidiaries have engaged in investment activities (for example, PSG's pursuing its agricultural investment strategy that culminated in the establishment of Zeder) which Mr Otto has overseen and advised on. Mr Otto was also key in the establishment of, what used to be, PSG Investment Bank. He sat on various committees in respect of the aforementioned bank which related directly to advising on and managing the bank's investments.

Antonie Egbert Jacobs ²

Capacity: Chief executive officer
Age: 42
Appointed: 1 September 2006
Business Address: 1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, 7600
Qualifications: BAcc, BCompt (Hons), CA(SA), MComm (Tax), LLB
Directorships: Non-executive of various private companies.
Summary of curriculum vitae: Mr Jacobs is a qualified chartered accountant with many years experience in an investment management capacity in the agricultural sector. Mr Jacobs was the managing director of KLK Landbou Limited for three years which has a range of investments in the meat industry, motorcar dealerships and retail garages. He has sat on the boards of various investment holding companies with diversified interests, such as Winecorp Limited (where he was the financial director) and Spier Holdings (which has investments in the hotel and leisure industries, farming and property development). Prior to that, he was the executive head of financial re-engineering at BoE Bank. He also previously lectured tax and accountancy, as a senior lecturer, at the University of Stellenbosch.

Michiel Scholtz du Pré le Roux

Capacity: Non-executive director
Age: 57
Appointed: 1 September 2006
Business address: 26 Rozendal Avenue, Stellenbosch, 7600
Qualifications: BComm, LLB
Directorships: Non-executive director of Capitec Bank Holdings Limited and Capitec Bank Limited.
Summary of curriculum vitae: Mr le Roux was managing director of Distillers Corporation (SA) Limited from 1979 to 1993, and from 1995 to 1998 managing director of Boland Bank Limited, NBS Boland Limited and BoE Bank Limited. Mr le Roux is one of the founding members of Capitec Bank Limited.

Johan Georg Carinus ³

Capacity: Non-executive director
Age: 57
Appointed: 1 September 2006
Business address: Fransmanskraal, Devon Valley, Stellenbosch, 7600
Qualifications: BComm
Directorships: Non-executive director of Distell Limited.
Summary of curriculum vitae: Mr Carinus is a grape farmer from Stellenbosch and serves on the board of Het Jan Marais Fund. Mr Carinus also served on the boards of KWV Limited from 1990 to 2003, the Stellenbosch Farmers' Winery from 1994 to 2000, the Stellenbosch Vineyards from 1996 to 2004 and Rand Merchant Bank from 1982 to 1998.

Lambert Phillips Retief

Capacity: Non-executive director
Age: 54
Appointed: 7 November 2006
Business address: 425 Boschenmeer Estate, Paarl, 7620
Qualifications: BComm Hons, CA(SA), OPM (HBS)
Directorships: Executive chairman of Paarl Media Holdings (Proprietary) Limited, director of Media24 Limited
Summary of curriculum vitae: Mr Retief is a qualified accountant and has been involved in the printing and publishing business since 1978. He is a past chairman of the Provincial Press Association and current president of the Printing Industry Federation of South Africa. He is also a director of various investment companies.

¹ Founding directors of Zeder

² Member of Zeder investment committee

³ Chairman of audit committee

All of the directors of Zeder are South African.

6.2 Directors' powers

A summary of the provisions of the company's articles of association with regard to:

- Any power enabling a director to vote on a proposal, arrangement or contract in which he is materially interested;
 - Any power enabling the directors, in absence of an independent quorum of the board of directors, to vote on remuneration, including pension or other benefits to themselves or any members of the board;
 - Borrowing powers exercisable by the directors and how such borrowing powers can be varied; and
 - Retirement or non-retirement of directors under an age limit,
- is set out in Annexure 5 to this pre-listing statement.

6.3 Qualifications, borrowing powers and appointment of directors

The provisions of the articles of association of Zeder as regards directors, their appointment, qualification, remuneration and borrowing powers, are set out in Annexure 5 of this pre-listing statement.

6.4 Remuneration of directors

The remuneration to be received by the directors in respect of their directorships of Zeder is set out in Annexure 6 of this pre-listing statement. Directors' remuneration will be paid by Zeder Manco from the management fee it receives from the company.

6.5 Directors' interests

Details of directors' interests are set out in Annexure 6 of this pre-listing statement.

6.6 Directors' interests in transactions

None of the directors had any material beneficial interests, direct or indirect, in any transactions during the current or immediately preceding financial year or in an earlier year, which remain in any respect outstanding or unperformed.

6.7 Loans to directors and managers

Zeder has not made any material loans or furnished any security to or for the benefit of any director or manager, or any associate of any director or manager, of Zeder.

6.8 Directors' declaration

All of the directors of Zeder have confirmed in terms of Schedule 21 of the JSE Listings Requirements that they have not been:

- disqualified by any court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- publicly criticised by any statutory body or regulatory authority, including any recognised professional bodies;
- convicted of an offence resulting from dishonesty, fraud or embezzlement or any offence under legislation relating to the Act;
- adjudged bankrupt or entered into any voluntary creditors liquidation or been sequestered in any jurisdiction or been a director of any company at the time or within the 12 months preceding any of the following events taking place: receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any composition or arrangement with creditors generally or any class of creditors; or
- barred from entry into any profession or occupation.

6.9 Corporate governance

Zeder is committed to the principles of transparency, integrity and accountability as advocated in the King Code 2002. Accordingly, Zeder endorses the King Code 2002 and aims to comply in all sensible and material respects with the spirit and intent thereof in the control, management and direction of the company in the future.

In supporting the King Code 2002, the directors of Zeder recognise the need to conduct the business of the company with integrity and in accordance with generally acceptable corporate practices. Therefore, Zeder subscribes to the principles of timeous, honest and objective communications with its stakeholders, the highest standards of ethics in the conduct of its business.

Zeder has a unitary board. Mr JF Mouton has been appointed as the chairman of Zeder. The role of chief executive officer, filled by Mr AE Jacobs, is therefore separate from that of Chairman. The board has delegated certain powers to Zeder Manco with due regard to the fiduciary responsibility on the one hand, and operational efficiency on the other, while simultaneously retaining effective control over the company. With a clear distinction between the respective responsibilities at board level, together with the responsibilities as delegated to Zeder Manco, a balance of authority is therefore maintained and no one director is able to exercise unfettered decision-making powers.

At the last practicable date, the board of Zeder was comprised of six directors, with Mr AE Jacobs being the only executive director and the balance being non-executive directors. In the light of the role that Zeder Manco will play in the operation of the company, the directors are of the opinion that this arrangement represents an appropriate balance of executive and non-executive directors. All of the board of directors demonstrate the necessary calibre and credibility, skills and experience

as may be expected from a director of a listed company. Messrs MS du Pré le Roux, JG Carinus and LP Retief are defined as independent non-executive directors. The profiles of the directors appear in paragraph 6.1 of this document.

There is a clear policy in place for appointments to the board and such appointments are formal and a matter for the board as a whole. When appointing directors, the board takes cognisance of its needs in terms of different skill sets and experience (with specific reference to the agricultural sector as a whole) in order to make such appointment effective.

A staggered rotation of directors ensures continuity of experience and knowledge. Non-executive directors are appointed for three years and are subject to the Act's provisions relating to their removal. Annexure 5 hereto sets out the relevant provisions of the company's articles of association in this regard.

The directors have a duty and responsibility to ensure that the principles set in the King Code 2002 are observed. The directors have a fiduciary duty to act in good faith, with due diligence and care and in the best interests of the company and all stakeholders.

The Company will be governed by the following committees, as appointed by the board of directors in terms of the company's articles of association, as more fully set out in Annexure 5:

- Exco;
- audit committee; and
- Zeder Manco investment committee.

There is no remuneration committee as the remuneration of the directors is determined and paid for by Zeder Manco.

The audit committee sets principles for the use of the external auditors for non-audit services. The audit committee comprises Messrs JG Carinus (Chairman), MS du Pré le Roux, LP Retief and AE Jacobs. The audit committee will meet, at a minimum, twice yearly.

7. Financial information

The financial information set out in this pre-listing statement is the responsibility of the directors of Zeder.

The independent reporting accountants have provided confirmation to the JSE that they have reviewed this pre-listing statement and that the content hereof is not contradictory to any of the information contained in any of their reports.

7.1 Historical financial information relating to Zeder

The report on the historical financial information of Zeder and the independent reporting accountant's report in regard thereto are set out in Annexures 7 and 8, respectively, to this pre-listing statement.

7.2 Unaudited pro forma balance sheet relating to Zeder

The unaudited pro forma balance sheet of Zeder and the independent reporting accountant's report in regard thereto are set out in Annexures 9 and 11, respectively, to this pre-listing statement.

7.3 Unaudited profit forecasts relating to Zeder

The unaudited profit forecasts of Zeder and the independent reporting accountant's report in regard thereto are set out in Annexures 10 and 12, respectively, to this pre-listing statement.

The pro forma financial information and profit forecasts are for illustrative purposes only and will not necessarily reflect the actual performance of Zeder. Each investment is different and the performance thereof, or the agricultural industry as a whole, cannot be predicted with any certainty. Zeder will, however, endeavour to meet or exceed the benchmark return.

8. Share capital of Zeder

Zeder has issued ordinary shares in terms of the private placement, share swaps and further acquisitions, which will provide an efficient capital structure for the business which Zeder will operate.

8.1 Authorised and issued share capital

The authorised and issued share capital of Zeder, before the private placement, share swaps and further acquisitions, and thereafter, is set out below.

Before the private placement, share swaps and further acquisitions

	Rand
Authorised share capital	
1 500 000 000 ordinary shares with a par value of R0,01 each	15 000 000
250 000 000 cumulative, non-redeemable, non-participating preference shares with a par value of R0,01 each	2 500 000
Total authorised share capital	17 500 000
Issued share capital	
174 870 962 ordinary shares with a par value of R0,01 each	1 748 710
Nil cumulative, non-redeemable, non-participating preference shares with a par value of R0,01 each	Nil
Share premium	347 993 214
Total issued share capital	349 741 924

After the private placement

	Rand
Authorised share capital	
1 500 000 000 ordinary shares with a par value of R0,01 each	15 000 000
250 000 000 cumulative, non-redeemable, non-participating preference shares with a par value of R0,01 each	2 500 000
Total authorised share capital	17 500 000
Issued share capital	
524 995 962 ordinary shares with a par value of R0,01 each	5 249 960
Nil cumulative, non-redeemable, non-participating preference shares with a par value of R0,01 each	Nil
Share premium	1 044 741 964
Total issued share capital	1 049 991 924

After the private placement, share swaps and further acquisitions

	Rand
Authorised share capital	
1 500 000 000 ordinary shares with a par value of R0,01 each	15 000 000
250 000 000 cumulative, non-redeemable, non-participating preference shares with a par value of R0,01 each	2 500 000
Total authorised share capital	17 500 000
Issued share capital	
571 318 855 ordinary shares with a par value of R0,01 each	5 713 189
Nil cumulative, non-redeemable, non-participating preference shares with a par value of R0,01 each	Nil
Share premium	1 142 857 574
Total issued share capital	1 148 570 763

All ordinary shares will rank *pari passu* in all respects from the date of issue.

All ordinary shares issued in terms of the private placement and first share swap were issued at an issue price of R2,00 per share, which represents a premium of R1,99 per ordinary share. All shares issued in terms of the second share swap and further acquisitions were issued at an issue price of R2,20 per share, which represents a premium of R2,19 per ordinary share.

The directors of Zeder are of the opinion that the subscription prices paid in respect of the private placement, share swaps and further acquisitions (where ordinary shares were issued as consideration in making these acquisitions), fairly takes into account the value of the Zeder investment portfolio as at the respective effective dates of such transactions.

Ordinary shares will rank after any preferences shares that may be issued by Zeder in respect of dividends.

Zeder does not have any other securities listed on any other stock exchanges.

Zeder has no authorised debenture capital.

Subject to the provisions of the Act, the articles of association of Zeder and the JSE Listings Requirements of the JSE, to the extent applicable, where the company in general meeting has granted a general authority to the directors, the directors may in their discretion allot and issue any unissued shares to such persons at such times and on such terms and conditions and for such consideration, as the directors may think fit.

The only subdivision of share capital undertaken by Zeder was on its conversion from a shelf company in terms whereof the initial 1 000 ordinary shares were subdivided into 100 000 ordinary shares, and a further 1 499 900 000 ordinary shares and 250 000 000 cumulative, non-participating, non-redeemable preference shares were created in the authorised share capital of the company.

8.2 Issue of shares in terms of the PSG investment

Prior to the private placement, on 1 September 2006, Zeder issued 174 870 962 ordinary shares to its seven founding shareholders at R2,00 each. Of the aforementioned amount, 174 870 956 ordinary shares were issued to PSG Financial Services, a wholly owned subsidiary of PSG, in terms of the PSG investment, and the remaining six ordinary shares were each issued to the other six founding shareholders. The 174 870 956 Zeder shares were issued as consideration in acquiring the PSG investment. The shares acquired in terms thereof, and their values as at the last practicable date appear at paragraph 3.5.1 above.

8.3 Issue of shares in terms of private placement

During the course of September 2006, Zeder issued 350 125 000 ordinary shares to select investors at a subscription price of R2,00 per ordinary share in terms of the private placement. Such subscription was subject to a minimum subscription amount of R100 000 per single addressee acting as principal. A private placement memorandum was distributed on 8 September 2006 to such select investors setting out the full terms and conditions of the private placement. The private placement closed on 29 September 2006. The private placement memorandum is available for inspection in terms of paragraph 22 of this pre-listing statement.

8.4 Issue of shares in terms of share swaps

8.4.1. First share swap

During the course of September 2006, Zeder received irrevocable undertakings to exchange 16 657 629 ordinary shares in terms of the first share swap at an issue price of R2,00 per ordinary share to select investors who swapped their shares in certain of the agri-companies comprising the Zeder investment portfolio in exchange for such Zeder ordinary shares. The shares acquired, and their value as at the last practicable date, are set out in paragraph 3.5.2 above. An irrevocable exchange letter was provided on 8 September 2006 to such select investors setting out the full terms and conditions of the share swap. The share exchange in respect of the first share swap closed on 29 September 2006. The irrevocable exchange letter is available for inspection in terms of paragraph 22 of this pre-listing statement. To the extent that such exchanges have not been effected as at the date of issue of this pre-listing statement, application will be made to the JSE for the listing of such Zeder ordinary shares as and when the transfer of the exchanged shares to Zeder has occurred.

8.4.2. Second share swap

During the course of October 2006, Zeder received irrevocable undertakings to exchange 1 967 847 ordinary shares in terms of the second share swap at an issue price of R2,20 per ordinary share to select investors who swapped their shares in certain of the agri-companies comprising the Zeder investment portfolio in exchange for such Zeder ordinary shares. The shares acquired, and their value as at the last practicable date, are set out in paragraph 3.5.2 above. An irrevocable exchange letter was provided on 6 October 2006 to such select investors setting out the full terms and conditions of the share swap. The share exchange in respect of the second share swap closed on 3 November 2006. The irrevocable exchange letter is available for inspection in terms of paragraph 22 of this pre-listing statement. To the extent that such exchanges have not been effected as at the date of issue of this

pre-listing statement, application will be made to the JSE for the listing of such Zeder ordinary shares as and when the transfer of the exchanged shares to Zeder has occurred.

8.5. Issue of shares in terms of the further acquisitions

During the course of October and November 2006, Zeder paid cash and/or issued 27 697 417 ordinary shares to select investors (including PSG) at an issue price of R2,20 per share in acquiring certain shares and/or assets in those agri-companies as set out in paragraph 3.5.3 of this pre-listing statement and the unquoted equity securities as set out in note 2 of Annexure 7. The value of the aforementioned acquisitions acquired by way of the issue of the 27 697 417 Zeder shares is R60 934 321.60, as determined in terms of the prevailing market value of such acquisitions on the respective effective dates.

8.6. Voting rights

At any general meeting, every ordinary shareholder present in person or by proxy shall be entitled to that proportion of the total votes in the company which the aggregate amount of the nominal value of the shares held by such shareholder bears to the aggregate amount of the nominal value of all of the shares issued by the company. Notwithstanding the foregoing, on a show of hands, an ordinary shareholder will have only one vote, irrespective of the number of shares he holds or represents.

All Zeder ordinary shares rank *pari passu* in all respects including voting rights and the entitlement to dividends and other distributions. There are no preferential conversion rights attaching to the ordinary shares.

In terms of the cumulative, non-redeemable, non-participating preference shares, such preference shareholders will only be entitled to those voting rights as contemplated in section 194 of the Act. Zeder has also undertaken to ensure that the percentage of the aggregate of the total nominal value all of the preference shares in issue at any time divided by the aggregate of the total nominal value of all of the shares (being all ordinary and preference shares) in issue at any time, shall not exceed 24,9%.

Zeder's articles of association state that the rights attached to the ordinary shares may be varied only with the consent in writing of 75% of the ordinary shareholders, or with the sanction of a special resolution passed at a separate general meeting of Zeder ordinary shareholders. The same such provision applies *mutatis mutandis* to the cumulative, non-redeemable, non-participating preference shares.

8.7. Unissued ordinary shares

At the general meeting of Zeder held on 28 August 2006, the Zeder ordinary shareholders approved the ordinary resolution placing the ordinary shares under the control of the directors of the company, who may issue and allot such shares in their discretion.

8.8. Authorisations

The private placement and share swaps were made following the approval of the board of directors in terms of the authority granted in general meeting as per 8.7 above

8.9. Major shareholders

As at the last practicable date the following shareholders were major ordinary shareholders Zeder and were the only shareholders holding more than 5% beneficial interest in the issued ordinary shares of Zeder:

Shareholder	% issued ordinary share capital ¹
PSG Financial Services	35,5
Allan Gray	8,8
Sanlam	13,1
Coronation Fund Managers	8,8
PSG Genomineerdes (Edms) Beperk ²	9,8
Total	76

¹ Based on issued share capital of 571 318 855

² Held on behalf of over 1 000 individual clients of PSG Konsult Limited and PSG Online Securities (Proprietary) Limited

As at the last practicable date, PSG Financial Services was the single largest shareholder in Zeder.

9. Adequacy of capital

The directors of Zeder have considered the working capital position of Zeder and are of the opinion that for a period of 12 months from the date of this pre-listing statement:

- the company will be able in the ordinary course of business to pay its debts; and
- the assets of the company will be in excess of the liabilities of the company and the group; and
- the share capital and reserves of the company will be adequate for ordinary business requirements; and
- the working capital of the company will be adequate for ordinary business purposes.

10. Borrowings

As at the last practicable date, the company had no material borrowings.

11. Loans receivable

At the last practicable date, the company had no material loans receivable.

THE PRIVATE PLACEMENT, SHARE SWAPS AND LISTING

12. The listing

12.1 Important dates and times

Date of issue of this pre-listing statement	Monday, 27 November 2006
Proposed listing date (09:00)	Friday, 1 December 2006

12.2 Details of the listing

The JSE has granted Zeder a listing of a maximum of 571 318 855 ordinary shares as follows:

JSE sector:	General Financial – “Speciality Finance”
Abbreviated name:	Zeder
Share code:	ZED
ISIN:	ZAE000088431

The listing is subject to the condition precedent that Zeder is able to fulfil the spread requirements of the JSE in respect of ordinary shareholders, namely a minimum of 500 public ordinary shareholders, and that at least 20% of the issued ordinary share capital be held by public shareholders. As at the last practicable date, Zeder had over 1 513 ordinary shareholders, of whom 1 507 are regarded as public shareholders and who collectively hold 64% of the company's issued ordinary share capital.

12.3 Dematerialisation of ordinary shares

Zeder ordinary shareholders who have not already instructed their broker/CSDP that they wish to trade their Zeder ordinary shares in electronic form on listing date, must provide Zeder with the information as set out in the attached form as a matter of urgency on or before Wednesday, 29 November 2006 so that Zeder's transfer secretaries may dematerialise such ordinary shares and ensure that they are credited to the Zeder ordinary shareholders' brokerage accounts at the commencement of trade on the listing date.

Zeder ordinary shareholders who have already provided such information, or who have already instructed their broker/ CSDP accordingly need **not** complete the attached form.

Any Zeder shareholder who does not have a broker/CSDP and wishes to trade his Zeder ordinary shares electronically on listing date must accordingly open a broker's account with an authorised broker at least 2 (two) days prior to the listing date. Once such broker has been duly appointed, the dematerialisation process will be dealt with by the broker and/or CSDP in accordance with the mandate governing the relationship between the Zeder ordinary shareholder and his broker and/or CSDP.

Any Zeder shareholder who already has an appointed broker/CSDP, and who has not informed such broker/CSDP that he wishes to dematerialise his Zeder shares, should inform his broker and/or CSDP at least 2 (two) days prior to listing that he wishes to dematerialise his Zeder ordinary shares on the listing date. Again, the dematerialisation process will be dealt with by the broker and/or CSDP and transfer secretaries in accordance with the mandate governing the relationship between the Zeder ordinary shareholder and such parties.

In terms of the private placement, the directors of Zeder expressly reserved the right to accept or refuse any applications, either in whole or in part, or to abate any or all applications in such manner as they, in their sole and absolute discretion, may determine.

All ordinary shares issued will be allotted and issued subject to the provisions of the articles of association of Zeder.

The relevant South African Exchange Control provisions appear as Annexure 13 hereto.

12.4 Brokerages and commissions

PSG Group shall pay the brokerage fee of 0,4% (excluding VAT) to brokers and/or agents and/or authorised intermediaries who successfully placed Zeder ordinary shares in terms of the private placement. Save for the R1 951 578 (excluding VAT) placement fee paid to the joint sponsor in respect of the private placement, no other commission or consideration has been paid by Zeder in respect of the allotment or issue of shares at any time since the company's incorporation.

13. Expenses of the private placement, share swaps and the listing

PSG Group shall pay the cash expenses relating to the above, as detailed below, which are estimated to be approximately R1 742 466 million and relate, inter alia, to:

Description of expense	Rand
Printing, publication and distribution costs of this pre-listing statement and other related announcements	214 000
Fees payable to the transfer secretaries, Link Market Services South Africa (Proprietary) Limited	10 000
Fees payable to the legal advisers, Hofmeyr Herbststein & Gihwala Inc.	R45 000
Fees payable to the reporting accountants and auditors, PricewaterhouseCoopers Inc.	125 000
Fees payable to lead sponsor, BDO Questco (Proprietary) Limited	15 000
Fees payable to the joint sponsor, PSG Capital Limited, for the initial private placement, listing and documentation process but excluding the placement fee in 12.4 above	1 100 000
JSE documentation and listing fees of R39 950 and R193 516 respectively	233 466
Total	1 742 466

All the above fees are exclusive of VAT.

Zeder shall not bear any of the above expenses.

14. Advisers' interests

Zeder Manco is a wholly owned subsidiary of PSG Group, which is the single largest shareholder in Zeder.

OTHER INFORMATION

15. Vendors

Zeder acquired the Zeder investment portfolio by way of the PSG investment, the share swaps and the further acquisitions, as more fully described in paragraph 3.5 on page 12. Full details of those investments comprising the Zeder investment portfolio appear in Annexure 3.

Save for the PSG investment, which may be regarded as being material, there have been no other material acquisitions or disposals by the company since its incorporation.

The table below sets out the details regarding the vendor in respect of the PSG investment, aggregated as a result of the fact that the PSG investment comprises of numerous and various acquisitions by the vendor over a lengthy period of time:

PSG investment	Address of vendor	Purchase consideration R'm	Cost to vendor R'm	Date of acquisition by vendor
PSG Financial Services	1st Floor, Ou Kollege 35 Kerk Street Stellenbosch, 7600	174 870 956 Zeder ordinary shares issued at R2,00 per share	263,67	19 June 2004 – 15 August 2006

The vendor as set out above gave no guarantees on the assets comprising the PSG investment. The assets were sold to Zeder for the purpose of providing start-up investments for the Zeder investment portfolio. The PSG investment became effective on 1 September 2006. The PSG investment was concluded in terms of the market prices of the agri-investments concerned that prevailed at 31 August 2006, and the Zeder consideration shares issued in terms thereof were all issued at R2,00 per share. The vendor is not bound to any restraint of trade arrangements with Zeder. None of these assets are ceded or pledged or otherwise encumbered.

16. Material changes

Save as set out in note 21 in Annexure 7, no material changes in either the financial or trading position of Zeder or the assets and liabilities of Zeder has occurred since the date of the last audited financial statements as at 31 October 2006.

17. Material contracts

The only material contract entered into by Zeder is the management agreement. There are accordingly no material contracts that have been entered into, either verbally or in writing, by Zeder since its incorporation otherwise than in the ordinary course of business which contain any outstanding obligation or settlement that is material to the company as at the date of issue of the pre-listing statement.

18. Material acquisitions or disposals

The PSG investment is the only material acquisition made by Zeder and details thereof are set out in paragraphs 3.5.1 and 13 above. Zeder has not disposed of any assets since incorporation.

19. Directors' responsibility statement

All of the directors of Zeder, whose names are set out in paragraph 6.1 above, collectively and individually accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this pre-listing statement contains all information required by law and the JSE Listings Requirements.

20. Litigation statement

Zeder is not, and has not at any time since its incorporation, been involved in any legal or arbitration proceedings which may have or have had a material effect on the financial position of Zeder, nor is Zeder aware of any such proceedings that are pending or threatened.

21. Experts' consents

The commercial bank, lead sponsor and joint sponsor, attorneys and transfer secretaries have consented in writing to act in the capacities stated and to their names being included in this pre-listing statement and have not withdrawn their consent prior to the publication of this pre-listing statement.

The reporting accountants and auditors have consented in writing to act in the capacity stated, to their names being included in this pre-listing statement and to the inclusion of their reports in the form and context in which they appear, and have not withdrawn their consent prior to the publication of this pre-listing statement.

22. Documents available for inspection

Copies of the following documents will be available for inspection at the registered office of Zeder during normal business hours on any business day from the date of issue of this pre-listing statement up to and including Friday, 8 December 2006:

- 22.1 the memorandum and articles of association of Zeder;
- 22.2 the independent reporting accountant's reports;
- 22.3 the management agreement;
- 22.4 PSG Group's 2006 annual report;
- 22.5 the merger circular;
- 22.6 written consents of the commercial bankers, joint sponsor, lead sponsor, attorneys, independent reporting accountants and auditors and transfer secretaries to the inclusion of their names in this pre-listing statement in the context and form in which they appear;
- 22.7 a copy of the private placement memorandum used in respect of the private placement;
- 22.8 copies of the exchange letters used in respect of the share swaps;
- 22.9 a signed copy of this pre-listing statement; and
- 22.10 the signed audited financial statements of Zeder as at 31 October 2006.

Signed on behalf of all of the directors of Zeder Investments Limited by



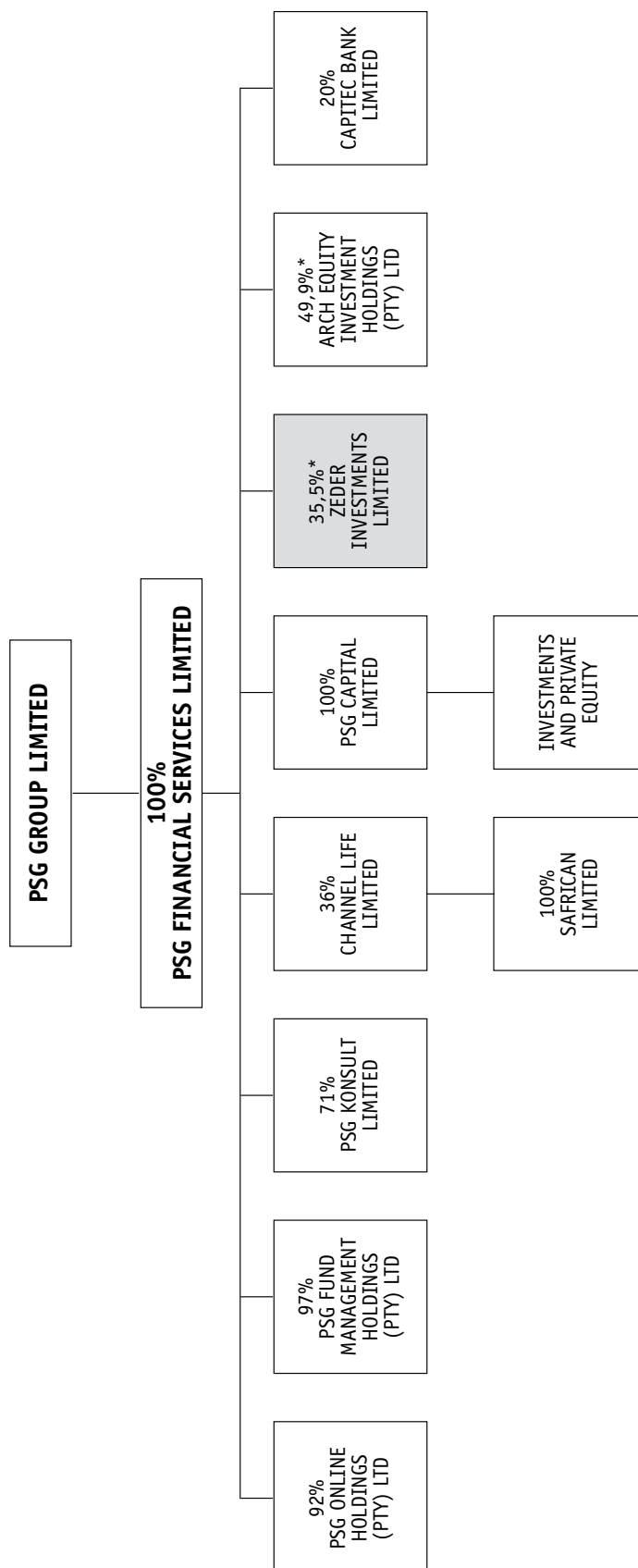
AE Jacobs

who warrants that he is duly authorised thereto.

Stellenbosch

Monday, 27 November 2006

PSG GROUP STRUCTURE



INVESTMENT MANDATE

The material terms of the investment mandate formally adopted by Zeder are set out below.

1. Executive summary

1.1 Overview

The agricultural sector of the South African economy has undergone a dramatic change in the last decade. Whereas most firms operating in the sector were structured as co-operative undertakings focusing on the needs of producers in the past, most of these firms have converted to public companies over the last decade. Many of these companies have presented, and continue to present, attractive investment opportunities.

PSG Group Limited ("PSG"), through its wholly owned subsidiary, has acquired interests in a number of these agri-related companies. These interests have formed the basis of Zeder Investments Limited's ("Zeder") initial investment portfolio. All of the companies invested in are unlisted (although some trade on over-the-counter platforms) and many have intricate control structures in place. Because of these barriers to entry, it is a sector which many institutional and retail investors have yet to invest in, despite the attractive investment opportunities available.

PSG has developed considerable expertise in the agricultural sector of the South African economy, and has generated attractive returns from agri-related investments it has made. Through Zeder, investors are now able to participate in the attractive investment opportunities presented by the agricultural sector and can benefit from the proven expertise of PSG in this arena.

1.2 Investment themes

Zeder will focus on the agricultural, agricultural processing, food, beverages, grain and related sectors including upstream and downstream activities. Investments will be mainly in unlisted companies and companies where industry expertise is required to make intelligent profit generating investments. The investment approach will be value-oriented and contrarian, which is considered vital for generating attractive long-term investment returns due to the highly cyclical nature of the agricultural environment.

2. Investment opportunity

2.1. Investment trends

The transformation of companies in the agricultural sector from being producer focused to being shareholder focused, is a long-term process that still has many years to run. In the limited number of companies where this transformation has been concluded, shareholders have benefited substantially. Zeder intends to participate in the adding of value in these companies during the process of industry consolidation and company rationalisation that is envisaged over the next number of years.

2.2. Investment focus

Zeder will invest mainly in equity instruments. Usually this will take the form of ordinary shares purchased in companies, but alternative investment instruments will also be considered where an attractive investment return is expected.

Where attractive investment opportunities are identified, substantial interests may be taken up in companies if the board approves same in exceptional circumstances. While this may result in a lack of diversification and liquidity risk within Zeder, it is considered the most appropriate strategy to generate attractive long-term investment returns.

Although there is no express restriction on the level of gearing Zeder may employ, it is not expected that Zeder will utilise debt to a significant extent, and the level of gearing employed will be assessed continuously in the context of the level of liquidity within Zeder's portfolio.

3. Investment strategy

3.1. Investment objective

Zeder expects to invest in a range of companies within the targeted sectors. There is no specific expected holding period for investments. The holding period of investments will be assessed on a continuing basis in relation to the relative attractiveness of the investment compared to other available opportunities. Capital will be deployed in attractive investment opportunities, but where such opportunities are not available, capital may be returned to shareholders.

Because the nature of Zeder's investments will be mainly equity, Zeder will aim to achieve investment returns in excess of the performance of the FTSE-JSE Beverages Total Return Index (TRI041) and the FTSE-JSE Food Producers Total Return Index (TRI043).

3.2. Investment process

The team that has been responsible for PSG's agricultural investments will be responsible for evaluating and implementing investments. Investment opportunities will be identified and evaluated by team members, who will present their ideas to the PSG constituted Zeder Manco investment committee ("Zeder Manco investment committee") for approval.

3.2.1. Deal flow generation

Deal flow will be generated through the existing network of contacts and knowledge base that the PSG team and the CEO of Zeder have acquired through years of working in and providing corporate advice in the agricultural sector.

3.2.2. Transaction section and review

All potential investment transactions will be evaluated by skilled investment professionals under the supervision of the CEO of Zeder and senior employees of PSG.

3.2.3. Transaction execution, negotiation and financing

The team responsible for the execution of PSG's past agricultural investments has substantial experience in the process of execution and negotiation of transactions and financing. These skills will at all times be available to Zeder.

3.2.4. Investment management

The Zeder portfolio will be reviewed on an ongoing basis with regular reporting back to the Zeder Manco investment committee and/or Zeder's Exco.

3.2.5 Risk profile

Zeder's investment strategy will be one of making focused investments in opportunities presenting attractive return potential at acceptable levels of risk. The investment approach will be value-oriented and contrarian.

3.2.6 Zeder Manco investment committee representation

Directors of Zeder will be represented on the Zeder Manco investment committee.

4. Portfolio guidelines

Zeder will be free to invest in any company within the agricultural, beverage, food, grain and other related sectors of the economy. There are no express limitations on the nature of the investments to be made, and it may happen from time to time that investments are made outside of these fields, but it is envisaged that this will be exceptional.

There are no specific guidelines that will govern how a transaction or investment is to be implemented: such decisions will be made on a case-by-case basis depending on the circumstances prevailing at the time. There is also no set limit on the size of any specific investment that may be made, either as a percentage of the value of Zeder's portfolio or as a percentage of the share capital of the investee company. Notwithstanding the aforesaid the only general rule is that investment will usually not exceed a 20% interest.

Liquidity requirements will be monitored on an ongoing basis. Where funds in excess of that on hand are required for investment purposes, cash will be raised by issuing new shares in Zeder, by selling less attractive investments, by raising debt capital or by obtaining bank loan financing. It is however expected that limited use will be made of debt funding in view of the relatively illiquid nature of the investments that will be made and the fact that most cash inflows (other than new contributions from investors) will be in the form of dividend income.

Where an investment opportunity is identified which fits the general description of the investments that Zeder intends making, Zeder will have the first right to pursue such an opportunity.

5. Governance of the company

The company will be governed by the following:

- board of directors or Exco;
- audit committee; and
- Zeder Manco investment committee.

PSG will provide all administrative and secretarial services required by Zeder. No additional fees will be charged for the rendering of these services besides the management fee.

INFORMATION RELATING TO ZEDER'S INVESTMENT PORTFOLIO

1. KVV Limited

1.1 Description

KVV Limited ("KVV") is the holding company of three primary subsidiaries: KVV Investments Limited ("KVV Investments"), KVV South Africa Limited ("KVV South Africa") and KVV International Limited ("KVV International"). KVV Investments is a JSE-listed investment holding company that indirectly owns 30% of Distell Limited.

KVV South Africa is the procurement and production company in the group. It sources grapes and wine for producing the brands housed within KVV, and also produces and sells top-quality rebate brandy to KVV International and other wholesalers.

KVV International is responsible for the marketing and trading of KVV's products. It is a leading exporter and distributor of quality wines and spirits in 35 global markets, the most important of these being the United Kingdom, the United States of America, Germany and, since May 2004, South Africa. Prior to May 2004, KVV was not allowed to sell its products in the South African market due to historical government regulations.

1.2 Key officers

Chairman of the Board: D (Danie) de Wet
Chief Executive Officer: WJ (Willem) Barnard

1.3 Salient financial information

Shares in issue (millions):	444,3
Share price as at 14 November 2006:	R3,4
Market capitalisation:	R1 567,7 million
Price earnings ratio:	10,3
Dividend yield:	1,7%
Price/Net asset value:	1,1
Tangible net asset value:	R2,94
Profit after tax (R'm):	R201,5

R'000	Six months to 31 December 2005	Year to 30 June 2005 30 June 2006	
Income statement			
Income	635 747	1 090 410	1 185 631
Gross profit	237 224	364 440	413 952
Operating profit from normal operations	59 553	68 728	97 073
Adjusted headline earnings ¹	87 492	105 549	140 690
Adjusted headline earnings per share (cents)	19,7	23,6	31,7
Dividend per share (cents)	–	4,5	5,75
Balance sheet			
Non-current assets – tangible	1 317 278	1 263 215	1 329 656
Non-current assets – intangible	6 897	3 576	7 246
Current assets	1 102 727	1 096 248	1 195 114
<i>Total assets</i>	<i>2 426 902</i>	<i>2 363 039</i>	<i>2 532 016</i>
Equity	1 677 369	1 587 612	1 750 254
Non-current liabilities	290 650	315 626	220 463
Current liabilities	458 883	459 801	561 299
<i>Total equity and liabilities</i>	<i>2 426 902</i>	<i>2 363 039</i>	<i>2 532 016</i>
Net asset value per share (R)	2,83	2,68	2,96

¹ Excludes one-off impact of BEE transaction in associate (Distell Limited) and the amortisation of payments made to SAWIT, which liability has subsequently been extinguished.

1.4 Prospects

Since its entry to the local market, KWV has been achieving considerable success with its brandy products. While the strong rand has had a severe impact on profitability over the last three years (during which time virtually all the company's sales were to export countries), there appears to be a distinct possibility that the rand may be entering a period of sustained weaker levels than that seen in the past two years. This will benefit KWV substantially. KWV is already fully empowered and has no restrictions in respect of shareholding.

2. Pioneer Food Group Limited

2.1 Description

Pioneer Food Group Limited ("Pioneer") was established in 1920, and has grown over time to become one of the largest food manufacturers in South Africa. While the core of its business remains milling and baking of grain, it has also built an impressive portfolio of well-known brands, through both internal development and acquisitions.

The company is divided into two primary divisions: staple foods, and branded products. The staple foods division includes Sasko (wheaten flour, bread, White Star maize meal, rice), agri-products (chicken, eggs and animal feeds) and non-branded S.A.D. products (dried fruits, nuts, jams). The branded products division includes Bokomo Foods (cereals, biscuits, rusks, Maizena), Ceres Beverage Company (Ceres, Liqui-Fruit and Fruitree fruit juices, Pepsi), Heinz Foods (tomato sauce, condiments, seafood products, soups) and branded S.A.D. products (Marmite, Bovril, Peck's, Redro).

2.2 Key officers

Chairman of the Board: HE (Boy) Blanckenberg
Chief Executive Officer: WA (André) Hanekom

2.3 Salient financial information

Shares in issue (millions):	181,2
Share price as at 14 November 2006:	R31,75
Market capitalisation:	R5 864 million
Price earnings ratio:	13,6
Dividend yield:	2,7%
Price/Net asset value:	1,9
Tangible net asset value:	R15,5
Profit after tax (R'm):	R464,8

R'million	Six months to		Year to
	31 March 2006	31 March 2005	30 September 2005
Income statement			
Income	4 694,1	4 151,0	8 446,3
Operating profit before exceptional items	343,2	280,0	722,3
Headline earnings	221,1	176,3	487,8
Headline earnings per share (R)	1,47	1,10	3,14
Dividend per share (R)	0,25	0,20	0,75
Balance sheet			
Non-current assets	2 680,0	2 258,1	2 635,4
Current assets	2 918,2	2 490,3	2 259,3
<i>Total assets</i>	<i>5 598,2</i>	<i>4 748,4</i>	<i>4 894,7</i>
Equity	2 808,3	2 476,8	2 655,2
Non-current liabilities	542,5	505,4	543,5
Current liabilities	2 247,4	1 766,2	1 696,0
<i>Total equity and liabilities</i>	<i>5 598,2</i>	<i>4 748,4</i>	<i>4 894,7</i>
Net asset value per share (R)	15,50	13,52	14,65

2.4 Prospects

Management has cautioned that the excellent growth recorded over the last two financial periods is unlikely to continue. In the current environment of increasing interest rates and inflation, consumer demand may well be dampened somewhat, which may curtail Pioneer's short-term growth. However, the bulk of the company's products face fairly inelastic demand curves, insulating the company to a significant extent from changes in consumer behaviour. This should contribute to the company continuing its solid financial performance in the years ahead.

3. Kaap Agri Limited

3.1 Description

Kaap Agri Limited ("Kaap Agri") came into being as a result of the merger between WPK Beleggings Limited ("WPK") and Boland Agri Beherend Limited ("Boland Agri") in 2005. The company offers a wide range of products and services to the agricultural community, and increasingly also to the public, in the Western and Northern Cape. Kaap Agri is also the single largest shareholder in Pioneer, with a shareholding of about 22%.

The company has changed the focus of its trading branches (the Agrimark stores) from purely farming orientated to include the public at large. This has been quite successful, and the Agrimark stores are the largest contributor to group revenue and profits.

3.2 Key officers

Chairman of the Board: GD (George) Eksteen

Chief Executive Officer: CA (Corwyn) Botha

3.3 Salient financial information

Shares in issue (millions):	197,1
Share price as at 14 November 2006:	R5,15
Market capitalisation:	R1 015 million
Price earnings ratio:	7,25
Dividend yield:	1,5%
Price/Net asset value:	1,1
Tangible net asset value:	R4,62
Profit after tax (R'm):	R133,19

R'000	Six months to 31 March 2006	31 March 2005	Year to 30 September 2005
Income statement			
Income	827 003	776 352	1 311 318
Operating profit	69 216	68 007	79 772
Finance charges	(18 206)	(20 237)	(37 939)
Share in profit of associated companies	48 941	42 981	102 236
Headline earnings	86 083	79 663	133 192
Headline earnings per share (R)	0,44	0,40	0,67
Dividend per share (cents)	–	–	7,5
Balance sheet			
Non-current assets – tangible	827 762	748 963	810 931
Non-current assets – intangible	–	–	–
Current assets	790 883	783 193	774 324
<i>Total assets</i>	1 618 645	1 532 156	1 585 255
Equity	909 608	758 794	837 615
Non-current liabilities	92 478	105 617	90 192
Current liabilities	616 559	667 745	657 448
<i>Total equity and liabilities</i>	1 618 645	1 532 156	1 585 255
Net asset value per share (R)	4,62	3,85	4,25

3.4 Prospects

Weather patterns in the Western Cape have normalised over the last 18 months, from having been very dry for a number of seasons before. This has brightened the agricultural outlook for the region, which should flow through to an improved performance for Kaap Agri. The weakening of the rand and the prospect of somewhat increased inflation also bode well for export fruit producers (which form a significant portion of the company's client base) and local producers of domestic foodstuffs, which should also impact positively on Kaap Agri in the medium term.

Pioneer has a substantial impact on Kaap Agri's performance. For a review of the prospects for Pioneer, refer to the separate discussion of that company. Kaap Agri is unlisted and it has a restriction as to the number of shares that may be held by any one shareholder, namely 5%.

4. Senwes Limited

4.1 Description

Senwes Limited ("Senwes") is one of the largest grain-handling concerns in South Africa. The company has silo capacity of about 4,6 million tons – more than 25% of the total capacity in the country. After experiencing severe financial difficulties due to ill conceived diversification and expansion in the late 1990s, the company has made a remarkable recovery under new management over the last four years.

The company now focuses on the handling, storage and marketing of grain, the supply of financing to clients, as well as the supply of inputs to farmers (although this activity has been scaled down somewhat recently). The only remaining non-core businesses are a wine cellar and a seed supply business, both operating profitably. In the process of disposing of other non-core businesses and rationalising the company over the last few years, management has managed to unlock substantial value for shareholders, amongst others by way of special dividends.

4.2 Key officers

Chairman of the Board: JE (Japie) Grobler

Chief Executive Officer: JJ (Johan) Dique

4.3 Salient financial information

Shares in issue (millions):	180,8
Share price as at 14 November 2006:	R2,66
Market capitalisation:	R480,9 million
Price earnings ratio:	4,59
Dividend yield:	5,6%
Price/Net asset value:	0,7
Tangible net asset value:	R3,78
Profit after tax (R'm):	R107

R'm	Year to 30 April	
	2006	2005
Income statement		
Income	3 979	4 250
Gross profit	767	874
Operating profit after finance charges	98	132
Headline earnings	105	98
Headline earnings per share (R)	0,58	0,54
Dividend per share (Cents)	15	10
Balance sheet		
Non-current assets – tangible	257	269
Non-current assets – intangible	–	–
Current assets	1 381	1 595
<i>Total assets</i>	<i>1 638</i>	<i>1 864</i>
Equity	683	622
Non-current liabilities	89	80
Current liabilities	865	1 162
<i>Total equity and liabilities</i>	<i>1 638</i>	<i>1 864</i>
Net asset value per share (R)	3,78	3,44

4.4 Prospects

Senwes has positioned itself as one of the foremost companies in the field of handling, storage and marketing of grain in South Africa. Management has identified this aspect of the business to be the area where the company has a high competency level, and accordingly the company has been expanding its grain-handling geographical footprint to areas beyond its traditional service area. At the same time, input supply activities have been scaled down to some extent, with the sale and closure of some trading branches.

As a result of these initiatives, the company can be expected to perform well in times of large grain harvests (when a large quantity of grain is available for handling, storage and marketing). However, after smaller harvests and in times when farmers are increasing plantings (as has been the case in 2006, following substantially reduced plantings on the back of a record low maize price in 2005), the company can be expected to lag somewhat in profitability.

5.4 Prospects

A key factor for KLK going forward is the success of its meat supply chain business. Fuel distribution generates the bulk of the company's profits (more than 50% of net income); this business is expected to continue performing steadily in future, so despite any problems in the meat and trading store divisions, the company should have no problem at least maintaining historical levels of profitability.

6. Oos Vrystaat Kaap Operations Limited

6.1 Description

Oos Vrystaat Kaap Operations Limited ("OVK") is a diversified agricultural business with its head office in Ladybrand in the Free State. The company's primary activities involve: general trade; fuel distribution; mechanisation (sales, servicing and repairs of agricultural machinery); motor dealerships; short term insurance broking; grain handling, storage and marketing; livestock slaughtering and marketing of carcasses and client financing.

Although the company is small, the diversified nature of its business has enabled it to achieve a very satisfactory profit history of solid growth and returns on equity. The company also has a consistent record of paying out satisfactory dividends to shareholders.

The recent acquisition of Karoo Oranje Landboukoöperasie Limited resulted in a strong increase in most income statement items from 2005 to 2006, but the impact on per share profitability was less obvious.

6.2 Key officers

Chairman of the Board: HW (Manie) Botha
Chief Executive Officer: G (Hardie) van Niekerk

6.3 Salient financial information

Shares in issue (millions):	59,0
Share price as at 14 November 2006:	R2,22
Market capitalisation:	R130,9 million
Price earnings ratio:	4,6
Dividend yield:	5%
Price/Net asset value:	0,53
Tangible net asset value:	R4,14
Profit after tax (R'm):	R98

R'000	Year to 28 February	
	2006	2005
Income statement		
Revenue	1 264 336	1 077 832
Gross profit	148 948	110 194
Operating profit after finance charges	48 812	37 355
Headline earnings	31 554	31 028
Headline earnings per share (R)	0,48	0,47
Dividend per share (cents)	11	10
Balance sheet		
Non-current assets – tangible	152 241	180 317
Non-current assets – intangible	3 334	3 341
Current assets	393 219	400 022
<i>Total assets</i>	<i>548 794</i>	<i>583 680</i>
Equity	247 659	205 264
Non-current liabilities	39 802	43 783
Current liabilities	261 333	334 633
<i>Total equity and liabilities</i>	<i>548 794</i>	<i>583 680</i>
Net asset value per share (R)	4,20	3,48

6.4 Prospects

The livestock division struggled during the 2006 financial year. Management is confident of a turnaround, which should boost results. The fuel distribution business is an important profit generator for the company, and the consistent performance in this division is expected to continue. As far as general grain-related activities are concerned, the increase in maize prices should benefit the general trading division as farmers have increased plantings and investment in machinery and tools, but the low grain volumes due to the small harvest (on the back of the record low 2005 maize prices) will hamper profitability to some extent. Overall, OVK is expected to continue showing steady profitability in the years ahead.

7. Suidwes Investments Limited

7.1 Description

Suidwes Investments Limited ("Suidwes") is a typical agricultural company operating in a maize-producing area. The company is involved in all aspects of meeting the needs of grain and other farmers, from supplying inputs and requisites to grain handling, storage and marketing, to selling insurance and providing financing. The company recently disposed of two of its non-core operations, which had been making substantial losses, namely its peanut business (procurement, processing and marketing of peanuts) and its milling business.

The losses incurred in the disposed business units, along with the challenging maize environment in the second half of the 2005 financial year, were the main causes of the loss incurred in the 2005 financial year. The business as a whole has staged a satisfactory recovery in the 2006 financial year, once again declaring a solid dividend after paying no dividend subsequent to the poor 2005 performance.

7.2 Key officers

Chairman of the Board: SF (Fanie) van Zyl
Chief Executive Officer: SW (Schalk) Pienaar

7.3 Salient financial information

Shares in issue (millions):	123,3
Share price as at 14 November 2006:	R0,65
Market capitalisation:	R80,2 million
Price earnings ratio:	2,4
Dividend yield:	9,23%
Price/Net asset value:	0,4
Tangible net asset value:	R1,69
Profit after tax (R'm):	R340

R'000	Year to 30 April	
	2006	2005
Income statement		
Revenue	710 382	838 162
Gross profit	53 329	55 815
Operating profit after finance charges from continuing operations	58 998	43 554
Headline earnings	34 018	(24 252)
Headline earnings per share (R)	0,27	(0,20)
Dividend per share (Cents)	6	-
Balance sheet		
Non-current assets – tangible	232 878	242 641
Non-current assets – intangible	5 375	4 329
Current assets	436 917	540 528
<i>Total assets</i>	<i>675 170</i>	<i>787 498</i>
Equity	217 550	193 620
Non-current liabilities	16 985	52 287
Current liabilities	440 635	541 591
<i>Total equity and liabilities</i>	<i>675 170</i>	<i>787 498</i>
Net asset value per share (R)	1,74	1,57

7.4 Prospects

Having disposed of its problem divisions, Suidwes looks set to perform in line with most of the other agricultural companies serving the maize-growing areas of South Africa. The company should be able to maintain satisfactory levels of profitability from its core operations going forward.

8. BKB Limited

8.1 Description

BKB Limited's ("BKB") business entails the handling and marketing of agricultural products, wool, mohair and livestock on behalf of its clients, the provision of farming requisites and the rendering of services related to activities. The company also trades in wool and mohair on the international market for its own account. As a result of the continued decline in wool and mohair volumes handled by the company, excess warehouse space is leased or otherwise utilised for warehousing.

BKB has an established business infrastructure with many years experience in the industry. The wide clientele is built on producer and seller trust and a sound relationship with the small stockbreeders' societies.

8.2 Key officers

Chairman of the Board: Chris Louw
Chief Executive Officer: Wolf Edmayr

8.3 Salient financial information

Shares in issue (millions):	3,25
Share price as at 14 November 2006:	R 41,00
Market capitalisation:	R 133 million
Price earnings ratio:	6,2
Dividend yield:	4,2%
Price/Net asset value:	0,55
Tangible net asset value:	R72,3
Profit after tax (R'm):	R19

R'000	Year to 30 June	
	2006	2005
Income statement		
Revenue	553 721	519 121
Gross profit	159 131	146 022
Operating profit after finance charges from continuing operations	27 696	27 117
Headline earnings	21 661	8 845
Headline earnings per share (R)	6,66	2,72
Dividend per share (cents)	172	12
Balance sheet		
Non-current assets – tangible	187 556	141 077
Non-current assets – intangible	6 895	6 711
Current assets	191 443	151 418
<i>Total assets</i>	<i>385 894</i>	<i>299 206</i>
Equity	242 075	183 532
Non-current liabilities	45 048	29 836
Current liabilities	98 771	85 838
<i>Total equity and liabilities</i>	<i>385 894</i>	<i>299 206</i>
Net asset value per share (R)	74,43	56,44

8.4 Prospects

BKB has been growing steadily over the last couple of years and is a dominant player in South Africa, but specifically the Port Elizabeth and surrounding Eastern Cape area. We do not believe there is any reason that the company's growth will slow in the near future. The company has over the past two years paid out satisfactory dividends, although the market remains very competitive.

9. NWK Limited

9.1 Description

NWK Limited ("NWK") fulfils an essential role in South Africa's agricultural industry as a leading provider of agricultural services and inputs, primarily in the North West province. The company's clients are agricultural producers and buyers of a wide range of agricultural inputs. The company is involved in a wide spectrum of activities in the following fields: Grain Industry, Agricultural Management Services, Trade, Financial Services and Industries.

NWK has performed solidly for more than five years, with profits shown in each of the last six years. The company is conservatively financed with a very liquid balance sheet and has historically paid out attractive dividends. NWK has proved itself to be a conservatively run company that has managed to show profits in all phases of the agricultural cycle.

9.2 Key officers

Chairman of the Board: GJ Pretorius
Chief Executive Officer: Dr CL Wentzel

9.3 Salient financial information

Shares in issue (millions):	143,0
Share price as at 14 November 2006:	R3,74
Market capitalisation:	R534,8 million
Price earnings ratio:	6,7
Dividend yield:	6,4%
Price/Net asset value:	0,67
Profit after tax (R'm):	R79 077

R'000	Six months to 31 August 2006	31 August 2005	Year to 28 February 2006
Income statement			
Revenue	714 009	675 329	1 453 742
Operating profit after finance charges	31 970	58 861	137 161
Net profit	17 808	31 238	92 507
Headline earnings per share (R)	0,13	0,22	0,65
Dividend per share (cents)	7	7	24
Balance sheet			
Non-current assets	231 252	234 438	225 619
Current assets	846 219	903 039	803 780
<i>Total assets</i>	<i>1 077 471</i>	<i>1 137 477</i>	<i>1 029 399</i>
Equity	794 366	767 431	819 467
Non-current liabilities	11 064	14 265	12 288
Current liabilities	272 041	355 781	197 644
<i>Total equity and liabilities</i>	<i>1 077 471</i>	<i>1 137 477</i>	<i>1 029 399</i>
Net asset value per share (R)	5,55	5,37	5,73

9.4 Prospects

Improved economic agricultural conditions, including the recent upward trend in grain prices, the weakening of the rand, late rains of the past season and the utilisation of fallow lands, should lead to a significant increase in the quantity of grain that will be handled, stored and marketed by NWK. This will also result in increased spending by producers and inevitably have a positive impact on the results of the second period of the current financial year.

MANAGEMENT FEE SCHEDULE

The following is an extract from the management agreement:

1. The base fee and performance fee that the Manager is entitled to levy in consideration for the services rendered to the Company in terms of the agreement shall be calculated and paid in accordance with this schedule, read with clause 8 of the agreement.
2. For purposes of this schedule –
 - “benchmark index” means an index calculated by equally weighting the FTSE-JSE Beverages Total Return Index (TRIO41) and the FTSE-JSE Food Producers Total Return Index (TRIO43), or their successors in title;
 - “benchmark return” for any specific year means the difference between the benchmark index level at the commencement of the year under consideration and the benchmark index level at the end of the year under consideration divided by the benchmark index level at the commencement of the year under consideration;
 - “excess return” means the amount, in respect of any year for the duration of the agreement, by which the total return exceeds the total expected return;
 - “net asset value” means the audited net asset value of the Company if available, or failing that, the net asset value of the Company as per the financial statements of the Company, but always being the average net asset value calculated on a monthly basis for any given half-year;
 - “net asset value per share” means net asset value divided by the number of Company shares in issue at the date of the calculation of the net asset value per share;
 - “the total return” means an amount, in respect of any year for the duration of the agreement, equal to the sum of:
 - the difference between the Company’s net asset value per share at the beginning of the year under consideration and the Company’s net asset value per share at the end of the year under consideration, such ending net asset value per share to be calculated before the effect of the performance fee for the year under consideration on net asset value is taken into account, and
 - the aggregate of the distributions per share, of any nature whatsoever, paid during the year under consideration;
 - “total expected return” means an amount, in respect of any year for the duration of the agreement, equal to the benchmark return multiplied by the net asset value per share at the beginning of the year under consideration; and
 - “weighted average number of outstanding shares” means the weighted average number of outstanding shares for the year under consideration calculated on the same basis as is used to determine the audited earnings per share of the Company.
3. Calculation and payment of base fee
 - 3.1 The Manager shall calculate its base fee for each half-year in accordance with the formula set out in 3.3 and shall deliver a copy of such calculation to the Company within 20 business days of the end of the relevant half-year.
 - 3.2 The Company shall, subject to 12.5.2 of the agreement, pay the base fee for any half-year to the Manager within five business days of receipt of the applicable calculation from the Manager, into an account nominated for that purpose by the Manager. Any disputes between the Company and the Manager in relation to the base fee shall be dealt with in accordance with the provisions of clause 13 of the agreement.
 - 3.3 The base fee shall, in respect of each half-year, be calculated in accordance with the following formula:

$$F = [(A \times B) \times (N \div 365)] + [(C \times D) \times (N \div 365)]$$
 in which formula:
 - F = the base fee for the applicable half-year;
 - A = the daily average available cash during the applicable half-year;
 - B = 0,15 % per annum;
 - N = the number of days in the applicable half-year (inclusive of both the first and last days of such half-year);
 - C = the net asset value of the Company less A, but never less than zero; and
 - D = 2% per annum.
 - 3.4 The base fee calculated in terms of the formula above is exclusive of VAT.

4. Calculation of performance fee

- 4.1 The Manager shall calculate its performance fee for each year in accordance with the formula set out in 4.3 and deliver a copy of such calculation to the Company within 30 business days of the end of the relevant year.
- 4.2 The Company shall, subject to 8.2 and 12.7.2 of the agreement, pay the performance fee for any year to the Manager within five business days of receipt of the applicable calculation from the Manager, into an account nominated for that purpose by the Manager. Any disputes between the Company and the Manager in relation to the performance fee shall be dealt with in accordance with the provisions of clause 13 of the agreement.
- 4.3 The performance fee shall be calculated in accordance with the following formula –
$$F = (A \times B) \times C$$

in which formula:
F = the performance fee for the applicable year;
A = the excess return for the applicable year;
B = 10% per annum, and
C = weighted average number of outstanding shares.
- 4.4 The performance fee calculated in terms of the formula above is exclusive of VAT.
- 4.5 If, in respect of any year for which a performance fee is calculated, the excess return is negative, then that negative return shall be deducted from the total return used for the calculation of the performance fee for the succeeding year(s)."

EXTRACTS FROM THE ARTICLES OF ASSOCIATION OF ZEDER

The provisions of the articles of association of Zeder as regards directors, their appointment, qualification, remuneration and borrowing powers are extracted below. To the extent that the remuneration of the board of directors of Zeder will be determined and paid by Zeder Manco, the provisions of articles 22.2.1 – 22.2.2, 25.3, 29.3 will not be applicable for as long as the management agreement is in place.

“PART IV – DIRECTORS

22. Composition

- 22.1.1 The number of the directors shall not be less than four.
- 22.1.2 A director shall not be required to hold any qualifying shares.
- 22.2.1 The directors shall be entitled to such remuneration as the company in general meeting may from time to time determine, which remuneration shall be divided among the directors in such proportions as they may agree, or in default of such agreement, equally, except that in such event any director holding office for less than a year shall only rank in such division in proportion to the period during which he has actually held office.
- 22.2.2 Such remuneration shall accrue to the directors from day to day.
- 22.2.3 Any director who –
 - 22.2.3.1 serves on any executive or other committee; or
 - 22.2.3.2 devotes special attention to the business of the company; or
 - 22.2.3.3 goes or resides outside South Africa for the purpose of the company; or
 - 22.2.3.4 otherwise performs or binds himself to perform services which, in the opinion of the directors, are outside the scope of the ordinary duties of a director,
 - may be paid such extra remuneration or allowance in addition to or in substitution of the remuneration to which he may be entitled as a director, as a disinterested quorum of the directors may from time to time determine.
- 22.2.4 The directors shall also be paid all their travelling and other expenses necessarily expended by them in connection with
 - 22.2.4.1 the business of the company; and
 - 22.2.4.2 attending meetings of the directors or of committees of the directors or of the company.
- 22.3.1 Without prejudice to any contrary provisions in the articles, a director shall vacate his office if –
 - 22.3.1.1 his estate is sequestrated or he surrenders his estate or enters into a general compromise with his creditors;
 - 22.3.1.2 he is found to be or becomes of unsound mind;
 - 22.3.1.3 a majority of his co-directors sign and deposit at the office a written notice wherein he is requested to vacate his office (which shall become operative on deposit at the office) but without prejudice to any claim for damages;
 - 22.3.1.4 he be removed by a resolution of the company of which proper notice has been given in terms of the Act (but without prejudice to any claim for damages);
 - 22.3.1.5 he shall, pursuant to the provisions of the Act or any order made thereunder, be prohibited from acting as a director;
 - 22.3.1.6 he resigns his office by notice in writing to the company;
 - 22.3.1.7.1 he is absent from meetings of the directors for three consecutive months without leave of the directors while not engaged in the business of the company; and
 - 22.3.1.7.2 he is not represented at any such meetings during such three consecutive months by an alternate director; and
 - 22.3.1.7.3 the directors resolve that his office be, by reason of such absence, is vacated, provided that the directors shall have power to grant to any director leave of absence for a definite or indefinite period.

- 22.3.2 Notwithstanding any contrary provisions contained in these articles, a director shall vacate his office at the close of the annual general meeting of the company relating to the financial year in which the director reaches the age of 70 years.
- 22.4 A director may hold any other office or place of profit under the company (except that of auditor) or any subsidiary of the company in conjunction with his office of director, for such period and on such terms as to remuneration (in addition to the remuneration to which he may be entitled as a director) and otherwise as a disinterested quorum of the directors may determine.
- 22.5 A director of the company may be or become a director or other officer of, or otherwise interested in, any company promoted by the company or in which the company may be interested as shareholder or otherwise and (except insofar as otherwise decided by the directors) he shall not be accountable for any remuneration or other benefits received by him as a director or officer of or from his interest in such other company.
- 22.6 Any director may act personally or through his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services rendered as if he were not a director.
- 22.7 A director who is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the company, shall declare the nature of his interest in accordance with the Act.
- 22.8.1 No director or intending director shall be disqualified by his office from contracting with the company with regard to –
- 22.8.1.1 his tenure of any other office or place of profit under the company or in any company promoted by the company or in which the company is interested;
- 22.8.1.2 professional services rendered or to be rendered by such director;
- 22.8.1.3 any sale or other transaction.
- 22.8.2 No such contract or arrangement entered into by or on behalf of the company in which any director is in any way interested is voidable solely by reason of such interest.
- 22.8.3 No director so contracting or being so interested shall be liable to account to the company for any profit realised by any such appointment, contract or arrangement by reason of his office as director or of the fiduciary relationship created thereby.
- 22.9 A director may not vote nor be counted in the quorum (and if he shall do so his vote shall not be counted) on any resolution for his own appointment to any other office or place of profit under the company or in respect of any contract or arrangement in which he is interested, provided that this prohibition shall not apply to –
- 22.9.1 any arrangement for giving to any director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the company; or
- 22.9.2 any arrangement for the giving by the company of any security to a third party in respect of a debt or obligation of the company which the director has himself guaranteed or secured; or
- 22.9.3 any contract by a director to subscribe for or underwrite shares or debentures of the company; or
- 22.9.4 any contract or arrangement with a legal person in which he is interested by reason only of being a director, officer, creditor or member of such legal person,
- and these provisos may at any time be suspended or relaxed either generally, or in respect of any particular contract or arrangement, by the company in general meeting.
- 22.10.1 A contract which violates the terms of article 22.9 can be ratified by the company in general meeting.
- 22.10.2 The terms of article 22.9 shall not prevent a director from voting as a member at a general meeting at which a resolution in which he has a personal interest is tabled.
- 22.11.1 The directors may exercise the voting powers conferred by the shares held or owned by the company in any other company in such manner in all respects as they think fit, including the exercise thereof in favour of any resolution appointing themselves or any of them to be directors or officers of such other company or for determining any payment of or remuneration to the directors or officers of such other company.
- 22.11.2 A director may vote in favour of a resolution referred to in article 22.11.1 for the exercise of the voting rights in the manner described in article 22.11.1 notwithstanding that he may be, or is about to become, a director or other officer of such other company and for that or any other reason may be interested in the exercise of such voting rights in the manner aforesaid.

23. Alternate directors

- 23.1 A director may –
- 23.1.1 appoint another director or any person approved for that purpose by a resolution of the directors to act as alternate director in his place and during his absence;

- 23.1.2 remove such alternate director.
- 23.2 A person so appointed shall, except as regards authority to appoint an alternate director and remuneration, be subject in all respects to the terms and conditions existing in respect of the other directors of the company.
- 23.3 Each alternate director, whilst so acting, shall be entitled to –
 - 23.3.1 receive notices of all meetings of the directors or of any committee of the directors of which his appointer is a member;
 - 23.3.2 attend and vote at any such meeting at which his appointer is not personally present;
 - 23.3.3 generally exercise and discharge all the functions, powers and duties of his appointer in such appointer's absence as if he were a director.
- 23.4 Any director acting as alternate director shall in addition to his own vote have a vote for each director for whom he acts as alternate.
- 23.5 An alternate director shall *ipso facto* cease to be an alternate director if his appointer ceases for any reason to be a director, provided that if any director retires by rotation or otherwise, but is re-elected at the same meeting, any appointment made by him pursuant to this article which was in force immediately before his retirement shall remain in force as though he had not retired.
- 23.6 In the event of the disqualification or resignation of any alternate director during the absence or inability to act of the director whom he represents, the vacancy so arising shall be filled by the chairperson of the directors who shall nominate a person to fill such vacancy, subject to the approval of the board.
- 23.7 Any appointment or removal of an alternate director shall be effected by written notice delivered at the office and signed by the appointer.
- 23.8 The remuneration of an alternate director shall be payable only out of the remuneration payable to the director whose alternate he is and he shall have no claim against the company for any remuneration.
- 23.9 An alternate director shall not be required to hold any qualifying shares.

24. Retirement of directors by rotation

- 24.1.1 Subject to article 29 hereof, at every annual general meeting, one third of the directors for the time being or if their number is not a multiple of three, then the number nearest to but not less than one third shall retire from office.
- 24.1.2 The directors so to retire shall be those who have been longest in office since their last election, but in the case of persons who became directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- 24.1.3 Notwithstanding anything herein contained, if at the date of any annual general meeting any director shall have held office for a period of three years since his last election or appointment, he shall retire at such meeting either as one of the directors to retire by rotation or additionally thereto.
- 24.1.4 The length of time a director has been in office shall be computed from his last election, appointment or date upon which he was deemed re-elected.
- 24.1.5 A director retiring at a meeting shall retain office until the election of directors at that meeting has been completed.
- 24.2.1 Retiring directors shall be eligible for re-election.
- 24.2.2 No person, other than a director retiring at the meeting shall, unless recommended by the directors, be eligible for election to the office of a director at any general meeting, unless
 - 24.2.2.1 not more than fourteen, but at least seven clear days before the day appointed for the meeting, there shall have been delivered at the office of the company a notice in writing by a member (who may also be the proposed director) duly qualified to be present and to vote at the meeting for which such notice is given;
 - 24.2.2.2 such notice sets out the member's intention to propose a specific person for election as director; and
 - 24.2.2.3 notice in writing by the proposed person of his willingness to be elected is attached thereto (except where the proposer is the same person as the proposed).
- 24.3 Subject to the preceding article, the company may at the meeting at which a director retires, fill the vacated office by electing a person thereto and in default the retiring director, if willing to continue to act, shall be deemed to have been re-elected, unless –
 - 24.3.1 it is expressly resolved at such meeting not to fill such vacated office; or
 - 24.3.2 a resolution for the re-election of such director was put to the meeting and rejected.

- 24.4.1 The company in general meeting or the directors may appoint any person as director either to fill a casual vacancy or as an additional director, but the total number of directors shall not at any time exceed the maximum number fixed by or in accordance with the articles.
- 24.4.2 A person appointed by the directors as a director in terms of article 24.4.1 –
 - 24.4.2.1 shall retire at the following annual general meeting;
 - 24.4.2.2 shall not be considered in determining the directors to retire by rotation;
 - 24.4.2.3 shall be eligible for re election.
- 24.4.3 If the number of directors should become less than the permissible minimum in terms of the articles, the remaining directors may only act –
 - 24.4.3.1 to fill any vacancies on the board of directors; or
 - 24.4.3.2 to convene general meetings.
- 24.4.4 If the company in general meeting increases or reduces the number of directors, it may also determine in what rotation such increased or reduced number is to retire.

25. Powers of directors

- 25.1.1 The management and control of the business of the company shall be vested in the directors who, in addition to the powers and authorities expressly conferred upon them by the articles, may exercise all powers and authorities and perform all acts which may be exercised or done by the company, and are not hereby or by the Act expressly reserved to the company in general meeting.
- 25.1.2 Such management and control may not be inconsistent with the articles nor with the provisions of the Act.
- 25.1.3 The general powers granted in terms of this article shall not be limited or restricted by any special authority or power given to the directors by any other article.
- 25.2 The directors may –
 - 25.2.1 in their discretion arrange that any branch of the business carried on by the company or any other business in which the company may be interested, shall be carried on by or through one or more subsidiary companies;
 - 25.2.2 make such arrangements on behalf of the company as they think advisable –
 - 25.2.2.1 for taking the profits or bearing the losses of any such branch or business; or
 - 25.2.2.2 for financing, assisting or subsidising any such subsidiary company; or
 - 25.2.2.3 for guaranteeing its contracts, obligations or liabilities.
- 25.3 The directors may –
 - 25.3.1 establish any contributory or non contributory pension, retirement, provident, medical or other funds for the benefit of; and
 - 25.3.2 pay on behalf of the company a gratuity or pension or allowance on retirement or other benefit to, any director or ex director or other officer or employee of the company, its holding or subsidiary company (if any), whether or not he has held any other salaried office with the company, or to his widow or dependants, and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance or life assurance or other benefits, subject to the provisions of the Act.
- 25.4 The directors may –
 - 25.4.1 take all steps that may be necessary or expedient and incur any liability in order to enable the shares, debentures or other securities of the company to be –
 - 25.4.1.1 negotiable in South Africa or elsewhere;
 - 25.4.1.2 recognised by and quoted on any stock exchange in South Africa or elsewhere;
 - 25.4.2 pay all taxes, duties, fees, expenses or other amounts which may be payable in relation to the matters referred to in article 25.4.1.
- 25.5 Save as otherwise expressly provided by the articles, all cheques, dividends, promissory notes, bills of exchange and other negotiable or transferable instruments and all documents to be executed by the company, shall be signed, drawn, accepted, endorsed or executed as the case may be in such manner as the directors shall from time to time determine.

26. Borrowing powers

- 26.1 Subject to the provisions of article 26.3 the directors may from time to time –
- 26.1.1 borrow for the purpose of the company such sums as they think fit;
 - 26.1.2 secure the payment or repayment of any such sums or any other sum, as they think fit, whether by the creation and issue of debentures, mortgage or charge upon all or any of the property or assets of the company, including its uncalled or unpaid capital;
 - 26.1.3 make such regulations regarding the transfer of debentures, the issue of certificates therefor (subject to article 7 hereof) and all such other matters incidental to debentures as the directors think fit.
- 26.2 No special privileges as to –
- 26.2.1 allotment of shares in the company; or
 - 26.2.2 the attending and voting at general meetings; or
 - 26.2.3 the appointment of directors, or otherwise;
- shall be given to the holders of debentures of the company save with the sanction of the company in general meeting.
- 26.3 The directors shall procure (but as regards subsidiaries of the company only insofar as by the exercise of voting and other rights or powers of control exercisable by the company they can procure) that the aggregate principal amount at any one time outstanding in respect of moneys so borrowed or raised by –
- 26.3.1 the company; and
 - 26.3.2 all the subsidiaries for the time being of the company (excluding moneys borrowed or raised by any of such companies from any other of such companies but including the principal amount secured by any outstanding guarantees or suretyships given by the company or any of its subsidiaries for the time being for the share capital or indebtedness of any other company or companies whatsoever and not already included in the aggregate amount of the moneys so borrowed or raised), shall not exceed the aggregate amount at that time authorised to be borrowed or secured by the directors of the company's holding company (if any) in respect of that holding company and all the then subsidiaries of that holding company, provided that no such sanction shall be required to the borrowing of any moneys intended to be applied and actually applied within 90 days in the repayment (with or without any premium) of any moneys then already borrowed and outstanding and notwithstanding that new borrowing may result in the abovementioned limit being exceeded.

29. Executive directors

- 29.1.1 The directors may from time to time appoint –
- 29.1.1.1 managing and other executive directors (with or without specific designation) of the company;
 - 29.1.1.2 any director to any other executive office with the company, as the directors shall think fit, for a period as the directors shall think fit, and may from time to time remove or dismiss such persons from office and appoint another or others in his or their place or places.
- 29.2.1 Any director appointed in terms of article 29.1 –
- 29.2.1.1 shall not (subject to the provisions of the contract under which he is appointed) whilst he continues to hold that position or office, be subject to retirement by rotation; and
 - 29.2.1.2 shall not, during the currency of such appointment, be taken into account in determining the directors to retire by rotation; and
 - 29.2.1.3 shall be subject to the same provisions as to removal as the other directors of the company, and if he ceases to hold office as a director, his appointment to such position or executive office shall *ipso facto* terminate, without prejudice to any claims for damages which may accrue to him as a result of such termination.
- 29.2.2 If the provisions regarding the retirement of directors by rotation apply, only a minority of the directors may be so appointed on the basis that they shall not be subject to retirement by rotation.
- 29.3 The remuneration of a director appointed to any position or executive office in terms of article 29.1 –
- 29.3.1 shall be determined by a disinterested quorum of the directors;
 - 29.3.2 shall be in addition to or in substitution of any ordinary remuneration as a director of the company, as the directors may determine;
 - 29.3.3 may consist of a salary or a commission on profits or dividends or both, as the directors may direct.

- 29.4 The directors may –
- 29.4.1 from time to time confer upon a director appointed to any position or executive office in terms of article 29.1 any or all powers exercisable under the articles by the directors;
 - 29.4.2 confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions, as they think expedient;
 - 29.4.3 confer such powers with or to the exclusion of or in substitution for any powers of the directors;
 - 29.4.4 from time to time revoke, withdraw or vary such powers.

30. Proceedings of directors and committees

- 30.1.1 The directors may meet for the despatch of business, adjourn, and otherwise regulate their meetings as they think fit.
- 30.1.2 Until otherwise determined by the directors, the majority of the directors shall form a quorum.
- 30.1.3 The chairperson may at any time, and the secretary, upon the request of a director shall at any time, convene a meeting of the directors.
- 30.1.4 The directors shall determine the number of days' notice to be given for directors' meetings, and the form of that notice.
- 30.1.5 A director who is not in South Africa shall not be entitled to notice of any meeting, but it shall be given to his alternate if his alternate is in South Africa.
- 30.2 The directors in office may act notwithstanding any vacancy in their body, but if and so long as their number is below the minimum number fixed in accordance with the articles, they may act only for the purpose of filling up vacancies in their body or of summoning general meetings of the company, but not for any other purpose.
- 30.3.1 The directors may –
 - 30.3.1.1 elect a chairperson and a deputy chairperson (to act in the absence of the chairperson) of their meetings;
 - 30.3.1.2 determine the period for which they are to hold office.
- 30.3.2 If no chairperson or deputy chairperson is elected, or if at any meeting the chairperson or deputy chairperson be not present within five minutes after the time appointed for holding the meeting, the directors present shall choose one of their number to be chairperson at such meeting.
- 30.4.1 All questions arising at any meeting shall be decided by a majority of votes.
- 30.4.2 In case of an equality of votes the chairperson shall have a second or casting vote, provided that should only two directors be present at a meeting (including the chairperson), the chairperson shall not have a casting vote.
- 30.5 A meeting of the directors at which a quorum is present shall be entitled to exercise all or any of the powers, authorities and discretions conferred by or in terms of the articles or which are vested in or are exercisable by the directors generally.
- 30.6.1 A resolution in writing signed by –
 - 30.6.1.1 all the directors; or
 - 30.6.1.2 all the directors who may at the time be present in South Africa and who form a quorum, shall be as valid and effectual as a resolution passed at a meeting of the directors duly called and constituted, provided that where a director is not so present, but has an alternate who is so present, then such resolution must also be signed by such alternate.
- 30.6.2 Such resolutions –
 - 30.6.2.1 may consist of one or more documents so signed;
 - 30.6.2.2 shall have regard to the provisions of Section 236 of the Act;
 - 30.6.2.3 shall be delivered to the secretary without delay, and shall be recorded by him in the company's minute book.
 - 30.6.3 Such resolution shall be deemed to have been passed on the day it was signed by the last director or alternate director who is entitled to sign it.
 - 30.6.4 A resolution referred to in article 30.6.1 which is not signed by all the directors or their alternates, shall be inoperative until confirmed by a meeting of directors if it shall purport to authorise any act which a meeting of the directors has decided shall not be authorised.

30.7 The meetings and proceedings of any committee consisting of two or more directors shall be governed by the provisions hereof in regard to meetings and proceedings of the directors so far as the same are applicable thereto and are not superseded by any regulations made by the directors.

All acts performed by the directors or by a committee of directors or by any person acting as a director or a member of a committee shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of the directors or other persons acting as aforesaid, or that any of them were disqualified from or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director or member of such committee."

INFORMATION RELATING TO ZEDER DIRECTORS

1. Directors' remuneration

As Zeder is a new company its directors have received no remuneration to date, save for as disclosed in note 16 in Annexure 7. The only director who will receive any remuneration is the chief executive officer, Mr AE Jacobs, and such remuneration will be paid by Zeder Manco. His estimated remuneration for services to be rendered is as follows:

	Services as directors R000's	Cash package R000's	Other benefits R000's	Performance related R000's	Total 2007 R000's
Executive					
AE Jacobs	-	720	-	-	720
Total	-	720	-	-	720

The remuneration of the directors of Zeder will not be varied as a result of the private placement or share swaps.

2. Directors' interests

As at the last practicable date, the directors of Zeder (including certain family interests), beneficially or non-beneficially, directly or indirectly, held 650 000 ordinary shares in Zeder, representing 0,1% of the issued share capital of the company:

Director	Beneficial		Non-beneficial		Total	
	Direct	Indirect	Direct	Indirect	Shares	%
Executive						
AE Jacobs	-	50 000	-	-	50 000	0,008
Subtotal	-	50 000	-	-	50 000	0,008
Non-executive						
JF Mouton	-	-	-	50 000	50 000	0,008
CA Otto	-	-	-	50 000	50 000	0,008
MS du Pré le Roux	-	-	-	250 000	250 000	0,04
JG Carinus	-	250 000	-	-	250 000	0,04
Subtotal	-	250 000	-	350 000	600 000	0,096
Total	-	300 000	-	350 000	650 000	0,1

REPORT ON THE HISTORICAL FINANCIAL INFORMATION RELATING TO ZEDER

1. Introduction

The company was incorporated on 21 June 2006. On 8 August 2006 the company was converted to a public company and ultimately changed its name to Zeder Investments Limited by special resolution.

Zeder was created for the express purpose of allowing investors the opportunity to invest in those agri-related entities in the targeted sectors consisting of the Zeder investment portfolio and to share in the returns generated from these investments.

The financial information of Zeder for the period ended 31 October 2006 is set out below.

The historic financial information of Zeder is the responsibility of the directors of Zeder.

2. Basis of presentation

The financial information of Zeder presented herein has been extracted and compiled from the audited financial statements of Zeder for the period ended 31 October 2006. PricewaterhouseCoopers Inc acted as auditors and reported without qualification on the financial statements for the period ended 31 October 2006.

3. Commentary

During the period under review, Zeder completed its private placement, raising a gross amount of R700,3 million in cash before expenses, and also exchanged shares in various agri-companies to the value of R29,1 million, excluding the PSG investment.

Zeder's investment portfolio increased to R603,0 million from R349,7 million, the latter which was acquired through a share issue on 1 September 2006. The increase in the investment portfolio can be largely attributed to additions through cash purchases, share swaps and unrealised gains due to market-to-market adjustments in three of Zeder's biggest investments, namely KWV Limited, Pioneer Food Group Limited and Kaap Agri Limited. The average price increase of such investments over the last two months has been 17%, resulting in a net profit after tax of R66,7 million. This equates to an earnings per share of 20,6 cents for the period. It is however anticipated that such earnings cannot be sustained as similar unrealised gains will not be achieved for the remainder of the financial year, while the weighted number of shares could increase due to further share swaps.

BALANCE SHEET

as at 31 October 2006

	Notes	2006 R'000
Assets		
Financial assets		
Equity securities	2	602 954
Receivables	4	4
Cash and cash equivalents	5	612 364
Total assets		1 215 322
Capital and reserves attributable to the company's equity holders		
Share capital	6	5 665
Share premium		1 130 671
Retained earnings		66 719
<i>Ordinary shareholders' funds</i>		1 203 055
<i>Total equity</i>		1 203 055
Liabilities		
Deferred income tax	3	9 795
Trade and other payables	7	1 465
Current income tax liabilities		1 007
<i>Total liabilities</i>		12 267
Total liabilities and shareholders' funds		1 215 322
INCOME STATEMENT		
for the period ended 31 October 2006		
	Notes	2006 R'000
Income		
Investment income	8	7 054
Fair value gains and losses on financial instruments	9	72 467
Total income		79 521
Expenses		
Marketing, administration and other expenses	10	(1 988)
Results of operating activities		77 533
Finance costs	11	(12)
Profit before taxation		77 521
Taxation	10	(10 802)
Net profit for the period attributable to equity holders		66 719
Earnings per share (cents)		
Basic	13	20,6
Diluted		20,6
Headline earnings per share		20,6

Dividends per share

–

STATEMENTS OF CHANGES IN OWNERS' EQUITY

for the period ended 31 October 2006

	Share capital and premium R'000	Retained earnings R'000	Total
At beginning of period	–	–	–
Issue of share capital	1 138 521	–	1 138 521
Share issue cost	(2 185)	–	(21 85)
Net income for the period	–	66 719	66 719
Balance at 31 October 2006	1 136 336	66 719	1 203 055

CASH FLOW STATEMENT

For the period ended 31 October 2006

	Notes	2006 R'000
Cash retained from operating activities		
Cash generated by operating activities	17.1	6 515
Taxation paid	17.2	–
Net cash flow from operating activities		6 515
Cash utilised in investing activities		
Cash utilised in investment activities		(92 217)
Net cash flow from investment activities		(92 217)
Cash flows from financing activities		
Proceeds from issue of ordinary shares		698 066
Net cash flow from financing activities		698 066
Net increase in cash and cash equivalents		612 364
Cash and cash equivalents at beginning of the period		–
Cash and cash equivalents at end of period	17.3	612 364

NOTES TO THE FINANCIAL INFORMATION

1. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial information are set out below.

1.1. Basis of preparation

The financial information is prepared in accordance with International Financial Reporting Standards (IFRS). It has been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and financial liabilities at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial information, are disclosed below.

Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published but have effective dates applicable to future annual financial statements of the company and which the company has not early adopted:

- **IFRS 7, Financial Instruments: Disclosures, and a complementary Amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures (effective from 1 January 2007).** IFRS 7 introduces new disclosures to improve

the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and disclosure requirements in IAS 32, Financial Instruments: Disclosure and Presentation. It is applicable to all entities that report under IFRS. The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The company assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and the capital disclosures required by the amendment of IAS 1. The company will apply IFRS 7 and the amendment to IAS 1 for annual periods beginning 1 March 2007.

The following new standards, amendments and interpretations will, at present, have no effect on the company.

- *IFRIC Interpretation 10 – Interim Financial Reporting and Impairment*

An entity shall not reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost.

Financial instruments

Financial instruments recognised on the balance sheet include investments, receivables, loans and advances, derivatives, trade creditors, and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

The company classifies its financial assets into the following categories: financial assets at fair value through profit and loss, available-for-sale assets and loans and advances. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this at every reporting date.

- a) *Financial assets at fair value through profit and loss*

This category has two subcategories: financial assets held for trading, and those designated at fair value through profit and loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges.

- b) *Loans and advances*

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the company intends to sell in the short term.

Loans and advances are carried at amortised cost using the effective interest method. Specific provisions are made against identified doubtful advances.

- c) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories.

- d) *Recognition and measurement of financial assets*

Purchases and sales of financial assets are recognised on trade date – the date on which the company commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus, for all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value of the 'Financial assets at fair value through profit and loss' category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available for sale are recognised in equity. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment activities.

The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active, the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, and discounted cash flow analysis refined to reflect the issuer's specific circumstances.

The company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between

the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

The company does not apply hedge accounting.

Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, other deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, money market funds and bank overdrafts.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

Non-redeemable preference shares, where the dividend declaration is subject to discretion of the board, is classified as equity.

Financial liabilities

a) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Provisions

Provisions are recognised when:

- the company has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Revenue recognition

Revenue is recognised as follows:

a) Interest income

Interest income is recognised on a time proportionate basis using the effective interest method. When a receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding discount as interest income. Interest income from financial assets that are classified as at fair value through profit and loss is included in investment income.

b) Dividend income

Dividend income is recognised when the right to receive payment is established. Dividend from financial assets that are classified as at fair value through profit and loss is included in investment income.

Management fees

Management fees payable consist of a base fee and a performance fee element. The base fee is calculated at 2% p.a. on the market value of the equity portfolio (after deducting provision for capital gains tax) at the end of every month and

0,15% on the weighted average cash balances. The base fee is accrued at the end of every month. The performance fee is calculated on the last day of the financial year at 10% p.a. on the outperformance of the equity portfolio above the equally weighted FTSE-JSE Beverage Total Return Index (TRIO41) and the FTSE-JSE Food Producers Total Return Index (TRIO43) over any financial year. The performance fee is accrued at each year-end.

Dividend distributions

Dividend distributions to the company's shareholders are recognised as a liability in the period in which the dividends are approved by the company's shareholders.

Contingencies

A contingent liability is either a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. These contingent liabilities are not recognised in the balance sheet but disclosed in the notes to the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. These contingent assets are not recognised in the balance sheet but are disclosed in the notes to the financial statements unless the inflow of financial benefits is probable.

Critical accounting estimates and judgements in applying accounting policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial period. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

(a) Fair value of unquoted equity securities

The fair value of unquoted equity securities that are not traded in an active market is determined by using valuation techniques with reference to market prices.

(b) Impairment of assets

An impairment of assets is considered when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the following factors may be considered: normal volatility in share price, the financial health of the investee, sector performance and changes in operational and financing cash flow.

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including price risk), credit risk, and cash flow interest rate risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Risk management is carried out under policies approved by the company's board of directors. The principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity are identical to that of PSG Group Limited, who is responsible for the management and administration of the company.

a) Market risk

i) Price risk

The company is exposed to equity securities price risk because of investments held by the company and classified on the balance sheet either as available-for-sale or at fair value through profit or loss. The company manages price risk by monitoring equity securities prices on a regular basis. The company is not directly exposed to commodity price risk.

b) Credit risk

The company has no significant concentrations of credit risk. Cash is invested with high-credit-quality financial institutions and money market funds.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. At the period end the company had limited liquidity risk as it had virtually no debt.

d) Cash flow interest rate risk

The company's interest rate risk arises from interest-bearing investments. The company manages its cash flow interest rate risk by monitoring interest rates on a regular basis.

**2006
R'000**

2. EQUITY SECURITIES

Quoted	
Unlisted	541 331
Unquoted	61 623
	602 954

The unquoted equity securities relate to advances which are linked to equity instruments in the targeted sectors. In terms of these agreements, the company is entitled to a percentage increase in the market value of the underlying equity securities and the dividends received on these securities. The advances are impaired to the value of the underlying instruments should the market value of the instruments fall below the current carrying value of the advances.

A list of the equity securities is available for inspection at the company's registered office.

**Fair value
through profit
and loss
R'000**

Reconciliation of movements

Carrying amount at beginning of period	-
Additions – cash purchases	92 217
Additions – shares issued	438 270
Unrealised net fair value gains	72 467
	602 954

Carrying amount at 31 October 2006

Non-current portion	602 954
	602 954

The investment in equity securities form part of a strategic investment portfolio and the company's stated long term investment strategy.

Set out below are details of investments, which are material to the investment portfolio.

	Issued share capital R'000	Ownership beginning of period %	Ownership end of period %	Amount of interest at beginning of period (shares) R'000	Amount of interest end of period (shares) R'000
KWV	11	-	13,7	-	197 861
Pioneer	15 079	-	4,8	-	271 314

There is no difference between the ownership % and voting % held.

**2006
R'000**

3. DEFERRED INCOME TAX

Deferred income tax assets	436
To be recovered after more than 12 months	-
To be recovered within 12 months	436
Deferred income tax liabilities	(10 231)
To be paid after more than 12 months	(10 231)
To be paid within 12 months	-
	(9 795)

Net deferred income tax/(liability)

The movement in the deferred tax balance during the period is as follows:

	Unrealised profits R'000	STC credits R'000	Total R'000
At start of period	–	–	–
Credit/(charges) to income statement	(10 231)	436	(9 795)
At 31 October 2006	(10 231)	436	(9 795)

The STC liability, should all reserves be paid out, amounts to R7 413 000 at 31 October 2006.

Deferred tax on temporary differences relating to financial assets that are measured at fair value through profit and loss which forms part of the company's long-term investment strategy is calculated using the capital gains tax rate.

	2006 R'000
4. RECEIVABLES	
Prepayments and sundry debtors	4
	<u>4</u>
Current portion	4
	<u>4</u>
5. CASH AND CASH EQUIVALENTS	
Cash at bank and in hand	21 617
Money market fund	590 747
	<u>612 364</u>

The money market fund earned interest at money market rates during the period under review. Money market funds are immediately available.

6. SHARE CAPITAL	
Authorised	
1 500 000 000 ordinary shares of 1 cent each	15 000
250 000 000 cumulative, non-redeemable, non-participating preference shares of 1 cent each	<u>2 500</u>
Issued	
566 538 812 ordinary shares of 1 cent each	5 665
	<u>5 665</u>

During the period under review, the number of shares in issue changed as follows:

	Number of shares
At beginning of the period	–
Issued in terms of share swap – 1 September 2006	174 870 962
Issued in terms of a share swap private placement – 29 September 2006	14 321 473
Issued for cash in terms of a private placement – 6 October 2006	350 125 000
Issued in terms of share swap – 23 October 2006	27 010 537
Issued in terms of a further share swap to private investors – 31 October 2006	210 840
Net shares in issue at end of period	<u>566 538 812</u>

	2006 R'000
7. TRADE AND OTHER PAYABLES	
Accounts payable and accruals	1 465
	<u>1 465</u>
Current portion	1 465
	<u>1 465</u>
8. INVESTMENT INCOME	
Interest income	
Loans and advances	494
Cash and short-term funds	3 069
	<u>3 563</u>
Dividend income	
Equity securities – At fair value through profit and loss	3 491
	<u>3 491</u>
Investment income	<u>7 054</u>
9. FAIR VALUE GAINS AND LOSSES ON FINANCIAL INSTRUMENTS	
Net fair value gains on financial instruments at fair value through profit and loss:	
Unrealised fair value gains	72 467
	<u>72 467</u>
10. MARKETING, ADMINISTRATION AND OTHER EXPENSES	
Expenses by nature	
Fees for managerial services	1 988
	<u>1 988</u>
11. FINANCE COSTS	
Unsecured loans	12
	<u>12</u>

	2006 R'000
12. TAXATION	
Current taxation	
Current period	(1 007)
	<u>(1 007)</u>
Deferred taxation	
Current period	(10 231)
	<u>(10 231)</u>
Secondary tax on companies	
Deferred taxation	436
	<u>436</u>
	<u>(10 802)</u>
Reconciliation of rate of taxation	%
South African normal tax rate	29,0
Adjusted for:	
Non-taxable income	(1,3)
CGT differential in rates	(13,2)
Secondary tax on companies	(0,6)
Effective rate of tax	<u>13,9</u>
	<u>2006 R'000</u>
13. EARNINGS PER SHARE	
The calculations of earnings per share are based on the following:	
Total earnings attributable to ordinary shareholders	66 719
Headline earnings	<u>66 719</u>
The calculation of the weighted average number of shares and diluted weighted average number of shares is as follows:	Number of shares
	'000
Weighted number of shares issued in the period	324 112
Weighted number of shares at the end of the period	324 112
Diluted weighted number of shares at the end of the period	<u>324 112</u>
14. CAPITAL COMMITMENTS AND CONTINGENCIES	
The company did not have any capital commitments neither contingencies at 31 October 2006.	
15. BORROWING POWERS	
The borrowing powers of the company are unlimited.	
16. RELATED-PARTY TRANSACTIONS	
PSG Group Limited ("PSG") has been identified as a related party by virtue of the fact that Messrs JF Mouton and CA Otto are directors of both companies and the fact that the company is managed by PSG as detailed below.	
During the period the company entered into a management agreement with PSG whereby PSG will provide all investment, administrative, advisory, financial and corporate services in the normal course of business in return for earning a management fee. During the period under review the management fees payable to PSG amounted to R1 988 000.	
Directors' emoluments in the amount of R60 000 were paid to an executive director of the company by PSG Group Limited, a related party. This amount consisted of a basic salary of R55 000 and company contributions of R5 000.	

16. RELATED-PARTY TRANSACTIONS (continued)

During the period ended 31 October 2006 the company incurred share placement commission of R2 185 000 payable to PSG. The net amount due to PSG at 31 October 2006 amounted to R989 000.

During the period the company invested in the PSG Money Market Fund and advanced money to a subsidiary of PSG on which it earned net interest of R3 239 000 for the period. The balance of the PSG Money Market Fund at 31 October 2006 was R590 747 000.

On 1 September 2006 the company issued 174 870 956 ordinary shares at a premium of R1,99 per share to PSG in exchange for equity securities with a value of R349 742 000 at the transaction date.

On 23 October 2006 the company issued a further 27 010 537 ordinary shares at a premium of R2,19 per share to PSG in exchange for equity securities with a net value of R59 423 000 at transaction date.

2006
R'000

17. NOTES TO THE CASH FLOW STATEMENT**17.1 Cash generated by operating activities**

Net income from normal operations before tax

77 521

77 521

Change in working capital

Change in accounts receivable

(4)

Change in trade and other payables

1 465

Change in financial instruments

Change in equity securities

(72 467)

6 515

17.2 Taxation paid

Credit/(charge) in income statement

(10 802)

Deferred tax adjustment

9 795

Movement in taxation liability

1 007

-

17.3 Cash and equivalents at end of period

Cash and short-term funds

612 364

612 364

18. COMPARATIVE FIGURES

No comparative figures have been presented as this is the first reporting period of the company.

19. SEGMENTAL REPORTING

All investment activities is considered by the directors to be in the agricultural and related services sector of South Africa.

20. NET ASSET VALUE PER SHARE

R

Net asset value per share

2,12

Net tangible asset value per share

2,12

21. MATERIAL CHANGES

Since 31 October 2006 and prior to listing of the company on the JSE, further investments amounting to R25,8 million were made for cash and through the issue of Zeder ordinary shares. Other than for the above, no material changes in either the financial or trading position of Zeder has occurred between 31 October 2006 and the date of this pre-listing statement.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON AUDITED HISTORICAL FINANCIAL INFORMATION RELATING TO ZEDER

20 November 2006

The Directors
Zeder Investments Limited
PO Box 7403
STELLENBOSCH
7599

Gentlemen

Report of the Independent Reporting Accountants on the Historical Financial Information of Zeder Investments Limited ("Zeder")

1. Introduction

The board of directors of Zeder has resolved to apply for a listing on the main board of the JSE Limited ("the proposed listing").

At your request and for the purposes of the pre-listing statement of Zeder to be dated on or about 27 November 2006 ("the pre-listing statement"), we present our report on the historical financial information of Zeder presented in Annexure 7 of the pre-listing statement, in compliance with the Listings Requirements of the JSE Limited.

2. Responsibilities

The directors of Zeder are responsible for the preparation of the pre-listing statement and all the information contained therein, including the financial information to which this reporting accountants' report relates, and the financial statements and financial information from which it has been extracted and prepared.

Our responsibility is to express an opinion on the historical financial information included in Annexure 7 to the pre-listing statement, and to report our opinion to you.

3. Scope

We conducted our audit for the period ended 31 October 2006 in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Our audit included:

- examining, on a test basis, evidence supporting the amounts and disclosures of the above-mentioned historical financial information;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial information presentation.

We believe that our audit provides a reasonable basis for our opinion.

4. Opinion

In our opinion, the financial information of Zeder present fairly, in all material respects, the financial position of the company at 31 October 2006, and the results of its operations and cash flows for the period then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa and the JSE Listings Requirements.

Yours faithfully

PricewaterhouseCoopers Inc
Director: HD Nel
Registered auditor

1 Waterhouse Place,
Century City, 7441

UNAUDITED PRO FORMAT BALANCE SHEET RELATING TO ZEDER

The unaudited pro forma balance sheet of Zeder pursuant to the completion of the first and the second share swap and the listing is set out below, the preparation of which is the responsibility of the directors of Zeder. This balance sheet has been prepared for illustrative purposes only, and because of its nature may not give a fair reflection of the financial position of Zeder pursuant to the completion of the first and the second share swap and the listing. This pro forma balance sheet should be read in conjunction with the independent reporting accountants report thereon as set out in Annexure 11 to this pre-listing statement.

The unaudited pro forma balance sheet has been prepared on the assumption that the listing was effected on 1 November 2006.

R'000	Actual as at 31 October 2006 (1)	Adjustments Further investments (2-3)	Pro forma as at 1 November 2006
Assets			
Financial assets			
Equity securities	602 954	25 848	628 802
Receivables	4	-	4
Cash and cash equivalents	612 364	(15 799)	596 565
Total assets	1 215 322	10 049	1 225 371
Equity and liabilities			
Capital	1 203 055	10 049	1 211 282
Share capital	5 665	48	5 713
Share premium	1 130 671	10 001	1 138 850
Retained earnings	66 719	-	66 719
Non-current liabilities	12 267	-	14 089
Deferred income tax	9 795	-	9 795
Trade and other payables	1 465	-	3 287
Current income tax liabilities	1 007	-	1 007
Total equity and liabilities	1 215 322	10 049	1 225 371

Notes:

- 1 Extracted from the audited financial statements of Zeder for the period ended 31 October 2006.
- 2 Further acquisitions effected in respect of the first and second share swap and BKB Limited shares through the issue of 4 780 043 Zeder ordinary shares.
- 3 Further acquisition of NWK Limited shares at a cash consideration of R15,8 million.

The additional acquisitions will have no effect on the income statement, therefore no unaudited pro forma income statement was prepared.

PROFIT FORECAST RELATING TO ZEDER FOR THE FOUR MONTHS ENDING 28 FEBRUARY 2007 AND THE YEAR ENDING 29 JANUARY 2008

The table below sets out the profit forecasts of Zeder for the four months ending 28 February 2007 and for the year ending 29 February 2008, which must be read in conjunction with the independent reporting accountants report thereon as set out in Annexure 12 to this pre-listing statement.

The profit forecast has been compiled using the accounting policies of Zeder as set out in Annexure 7 to this pre-listing statement, which subject to any legislative amendments, are expected to remain in force for the periods covered by the forecasts.

	Four months ending 28 February 2007 R'000	Twelve months ending 29 February 2008 R'000
Investment income	25 495	66 775
Interest income	17 327	43 614
Dividends received	8 168	23 161
Fair value gains and losses on financial instruments	25 467	100 235
Unrealised fair value gains	25 467	100 235
Total revenue	50 962	167 010
Operating expenses	(5 069)	(19 299)
Marketing, administration and other expenses	(5 069)	(19 299)
Net profit before taxation	45 893	147 711
Taxation	(8 912)	(27 894)
Net profit attributable to ordinary shareholders	36 981	119 817
– Dividends paid to ordinary shareholders	–	(8 168)
Retained income	36 981	111 649
Number of ordinary shares in issue ('000)	571 319	571 319
Weighted average number of ordinary shares in issue ('000)	569 407	571 319
Earnings per ordinary share (cents)	6,49	20,97
Distribution per ordinary share (cents)	–	1,43

Assumptions utilised in the profit forecast and which are considered by management to be significant are disclosed below. However, the assumptions disclosed are not intended to be an exhaustive list.

The forecasts incorporate the following material assumptions in respect of revenue and expenses that can be influenced by the directors of Zeder:

- Irrevocable undertakings received in terms of the first share swap and second share swap which have not been effected as at 31 October 2006, were assumed to have been effected on Friday, 1 December 2006.
- Further acquisitions of shares in companies already included in the investment portfolio as of 31 October 2006 have been assumed. Target acquisitions set by Zeder have been assumed to occur evenly throughout the period ending 28 February 2007 and the year ending 29 February 2008.
- Distribution of 100% of all cash dividend income received.

- Save for the shares issued as contemplated in this pre-listing statement, no further ordinary shares will be issued during the forecast periods under review.
- Management fee comprises of a base fee of 2% on the net asset value of the company per annum, 0,15% of all cash held, and a performance fee of 10% of returns in excess of the benchmark level.

The forecasts incorporate the following material assumptions in respect of revenue and expenses that cannot be influenced by the Zeder directors:

- Additional acquisitions of investments have been assumed to be acquired at the share prices prevailing as at the respective acquisition dates. For purposes of estimating future share prices, individual share prices have been assumed to grow at 4% as from 31 October 2006 to 28 February 2007, and 12% as from 28 February 2007 to 29 February 2008. Future growth in share prices has been based on the average historical 11-year compound annual growth rate of the benchmark index.
- Dividends receivable on investments have been forecast to accrue at the latest historical individual companies' dividend yields.
- Interest receivable on cash balances has been calculated based on the BESA 30-year yield curve as of 23 October 2006.
- Interest earned on cash balances is taxed at the current corporate tax rate of 29%.
- Deferred tax has been provided at the CGT rate of 14,5% based on market to market revaluations of the investments.
- STC of 12,5% is payable on net dividends declared by Zeder.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA BALANCE SHEET RELATING TO ZEDER

20 November 2006

The Directors
Zeder Investments Limited
PO Box 7403
STELLENBOSCH
7599

Gentlemen

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE UNAUDITED PRO FORMA BALANCE SHEET OF ZEDER INVESTMENTS LIMITED ("ZEDER")

The board of directors of Zeder has resolved to apply for a listing on the main board of the JSE Limited ("the proposed listing").

We have performed our limited assurance engagement in respect of the unaudited pro forma balance sheet of Zeder set out in Annexure 9 of the pre-listing statement of Zeder, to be dated on or about 27 November 2006 ("the pre-listing statement"). The unaudited pro forma balance sheet has been prepared in accordance with the requirements of the JSE Limited ("JSE") Listings Requirements, for illustrative purposes only, to provide information about how the proposed listing and further investments of R25,8 million might have affected the reported historical financial information presented, had the corporate action been undertaken at the date of the pro forma balance sheet being reported on.

Director's responsibility

The directors are responsible for the compilation, contents and presentation of the pro forma balance sheet contained in the pre-listing statement and for the financial information from which it has been prepared. Their responsibility includes determining that: the pro forma balance sheet has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Zeder; and the pro forma adjustments are appropriate for the purposes of the pro forma balance sheet disclosed in terms of the JSE Listings Requirements.

Reporting accountant's responsibility

Our responsibility is to express our limited assurance conclusion on the pro forma balance sheet included in the pre-listing statement. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the *Guide on Pro Forma Financial Information* issued by The South African Institute of Chartered Accountants.

This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma balance sheet beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted financial information with the source documents, considering the pro forma adjustments in light of the accounting policies of Zeder, considering the evidence supporting the pro forma adjustments and discussing the adjusted pro forma balance sheet with the directors and management of the company, in respect of the corporate action that is the subject of this pre-listing statement.

In arriving at our conclusion, we have relied upon financial information prepared by the directors and management of Zeder and other information from various public, financial and industry sources.

While our work performed has involved an analysis of the historical audited financial information and other information provided to us, our assurance engagement does not constitute an audit or review of any of the underlying financial information conducted in accordance with *International Standards on Auditing* or *International Standards on Review Engagements* and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe that:

- The pro forma balance sheet has not been properly compiled on the basis stated;
- Such basis is inconsistent with the accounting policies of Zeder; and
- The adjustments are not appropriate for the purposes of the pro forma balance sheet as disclosed in terms of the sections 8.17 and 8.30 of the JSE Listings Requirements.

Yours faithfully

JF Basson
Director: Transaction Services
PricewaterhouseCoopers Advisory Services (Proprietary) Limited

1 Waterhouse Place
Century City, 7441

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE PROFIT FORECASTS RELATING TO ZEDER

20 November 2006

The Directors
Zeder Investments Limited
PO Box 7403
STELLENBOSCH
7599

Gentlemen

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON THE PROFIT FORECASTS OF ZEDER INVESTMENTS LIMITED ("ZEDER")

We have examined the profit forecast of Zeder for the period ending 28 February 2007 and the year ending 29 February 2008 ("the Forecast") as set out in Annexure 10 of the pre-listing statement of Zeder to be dated on or about 27 November 2006 ("the pre-listing statement").

Directors' responsibility

The directors of Zeder are responsible for the Forecast, including the assumptions as set out in Annexure 10 of the pre-listing statement, on which it is based, and for the financial information from which it has been prepared.

Reporting accountants' responsibility

Our responsibility is to provide a limited assurance report on the Forecast. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to the *Examination of Prospective Financial Information and the Revised Guide on Forecasts* issued by The South African Institute of Chartered Accountants, except where otherwise indicated. This standard requires us to obtain sufficient appropriate evidence as to whether or not:

- management's best-estimate assumptions on which the Forecast is based are not unreasonable and are consistent with the purpose of the information;
 - the Forecast is properly prepared on the basis of the assumptions;
 - the Forecast is properly presented and all material assumptions are adequately disclosed; and
 - the Forecast is prepared and presented on a basis consistent with the accounting policies of the company in question for the period concerned.
- In a limited assurance engagement, the evidence gathering procedures are more limited than for a reasonable assurance engagement and, therefore, less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that:

- i) the assumptions, barring unforeseen circumstances, do not provide a reasonable basis for the preparation of the Forecast;
- ii) the Forecast has not been properly compiled on the basis stated;
- iii) the Forecast has not been properly presented and all material assumptions are not adequately disclosed; and
- iv) the Forecast is not presented on a basis consistent with the accounting policies of Zeder.

Actual results are likely to be different from the Forecast, since anticipated events frequently do not occur as expected and the variation may be material; accordingly no assurance is expressed regarding the achievability of the Forecast.

Yours Faithfully

JF Basson
Director: Transaction Services
PricewaterhouseCoopers Advisory Services (Proprietary) Limited

1 Waterhouse Place
Century City, 7441

EXCHANGE CONTROL REGULATIONS

The following summary is intended as a guide and is therefore not comprehensive. If you are in any doubt in regard hereto, please consult your professional adviser.

South African Exchange Control Regulations

In terms of the South African Exchange Control Regulations:

- a former resident of the Common Monetary Area who has emigrated may use emigrant blocked funds to subscribe for ordinary shares in terms of this pre-listing statement;
- all payments in respect of subscriptions for ordinary shares by an emigrant using emigrant blocked funds must be made through the authorised dealer in foreign exchange controlling the blocked assets;
- any ordinary share certificates that might be issued pursuant to the use of emigrant blocked funds will be endorsed “non-resident” and will be sent to the authorised dealer in foreign exchange through whom the payment was made; and
- if applicable, refund monies payable in respect of unsuccessful applications or partly successful applications, as the case may be, for ordinary shares in terms of this pre-listing statement emanating from emigrant blocked accounts will be returned to the authorised dealer in foreign exchange through whom the payments were made, for credit to such applicants’ blocked accounts. Applicants residing outside the Common Monetary Area should note that, where ordinary share certificates are in fact issued, such ordinary share certificates will be endorsed “non-resident” in terms of the South African Exchange Control Regulations.

Applicants resident outside the Common Monetary Area

- In terms of the Exchange Control Regulations of South Africa, non-residents, excluding former residents of the Common Monetary Area, will be allowed to subscribe for ordinary shares in terms of this pre-listing statement provided payment is received either through normal banking channels from abroad or from a non-resident account. All applications by non-residents must be made through an authorised dealer in foreign exchange.
- A person who is not resident in the Common Monetary Area should obtain advice as to whether any governmental and/or legal consent is required and/or whether any other formality must be observed to enable a subscription to be made in terms of the offer.
- This pre-listing statement is not an offer in any area of jurisdiction in which it is illegal to make such an offer. In such circumstances, this pre-listing statement is sent for information purposes only.



Previously Friedshelf 766 Limited
Incorporated in the Republic of South Africa
(Registration Number: 2006/019240/06)
Ordinary share code: ZED ISIN: ZAE000088431
("Zeder" or "the company")

DEMATERIALIZATION INFORMATION FORM

THIS FORM MUST BE COMPLETED BY ALL ZEDER ORDINARY SHAREHOLDERS WHO HAVE NOT INSTRUCTED THEIR BROKER/CSDP THAT THEY WISH TO DEMATERIALIZSE THEIR ZEDER ORDINARY SHARES

Fax for the attention of Johan Holtzhausen or Pierre Malan 021 887 9624 on or before Wednesday, 29 November 2006 or mail to address below to reach Zeder before the aforementioned date

Date: 27 November 2006

To the directors of Zeder Investments Limited
1st Floor
Ou Kollege
35 Kerk Street
Stellenbosch
7600

Gentlemen

INSTRUCTION TO DEMATERIALIZSE ZEDER ORDINARY SHARES

1. I/We do hereby confirm that I/we have been allocated:

Insert number of shares

Zeder ordinary shares in terms of the private placement and/or the share swaps in Zeder's shareholders' register ("my/our Zeder shares").

2. I/We acknowledge and confirm that we have read and understood the pre-listing statement to which this form is attached, and wish, in terms of paragraph 10.8 thereof, to dematerialise my/our Zeder shares such that I/we may trade electronically therein at the commencement of trade on Friday, 1 December 2006, the anticipated listing date of Zeder on the JSE.
3. I/We do hereby confirm that I/we are the legal owners of the my/our Zeder shares and that these shares are not subject to any lien, pledge, hypothecation or any other form of encumbrance and that I/we are legally entitled to deal in such shares in the manner contemplated in this form.
4. I/We do hereby authorise Zeder, or its duly authorised agent, to instruct Zeder's transfer secretaries and/or my/our broker/CSDP to effect the dematerialisation of my/our Zeder shares on my/our behalf and to take whatever measures are required in order to ensure that the dematerialisation occurs timeously on the anticipated listing date.
5. Kindly provide the following information in full as Zeder's transfer secretaries require all of this information in order to effect the dematerialisation:

Full name of beneficial holder (name that appears on share certificate)	
Address of beneficial holder	
Contact details of beneficial holder Telephone: Fax: Email:	
Full name of broker/CSDP Contact details of broker/CSDP Telephone: Fax: Email:	
SCA account number	
Client script/broker account number	
Business ID number	

Kindly ask your broker/CSDP for this information as it is imperative to ensure that your shares are dematerialised. Should you have any queries, please do not hesitate to contact PSG Capital at 021 887 9602.

The above information must also be verified by your CSDP/broker. PSG Capital requires confirmation from your CSDP/broker that it is aware that dematerialisation is required.

Yours faithfully

Signature

Full name in print

Date

Assisted by (where applicable)

Instructions:

1. Please consult your broker, banker or other professional adviser in case of doubt as to the correct completion of this form.
2. No receipts will be issued in respect of the share swaps or private placement.
3. If any cheque is dishonoured in respect of the private placement, Zeder may, in its sole discretion, regard the relevant irrevocable undertaking as invalid or take such other steps in regard thereto as it may deem fit.
4. All alterations on this application form must be authenticated by a full signature.
5. Blocked rand may be used by former residents of the common monetary area for payment in terms of this offer and reference should be made to Annexure 13 of the document to which this application form is attached which deals with Exchange Control Regulations.

