

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions commencing on page 5 of this circular apply *mutatis mutandis* throughout this document including this cover page.

Shareholders are referred to pages 2 and 3 of this circular, which sets out the action required of them with regard to the rights offer, full details of which are set out in this circular. If you are in any doubt as to the action that you should take, please consult your broker, CSDP, banker, legal advisor, accountant or other professional advisor immediately.

If you have disposed of all of your Zeder ordinary shares, this circular and the form of instruction should be forwarded to the purchaser to whom, or the broker, CSDP or agent through whom you disposed of your Zeder ordinary shares except that this circular and form of instruction should not be forwarded or transmitted by you to any person in any territory other than South Africa unless the rights offer can lawfully be made to such person or in such territory.

The shares issued in terms of the rights offer will not be registered for purposes of the rights offer with the Securities and Exchange Commission, Washington, D.C., the Canadian Provincial Securities Commission, or the Australian Securities Commission under the Australian Corporation Law, as amended. Accordingly, the rights offer will not be made to or be open for acceptance by persons with registered addresses in the United States of America or any of its territories, dependencies, possessions or commonwealths or in the District of Columbia or in the Dominion of Canada or in the Commonwealth of Australia, its states, territories or possessions. The CSDP or broker will ensure that where such persons are holding Zeder ordinary shares in dematerialised form that the CSDP or broker adheres to the above restrictions. Please refer to **Annexure 2** of this circular for further details in this regard.

Letters of allocation, which are renounceable, can only be traded in dematerialised form and, accordingly, Zeder has issued all letters of allocation in dematerialised form. The electronic record for holders of certificated shares is being maintained by Link Market Services South Africa (Proprietary) Limited which has made it possible for holders of certificated shares to enjoy the same rights and opportunities as holders of dematerialised shares in respect of the letters of allocation.

Only whole numbers of Zeder ordinary shares will be issued in terms of the rights offer and shareholders will be entitled to rounded numbers of shares once the ratio of entitlement has been applied. Excess applications will be allowed.

The form of instruction enclosed with this document is negotiable and may be traded on the JSE.



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

CIRCULAR TO SHAREHOLDERS OF ZEDER

Relating to:

- a partially underwritten renounceable rights offer of 366 783 194 Zeder ordinary shares at an issue price of 135 cents per share, in the ratio of 60 rights offer shares for every 100 Zeder shares held at the close of business on Friday, 15 May 2009; and
- incorporating the revised listings particulars for Zeder in accordance with the Listings Requirement;

and enclosing:

- a form of instruction in respect of a letter of allocation (to be completed by holders of certificated shares only).

Rights offer opens at 09:00 on

Monday, 18 May 2009

Rights offer closes at 12:00 on

Friday, 5 June 2009

The directors of Zeder whose names appear in paragraph 6.5 of this circular, collectively and individually accept full responsibility for the accuracy of the information given in this circular and certify that, to the best of their knowledge and belief, there are no facts the omission of which would make any statement in this circular false or misleading and that they have made all reasonable enquiries to ascertain such facts and that this circular contains all information required in law and by the Listings Requirements.

Joint sponsor and corporate advisor



Lead Sponsor



Reporting accountants and auditors



Date of issue: 18 May 2009

This circular is available in English only. A copy of this document, together with the form of instruction and the documents referred to in section 145A of the Act, were lodged with the Registrar and the form of instruction was registered by the Registrar on Tuesday, 28 April 2009 in terms of section 146A of the Act. Copies of this circular may be obtained from the registered office of Zeder, the corporate advisor and sponsor and the transfer secretaries whose addresses are set out in the "Corporate information and advisors" section of this circular, as well as in electronic form from the Company's website (www.zeder.co.za). These documents will be available for inspection from Monday, 18 May 2009 up to Friday, 5 June 2009, both days inclusive.

CORPORATE INFORMATION

Company secretary and registered office

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

Lead sponsor

QuestCo Sponsors (Proprietary) Limited
(Registration number 2004/018276/07)
3rd Floor, 3 Melrose Boulevard
Melrose Arch
2076
(PO Box 355, Melrose Arch, 2076)

Transfer secretaries

Link Market Services South Africa (Proprietary) Limited
(Registration number 2000/007239/07)
11 Diagonal Street
Johannesburg
2001
(PO Box 4844, Johannesburg, 2000)

Underwriter

Coronation Asset Management (Proprietary) Limited
(Registration number 1993/002807/07)
7th Floor, MontClare Place
Cnr Campground and Main Roads
Claremont
Cape Town
7708
(PO Box 44684, Claremont, 7735)

Joint sponsor and corporate advisor

PSG Capital (Proprietary) Limited
(Registration number 2006/015817/07)
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch
7600
(PO Box 7403, Stellenbosch, 7599)

and

Building 8
Woodmead Estate
1 Woodmead Drive
Woodmead
2128
(PO Box 987, Parklands, 2121)

Independent reporting accountants and auditors

PricewaterhouseCoopers Inc
(Registration number 1998/012055/21)
No1 Waterhouse Place
Century City
7441
(PO Box 2799, Cape Town, 8000)

TABLE OF CONTENTS

CORPORATE INFORMATION	
ACTION REQUIRED BY ZEDER SHAREHOLDERS	2
IMPORTANT DATES AND TIMES	4
DEFINITIONS AND INTERPRETATIONS	5
1. INTRODUCTION	10
2. RATIONALE FOR THE RIGHTS OFFER	10
3. PARTICULARS OF THE RIGHTS OFFER	11
4. FINANCIAL INFORMATION	15
5. PRELIMINARY AND ISSUE EXPENSES	17
6. INFORMATION ON ZEDER	17
7. PROPERTY AND SUBSIDIARIES DISPOSED OF OR TO BE DISPOSED OF	30
8. VENDORS	30
9. DIVIDEND POLICY	30
10. LITIGATION STATEMENT RELATING TO ZEDER	31
11. SHARE TRADING HISTORY	31
12. MATERIAL CHANGES	31
13. MATERIAL CONTRACTS	31
14. RESPONSIBILITY STATEMENT	31
15. CORPORATE GOVERNANCE	31
16. CONSENTS	31
17. DOCUMENTS AVAILABLE FOR INSPECTION	31
ANNEXURE 1 TABLE OF ENTITLEMENT	32
ANNEXURE 2 EXCHANGE CONTROL REGULATIONS	33
ANNEXURE 3 UNAUDITED <i>PRO FORMA</i> FINANCIAL INFORMATION OF ZEDER	34
ANNEXURE 4 INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE UNAUDITED <i>PRO FORMA</i> FINANCIAL INFORMATION OF ZEDER	36
ANNEXURE 5 HISTORICAL FINANCIAL INFORMATION OF ZEDER	38
ANNEXURE 6 SHARE TRADING HISTORY OF ZEDER SHARES	59
ANNEXURE 7 CORPORATE GOVERNANCE AND KING CODE	60
ANNEXURE 8 EXTRACTS FROM THE ARTICLES OF ASSOCIATION OF ZEDER	61
ANNEXURE 9 MANAGEMENT FEE SCHEDULE	67
ANNEXURE 10 INTER-COMPANY BALANCES	69
ANNEXURE 11 INFORMATION ON THE UNDERWRITER	69
FORM OF INSTRUCTION	ENCLOSED

ACTION REQUIRED BY ZEDER SHAREHOLDERS

If you are in any doubt as to what action you should take, you should consult your broker, CSDP, banker, legal advisor, accountant or other professional advisor immediately.

If you have disposed of all your Zeder ordinary shares, please forward this document, together with the enclosed form of instruction, to the purchaser of such shares or the broker, CSDP or other agent through whom you disposed of such shares. This circular and form of instruction should not be forwarded to any person in any territory other than South Africa unless the rights offer can lawfully be made to such person or in such territory.

Action required by shareholders of certificated shares

A form of instruction for completion by qualifying shareholders who hold certificated shares is enclosed with this circular and the relevant procedure for participation in the rights offer is set out below:

A letter of allocation will be created in electronic form with the transfer secretaries;

If you are a qualifying shareholder holding certificated shares and do not wish to subscribe for all of the rights allocated to you as reflected in the form of instruction, you may either dispose of or renounce all or part of your entitlement as follows:

- if you wish to sell all or part of your entitlement, you must complete **Form A** in the enclosed form of instruction and return it to the transfer secretaries. The transfer secretaries will endeavour to procure the sale of rights on the JSE on your behalf and to remit the net proceeds thereof in accordance with your instructions. In this regard, neither the transfer secretaries nor Zeder nor any of its associates will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising from the failure to notify or to receive any instruction from you timeously, the timing of such sales, the price obtained, or the failure to dispose of such entitlements. Please note that the last day to trade letters of allocation is on Friday, 29 May 2009; and
- if you wish to renounce your entitlement in favour of any named renounee, you must complete **Form B** in the enclosed form of instruction, and the renounee must complete **Form C** in the enclosed form of instruction and return it to the transfer secretaries to the address in the block below, to be received by no later than 12:00 on Friday, 5 June 2009, **together with a bank-guaranteed cheque or bank draft** for the appropriate amount or **proof of electronic transfer**.

If you are a qualifying shareholder holding certificated shares and wish to subscribe for all or part of your entitlement in terms of the enclosed form of instruction, you must complete the enclosed form of instruction in accordance with the instructions contained therein and lodge it, together with the amount due in Rand in the form of a **bank-guaranteed cheques or bankers' drafts or proof of electronic transfer**, with the transfer secretaries as follows:

By hand to:	By post to:	By electronic transfer:
Zeder – Rights offer Link Market Services South Africa (Proprietary) Limited 11 Diagonal Street Johannesburg 2001	Zeder – Rights offer Link Market Services South Africa (Proprietary) Limited PO Box 4844 Johannesburg 2000	Account name: Zeder Investments Limited – Rights offer Bank: First National Bank Account number: 62216102236 Branch number: 204109
so as to be received by the transfer secretaries by no later than 12:00 on Friday, 5 June 2009. If payment is made by electronic transfer, deposits should be clearly referenced with your certificate number.		

If you are a qualifying shareholder holding certificated shares, after subscribing for any of the rights offer shares that you have been allocated, you will receive such shares in certificated form. Accordingly, you will only be able to trade in your rights offer shares once they have been dematerialised.

If you are a renounee you may elect to receive your rights offer shares in dematerialised form by providing the information requested in respect of your CSDP or broker in **Form C** in the enclosed form of instruction.

If the required documentation and payment has not been received in accordance with the instructions contained in the enclosed form of instruction (either from the qualifying shareholders or from any person in whose favour the rights have been renounced) by 12:00 on Friday, 5 June 2009, then the rights to those unsubscribed shares will be deemed to have been declined and such rights offer entitlement will be allocated to the underwriter (firstly), and then to excess applications (to the extend applicable), or failing which, will lapse.

Action required by holders of dematerialised shares

If you are a qualifying shareholder and have dematerialised your Zeder ordinary shares, you will **not** receive a printed form of instruction and you should receive notification from your CSDP or broker regarding the rights to which you are entitled in terms of the rights offer.

Your CSDP or broker will credit your account with the number of rights to which you are entitled and will contact you to ascertain:

- whether you wish to follow all your rights in terms of the rights offer and, if so, in respect of how many rights offer shares; and
- if you do not follow all or any of your rights:
 - whether you wish to sell your rights and, if so, how many rights you wish to sell; or
 - whether you wish to renounce your rights and, if so, how many rights, and in favour of whom, you wish to renounce those rights.

You should note that CSDP's effect payment in respect of dematerialised shareholders on a delivery versus payment basis.

If you are a qualifying shareholder holding dematerialised shares and wish to follow all or part of your rights in respect of the rights offer, you are required to notify your duly appointed CSDP or broker of your acceptance of the rights offer in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDP or broker. If you are not contacted, you should contact your CSDP or broker and provide them with your instructions. If your CSDP or broker does not obtain instructions from you, they are obliged to act in terms of the mandate granted to them by you, or if the mandate is silent in this regard, not to subscribe for Zeder ordinary shares in terms of the rights offer.

Neither Zeder nor any of its associates takes any responsibility nor will they be held liable for any failure on the part of any CSDP or broker to notify you of the rights offer and/or to obtain instructions from you to subscribe for the rights offer shares and/or to sell the rights allocated.

Excess Applications

Those rights offer shares that are not taken up by qualifying shareholders in terms of the rights offer or underwritten by the underwriter, will be available for allocation on an equitable basis to all qualifying shareholders who wish to apply for a greater number of rights offer shares than those allocated to them in terms of the rights offer. Accordingly, in addition to the rights offer shares allocated to shareholders in terms of the ratio of entitlement, qualifying shareholders may apply for additional rights offer shares on the same terms and conditions. **Blocks (7) and (8)** (*grey*) of the form of offer and instruction should be completed by certificated shareholders in accordance with the instructions thereon should any such qualifying shareholder wish to make application for additional rights offer shares. Qualifying shareholders who hold their shares in dematerialised form should instruct their CSDP or broker as to the number of additional rights offer shares that they wish to apply for.

IMPORTANT DATES AND TIMES

	2009
Declaration data released on SENS	Thursday, 26 March
Declaration data published in the press	Friday, 27 March
Finalisation data released on SENS	Wednesday, 29 April
Finalisation data published in the press	Thursday, 30 May
Last day to trade in Zeder ordinary shares in order to participate in the rights offer (cum entitlement)	Friday, 8 May
Listing of and trading in the letters of allocation on the JSE commences at 09:00 on	Monday, 11 May
Zeder ordinary shares commence trading ex-rights on the JSE at 09:00 on	Monday, 11 May
Record date for the rights offer	Friday, 15 May
Rights offer circular and form of instruction posted to shareholders on	Monday 18 May
Rights offer opens at 09:00 on	Monday, 18 May
Certificated shareholders will have their letters of allocation credited to an electronic account held at the transfer secretaries	Monday, 18 May
Dematerialised shareholders will have their accounts at their CSDP or broker credited with their entitlement	Monday, 18 May
Last day for trading letters of allocation on the JSE	Friday, 29 May
Listing of rights offer shares and trading therein on the JSE commences	Monday, 1 June
Rights offer closes at 12:00. Payment to be made and form of instruction lodged by certificated shareholders at the transfer secretaries	Friday, 5 June
Record date for the letters of allocation	Friday, 5 June
Rights offer shares issued and posted to shareholders in certificated form on or about	Monday, 8 June
CSDP or broker accounts in respect of dematerialised shareholders will be updated with rights offer shares and debited with any payments due on ⁽³⁾	Monday, 8 June
Results of rights offer announced on SENS	Monday, 8 June
Results of rights offer published in the press	Tuesday, 9 June
Refund cheques posted to holders of certificated shares, if applicable, in respect of unsuccessful excess applications	Wednesday, 10 June

Notes:

1. Unless otherwise indicated, all times are South African times.
2. Zeder shareholders may not dematerialise or rematerialise their Zeder ordinary shares between Monday, 11 May 2009 and Friday, 15 May 2009, both dates inclusive.
3. CSDPs to effect delivery in respect of dematerialised shareholders on a delivery versus payment basis.
4. If you are a dematerialised shareholder you are required to notify your duly appointed CSDP or broker of your acceptance of the proposed rights offer in the manner and time stipulated in terms of the custody agreement between yourselves. Dematerialised shareholders are advised to contact their CSDP or broker as early as possible to establish the cut off time for their acceptance of the proposed rights offer per the aforementioned custody agreement as this may be earlier than the closing date of the rights offer.
5. The above dates and times are subject to amendment. Any such amendment will be published in the press and on SENS.

DEFINITIONS AND INTERPRETATIONS

Throughout this circular and the annexures hereto, unless the context indicates otherwise, the words in the column on the left below shall have the meaning stated opposite them in the column on the right below, reference to the singular shall include the plural and vice versa, words denoting one gender include the other and words and expressions denoting natural persons include juristic persons and associations of persons:

“Act”	the Companies Act, 1973 (Act 61 of 1973), as amended;
“Agricol Holdings”	Agricol Holdings Limited (registration number 1991/000478/06) a public company incorporated in accordance with the laws of South Africa;
“April 2007 share swap”	the share swap undertaken during the course of April 2007 in respect of which the Thandana Trust swapped its KLK shares, valued at approximately R19 008, in exchange for the issue of 8 640 Zeder ordinary shares on 18 April 2007 at an issue price of R2.20 per Zeder ordinary share;
“Articles”	the Articles of Association of the Company;
“associate”	an associate as defined in the Act;
“Board” or “Directors”	the Board of directors of Zeder;
“broker”	any person registered as a broking member (equities) in terms of the Rules of the JSE made in accordance with the provisions of the Securities Services Act;
“business day”	any day of the week, excluding Saturdays, Sundays and all official South African public holidays;
“Capitec Bank”	Capitec Bank Holdings Limited (registration number 1999/025903/06), a bank controlling and public company incorporated in South Africa and listed on the JSE;
“Capespan” or “the Capespan Group”	Capespan Group Holdings Limited (registration number 1997/018433/06), a public company incorporated in accordance with the laws of South Africa;
“certificated shareholders”	registered holders of certificated shares;
“certificated shares”	shares that have not been dematerialised in terms of Strate, title to which is represented by documents of title;
“this circular” or “this document”	this bound document, dated 18 May 2009, incorporating a form of instruction;
“the Code”	the Securities Regulation code on Takeovers and Mergers established by the SRP in terms of section 440C of the Act;
“Common Monetary Area”	collectively, South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Coronation Fund Managers”	Coronation Fund Managers Limited, (registration number 1973/009318/06), a public company incorporated in accordance with the laws of South Africa and listed on the Main board of the JSE;
“CSDP”	a Central Securities Depository Participant, registered in terms of section 3.2 of the Securities Services Act and appointed by individual shareholders for purposes of, and in regard to, dematerialisation as defined in terms of such Act;
“December 2006 share swaps”	the share swaps undertaken during the course of December 2006 in respect of which various individual investors swapped their Pioneer, KWV, Kaap Agri and Senwes shares, valued at approximately R831 860.80, in exchange for the issue of 381 489 Zeder ordinary shares on 8 December 2006 and 20 December 2006 at an issue price of R2.00 and R2.20 per Zeder ordinary share respectively;
“December 2007 share swaps”	the share swaps undertaken during the course of December 2007 in respect of which Jawmend Rossie Capital swapped its Kaap Agri and KWV shares, valued at approximately R13 165 703.00, in exchange for the issue of 4 822 602 Zeder ordinary shares on 21 December 2007 at an issue price of R2.73 per Zeder ordinary share;
“dematerialise”	the process whereby share certificates and any other documents of title to shares in a tangible form are dematerialised into electronic records for the purposes of Strate;
“dematerialised shareholders”	registered holders of dematerialised shares;
“dematerialised shares”	shares which have been dematerialised in terms of the requirements of Strate and the ownership of which is no longer evidenced by physical documents of title but by electronic records;

“Distell”	Distell Group Limited (registration number 1988/005808/06), a public company incorporated in accordance with the laws of South Africa;
“documents of title”	share certificates, certified transfer deeds, balanced receipts, or any other documents of title as the case may be;
“Exchange Control Regulations”	the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the South African Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended;
“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 certain investors were invited to swap their shares in those agri-companies comprising Zeder’s investment portfolio at the time, as more fully disclosed in the pre-listing statement, valued at approximately R37 million, in terms of which 16 657 629 Zeder shares were issued at R2.00 each per Zeder ordinary share on 29 September 2006;
“form of instruction”	a form of instruction in respect of the letter of allocation;
“further acquisitions”	the shares and/or other assets acquired by Zeder for cash and/or by way of the issue of 27 697 471 Zeder ordinary shares at R2.20 per share during the course of October and November 2006, after the completion of the private placement, from certain investors in those agri-companies comprising Zeder’s investment portfolio at the time, as more fully disclosed in the pre-listing statement, for a total consideration of R60 934 436.20;
“government”	the Government of South Africa;
“the JSE”	JSE Limited (registration number 2005/022939/06), a public company incorporated in South Africa and licensed as an exchange under the Securities Services Act;
“January 2007 share swaps”	the share swaps undertaken during the course of January 2007 in respect of which various individual investors swapped their Senwes shares, valued at approximately R312 305.80, in exchange for the issue of 159 240 Zeder ordinary shares on 18 January 2007 and 25 January 2007 at an issue price of R2.00 and R2.20 per Zeder ordinary share respectively;
“Jawmend Rossi Capital”	Jawmend Rossi Capital (Proprietary) Limited (registration number 2002/031934/07), a private company incorporated in accordance with the laws of South Africa;
“July 2008 share swap”	the share swaps undertaken during the course of July 2008 in respect of which Coronation Fund Managers swapped their KWV “A” shares, valued at approximately R14 612 5733.07, in exchange for the issue of 6 218 116 Zeder ordinary shares on 14 July 2008 at an issue price of R2.35 per Zeder ordinary share;
“KaaP Agri”	KaaP Agri Limited (registration number 2007/015880/06), a public company incorporated in accordance with the laws of South Africa;
“KLK”	KLK Landbou Limited (registration number 1997/015589/06), a public company incorporated in accordance with the laws of South Africa;
“KWV”	KWV Limited (registration number 1997/020857/06), a public company incorporated in accordance with the laws of South Africa;
“KWV Investments”	KWV Investments Limited (registration number 1979/007263/06), a public company incorporated in accordance with the laws of South Africa;
“KWV offer”	the voluntary offer made by Zeder to KWV shareholders to acquire an additional stake in KWV at an offer price of 375 cents per KWV share of which an additional amount of R13.4 million was invested in KWV by Zeder;
“last practicable date”	Friday, 24 April 2009 being the last practicable date prior to the finalisation of this circular;
“letter of allocation”	a renounceable (nil paid) letter of allocation in electronic form relating to the rights offer;
“Link Market Services” or “transfer secretaries”	Link Market Services South Africa (Proprietary) Limited (registration number 2000/007239/07), a private company incorporated in accordance with the laws of South Africa, being the transfer secretaries of Zeder;
“Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time by the JSE;
“management agreement”	the agreement entered into between PSG Group and Zeder on 29 September 2006 in terms of which PSG Group, or its duly authorised nominee, PSG Manco, provides Zeder with investment, administrative, advisory, financial and corporate services, in the normal course of business, in return for an agreed management fee;

“March 2007 share swaps”	the share swaps undertaken during the course of March 2007 in respect of which various individual investors swapped their KWV shares valued at approximately R256 080 in exchange for the issue of 116 400 Zeder ordinary shares on 16 March 2007 at an issue price R2.20 per Zeder ordinary share;
“MGK Business Investments”	MGK Business Investments Limited (registration number 1998/001621/06) a public company incorporated in accordance with the laws of South Africa;
“NWK”	NWK Limited (registration number 1998/007577/06) a public company incorporated in accordance with the laws of South Africa;
“October 2007 share swaps”	the share swaps undertaken during the course of October 2007 in respect of which Tantalum Capital swapped their Kaap Agri “A” and “B” shares and KWV shares valued at approximately R74 325 294.36 in exchange for the issue of 28 920 348 Zeder ordinary shares on 18 October 2007 at an issue price R2.57 per Zeder ordinary share;
“Outspan International”	Outspan International (registration number 1994/005621/06) a public company incorporated in accordance with the laws of South Africa;
“Pioneer”	Pioneer Foods Group Limited (registration number 1996/017676/06) a public company incorporated in South Africa;
“the Pioneer share exchange agreement”	the agreement entered into between Zeder and Kaap Agri containing the terms and conditions of the Pioneer share exchange of 4 July 2007;
“Pioneer share exchange”	the share exchange as more fully set out in the circular of 20 August 2007 in terms of which Zeder exchanged its investment of 5.84% or 10 587 568 ordinary shares in Pioneer for an additional 16.81% shareholding or 42 350 272 shares in Kaap Agri on a 100 to 400 basis; equal to approximately R370 000 000, representing the market value of the transaction at the time;
“Pioneer underwriting agreement”	the agreement entered into between Pioneer and Zeder of 2 April 2008 in terms of which Zeder agreed, subject to certain conditions, to underwrite the Pioneer rights offer as disclosed in the circular to Pioneer shareholders of 26 May 2008, up to a maximum subscription amount of R360 000 000 or 14 400 000 rights offer shares for an underwriting fee of 2% of the amount underwritten;
“pre-listing statement”	the pre-listing statement issued to Zeder shareholders on 26 November 2006 as required in terms of the Listings Requirements in anticipation of the Company’s listing on the JSE on 1 December 2006;
“private placement”	the private placement undertaken by the Company during the course of September 2006, prior to its listing on the JSE, in respect of which 350 125 000 Zeder shares were placed with various investors at a subscription price of R2.00 per share thereby raising R750 250 000 in cash;
“PSG Corporate Services”	PSG Corporate Services (Proprietary) Limited (registration number 1996/004848/07) a private company incorporated in accordance with the laws of South Africa that is a wholly owned subsidiary of PSG Group, whose registered address appears in the corporate information section of this circular;
“PSG Group”	PSG Group Limited (registration number 1970/008484/06), a public company incorporated in accordance with the laws of South Africa and listed on the main board of the JSE;
“PSG Financial Services”	PSG Financial Services Limited (registration number 1919/000478/06) a public company incorporated in accordance with the laws of South Africa that is a wholly owned subsidiary of PSG Group, and which is a major shareholder in Zeder;
“PSG investment”	the investment made by PSG in Zeder in terms of which PSG transferred certain of its unlisted agricultural investments as more fully set out in the pre-listing statement in exchange for 174 870 956 Zeder ordinary shares which were 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 approximately R349 740 912;
PSG Konsult	PSG Konsult Limited (registration number 1993/003941/06) a public company incorporated in South Africa and a subsidiary of PSG Group;
“PSG Manco”	PSG Group or its duly appointed nominee in terms of the management agreement, presently being PSG Corporate Services;
“qualifying shareholder”	a registered holder of Zeder shares on the register of shareholders of Zeder as at 17:00 on the record date for the rights offer and which does not have its registered address in any jurisdiction in which it would be unlawful to make the rights offer;
“Questco Sponsors”	Questco Sponsors (Proprietary) Limited (registration number 2004/018276/07) a private company incorporated in accordance with the laws of South Africa;

“Rand” or “R”	South African Rand, the official currency of South Africa;
“the ratio of entitlement”	the number of rights offer shares to which shareholders are entitled to subscribe for in terms of the rights offer, being 60 rights offer shares for every 100 Zeder shares held on the record date for the rights offer, and/or such proportionate lower number of shares in respect of a holding of less than 100 Zeder shares held on the record date for the rights offer;
“the record date for the rights offer”	the last day for shareholders to be recorded in the register in order to participate in the rights offer, being close of business on Friday, 15 May 2009;
“register”	means the register of certificated shareholders maintained by Zeder and the sub-registers of dematerialised shareholders maintained by the relevant CSDP’s;
“the Registrar”	the Registrar of Companies and Close Corporations in South Africa;
“Remgro”	Remgro Limited (registration number 1968/006415/06), a public company incorporated in accordance with the laws of South Africa;
“rights”	the entitlement to subscribe for Zeder shares pursuant to the rights offer;
“the rights offer”	the rights to subscribe for 366 783 194 Zeder ordinary shares at the rights offer share price in the ratio of 60 rights offer shares for every 100 Zeder ordinary shares held on the record date for the rights offer;
“the rights offer share price”	the issue price per new Zeder ordinary share to be offered to Zeder shareholders in terms of the rights offer being 135 cents per Zeder ordinary share;
“the rights offer shares”	the 366 783 194 Zeder ordinary shares, which are the subject of the rights offer;
“Sanlam”	Sanlam Limited (registration number 1959/001562/06), a public company incorporated in accordance with the laws of South Africa;
“second share swap”	the share swap undertaken by the Company after the conclusion of the private placement during the course of October 2006 in respect of which certain investors were invited to swap their shares in those agri-companies comprising Zeder’s investment portfolio at the time, as more fully disclosed in the pre-listing statement, valued at approximately R4.5 million in terms of which 1 967 847 Zeder shares were issued at R2.20 each per Zeder ordinary share on 31 October 2006;
“Securities Services Act”	the Securities Services Act, 2004 (Act 36 of 2004), as amended;
“SENS”	the Securities Exchange News Service of the JSE;
“South Africa” or “SA”	the Republic of South Africa;
“SRP”	the Securities Regulation Panel established in terms of section 440B of the Companies Act
“Strate”	Strate Limited (registration number 1998/022242/06), a public company incorporated in South Africa and a registered central securities depository in terms of the Securities Services Act and responsible for the electronic clearing and settlement of transactions on licensed exchanges in terms of the aforementioned Act;
“subsidiary”	a subsidiary as defined in the Act;
“Suidwes”	Suidwes Investments Limited (registration number 1998/007601/06), a public company incorporated in accordance with the laws of South Africa;
“Tantalum Capital”	Tantalum Capital (Proprietary) Limited (registration number 2005/007932/07), a private company incorporated in accordance with the laws of South Africa;
“Thandana Trust”	the trustees for the time being of Thandana Trust, a trust duly registered with the Master of the High Court with Master’s reference IT 2234/95;
“Thembeke Capital”	Thembeke Capital Limited (registration number 2005/016065/06), a public company a incorporated in accordance with the laws of South Africa, and being the majority shareholder in Thembeke Agri;
“Thembeke Agri”	Thembeke Agri Holdings (Proprietary) Limited (registration number 2005/016065/07), a private company incorporated in accordance with the laws of South Africa;
“Tuinroete Agri”	Tuinroete Agri Limited (registration number 1997/003183/06), a public company incorporated in accordance with the laws of South Africa;

“underwriter”	Coronation Asset Management (Proprietary) Limited (registration number 1993/002807/07), a private company incorporated in accordance with the laws of South Africa;
“underwriting agreement”	the underwriting agreement concluded between the Company and the underwriter on 21 April 2009 in terms of which underwriter undertook to underwrite the underwritten rights offer shares at the rights offer share price for an underwriting commission of 2% of R100 000 000 (excluding VAT) representing the total maximum amount being underwritten;
“underwritten rights offer shares”	a maximum of 74 074 074 rights offer shares, to the extent that any or all of the aforementioned shares are not subscribed for by qualifying shareholders by 12:00 on the closing date of the rights offer;
“VAT”	Value Added Tax;
“Zeder” or “the Company”	Zeder Investments Limited (registration number 2006/019240/06), a public company incorporated in South Africa and listed on the main board of the JSE;
“Zeder Group” or “the Group”	the Company, its subsidiaries and associates;
“Zeder ordinary shareholders” or “ordinary shareholders” or “Zeder shareholders” or “shareholders”	registered holders of Zeder ordinary shares; and
“Zeder ordinary shares” or “Zeder shares” or “ordinary shares”	ordinary shares with a par value of 1 cent each in the authorised and issued share capital of Zeder.



(previously Friedshel 766 Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2006/019240/06)
Share code: ZED
ISIN: ZAE00088431
("Zeder" or "the Company")

Directors

J F Mouton (Chairman)
A E Jacobs (CEO) *
C A Otto
M S du Pre le Roux #
L P Retief #

* Executive

Independent non-executive

CIRCULAR TO ZEDER SHAREHOLDERS

1. INTRODUCTION

It was announced on SENS on Thursday, 26 March 2009, and confirmed on SENS on Wednesday, 29 April 2009 that Zeder would raise up to a maximum of R495.2 million from existing shareholders through a rights offer.

In terms of the rights offer, 366 783 194 Zeder ordinary shares will be offered for subscription to Zeder shareholders recorded in the register at the close of trade on Friday, 15 May 2009 and will be allocated rights to subscribe for such rights offer shares on the basis of 60 rights offer shares for every 100 Zeder ordinary shares so held on the record date, at a subscription price of 135 cents per rights offer share. Only whole numbers of shares will be issued and Zeder shareholders will be entitled to rounded numbers of shares once the ratio has been applied. Excess applications will be allowed.

The rights offer has been partially underwritten by the underwriter up to a maximum of R100 000 000, on such terms and conditions as are standard for such a transaction.

The JSE has agreed to the listing of the rights offer shares and the purpose of this circular is to furnish Zeder shareholders with relevant information relating to the rights offer, the action required and the implications thereof, in accordance with the Act and the Listings Requirements.

2. RATIONALE FOR THE RIGHTS OFFER

Zeder requires a fresh injection of capital in order to pursue certain identified, and other investment opportunities that current market conditions have rendered attractive.

Net proceeds from the rights offer will be used by the Group *inter alia* to:

- allow Zeder to increase its interests in some of its existing investments; and
- to strengthen its cash position in anticipation of a year that will almost certainly see more investment opportunities for Zeder as has been experienced during the past two years.

Zeder has established itself as a shareholder of reference and is ideally placed to utilise and create opportunities in the agri, food, beverage and related sectors. Zeder has recently increased its stake in KVV with a further R13.4 million invested. Further detail in regards to KVV and its operations are disclosed in paragraph 6.3.2 below.

Further, Zeder has been approached to underwrite a number of rights issues in companies within its investment sectors.

The Board is of the opinion that the rights offer represents the fairest mechanism for all shareholders to increase their respective shareholdings in Zeder as all Zeder shareholders are treated equally and afforded the same number of rights in proportion to their existing shareholdings on the record date.

3. PARTICULARS OF THE RIGHTS OFFER

3.1 TERMS OF THE RIGHTS OFFER

Zeder hereby offers to qualifying shareholders a total of 366 783 194 Zeder ordinary shares for subscription, upon the terms and conditions set out in this circular and in the attached form of instruction, by way of renounceable rights offer, at a subscription price of 135 cents per Zeder ordinary share on the basis of 60 rights offer shares been offered for every 100 Zeder ordinary shares so held by qualifying shareholders at the close of trade on the record date for the rights offer. If fully subscribed, the rights offer will raise R495.2 million in aggregate.

Qualifying shareholders recorded in the register of Zeder at the close of business on Friday, 15 May 2009 will be entitled to participate in the rights offer.

The enclosed form of instruction relates to certificated Zeder shareholders only and contains details of the rights to which such holders of certificated shares are entitled, as well as the procedure for acceptance and/or sale and/or renunciation of all or part of those rights, as well as the procedure for the application for additional rights offer shares.

Holders of dematerialised shares will be advised of the rights to which they are entitled as well as the procedure for acceptance and/or sale and/or renunciation of all or part of those rights, as well as the procedure for the application for additional rights offer shares, by their CSDP or broker in terms of the custody agreement entered into between the shareholder and his CSDP or broker, as the case may be.

The subscription price is payable in full, in Rand, by qualifying shareholders holding certificated shares on acceptance of the rights offer. CSDP's will make payment, on a delivery versus payment basis, in respect of qualifying shareholders holding dematerialised shares who have accepted the rights offer. Qualifying shareholders holding dematerialised shares who have accepted the rights offer must ensure that the necessary funds are deposited with the relevant CSDP or broker, as the case may be, timeously in anticipation of the relevant payment date.

The rights offer shares will, upon allotment and issue, rank *pari passu* with all other existing ordinary shares in terms of both voting rights and dividends.

3.2 OPENING AND CLOSING DATES OF THE RIGHTS OFFER

The rights offer will open at 09:00 on Monday, 18 May 2009 and will close at 12:00 on Friday, 5 June 2009.

3.3 ENTITLEMENT

An entitlement table, showing the number of rights offer shares to which qualifying Zeder shareholders will be entitled is set out in **Annexure 1** to this circular. The entitlement of each qualifying shareholder holding certificated shares is reflected in the appropriate block in the form of instruction, which is enclosed with this circular. However, if you are a qualifying shareholder holding dematerialised shares, you will not receive a printed form of instruction with this circular. Qualifying shareholders holding dematerialised shares will have their accounts held with CSDPs or brokers (as the case may be) automatically credited with their entitlements in accordance with **Annexure 1**.

3.4 HOLDINGS OF ODD-LOTS AND MULTIPLES OTHER THAN 100 SHARES

Qualifying shareholders holding less than 100 Zeder shares, or not a whole multiple of 100 Zeder shares, will be entitled, in respect of such holdings, to participate in the rights offer in accordance with **Annexure 1** to this circular.

3.5 ROUNDING OF FRACTIONAL ENTITLEMENTS

The whole number of rights to subscribe for rights offer shares to which qualifying shareholders will become entitled will be determined by the ratio of entitlement. Where the application of such ratio of entitlement results in a fraction, such fraction will be rounded either upwards or downwards (as the case may be). Fractional entitlements of 0.5 or more will be rounded upwards and less than 0.5 will be rounded downwards. Only whole numbers of rights offer shares will be issued. Accordingly, qualifying shareholders will only be entitled to subscribe for rounded numbers of Zeder ordinary shares once the ratio of entitlement, together with the rounding of fractions, has been applied.

3.6 MINIMUM SUBSCRIPTION

The rights offer is not conditional to a minimum subscription being attained.

3.7 UNDERTAKINGS TO FOLLOW RIGHTS

PSG Financial Services holding approximately 38.36% or 234 494 482 shares in Zeder in aggregate, has provided Zeder with an irrevocable undertaking to follow all or such lesser number of its rights so as not to exceed 49.99% in Zeder after implementation of the proposed rights offer.

3.8 UNDERWRITING

The underwriter has agreed to underwrite the underwritten rights offer shares up to a maximum of R100 000 000, on such terms and conditions that are standard for such a transaction, including an underwriting commission equal to 2% of R100 000 000 (excluding VAT), representing the maximum amount being underwritten by the underwriter, which commission, in the Board's opinion, is not greater than the current market rate charged by independent underwriters.

The underwriting commission is payable by the Company upon fulfilment by the underwriter of all of its obligations in terms of the underwriting agreement. The underwriter's right to subscribe for the underwritten rights offer shares takes precedence over any/all excess application(s), as per clause 3.11.4 below. All conditions precedent to the underwriting have been fulfilled.

Further information as to the underwriter appears as **Annexure 11** to this Circular.

3.9 PROCEDURES FOR ACCEPTANCE

3.9.1 If you are a qualifying shareholder holding certificated shares and/or have had rights renounced in your favour by such certificated holder, and wish to subscribe for all or part of your entitlement (or make an excess application) in terms of the enclosed form of instruction, you must complete the enclosed form of instruction in accordance with the instructions contained therein and lodge it together with payment (or proof of payment) (as the case may be) of the subscription price with the transfer secretaries at the address set out in paragraph 3.12.1.2 of this circular, so as to be received by the transfer secretaries by no later than 12:00 on Friday, 5 June 2009. Once received by the transfer secretaries, the acceptance is irrevocable and may not be withdrawn.

If payment is not received on or before 12:00 on Friday, 5 June 2009, the day of the closing of the rights offer, the qualifying shareholder or renounee concerned will be deemed to have declined the offer to acquire rights offer shares pursuant to the rights offer.

Qualifying shareholders holding certificated shares are advised to take into consideration postal delivery times when posting their forms of instruction, as no late postal deliveries will be accepted.

Qualifying shareholders are advised to deliver their completed forms of instruction together with their **bank-guaranteed cheques** or **bankers' drafts** or **proof of electronic transfer** by hand or by courier, where possible.

3.9.2 If you are a qualifying shareholder and have dematerialised your Zeder ordinary shares you will **not** receive a printed form of instruction enclosed with this circular. You should receive notification from your CSDP or broker regarding the rights to which you are entitled in terms of the rights offer.

If you are a qualifying shareholder holding dematerialised shares and wish to follow all or part of your rights (or make an excess application) in respect of the rights offer, you are required to notify your duly appointed CSDP or broker of your acceptance of the rights offer in the manner and time stipulated in terms of the custody agreement governing the relationship between yourself and your CSDP or broker.

Neither the transfer secretaries, Zeder nor any of their associates takes any responsibility and nor will they be held liable for any failure on the part of any CSDP or broker to notify you of the rights offer and/or to obtain instructions from you to subscribe for the rights offer shares and/or to sell the rights allocated.

3.10 PROCEDURES FOR SALE AND RENUNCIATION

3.10.1 If you are a qualifying shareholder holding certificated shares and do not wish to subscribe for all or part of the rights allocated to you as reflected in the form of instruction, you may either dispose of or renounce all or part of your entitlement as follows:

- if you wish to sell all or part of your entitlement, you must complete **Form A** in the enclosed form of instruction and return it to the transfer secretaries to be received by no later than 12:00 on Friday, 29 May 2009. The transfer secretaries will endeavour to procure the sale of rights on the JSE on your behalf and to remit the net proceeds thereof in accordance with your instructions. In this regard, neither the transfer secretaries nor Zeder nor any of their associates will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising from the timing of such sales, the price obtained, or the failure to dispose of such entitlements; and
- if you wish to renounce your entitlement or any part thereof in favour of any named renounee, you must complete **Form B** in the enclosed form of instruction, and the renounee must complete **Form C** in the enclosed form of instruction and return it to the transfer secretaries, to be received by no later than 12:00 on Friday, 5 June 2009, **together with a bank-guaranteed cheque or bank draft or proof of electronic transfer** for the appropriate subscription amount. If you wish to renounce part of your entitlement in favour of different renounees, you may copy **Forms B** and **C** and use the copied Forms for each additional renounee.

3.10.2 If you are a qualifying shareholder holding dematerialised shares and wish to sell some or all of the rights allocated to you as a holder of dematerialised shares, you should make the necessary arrangements with your CSDP or broker in the manner and time stipulated in terms of the custody agreement governing the relationship between yourself and your CSDP or broker.

3.11 EXCESS APPLICATIONS

3.11.1 Those rights offer shares not taken up in terms of the rights offer or underwritten by the underwriter will be available for allocation to qualifying shareholders or their renounees (as the case may be) who wish to apply for a greater number of rights offer shares than those offered to them in terms of the ratio of entitlement pertaining

to the rights offer. Accordingly, in addition to the rights offer shares allocated to any qualifying shareholder being a holder of a letter of allocation in terms of the rights offer, such shareholder or his renounee (as the case may be) may apply for additional rights offer shares in excess of those allocated to them on the same terms and conditions.

- 3.11.2 If you are a qualifying shareholder holding dematerialised shares who wishes to apply for excess rights offer shares, then you should instruct your duly appointed CSDP or broker accordingly as to the number of additional rights offer shares for which you wish to apply, in the manner and time stipulated in terms of the custody agreement governing the relationship between yourself and your CSDP or broker.
- 3.11.3 If you are a qualifying shareholder who holds certificated shares who wishes to apply for excess rights offer shares, then you must make application for additional rights offer shares by completing **Blocks (7) and (8)** (grey) of the enclosed form of offer and instruction and remit sufficient funds to cover such applications in accordance with paragraph 3.12.1 below.

3.11.4 Allocation of available rights offer shares

The pool of rights offer shares available to meet excess applications will be dealt with as set out below:

- 3.11.4.1 If all the rights offer shares are taken up in the rights offer by qualifying shareholders, then no additional rights offer shares will be made available for allocation to applicants as excess applications.
- 3.11.4.2 In respect of any rights offer shares not taken up by qualifying shareholders (or their renounees) (as the case may be), such rights offer shares shall firstly be allocated to the underwriter as underwritten rights offer shares.
- 3.11.4.3 Subject to the underwritten rights offer shares taking precedence in terms of paragraph 3.11.4.2 above, to the extent that any remaining rights offer shares not taken up in the rights offer (or underwritten) exceed the number of rights offer shares applied for as excess applications, the Board will allocate any or all excess applications in an equitable manner.
- 3.11.4.4 Subject to the underwritten rights offer shares taking precedence in terms of paragraph 3.11.4.2 above, to the extent that any remaining rights offer shares not taken up in the rights offer (or underwritten), are less than the number of rights offer shares applied for as excess applications, the Board reserves the right to abate any or all excess applications in such a manner as it may, in its sole and absolute discretion, determine. The Board will allocate any or all excess applications in an equitable manner, taking into account the number of Zeder shares held by any applicant prior to the rights offer and the number of excess shares been applied for in respect of such excess application.
- 3.11.4.5 An announcement will be released on SENS on Monday, 8 June 2009 and published in the press on the following business day, Tuesday, 9 June 2009, stating the results of the rights offer and the basis of allocation of any additional rights shares for which application is made.
- 3.11.4.6 Cheques refunding monies in respect of unsuccessful applications by holders of certificated Zeder shares for additional rights offer shares will be posted to the relevant applicants, at their risk, on or about Wednesday, 10 June 2009. No interest will be paid on monies received in respect of unsuccessful applications.

3.12 PAYMENT

3.12.1 Payment by holders of certificated shares

- 3.12.1.1 The amount due on acceptance of the rights offer is payable in Rand.
- 3.12.1.2 A **banker's draft** drawn on a registered bank or a **bank-guaranteed cheque** drawn on a South African bank (each of which should be crossed and marked "not transferable" and, in the case of a cheque, with the words "or bearer" deleted) in favour of "Zeder Investments Limited – Rights offer" or proof of **electronic transfer of monies** from a registered bank to the designated bank account as set out in paragraph 3.12.1.3 below in respect of the amount due, together with a properly completed form of instruction, should be clearly marked "Zeder Investments Limited – Rights offer", and delivered to:

Zeder Investments Limited – Rights offer
c/o Link Market Services South Africa (Proprietary) Limited
11 Diagonal Street
Johannesburg
2001

so as to be received by no later than 12:00 on Friday, 5 June 2009, or may be posted, at the risk of the shareholder or his renounee, to:

Zeder Investments Limited – Rights offer
c/o Link Market Services South Africa (Proprietary) Limited
PO Box 4844
Johannesburg
2000

so as to be received by no later than 12:00 on Friday, 5 June 2009.

3.12.1.3 The bank account details for electronic transfer of the subscription monies by certificated holders are as follows:

Account Name	Zeder Investments Limited – Rights Offer
Bank	First National Bank
Account Number	62216102236
Branch Code	204109

All deposits to be clearly referenced with your certificate number.

3.12.1.4 All bank-guaranteed cheques or bankers' drafts received by the transfer secretaries will be deposited immediately for payment.

3.12.1.5 The payment as referred to in paragraph 3.12.1.2 and 3.12.1.3 above will constitute an irrevocable acceptance by the shareholder or renounee of the rights offer upon the terms and conditions set out in this circular and in the enclosed form of instruction. In the event that any cheque or banker's draft is dishonoured, Zeder, in its sole discretion, may treat the relevant acceptance as void or may tender delivery of the relevant rights offer shares to which it relates against payment in cash of the issue price for such shares.

3.12.1.6 Money received in respect of an application that is rejected or otherwise treated as void by Zeder, or which is otherwise not validly received in accordance with the terms stipulated, will be posted by registered post by way of a cheque drawn (without interest) in Rand to the applicant concerned, at the applicant's risk, on or about Wednesday, 10 June 2009. If the applicant concerned is not a shareholder and gives no address in the attached form of instruction, then the relevant refund will be held by Zeder until collected by the applicant and no interest will accrue to the applicant in respect thereof.

3.12.2 Payment by holders of dematerialised shares

Payment will be effected on the shareholder's behalf in Rand by the CSDP or broker. Qualifying shareholders holding dematerialised shares must therefore ensure that their CSDP or broker receives the subscription monies timeously in terms of the mandate between themselves and their CSDP or broker. The CSDP or broker will make payment in respect of qualifying shareholders holding dematerialised shares on a delivery versus payment basis.

3.13 EXCHANGE CONTROL REGULATIONS

An outline of the applicable Exchange Control Regulations is available in **Annexure 2** to this circular.

3.14 JSE LISTINGS

The Issuer Services Division of the JSE has approved the listings of:

- the nil paid letters of allocation in respect of all of the 366 783 194 rights offer shares with effect from the commencement of trade on Monday, 11 May 2009 to the close of trade on Friday, 29 May 2009, both days inclusive; and
- 366 783 194 rights offer shares with effect from the commencement of trade on Monday, 1 June 2009 to the close of trade on Friday, 5 June 2009, both days inclusive.

3.15 DOCUMENTS OF TITLE

New share certificates to be issued to qualifying shareholders holding certificated shares or renounees in respect of those rights offer shares to which they were entitled and for which they have subscribed, will be posted to persons entitled thereto, by registered post, at the risk of the shareholders concerned, on or about Monday, 8 June 2009.

Qualifying shareholders receiving the rights offer shares must note that such certificated shares are not good for delivery in respect of trades concluded on the JSE until they have been dematerialised.

Qualifying shareholders holding dematerialised shares who have applied for, and been allotted, Zeder ordinary shares under the rights offer will have their accounts updated with the rights offer shares to which they are entitled and in respect of which they have accepted the rights offer, on Monday, 8 June 2009.

3.16 REGISTRATION OF DOCUMENTS

The following documents in English have been lodged with and registered by the Registrar of Companies in terms of section 146A of the Act for purposes of implementing the rights offer:

- a copy of the form of instruction with respect to the letters of allocation enclosed with this document;
- a signed copy of this circular;
- signed copies of all material contracts;
- the letters of consent from the joint sponsor and corporate adviser, lead sponsor, reporting accountants and auditors, underwriter and transfer secretaries to act in their respective capacities and to their names being stated in this circular;
- powers of attorney signed by each of the directors of Zeder;
- a copy of the application for listing of the rights offer shares to be issued pursuant to the rights offer; and
- a copy of the letter from the JSE agreeing to the listing of the rights offer shares and the letters of allocation.

3.17 SHAREHOLDER SPREAD

The shareholder spread of Zeder will still comply with paragraphs 4.28(e) and (f) of the Listings Requirements after implementing the rights offer.

3.18 TAXATION

Zeder shareholders are advised to consult their tax and financial advisors regarding any taxation implications pertaining to them regarding the acceptance of their rights in terms of the rights offer.

3.19 MAJOR AND CONTROLLING SHAREHOLDERS

As at the last practicable date, the following shareholder was the only shareholder in Zeder holding more than 5% beneficial interest in the issued ordinary shares of Zeder:

Shareholder	% issued ordinary share capital
PSG Financial Services	38.36
Total	38.36

Shareholding calculated on the issued share capital prior to the rights issue as noted in paragraph 6.6 below.

At the last practicable date PSG Financial Services was the single largest (and controlling) shareholder in Zeder. PSG Financial Services has been the controlling shareholder in Zeder since the PSG investment.

4. FINANCIAL INFORMATION

4.1 PRO FORMA FINANCIAL INFORMATION

The unaudited *pro forma* financial effects set out below have been prepared to assist Zeder shareholders in assessing the impact of the rights offer on the earnings per share ("EPS"), headline earnings per share ("HEPS"), net asset value ("NAV") per share and tangible net asset value ("TNAV") per share. Due to the nature of these *pro forma* financial effects, they are presented for illustrative purposes only and may not fairly present Zeder's financial position, changes in equity, results of operations or cash flows after the rights offer.

The unaudited *pro forma* financial information have been prepared in terms of the Listings Requirements and the Guide on *Pro Forma* Financial Information issued by the South African Institute of Chartered Accountants. These unaudited *pro forma* financial effects are the responsibility of the Board. The material assumptions are set out in the notes following the table. The detailed unaudited *pro forma* financial effects has been included as **Annexure 3** to this circular. The unaudited *pro forma* financial effects set out below were reported on by PricewaterhouseCoopers Inc, whose limited assurance report is included as **Annexure 4** to this circular.

Pro forma financial effects

	Audited before the rights offer ⁽¹⁾	Pro forma adjustments	Unaudited pro forma after the rights offer	Percentage change
EPS and diluted EPS (cents) ⁽²⁾	27.7	(4.2)	23.5	(15.2%)
HEPS and diluted HEPS (cents) ⁽²⁾	25.2	(3.3)	21.9	(13.1%)
NAV per share (cents) ⁽³⁾	282.3	(55.6)	226.7	(19.7%)
TNAV per share (cents) ⁽³⁾	282.3	(55.6)	226.7	(19.7%)
Weighted average number of shares in issue ('000) ⁽⁴⁾	608,971.4		975,754.6	
Ordinary shares in issue ('000) ⁽⁴⁾	611,305.3		978,088.5	

Notes and assumptions:

- Extracted from the published audited consolidated results of Zeder for the year ended 28 February 2009;
- For the purposes of calculating EPS and HEPS it was assumed that:
 - the rights offer and the KVV offer was effected on 1 March 2008;
 - R13.4m of the rights offer proceeds was utilised to increase the Company's stake in KVV in terms of the KVV offer, assuming additional equity accounted earnings of R2.1m and headline earnings of R1.6m (including amortisation of intangible assets of R0.2m);
 - the residual rights offer proceeds, amounting to R478.5m (after transaction costs of R3.3m, including the underwriting commission of R2.0m) were invested in a money market fund;
 - an interest rate of 12.09% before taxation was applied to net cash and cash equivalents raised in the rights offer and not utilised in the KVV offer. The interest rate applied equates to the average prime interest rate less 3% as per the average interest rate received on cash balances in the money market fund utilised from the Company's commercial bankers during the period;
 - an effective taxation rate of 24.1% was applied to the *pro forma* adjustments as a result of only R8.1m of the adjusted total expenses, being deductible for tax purposes and the reversal of the performance fee as explained in note (h) below;
 - a liquid instrument management fee of 0.15% was accounted for in regards to monies invested in a money market fund in terms of the management agreement being net cash and cash equivalents raised in the rights offer and not utilised in the KVV offer;
 - a base management fee of 2% was accounted for in regards to monies invested in KVV in terms of the management agreement;
 - the performance fee in terms of the management agreement is based on a formula driven by growth on the prior year's audited NAV per share. The formula is summarised in **Annexure 9**. The performance fee for the period is reversed as a result of the dilution in NAV per share following the rights offer. By nature, the performance fee is recurring. However, this adjustment, which reflects the impact of a current year dilution in NAV per share, is non recurring and will result in a lower base NAV per share in the following year;
- For the purposes of NAV per share and TNAV per share it was assumed that:
 - the rights offer and KVV offer was effected on 28 February 2009;
 - R13.4m of the rights offer proceeds was utilised to increase the Company's stake in KVV in terms of the KVV offer;
 - the residual rights offer proceeds, amounting to R478.5m (after transaction costs) was invested in a money market fund;
 - non-recurring transaction costs of R3.3m (including the underwriting commission of R2.0m) are assumed to have been paid on 28 February 2009 and have been written off against share premium; and
- the number of shares in issue and weighted number of shares in issue, excluding treasury shares, have been adjusted with the 366.8m shares issued at 135 cents per share in terms of the rights offer, assuming a full subscription.

4.2 FINANCIAL INFORMATION RELATING TO ZEDER

- The historical financial information of Zeder for the 6 months period ended 28 February 2007 and the years ended 29 February 2008 and 28 February 2009 are set out in **Annexure 5** of this circular.

4.3 LOANS AND BORROWING POWERS

- No material loans have been made by Zeder or any of its subsidiaries.
- No material loans have been made to Zeder or any of its subsidiaries.
- Neither Zeder nor any of its subsidiaries have made any loans to or for the benefit of any director, manager or associate of any director or manager of Zeder.
- The borrowing powers of the Company may only be varied by special resolution and have not been exceeded since the incorporation of Zeder. No exchange control or other restrictions have been imposed on the Company or any of its subsidiaries' borrowings powers since its incorporation.
- No loan capital is currently outstanding.
- There are no material inter-company financial or other transactions. Inter-company balances before elimination on consolidation are set out in **Annexure 10**.

4.4 MATERIAL COMMITMENTS, LEASE PAYMENTS AND CONTINGENT LIABILITIES

The Zeder Group had no material commitments, lease payments or contingent liabilities at the last practicable date.

4.5 ADEQUACY OF CAPITAL

The directors of Zeder have considered the working capital position of Zeder and the Zeder Group and are of the opinion that for a period of 12 months from the date of this circular:

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

5. PRELIMINARY AND ISSUE EXPENSES

It is estimated that Zeder's preliminary and issue expenses relating to the rights offer will amount to approximately R3.3 million. These expenses will be paid from the proceeds of the rights offer. The expenses (excluding value added tax) relating to the rights offer have been detailed below.

Nature of expense	Paid/Payable to	R '000
JSE documentation inspection fee	JSE	38
JSE listing fee	JSE	108
Printing, publication and distribution	Greymatter & Finch	60
Corresponding attorneys	Friedland Hart & Partners Inc.	10
Joint sponsor and corporate advisor	PSG Capital	900
Lead sponsor	Questco Sponsors	75
Reporting accountants and auditors	PricewaterhouseCoopers Inc.	120
Transfer secretaries	Link Market Services	10
Underwriting commission	Coronation Asset Management	2 000
Total		3 321

6. INFORMATION ON ZEDER

6.1 OVERVIEW OF BUSINESS

Zeder is listed under the "Speciality Finance" sector of the JSE and is an investment Company with diversified investments in the agricultural, food, beverages, food processing and related sectors.

6.2 HISTORY OF THE BUSINESS

Zeder was incorporated as a public company in South Africa on 21 June 2006 in Pretoria with registration number 2006/019240/06, and changed its name from Friedshel 766 Limited to Zeder Investments Limited on 21 August 2006.

Since 2004, PSG Group has pursued a strategy of investing in various unlisted agri, food and beverage and related companies, that have performed well and which affirmed PSG Group's investment strategy in this regard. Following this strong growth, PSG Group transferred its various agricultural investments to Zeder on 1 September 2006. Zeder listed on the JSE with commencement of trade on 1 December 2006, which allowed investors the opportunity to share in a diversified portfolio of assets in unlisted companies capable of commercially attractive returns in the long run.

PSG Group's successful investment track record has been replicated and improved upon by Zeder with various transactions that have seen it strengthen its existing portfolio (such as its increased stakes in Kaap Agri and KWV) and expand into other agri-related spheres (such as its more recent investments in Capespan and Agricol).

Save for the PSG investment, which resulted in Zeder been transformed from a dormant shelf company into an investment company, there have been no material changes in the nature of business conducted by Zeder.

6.3 BUSINESS

Zeder believes that agricultural companies offer rewarding investment opportunities, and continues to build on the close relationships that both PSG Group and itself have established with the management of the companies in which it invests. Through the close association with business leaders in the agri environment, Zeder has gained substantial experience and knowledge of the agricultural sector in which it operates, being able to seize upon the opportunities presented to it, yet understand the unique challenges characterised by such sector. Zeder's strategy is to seek out opportunities within the aforementioned sector where focused investments provide an attractive return potential at acceptable levels of risk.

The attributes that Zeder has identified that generally make for compelling investment cases are:

- established track records;
- strong management with extensive experience;
- strong brands that deliver good underlying cash flows; and
- attractive price earnings and price to book ratios.

As at 28 February 2009, Zeder's main investments consisted of the following:

Company	Interest	Market value of investment as at 28 February 2009
6.3.1 Kaap Agri ¹	34.3%	R437,2m
6.3.2 KVV ²	25.7%	R413,7m
6.3.3 MGK Business Investments	26.7%	R27,3m
6.3.4 Agricol Holdings	20.0%	R9.7m
6.3.5 KVK ³	10.0%	R2.6m
6.3.6 Suidwes	17.2%	R47,1m
6.3.7 Capespan	12.1%	R49,9m
6.3.8 NWK	5.9%	R31,9m

Notes

1. Kaap Agri has an economic interest of 32.7% in Pioneer.
2. KVV has an effective interest of 14.9% in Distell through KVV Investments.
3. Held through a 49.9% interest in Thembeke Agri.

6.3.1 Kaap Agri (34.3%)

Chairman: George Eksteen

Managing director: Corwyn Botha

Year ended 30 September	2008	2007	2006
Revenue (Rm)	2 363.1	1 701.1	1 415.3
Net profit after tax (Rm)	242.5	203.2	205.6
Headline earnings per share (cents)	102.7	100.6	93.1
Net asset value per share (cents)	803.0	747.0	586.0

Kaap Agri, with its head office in Malmesbury, came into being as a result of the merger between WPK Beleggings Limited and Boland Agri Beherend Limited in 2005. Kaap Agri's success can be ascribed partly to the changed focus of its trading branches (the Agrimark stores) from being purely farming orientated to include the public at large. The company's footprint stretches through the Western and Northern Cape, including the Swartland, Boland, Winelands, Namaqualand and Orange River areas, up into southern Namibia where it has recently acquired a number of trading branches. Total operating points under the Kaap Agri brand name now exceeds 100, stretching over sixty cities and towns, mostly in rural areas, but also including branches in the bigger metropolitan areas. These stores not only cater for the general public, but also for the outdoor enthusiast and avid gardeners, and is the group's largest contributor to revenue and profits.

Kaap Agri produced another set of solid financial results for the 2008 year, with turnover increasing by 39% from R1.7 billion in 2007 to R2.4 billion in 2008, and a 53% increase in dividends declared to shareholders for the 2008 financial year.

Zeder exchanged its 5.8% interest in Pioneer for an increased stake in Kaap Agri during the 2008 financial year. Zeder now holds 34.3% of Kaap Agri. Kaap Agri is the largest shareholder in Pioneer, with an economic interest of 32.7%.

6.3.1.1 Pioneer

Chairman: Boy Blanckenberg

Managing director: André Hanekom

Year ended 30 September	2008	2007	2006
Revenue (Rm)	14 884.4	11 676.6	9 664.4
Net profit after tax (Rm)	452.7	507.0	571.8
Headline earnings per share (cents)	292.4	328.4	325.9
Net asset value per share (cents)	2 437.6	2 338.6	2 087.6

Pioneer was listed on the JSE during April 2008 and raised R500 million in capital by means of a rights offer.

Proceeds from the rights offer have and will be partly applied towards Pioneer's planned capital expenditure programme for 2008 and 2009. The rights offer was underwritten by Zeder up to a maximum amount of R360 million. Pioneer's current market capitalisation exceeds R5.0 billion.

Pioneer is divided into four divisions: Sasko, Bokomo Foods, Agri Business and The Ceres Beverage Company.

Brand names in the Pioneer basket of products include the following:

Sasko	Bokomo Foods	Agri Business	The Ceres Beverage Company
• Sasko flour	• Weet-Bix	• Nulaid eggs	• Pepsi
• Sasko Sam bread	• ProNutro	• Nova Feeds	• Liqui-fruit
• White Star Super maize meal	• Moir's baking ingredients	• Tydstroom chickens	• Ceres beverages
• Duens bread	• Marmite		• Fruitree
• Puccini pasta	• Safari		• Mirinda

During the 2008 financial year, the results of the four divisions of Pioneer can be summarised as follows:

- **Sasko**

The Sasko segment performed particularly well during 2008 with volume growth and an increased profit contribution from specifically the rice and pasta businesses that were very pleasing. Satisfactory bread volume growth was also achieved. This trend, along with good maize flour growth, again confirmed the defensive nature of the division's basket of products.

- **Bokomo Foods**

The segment posted an increased contribution to earnings for the 2008 financial year. The performance of the breakfast cereal business was satisfactory, although price increases to recover the steep rising raw material costs limited volume growth. Biscuits, baking aids and the UK breakfast cereals businesses delivered improved results. The dried fruit business performed well with increased sales volumes in both the local and export markets.

- **Agri Business**

The segment disappointed with negative contributions from both the egg and broiler businesses. Oversupply due to increased capacity in both the egg and broiler markets, as well as declining demand for these sources of protein, prevented a reasonable recovery of significant raw material increases. The animal feeds business performed well and achieved improved results.

- **The Ceres Beverage Company**

The fruit juice business performed satisfactorily with export sales achieving good volume growth in particular. The contribution from the fruit concentrate mixtures business was lower than expected as aggressive competitor's activities negatively affected realistic pricing strategies and constrained sales volumes. Pepsi volumes continued its double digit growth benefiting from improving consumer awareness.

Pioneer's turnover increased by 27% to R14,9 billion during the 2008 financial year (2007: R11.7 billion). The exceptionally high cost of raw material and other input costs, such as fuel and energy, and generally depressed economic conditions, caused challenging trading conditions which impacted on operating results in the 2008 financial year. The rights issue in June 2008 increased the weighted number of shares in issue during the 2008 financial year, with capital raised for expansion projects not yet filtering through to earnings, as such expansion programmes are still in the process of being implemented.

The board of Pioneer remains positive about the medium and longer term growth potential of the company. The significant decline in international and local wheat prices during the last quarter of 2008 is expected to contribute to lower food inflation in Pioneer's basket of products going forward. Lower food inflation will improve margins and limit further increases in working capital requirements, which will impact positively on projected earnings going forward.

6.3.2 KVV (25.7%)

Chairman: Danie de Wet

Managing director: Thys Loubser

Year ended 30 June	2008	2007	2006
Revenue (Rm)	888.8	818.2	1 185.6
Net profit after tax (Rm)	360.5	217.8	191.3
Headline earnings per share (cents)	47.3	27.1	27.8
Net asset value per share (cents)	379.5	330.1	312.4

KVV 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 2004, South Africa. Prior to 2004, KVV was not allowed to sell its products in the South African market due to historical government regulations. Due to the fact that KVV only joined the local market in 2004, it regards the South African market as a strategic focus point.

KVV is the unlisted entity that trades OTC with a market capitalization of approximately R1.7 billion. KVV has shown strong growth over the last couple of years with a portfolio of strong brands and focussed attention to consumers' needs. Household names within the KVV product range include Roodeberg, Laborie, Cathedral Cellar, as well as its renowned KVV brandies, including the 3, 5 and 10 year range.

During the 2009 interim period, KVV recorded headline earnings from continuing operations of R119.7 million, compared to R106.2 million for the comparative six months period, amounting to a 10% improvement. Profitability for the period however remained under pressure, mainly due to a decrease in the sales of bulk spirits, which was partially compensated for by a reduction in operating expenses of approximately 5%. The KVV group expects international and local trading conditions to deteriorate further for the remainder of the year. However, the anticipated reduction in inflation and interest rates, as well as more stable exchange rates at current favorable levels, should provide some support for profit margins. Should sustained improvement in investment income from Distell be achieved, the KVV board expects that the group will achieve a modest increase in net profit for the full financial year.

KVV has an effective interest of 14.9% in Distell through the listed KVV Investments.

6.3.2.1 Distell

Chairman: David Nurek

Managing director: Jan Scannell

Year ended 30 June	2008	2007	2006
Revenue (Rm)	9 409.6	8 200.6	6 878.5
Net profit after tax (Rm)	952.5	847.9	534.4
Headline earnings per share (cents)	471.0	391.5	305.6
Net asset value per share (cents)	2 220.5	1 972.7	1 666.6

Distell, a listed company in the Distillers and Vintners sector of the JSE bourse and having a market capitalisation in excess of R11 billion, is South Africa's leading producer and marketer of wines, spirits and flavored alcoholic beverages.

Distell is the owner of a well-balanced portfolio of trademarks. Brands in the Distell stable include the following:

Spirits	Wines	Ciders and Other
• Amarula Cream	• Nederburg	• Savanna
• Klipdrift	• Fleur de Cap	• Hunters
• Mainstain	• Chateau Libertas	• Bacardi Breezers
• Van Ryn's collection	• Durbanville Hills	• Bisquet
• Oude Meester	• Tassenberg	• Bernini

During the 2009 interim period, Distell recorded sales of R6.1 billion, which is an increase of 21.6% in comparison to the previous period (2008: R5.0 billion). Headline earnings increased with 19.9% in comparison with 2008, amounting to R650.2 million (2008: R542 million). Distell continues to expand its international operations, with a 37.1% increase in international sales volumes. Wine sales volumes showed a healthy increase, outpacing the 23% rise in South African industry bottled wine exports for the comparable period.

The global economy has entered a period of slower growth, with South Africa following suit. The domestic market has deteriorated with a slower growth in real domestic expenditure and consumer spending. With compelling brands across a range of segments and price points offered by KVV and Distell, these companies are ideally positioned to deliver resilient results in current conditions.

6.3.3 MGK Business Investments (26.7%)

Chairman: Eben Pienaar

Managing director: Ben Lombard

Year ended 31 July	2008	2007	2006
Revenue (Rm)	1 652.9	1 216.3	955.3
Net profit after tax (Rm)	29.4	12.6	7.3
Headline earnings per share (cents)	86.7	83.5	35.8
Net asset value per share (cents)	568.1	544.9	338.6

MGK is situated in Brits and it provides products and services to clients mainly involved in irrigation agriculture.

MGK operates through three divisions namely, Obaro, Prodsure and All-Gro. Obaro offers agricultural, gardening and pet products and services to the public from a retail network comprising sixteen own stores and five franchised stores. MGK is a grain services company, and has reported a 58% increase in profit before tax for the last financial year.

Temo Agri Investments is MGK's BEE investor and holds 22,3% of the issued shares in MGK Business Investments. MGK's programme, through which they assist black farmers, has received widespread praise and is seen as a pioneering venture. The project has attracted considerable attention during the past year and MGK is considered by many of its peers to be at the forefront in the development of emerging farmers, and it is expected that the high growth trajectory shown by the project will be sustained.

In line with the improved agricultural conditions that have prevailed, MGK achieved much improved results from the majority of its operations during the last reported period. MGK is constantly looking for opportunities to expand its geographical footprint. The energetic management team has added substantial value and has proved that they can turn loss-making businesses around.

6.3.4 Agricol Holdings (20.0%)

Chairman: Walter Andrag

Managing director: Paul Marais

Year ended 30 June	2008	2007	2006
Revenue (Rm)	186.8	153.0	135.9
Net profit after tax (Rm)	17.0	11.7	10.0
Headline earnings per share (cents)	567.3	391.1	334.8
Net asset value per share (cents)	2 394.0	2 219.0	1 902.7

Agricol Holdings is the latest addition to Zeder's investment portfolio. Zeder acquired an outright 20% interest which allows it to equity account the company's earnings.

Agricol is a seed company involved in various divisions in this field. With an extended network of branches and agents all over South Africa, its activities include crops, like forage seed, and agronomy crops, like cereals, canola and hybrid sunflowers. One of Agricol's growing divisions is turf grass where it is recognised as being on the forefront of technology in this area of expertise. All the main stadia in South Africa use Agricol's grass including Newlands, Loftus Versfeld, Coca Cola Park (Ellis Park) and the Absa Stadium in Durban. They are also the suppliers of grass to most of the country's golf courses. Agricol Holdings' other divisions are birdseed and seed for the confectionery trade.

6.3.5 KLK (10.0%)

Chairman: Kobus Marais

Managing director: Stephen van Huyssteen

Year ended 28 February	2008	2007	2006
Revenue (Rm)	1 185.9	954.8	769.0
Net profit after tax (Rm)	11.0	9.2	7.3
Headline earnings per share (cents)	54.4	49.4	41.0
Net asset value per share (cents)	409.5	378.0	335.0

With its headquarters in Upington, KLK is a small but well-diversified, agriculture-focused company. It primarily serves the sheep farmers in the Kalahari and Northern Cape areas. It is involved in a diverse range of businesses comprising mainly procurement and marketing of livestock through the hosting of auctions and operating feedlots; slaughtering, processing and marketing of livestock; distribution and retail sales of BP fuels and related products and the operation of various motor dealerships.

Zeder has a 49.9% interest in Thembeke Agri, which holds a 20% interest in KLK. Thembeke Capital, a broad-based BEE company, holds the other 50.1%. This has allowed Zeder to equity account KLK's earnings.

6.3.6 Suidwes (17.2%)

Chairman: Fanie van Zyl

Managing director: Schalk Pienaar

Year ended 30 April	2008	2007	2006
Revenue (Rm)	3 428.7	2 089.4	1 204.2
Net profit after tax (Rm)	67.9	47.2	34.0
Headline earnings per share (cents)	59.7	36.8	27.5
Net asset value per share (cents)	256.1	210.1	173.7

Suidwes operates in the maize-producing area of North West, with its head office in Leeudoringstad. 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 has over sixty operating outlets strategically placed in the surrounding areas, delivering quality services to its clients in such areas. During the 2008 financial year Suidwes showed an increase of 56% in profits before tax amounting to R89 million (2007: R57 million).

Since the company has disposed of its non-core divisions, the business as a whole has staged a satisfactory recovery. Suidwes looks set to perform in line with most of the other agricultural companies serving the maize-growing areas of South Africa. Although cyclical, the company has shown that it is able to maintain satisfactory levels of profitability from its core operations going forward.

6.3.7 Capespan (12.1%)

Chairman: Paul Cluver

Managing director: Neil Oosthuizen

Year ended 31 December	2008	2007	2006
Revenue (Rm)	2 424.2	2 143.7	1 795.8
Net profit after tax (Rm)	129.6	50.9	88.6
Headline earnings per share (cents)	32.8	20.0	15.3
Net asset value per share (cents)	252.9	199.5	194.5

Capespan is a leader in the international marketing of fresh fruit, shipping over 60 million of cartons of fruit each year, as well as fruit-based products such as juices, wine and muesli cereals. Capespan's brands include Cape, Outspan, Bella Nova and Fyffes which are known throughout the world. Products are sourced from over 20 countries, providing fruit all year round for its global customers, which include major retailers in the United Kingdom and across Europe. The diversity of the Capespan group remains its major strength as underlined by the overall strong performance shown by the group during the previous financial year and 2009 interim period. Business activities take place in a relatively complex environment which, at times, is difficult to predict and potentially volatile. Key business drivers that impact the group's performance are: climate conditions; fruit volumes; selling prices; and exchange rates.

The group also plays a major role in the land transformation aspirations of the South African Government, with key projects focused on matters such as capacity building for employees and skills development.

6.3.8 NWK (5.9%)

Chairman: Heinrich Kruger

Managing director: Danie Marais

Year ended 28 February	2008	2007	2006
Revenue (Rm)	3 163.1	2 868.3	2 384.8
Net profit after tax (Rm)	106.8	71.7	95.5
Headline earnings per share (cents)	74.7	50.1	66.7
Net asset value per share (cents)	633.9	586.1	572.9

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. A significant part of the national grain storage capacity is situated in NWK's area. The Lichtenburg-based 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 proved itself to be a conservatively run company that has managed to show profits in all phases of the agricultural cycle. The company is conservatively financed with a liquid balance sheet and has historically paid attractive dividends.

6.4 PROSPECTS

Zeder will continue to strive to acquire quality assets in the agricultural and related sectors at, in what the Board views, a discount to such assets' intrinsic values. Zeder's portfolio of assets will ensure diversified returns in the current uncertain economic environment. With its present cash resources, and the capital anticipated to be raised by virtue of the rights offer, Zeder will find itself in an enviable position where it can aggressively pursue certain strategic opportunities.

6.5 INFORMATION RELATING TO THE DIRECTORS AND SENIOR MANAGEMENT OF ZEDER

6.5.1 Directors

The full names, functions, date of appointment, ages, business addresses, qualifications, and experience of the Directors are set out in the table below:

Johannes Fredericus Mouton ¹

<i>Position:</i>	Non-executive chairman
<i>Appointed:</i>	21 August 2006
<i>Nationality:</i>	South African
<i>Age:</i>	62
<i>Business address:</i>	1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, 7600
<i>Qualifications:</i>	BComm (Hons), CA(SA), AEP
<i>Directorships:</i>	Executive chairman of PSG Group, non-executive director of Steinhoff International Holdings Limited and non-executive director of KWV and Kaap Agri.
<i>Summary of curriculum vitae:</i>	Mr Mouton is the founder of PSG Group. He also serves as a trustee of various 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 and Zeder.

Antonie Egbert Jacobs ¹

<i>Position:</i>	Chief executive officer
<i>Appointed:</i>	1 September 2006
<i>Age:</i>	44
<i>Nationality:</i>	South African
<i>Business address:</i>	1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, 7600
<i>Qualifications:</i>	BAcc, BCompt (Hons), CA(SA), MComm (Tax), LLB
<i>Directorships:</i>	Non-executive of Pioneer, KWV and MGK Business Investments.
<i>Summary of curriculum vitae:</i>	Mr Jacobs has many years experience in an investment management capacity in the agricultural sector. He was the managing director of KLK for three years. He has served on the boards of various investment holding companies with diversified interests, such as Winecorp Limited (where he was the financial director) and Spier Holdings (Proprietary) Limited (which has investments in the hotel and leisure industries, farming and property development sectors).

Chris Adriaan Otto ¹

<i>Position:</i>	Non-executive director
<i>Appointed:</i>	21 August 2006
<i>Age:</i>	59
<i>Nationality:</i>	South African
<i>Business address:</i>	1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, 7600
<i>Qualifications:</i>	BComm, LLB
<i>Directorships:</i>	Non-executive director of PSG Group, Capitec Bank and Kaap Agri.
<i>Summary of curriculum vitae:</i>	Mr Otto, an executive director of PSG Group since its formation, has recently become a non-executive of the Group. He has been directly involved in the establishment of Capitec Bank and Zeder. He has played an integral role in the establishment and management of PSG Group and its various operating subsidiaries.

Michiel Scholtz du Pré le Roux

<i>Position:</i>	Non-executive director
<i>Appointed:</i>	1 September 2006
<i>Age:</i>	59
<i>Nationality:</i>	South African
<i>Business address:</i>	26 Rozendal Avenue, Stellenbosch, 7600
<i>Qualifications:</i>	BComm, LLB
<i>Directorships:</i>	Non-executive chairman of Capitec Bank.
<i>Summary of curriculum vitae:</i>	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.

Lambert Phillips Retief

<i>Position:</i>	Non-executive director
<i>Appointed:</i>	7 November 2006
<i>Age:</i>	56
<i>Nationality:</i>	South African
<i>Business address:</i>	425 Boschenmeer Estate, Paarl, 7620
<i>Qualifications:</i>	BComm Hons, CA(SA), OPM
<i>Directorships:</i>	Non-executive chairman of Paarl Media Holdings (Proprietary) Limited and non-executive director of Media24 Limited and Naspers Limited.
<i>Summary of curriculum vitae:</i>	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 Member of Zeder investment committee.

6.5.2 The management of Zeder

6.5.2.1 PSG Manco

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

6.5.2.2 PSG Group's credentials

PSG Group is an investment holding company with various investments that offer a diversified range of products and services. PSG Group has significant influence through its subsidiaries and associates in more than 35 substantial operating companies that employ more than 21 500 people.

PSG Group has gained a reputation in the market as an innovative and entrepreneurial investment house that has carved itself a niche as an investment company with flair, foresight and a taste for the less predictable, which have all contributed to enhancing its shareholders' wealth over the years through *inter alia*:

- investments in new ventures where entrepreneurs are afforded the opportunity to establish and grow new businesses;
- identifying and implementing innovative ideas in existing businesses; and
- acquiring tangible, cash generative assets at reasonable prices.

6.5.2.3 The management team

The key individuals employed as the investment committee in PSG Manco are Messrs JF Mouton, CA Otto, and AE Jacobs, who are all directors of Zeder and whose details appear in paragraph 6.5.1 of this circular.

6.5.2.4 Responsibility of PSG Manco

In terms of the management agreement, PSG Manco has the responsibility *inter alia* to:

- manage the general administrative activities of Zeder, such as the accounting functions, attending of meetings and 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, consult with and assist the auditors in accounting matters affecting the Company and monitoring their performance, and administering the Company's borrowing policy and making recommendations to the Board as to the amount of any such borrowings;
- where appropriate, for cash raising/acquisitions, determining the price and timing of the issue of any shares;
- perform semi-annual valuations of Zeder and its investments;
- manage communication with investors and other stakeholders; and
- 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.

6.5.2.5 Investment process

PSG Manco manages 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, the parties involved and the complexity of the transaction.

A summary of the general process adhered to is set out below. Where the amount required to be committed by the Company to an investment:

- is less than R100 million, PSG Manco will consider and make such investment on behalf of Zeder, without reference to the Board, should this be appropriate; and
- is in excess of R100 million, PSG Manco will consider and recommend such investment to the Board as a potential investment, and the Board will make the final investment decision based on such recommendation.

6.5.2.6 Duration of appointment

PSG Manco has been appointed indefinitely as the investment manager in respect of Zeder.

The appointment may however be terminated as follows:

- automatically if Zeder is wound up or liquidated, whether provisionally or finally;
- on 180 days notice given by the PSG 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 PSG Manco's appointment as manager; or
- in accordance with a procedure prescribed in the management agreement if the manager fails to perform (and when so requested, fails to remedy) a material breach of an obligation arising from the management agreement.

6.5.2.7 Expenses and fees

PSG Manco, being PSG Group or its duly authorised nominee, bears 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.

PSG Manco will only be entitled to reimbursement of certain costs in very limited circumstances which it has incurred in the management of the Company, such as, for example, listing and placement fees, acquisition costs in acquiring investments (such as brokerage), taxes that may become payable by Zeder and legal claims/costs incurred on behalf of Zeder.

PSG Manco charges the following fees:

	Percentage
Base fee per annum on net asset value of the Group, excluding liquid instruments	2.00%
Base fee per annum on liquid instruments held	0.15%
Annual performance fee (share of return above benchmark)	10.0%

The above-mentioned fees are determined in accordance with the formulae as set out in the management fee schedule in **Annexure 9**.

6.5.3 Directors' emoluments

Emoluments and benefits paid by PSG Manco to each executive and non-executive director individually for the period ended 28 February 2009 have been set out in the table below:

Director's emoluments paid by PSG Manco in terms of the management agreement

Cash-based remuneration (R'000)	Basic salaries	Company contributions	Performance related	Fees	Total
<i>Executive</i>					
A E Jacobs	830	70	209	–	1 109
<i>Non-executive</i>					
JF Mouton	–	–	–	–	–
CA Otto	–	–	–	–	–
M S du P le Roux	–	–	–	90	90
L P Retief	–	–	–	93	93
JG Carinus ¹	–	–	–	30	30
	830	70	209	213	1 322

¹ Resigned on 9 April 2008.

² In terms of the management agreement, directors' remuneration are borne by PSG Manco and not by Zeder.

There will be no variation in the remuneration receivable by any of the Directors as a consequence of this rights offer.

Save as disclosed above, none of the directors of Zeder received any payments from Zeder's subsidiaries and fellow subsidiaries, associates, joint ventures or entities that provide management or advisory services to Zeder other than director's emoluments paid by PSG Group to those directors who also serve on the board of PSG Group.

Zeder has not paid any amounts (whether in cash or securities), nor given any benefits to any directors or to any company in which any of the directors of Zeder are beneficially interested, or to any partnership, syndicate or other association of which any of the directors are members, or to any director as an inducement to become a director or otherwise, or for services rendered by directors, or otherwise for services rendered by directors or by the associate company or associate entity in connection with the promotion or formation of the Company, since its incorporation.

Save for Antonie Jacobs, whose service agreement contains the standard terms and conditions associated with an appointment of this nature, and is available for inspection in terms of paragraph 17 below none of the directors have entered into any service agreements or concluded any letters of appointment relating to their appointment to the Board. Mr Jacobs's remuneration is paid by PSG Manco (and not by Zeder) per the table above.

No fees have been paid or accrued to a third party in lieu of directors' fees.

6.5.4 Directors' confirmations

None of the directors of Zeder have:

- been declared bankrupt, insolvent or have entered into any individual voluntary compromise arrangements;
- entered into any receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangement with creditors generally or any class of creditors of any company where such directors are or were directors with an executive function during the preceding 12 months;
- entered into any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where such directors are or were partners during the preceding 12 months;
- entered into any receiverships of any assets(s) or of a partnership where such directors are or were partners during the preceding 12 months;
- been publicly criticized by a statutory or regulatory authority, including recognised professional bodies or disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company; and/or
- been involved in any offence of dishonesty, fraud or embezzlement.

6.5.5 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 8** to this circular.

6.5.6 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 8** of this circular.

6.5.7 Directors' interests in securities

The total beneficial and non-beneficial holdings of the Directors (including their associates) in the issued ordinary share capital (excluding treasury shares) of Zeder as at the last practicable date are as follows:

Name	Beneficial		Non-Beneficial		Total Shareholding	
	Direct	Indirect	Direct	Indirect	Number	%
J F Mouton ¹	–	–	–	50 000	50 000	0.008
A E Jacobs	–	50 000	–	–	50 000	0.008
C A Otto ²	–	–	–	50 000	50 000	0.008
M S du P le Roux	–	–	–	250 000	250 000	0.041
L P Retief	–	–	–	–	–	–
	–	50 000	–	350 000	400 000	0.065

¹ J F Mouton is a director of PSG Group and has a total beneficial and non-beneficial interest in PSG Group of 26.4%.

² C A Otto is a director of PSG Group and has a total beneficial and non-beneficial interest in PSG Group of 2.2%.

There have been no changes to the beneficial and non-beneficial holdings of the Directors in the share capital of Zeder since 28 February 2009.

Assuming that the rights offer is fully subscribed, and each of the Directors follow their rights as allocated to them, then the direct beneficial and indirect beneficial holdings of the Directors (including their associates) in the issued ordinary share capital (excluding treasury shares) of Zeder subsequent to the rights offer will be the same as per the table above.

Accordingly, there will be no change in the Directors' shareholdings in Zeder as a result of the rights issue, other than as a result of the directors following their rights in terms of the rights offer.

There are no individual share appreciation rights held by the Directors, nor have any options been granted to any directors, as at the last practicable date.

6.5.8 Directors' interests in transactions

Other than in the ordinary course of business no director of Zeder has or had any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group taken as a whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.

6.5.9 Brokerages and commissions

Save for R994 760.15 (exclusive VAT) paid to various brokers who successfully placed Zeder ordinary shares in terms of the initial private placement, the first and second share swaps, and such further fee of R1 951 578 (exclusive VAT) paid to PSG Capital (Proprietary) Limited, the joint sponsor in respect of the private placement as disclosed in the pre-listing statement, as well as the underwriting commission as set out in paragraph 3.8 above, no other commission, fees or consideration has been paid by Zeder in respect of the allotment or issue of shares at any time since the Company's incorporation.

6.6 SHARE CAPITAL

6.6.1 Share capital before and after the rights offer

The authorised and issued share capital of the Company, at the last practicable and after the rights offer is set out below:

Before the rights offer	R'000
Authorised share capital	
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	2 500
Issued share capital – ordinary shares	
611 305 323 ordinary shares of 1 cent each	6 113
Share premium – ordinary share	1 242 264
Total	1 248 377
<hr/>	
After the rights offer	R'000
Authorised share capital	
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	2 500
Issued share capital – ordinary shares	
978 088 517 ordinary shares of 1 cent each	9 781
Share premium – ordinary shares	1 730 432
Total	1 740 213

The issue price in respect of the rights offer shares represents a discount of approximately 10.6% to the volume weighted average traded price over the last 60 days prior to the last practicable date. The Board is of the opinion that such discount is reasonable.

All the authorised and issued Zeder shares are of the same class and rank *pari passu* in all respects.

The Company has not undertaken any consolidations or sub-divisions of its share capital.

The Company's issued ordinary share capital is listed on the JSE only.

Save for the underwriting agreement, there is no contract or arrangement, either actual or proposed, whereby any option or preferential right of any kind has been or will be given to any person to subscribe for shares in the Company.

6.6.2 Previous issues of securities

6.6.2.1 Issue of shares in terms of the PSG investment

Zeder issued 174 870 962 ordinary shares in terms of the PSG investment on 1 September 2006.

6.6.2.2 Issue of shares in terms of private placement

Zeder issued 350 125 000 ordinary shares to select investors on 30 September 2006 in terms of the private placement.

6.6.2.3 Issue of shares in terms of further acquisitions

Zeder issued 27 697 417 ordinary shares on 23 October 2006 to select investors in terms of further acquisitions.

6.6.2.4 Issue of shares in respect of the share swaps

First share swap

Zeder issued 16 657 629 Zeder ordinary shares on 29 September 2006 in terms of the first share swap.

Second share swap

Zeder issued 1 967 847 Zeder ordinary shares on 31 October 2006 in terms of the second share swap.

December 2006 share swaps

Zeder issued 381 489 Zeder ordinary shares on 8 December and 20 December 2006 in terms of the December 2006 share swaps.

The Zeder shares were issued at R2,00 and R2,20 per share respectively, which equates to a discount of between 17.01% and 8.33% respectively to the volume weighted average traded share price of R2.41 for the 5 to 13 days immediately after the Company's listing prior to the effective date of the transaction.

January 2007 share swaps

Zeder issued 159 240 Zeder ordinary shares on 18 January 2007 and 25 January 2007 respectively in terms of the January 2007 share swaps.

The Zeder shares were issued at R2,00 and R2,20 per share, which equates to an discount of 13.39% and 21.26% respectively to the volume weighted average traded share of R2.54 for the 30 days prior to the transaction having been finalised.

March 2007 share swaps

Zeder issued 116 400 Zeder ordinary shares on 16 March 2007 in terms of the March 2007 share swaps.

The Zeder shares were issued at a discount of 18.52% to the volume weighted average traded share of R2.70 for the 30 days prior to the transactions having been finalised.

April 2007 share swap

Zeder issued 8 640 Zeder ordinary shares on 18 April 2007 in respect of the April 2007 share swaps.

The Zeder shares were issued at a discount of 18.22% to the volume weighted average traded share of R2.69 for the 30 days prior to the transaction having been finalised.

October 2007 share swaps

Zeder issued 28 920 348 Zeder ordinary shares 18 October 2007 in terms of the October share swaps.

The Zeder shares were issued at a discount of 4.10% to the volume weighted average traded share of R2.68 for the 30 days prior to the transaction having been finalised.

December 2007 share swaps

Zeder issued 4 822 602 Zeder ordinary shares on 21 December 2007 in terms of the December 2007 share swaps.

The issue price represents the 30 day volume weighted average traded price prior to the effective date of the transaction, and therefore the Zeder shares were not issued at any discount.

July 2008 share swap

Zeder issued 6 218 116 Zeder ordinary shares on 14 July 2008 in respect of the July 2008 share swaps.

The Zeder shares were issued at a discount of 4.47% to the volume weighted average traded share of R2.41 for the 30 days prior to the effective date of the transaction, being 23 June 2008.

6.6.3 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%. As at the last practicable date, none of these preference shares have been issued.

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.

6.6.4 Unissued shares placed under the control of the directors

On Wednesday, 15 April 2009 at the special general meeting held of the Company, Zeder shareholders placed all of the unissued share capital under the control of the Directors to issue and allot in their absolute discretion in respect of the rights offer only.

6.6.5 Authorisations

The issue of the rights offer shares as contemplated in this circular will be made in terms of the approval of the Board of Directors.

7. PROPERTY AND SUBSIDIARIES DISPOSED OF OR TO BE DISPOSED OF

Save for the Pioneer share exchange, details of which are set out in the table below, no material property (including any subsidiaries) have been disposed of by the Zeder Group during since its incorporation.

The table below sets out details regarding the Pioneer share exchange;

Purchaser	Address of purchaser	Purchase consideration R'm	Date of disposal
Kaap Agri	65 Voortrekker Road, Malmesbury, 7300	5.84% or 10 587 568 ordinary shares in Pioneer were exchanged for the issue of an additional 42 350 272 shares or 16.81% in Kaap Agri	1 August 2007

No director or promoter of Zeder has any material beneficial interest, either direct or indirect, in the Pioneer share exchange nor was any director a member of a partnership, syndicate or other association of persons that had such an interest.

8. VENDORS

Zeder acquired its initial investment portfolio by way of the PSG investment, the first and second share swaps and the further acquisitions, and subsequent thereto has continued to increase its investment portfolio by way of various share swaps as more fully described in paragraph 6.6.2.4 above, as well as by way of the Pioneer share exchange.

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

The table below sets out the details regarding the vendor in respect of the PSG investment, having been 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.

No director or promoter of Zeder has any material beneficial interest, either direct or indirect, in the promotion of the Company or in respect of any property acquired since Zeder's incorporation, or to be acquired.

9. DIVIDEND POLICY

It is in the Board's 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 dividends on investments are accumulated but not paid. The dividend policy remains under the discretion of the Board and may in due course be amended to take into account current market conditions.

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.

10. LITIGATION STATEMENT RELATING TO ZEDER

No legal or arbitration proceedings have been instituted that may have or have had in the last 12 months, a material effect on Zeder's financial position nor is Zeder aware of any such proceedings that are pending or threatened.

11. SHARE TRADING HISTORY

The share trading history of Zeder on the JSE up to the last practicable date is set out in **Annexure 6** of this circular.

12. MATERIAL CHANGES

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 published audited results for the 12 months ended 28 February 2009.

13. MATERIAL CONTRACTS

Save for the Pioneer share exchange agreement, the Pioneer underwriting agreement, the management agreement, as defined in the definition section of this circular, the irrevocable undertaking of PSG Group as referred to in paragraph 3.7 above, and the underwriting agreement, no material contracts have been entered into by Zeder, either verbally or in writing, otherwise than in the ordinary course of business, within the past two years, or at any other time, that contain any outstanding obligation or settlement that is material to Zeder, as at the date of issue of this circular.

14. RESPONSIBILITY STATEMENT

The current directors of Zeder, whose names appear in paragraph 6.5.1 of the circular, collectively and individually accept full responsibility for the accuracy of the information given in this circular, and certify that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this circular false or misleading, and that they have made all reasonable inquiries to ascertain such facts, and that this circular contains all information required by law and the Listings Requirements.

15. CORPORATE GOVERNANCE

Zeder is committed to the principles of openness, integrity and accountability in its dealings with all stakeholders and supports the Code of Corporate Practices and Conduct as recommended by the King II Report on Corporate Governance.

Extracts of the corporate governance policies adopted by Zeder are set out in **Annexure 7** of this circular.

16. CONSENTS

Each of the advisors whose names appear on the front cover of this document have consented and have not, prior to the last practicable date, withdrawn their written consents to the inclusion of their names and, where applicable, reports in the form and context in which they appear in this document.

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the South African registered office of Zeder and at PSG Capital (Proprietary) Limited's offices in Johannesburg at the address indicated in the inside cover page of this circular during normal business hours (excluding Saturdays, Sundays and public holidays) from the date of issue of this circular up to and including Friday, 29 May 2009.

- the memorandum and articles of association of Zeder and each of its subsidiaries;
- the annual financial statements of Zeder for the 6 months ended 28 February 2007 and the years ended 29 February 2008 and 28 February 2009;
- the signed independent reporting accountant's limited assurance report on the *pro forma* financial information of Zeder;
- all material contracts referred to in paragraph 13 above;
- the pre-listing statement issued to Zeder shareholders on 27 November 2006;
- written consents of the joint sponsor and corporate adviser, lead sponsor, independent reporting accountants and auditors, underwriter and transfer secretaries to the inclusion of their names in this document in the context and form in which they appear;
- the service agreement of Mr Antonie Jacobs;
- a signed copy of the underwriting agreement; and
- a signed copy of this circular.

SIGNED IN STELLENBOSCH ON BEHALF OF THE BOARD OF DIRECTORS OF ZEDER

Antonie Jacobs
23 March 2009
Stellenbosch

TABLE OF ENTITLEMENT

The number of rights offer shares to which qualifying shareholders are entitled to is set out below, based on the assumption that Zeder shareholders are entitled to 60 rights offer shares for every 100 Zeder shares held on the record date. Shareholders' entitlements will be rounded up or down, as appropriate, with fractions of 0.5 and more being rounded upwards, and fractions of less than 0.5 being rounded downwards. Only whole numbers of rights offer shares will be issued, in accordance with the Listings Requirements.

Number of Zeder shares held	Number of rights offer shares to which a Zeder shareholder is entitled	Number of Zeder shares held	Number of rights offer shares to which a Zeder shareholder is entitled	Number of Zeder shares held	Number of rights offer shares to which a Zeder shareholder is entitled
1	1	35	21	69	41
2	1	36	22	70	42
3	2	37	22	71	43
4	2	38	23	72	43
5	3	39	23	73	44
6	4	40	24	74	44
7	4	41	25	75	45
8	5	42	25	76	46
9	5	43	26	77	46
10	6	44	26	78	47
11	7	45	27	79	47
12	7	46	28	80	48
13	8	47	28	81	49
14	8	48	29	82	49
15	9	49	29	83	50
16	10	50	30	84	50
17	10	51	31	85	51
18	11	52	31	86	52
19	11	53	32	87	52
20	12	54	32	88	53
21	13	55	33	89	53
22	13	56	34	90	54
23	14	57	34	91	55
24	14	58	35	92	55
25	15	59	35	93	56
26	16	60	36	94	56
27	16	61	37	95	57
28	17	62	37	96	58
29	17	63	38	97	58
30	18	64	38	98	59
31	19	65	39	99	59
32	19	66	40	100	60
33	20	67	40	1 000	600
34	20	68	41	10 000	6 000

EXCHANGE CONTROL REGULATIONS

The following summary is intended only as a guide and is, therefore, not comprehensive. If shareholders are in any doubt as to the appropriate course of action they are advised to consult their professional advisor.

Pursuant to the Exchange Control Regulations of South Africa and upon specific approval of the South African Reserve Bank, non-residents, excluding former residents, of the Common Monetary Area will be allowed to:

- take up rights allocated to them in terms of the rights offer;
- purchase letters of allocation on the JSE;
- subscribe for the rights offer shares arising in respect of the letters of allocation purchased on the JSE; and
- subscribe for excess rights shares that may have been applied for in terms of the rights offer;

provided payment is received either through normal banking channels from abroad or from a non-resident account.

All applications by non-residents for the above purposes must be made through an authorised dealer in foreign exchange. Electronic statements issued in terms of Strate and any share certificates issued pursuant to such applications will be endorsed "non-resident".

Where a right in terms of the rights offer becomes due to a former resident of the Common Monetary Area, which right is based on shares blocked in terms of the Exchange Control Regulations of South Africa, then only emigrant blocked funds may be used to:

- take up the rights allocated to them in terms of the offer;
- purchase letters of allocation on the JSE;
- subscribe for the rights offer shares arising in respect of the letters of allocation purchased on the JSE; and
- subscribe for excess rights shares that may have been applied for in terms of the rights offer.

All applications by emigrants using blocked funds for the above purposes must be made through the authorised dealer in South Africa controlling their blocked assets. Share certificates issued to such emigrants will be endorsed "non-resident" and placed under the control of the authorised dealer in foreign exchange through whom the payment was made. The proceeds due to emigrants from the sale of the letters of allocation, if applicable, will be returned to the authorised dealer in foreign exchange for credit to such emigrants' blocked accounts. Electronic statements issued in terms of Strate and any rights offer share certificates issued pursuant to blocked Rand transactions will be endorsed "non-resident" and placed under the control of the authorised dealer through whom the payment was made. The proceeds arising from the sale of letters of allocation or arising from the sale of blocked shares will be credited to the blocked accounts of the emigrants concerned.

Any qualifying shareholder resident outside the Common Monetary Area who receives this circular and form of instruction should obtain advice as to whether any governmental and/or other legal consent is required and/or any other formality must be observed to enable a subscription to be made in terms of such form of instruction.

New share certificates issued pursuant to the rights offer to an emigrant will be endorsed "non-resident" and forwarded to the address of the relevant authorised dealer controlling such emigrant's blocked assets for control in terms of the Exchange Control Regulations of South Africa. Where the emigrant's shares are in dematerialised form with a CSDP or broker, the electronic statement issued in terms of Strate will be despatched by the CSDP or broker to the address of the emigrant in the records of the CSDP or broker.

The rights offer does not constitute an offer in any jurisdiction in which it is illegal to make such an offer and this circular and form of instruction should not be forwarded or transmitted by you to any person in any territory other than where it is lawful to make such an offer.

The rights offer shares have not been and will not be registered under the Securities Act of the United States of America. Accordingly, the rights offer shares may not be offered, sold, resold, delivered or transferred, directly or indirectly, in or into the United States or to, or for the account or benefit of, United States persons, except pursuant to exemptions from the Securities Act. This circular and the accompanying documents are not being, and must not be, mailed or otherwise distributed or sent in, into or from the United States. This circular does not constitute an offer of any securities for sale in the United States or to United States persons.

The rights offer contained in this offering circular does not constitute an offer in the District of Columbia, the United States, the Dominion of Canada, the Commonwealth of Australia, Japan or in any other jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. Non qualifying shareholders should consult their professional advisors to determine whether any governmental or other consents are required or other formalities need to be observed to allow them to take up the rights offer, or trade their entitlement. Shareholders holding Zeder shares on behalf of persons who are non-qualifying shareholders are responsible for ensuring that taking up the rights offer, or trading in their entitlements under that offer, do not breach regulations in the relevant overseas jurisdictions.

UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF ZEDER

The unaudited *pro forma* balance sheet at 28 February 2009 and income statement for the year ended then ended of Zeder are set out below. The unaudited *pro forma* balance sheet and income statement have been prepared for illustrative purposes only to provide information on how the rights offer might have impacted on the financial position of the Group. Because of its nature, the unaudited *pro forma* balance sheet and income statement may not be a fair reflection of the Group's financial position, changes in equity, results of operations or cash flows after the rights offer. The unaudited *pro forma* financial information is presented in a manner that is consistent with the accounting policies of Zeder.

The unaudited *pro forma* balance sheet and income statement as set out below should be read in conjunction with the limited assurance report of the independent reporting accountants which is included as **Annexure 4** to this circular.

The directors of Zeder are responsible for the preparation of the unaudited *pro forma* balance sheet and income statement.

UNAUDITED *PRO FORMA* BALANCE SHEET OF ZEDER

The unaudited *pro forma* balance sheet of Zeder as at 28 February 2009 has been prepared on the assumption that the rights offer and KWV offer were effected on 28 February 2009 and that the rights offer was fully subscribed.

	Audited 28 February 2009 R'000	<i>Pro forma</i> adjustments R'000 ⁽¹⁾	Unaudited <i>pro forma</i> after rights offer R'000
Assets			
Investment in associated companies ⁽³⁾	1,445,340	13,407	1,458,747
Equity securities	249,187	–	249,187
Loans and receivables	38,709	–	38,709
Deferred income tax	131	–	131
Income tax receivable	2,754	–	2,754
Receivables	585	–	585
Cash and cash equivalents ⁽⁴⁾	27,923	478,429	506,352
Total assets	1,764,629	491,836	2,256,465
Equity			
Ordinary shareholders' funds	1,725,437	491,836	2,217,273
Share capital ⁽¹⁾	6,113	3,668	9,781
Share premium ^{(1) (2)}	1,242,264	488,168	1,730,432
Other reserves	6,076	–	6,076
Retained earnings	470,984	–	470,984
Total equity	1,725,437	491,836	2,217,273
Liabilities			
Trade and other payables	39,192	–	39,192
Total liabilities	39,192	–	39,192
Total equity and liabilities	1,764,629	491,836	2,256,465
Net asset value per share (cents)	282.3	(55.6)	226.7
Net tangible asset value per share (cents)	282.3	(55.6)	226.7
Ordinary shares in issue ('000) ⁽¹⁾	611,305.3	366,783.2	978,088.5

Notes:

- In terms of the rights offer R495.2m was raised through the issue of 366.8m ordinary shares, with a par value of 1 cent per share at a premium of 134 cents per share;
- Non-recurring transaction costs of R3.3m (including the underwriting commission of R2.0m) are assumed to have been paid on 28 February 2009 and have been written off against the share premium;
- R13.4m of the rights offer proceeds was utilised to increase the Company's stake in KWV in terms of the KWV offer; and
- The residual rights offer proceeds, amounting to R478.5m (after transaction costs) was invested in a money market fund.

UNAUDITED *PRO FORMA* INCOME STATEMENT OF ZEDER

The unaudited *pro forma* income statement of Zeder for the year ended 28 February 2009 has been prepared on the assumption that the rights offer and KVV offer were affected on 1 March 2008 and that the rights offer was fully subscribed

	Audited year ended 28 February 2009 R'm	<i>Pro forma</i> adjustments R'm	Unaudited <i>pro forma</i> after rights offer R'm
Income			
Investment income ^(2,3)	24,852	57,851	82,703
Fair value gains and losses on financial instruments	20,515	–	20,515
Sundry income	7,370	–	7,370
Total income	52,737	57,851	110,588
Expenses			
Management fee ^(5,6)	(35,594)	(1,050)	(36,644)
Performance fee ⁽⁷⁾	(19,939)	19,939	–
Other expenses	(2,266)	–	(2,266)
Total expenses	(57,799)	18,889	(38,910)
Results of operating activities	(5,062)	76,740	71,678
Finance cost	(3,627)	–	(3,627)
Share of profits of associated companies ⁽¹⁾	175,020	2,102	177,122
Net income before taxation	166,331	78,842	245,173
Taxation ⁽⁴⁾	2,290	(18,464)	(16,174)
Net income of the Group	168,621	60,378	228,999
Earnings attributable to equity holders of the Company	168,621	60,378	228,999
Non-headline earnings	(15,218)	(492)	(15,710)
Headline earnings	153,403	59,886	213,289
– earnings/diluted earnings per share (cents)	27.7	(4.2)	23.5
– headline/diluted headline earnings per share (cents)	25.2	(3.3)	21.9
Weighted number of shares in issue ('000) ⁽⁸⁾	608,971.4	366,783.2	975,754.6

Notes:

1. R13.4m of the rights offer proceeds was utilised to increase the Company's stake in KVV in terms of the KVV offer, assuming additional equity accounted earnings of R2.1m and headline earnings of R1.6m (including amortisation of intangible assets of R0.2m);
2. The residual rights offer proceeds, amounting to R478.5m (after transaction costs of R3.3m, including the underwriting commission of R2.0m) was invested in a money market fund;
3. An interest rate of 12.09% before taxation was applied to net cash and cash equivalents raised in the rights offer and not utilised in the KVV offer. The interest rate applied equates to the average prime interest rate less 3% as per the average interest rate received on cash balances in the money market account utilised from the Company's commercial bankers during the period;
4. An effective taxation rate of 24.1% was applied to the *pro forma* adjustments as a result of only R8.1m of the adjusted total expenses, as indicated in the table above, being deductible for tax purposes and the reversal of the performance fee as explained in note (7) below;
5. A liquid instrument management fee of 0.15% was accounted for in regards to monies invested in a money market fund in terms of the management agreement, being net cash and cash equivalents raised in the rights offer and not utilised in the KVV offer;
6. A base management fee of 2% was accounted for in respect of the amount invested in KVV in terms of the management agreement;
7. The performance fee in terms of the management agreement is based on a formula driven by growth on the prior year's audited NAV per share. The formula is summarised in **Annexure 9**. The performance fee for the period is reversed as a result of the dilution in NAV per share following the rights offer. By nature, the performance fee is recurring. However, this adjustment, which reflects the impact of a current year dilution in NAV per share, is non recurring and will result in a lower base NAV per share in the following year;
8. The weighted number of shares in issue has been adjusted with the 366.8m shares issued at 135 cents per share in terms of the rights offer.

INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF ZEDER

24 April 2009

The Directors
Zeder Investments Limited
1st Floor
Ou Kollege
35 Kerk Street
Stellenbosch
7600

Dear Sirs,

INDEPENDANT REPORTING ACCOUNTANT'S LIMITED ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION RELATING TO ZEDER INVESTMENTS LIMITED ("ZEDER")

We have performed our limited assurance engagement in respect of the *pro forma* financial information set out in paragraph 4.1 and **Annexure 3** of the Zeder circular, to be dated on or about 11 May 2009, in connection with a proposed rights offer ("the circular"). The *pro forma* financial information has been prepared in accordance with the JSE Limited ("JSE") Listings Requirements, for illustrative purposes only, to provide information about how the rights offer might have affected the reported historical financial information presented, had the corporate action been undertaken at the commencement of the period or at the date of the *pro forma* balance sheet being reported on.

Director's Responsibility

The directors of Zeder are responsible for the compilation, contents and presentation of the *pro forma* financial information contained in the circular and for the financial information from which it has been prepared. Their responsibility includes determining that: the *pro forma* financial information 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* financial information 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* financial information contained in paragraph 4.1 and **Annexure 3** of the circular. We conducted our assurance engagement in accordance with ISAE3000: the International Standards 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* financial information 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* financial information with the directors and management of the Company in respect of the corporate action that is the subject of the circular.

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 published 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* financial information 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* financial information as disclosed in terms of section 8.17 and 8.30 of the JSE Listings Requirements.

Yours faithfully

PricewaterhouseCoopers Inc
Director: HD Nel
Registered Auditor

No 1 Waterhouse Place
Century City
7441"

THE HISTORICAL FINANCIAL INFORMATION OF ZEDER

BASIS OF PRESENTATION

The consolidated balance sheets, income statements, statements of changes in equity, cash flow statements and notes of Zeder for the periods ended 28 February 2007, 29 February 2008 and 28 February 2009, have been extracted and compiled from the published audited consolidated annual financial statements of Zeder, the preparation of which is the responsibility of the directors of Zeder. As Zeder's operating activities commenced on 1 September 2006, the 28 February 2007 results were reported for a six-month period.

The historical financial information of Zeder was audited by PricewaterhouseCoopers Inc. and was reported on without qualification for all of the aforementioned financial periods.

COMMENTARY

2007 AND 2008 RESULTS

Zeder's investment portfolio increased by 76% to R1 366,5 million from R776,3 million as at 28 February 2007. Zeder's net profit after tax for the reporting period is R207,6 million. The Company made cash investments of R321.6 million since 28 February 2007.

Zeder further expanded its investment portfolio during the reporting period. In addition to the new investments in MGK and Agricol and increased shareholding in its existing investment portfolio, Zeder also obtained a shareholding in Tuinroete Agri Limited. More than 75% of Zeder's current investment portfolio is represented by its investments in Kaap Agri and KVV.

Zeder's net asset value per share increased by 15% from R2.25 on 28 February 2007 to R2.59 on 29 February 2008.

2009 OVERVIEW AND RESULTS

Overview

Zeder equity account its investments in:

- Kaap Agri Limited ("Kaap Agri");
- KVV Limited;
- MGK Business Investments Limited ("MGK")
- KVK Landbou Limited; and
- Agricol Holdings Limited ("Agricol").

Kaap Agri and Pioneer both had rights offers during the year. The Company followed its rights under the Kaap Agri rights offer effectively increasing its shareholding in Kaap Agri from 33.6% to 34.3% and underwrote R360m of the Pioneer rights offer. As a result 2.3 million shares were taken up by the Company but were disposed of before year end, at a profit. Underwriting commission of R7,2 million was earned.

The Company's shareholding in MGK diluted marginally from 29.77% at the end of the prior year to 26.65% in the current year due to a BEE-restructuring of MGK although the Company followed its rights under MGK's rights offer in October 2008.

In addition, the Company increased its effective shareholding in KVV Limited to 25.7% during the year.

The aforementioned equity accounted earnings for the period under review amounted to R175,0 million. (2008: R72,7 million). The investments in the associated companies were equity accounted for 12 months in the current year in comparison to 7 months in the prior year.

Results

Zeder's investment portfolio increased by 24% to R1 694,5 million from R1 366,5 million as at 29 February 2008. The Company made cash investments of R259,9 million since 29 February 2008.

Zeder's net profit after tax for the reporting period is R168,6 million, a decrease of R39,0 million from the prior year which is mainly due to the decrease in fair value gains on financial instruments.

A restructuring took place between Capespan Group Holdings Limited, Outspan International Limited and Unifruco Limited which resulted in the Company obtaining a 12.1% effective holding in the newly formed holding company of the Capespan Group. Fair value gains to the amount of R7,7 million were realised as a result of the restructuring.

Zeder's net asset value per share increased by 9% from R2,59 on 29 February 2008 to R2,82 on 28 February 2009. The Zeder value per share is R1.92 calculated on the basis of the unlisted market prices of its investments at 28 February 2009.

Where the Company equity accounts its investments, the book value is tested for potential impairment at each reporting period. The Group has tested for potential impairment at year end and the directors are satisfied that Zeder's investments in associated companies are fairly stated.

The operating results and the state of affairs of the Group are set out fully in the attached income statements, balance sheets and notes thereto.

SHARE CAPITAL

Details of the authorised and issued share capital appear in note 7 to the financial statements.

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

	Number of shares ¹
At beginning of period	
Issued in terms of a share swap on 1 September 2006	174 870 962
Issued in terms of a private placement share swap	16 657 629
Issued for cash in terms of a private placement	350 125 000
Issued in terms of further share swaps to PSG	27 697 417
Issued in terms of further share swaps to private investors	1 961 800
Net shares in issue at 28 February 2007	571 312 808
Issued to a private investor on 1 March 2007	1 449
Issued in terms of a share swap on 18 October 2007	28 920 348
Issued in terms of a share swap on 21 December 2007	4 822 602
Net shares in issue at 29 February 2008	605 057 207
Additional shares issued	30 000
Issued in terms of a share swap in August 2008	6 218 116
Net shares in issue at 28 February 2009	611 305 323

¹ – Refer to paragraph 6.6 for further detail regarding the shares issued during the periods disclosed.

Directors' emoluments paid by PSG Group in terms of a management agreement have been disclosed in paragraph 6.5.3 to the circular.

Shareholding of directors have been disclosed in paragraph 6.5.7 to the circular.

BALANCE SHEETS AT 28/29 FEBRUARY

	<i>Notes</i>	GROUP		
		2009 R'000	2008 R'000	2007 R'000
ASSETS				
Investment in associated companies	1	1 445 340	1 152 093	–
Financial assets				
Equity securities	2	249 187	214 408	776 301
Loans and advances	3	38 709	72 539	–
Deferred income tax	4	131	–	–
Income tax receivable		2 754	961	–
Receivables	5	585	18	219
Cash and cash equivalents	6	27 923	164 506	537 362
Total assets		1 764 629	1 604 525	1 313 882
Capital and reserves attributable to the Company's equity holders				
Share capital	7	6 113	6 051	5 713
Share premium		1 242 264	1 227 714	1 140 620
Other reserves		6 076	–	–
Retained earnings		470 984	332 616	136 525
Ordinary shareholders' funds		1 725 437	1 566 381	1 282 858
Total equity		1 725 437	1 566 381	1 282 858
LIABILITIES				
Deferred income tax	4	–	2 890	18 461
Trade and other payables	8	39 192	35 254	7 148
Current income tax liabilities		–	–	5 415
Total liabilities		39 192	38 144	31 024
Total liabilities and shareholders' funds		1 764 629	1 604 525	1 313 882

INCOME STATEMENTS FOR THE PERIOD ENDED 28/29 FEBRUARY

	<i>Notes</i>	GROUP		
		<i>Twelve months</i>	<i>Twelve months</i>	<i>Six months</i>
		<i>2009</i>	<i>2008</i>	<i>2007</i>
		<i>R000</i>	<i>R000</i>	<i>R000</i>
Income				
Investment income	9	24 852	47 705	30 648
Net fair value gains on financial instruments	10	20 515	154 826	137 064
Other operating income	11	7 370	479	215
Total income		52 737	203 010	167 927
Expenses				
Management fee		(35 594)	(25 704)	(7 514)
Performance fee		(19 939)	(20 608)	-
Other		(2 266)	(7)	-
Total expenses		(57 799)	(46 319)	(7 514)
Results of operating activities		(5 062)	156 691	160 413
Finance costs	12	(3 627)	-	(12)
Income from associates	1	175 020	72 650	-
Profit before taxation		166 331	229 341	160 401
Taxation	13	2 290	(21 824)	(23 876)
Net profit for the year		168 621	207 517	136 525
Attributable to:				
- equity holders of the Company		168 621	207 517	136 525
Earnings per share (cents)				
Basic	14	27,7	35,6	27,8
Dividend per share (cents)				
Final	15	7,0	5,0	2,0

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 28/29 FEBRUARY

GROUP	<i>Share capital R000</i>	<i>Share premium R000</i>	<i>Other R000</i>	<i>Retained earnings R000</i>	<i>Total R000</i>
<i>At beginning of period</i>	-	-	-	-	-
Issue of share capital	5 713	1 142 845	-	-	1 148 558
Share issue costs	-	(2 225)	-	-	(2 225)
Net income for the period	-	-	-	136 525	136 525
Balance at 28 February 2007	5 713	1 140 620	-	136 525	1 282 858
Issue of share capital	338	87 156	-	-	87 494
Share issue costs	-	(62)	-	-	(62)
Net income for the year	-	-	-	207 517	207 517
Step acquisition from equity securities to investment in associated companies					
Reversal of previous fair value gains after taxation on equity securities	-	-	-	(156 836)	(156 836)
Revaluation of assets and liabilities of associated companies	-	-	-	156 836	156 836
Dividend paid	-	-	-	(11 426)	(11 426)
Balance at 29 February 2008	6 051	1 227 714	-	332 616	1 566 381
Issue of share capital	62	14 550	-	-	14 612
Net income for the year	-	-	-	168 621	168 621
Dividend paid	-	-	-	(30 253)	(30 253)
Share of movement in reserves of associated companies	-	-	6 076	-	6 076
Balance at 28 February 2009	6 113	1 242 264	6 076	470 984	1 725 437

CASH FLOW STATEMENTS FOR THE PERIODS ENDED 28/29 FEBRUARY

	Notes	GROUP		
		Twelve months	Twelve months	Six months
		2009	2008	2007
		R000	R000	R000
Cash retained from operating activities				
Cash generated by operating activities	19.1	16 083	46 831	30 266
Taxation paid	19.2	(1 814)	(8 467)	-
<i>Net cash flow from operating activities</i>		14 269	38 364	30 266
Cash utilised in investment activities				
Acquisition of equity securities	2	(127 429)	(208 054)	(190 929)
Acquisition of associates	1	(132 477)	(113 572)	-
Proceeds from disposal of investments		105 477	2 508	-
Loan advanced to associated company		-	(8 103)	-
Net loans advanced		33 830	(72 514)	-
<i>Net cash flow from investment activities</i>		(120 599)	(399 735)	(190 929)
Cash flows from financing activities				
Dividend paid		(30 253)	(11 426)	-
Share issue costs		-	-	(2 225)
Placement cost		-	(62)	-
Proceeds from issue of ordinary shares		-	3	700 250
<i>Net cash flow from financing activities</i>		(30 253)	(11 485)	698 025
Net (decrease)/increase in cash and cash equivalents		(136 583)	(372 856)	537 362
Cash and cash equivalents at beg. of year		164 506	537 362	-
Cash and cash equivalents at end of year	19.3	27 923	164 506	537 362

ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

GROUP FINANCIAL STATEMENTS

The Group annual financial statements comprise those of the Company and associated companies.

BASIS OF PREPARATION

These Group financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the companies act of South Africa. They have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

The preparation of group 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 Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed further below.

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS THAT ARE EFFECTIVE FOR THE FIRST TIME IN 2009

- Amendments to IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 – Financial Instruments: Disclosures Reclassification of Financial Assets (effective July 2008)
- IFRIC 12 Service Concession Arrangements (effective January 2008)
- IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective January 2008)

The implications of these statements have no impact on measurements of assets and liabilities or disclosures in the current or prior years.

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS THAT ARE NOT YET EFFECTIVE

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 March 2009 or later periods, but which the Group has not adopted earlier are as follows:

- IFRS 8 Operating Segments (effective January 2009)
IFRS 8 requires an entity to adopt the 'management approach' to reporting on the financial performance of its operating segments. The Standard sets out requirements for disclosure of information about and entity's operating segments and also about the entity's products and services, the geographical areas in which it operates, and its major customers. The disclosure should enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.
- IAS 1 Revised – Presentation of Financial Statements (effective January 2009)
The changes made to IAS 1 are to require information in financial statements to be aggregated on the basis of shared characteristics and to introduce a statement of comprehensive income. This will enable readers to analyse changes in a company's equity resulting from transactions with owners in their capacity as owners separately from 'non-owner' changes. The revisions include changes in the titles of some of the financial statements to reflect their function more clearly. The new titles are not mandatory for use in financial statements.
- Amendment to IAS 32 Financial Instruments – Presentation and IAS 1 Presentation of financial statements – Puttable Financial Instruments and Obligations Arising on Liquidation (effective January 2009)
The amendments require entities to classify the following types of financial instruments as equity, provided they have particular features and meet specific conditions: a) puttable financial instruments (for example, some shares issued by co-operative entities); b) instruments, or components of instruments, that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation (for example, some partnership interests and some shares issued by limited life entities). Additional disclosures are required about the instruments affected by the amendments.
- IFRS 3 Revised – Business Combinations (effective July 2009)
The new standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with some contingent payments subsequently re-measured at fair value through income. Goodwill may be calculated based on the parent's share of net assets or it may include goodwill related to the minority interest. All transaction costs will be expensed.
- IAS 27 Revised – Consolidated and Separate Financial Statements (effective July 2009)
IAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control. They will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognised in profit or loss.
- Amendment to IFRS 1 – First Time Adoption of International Financial Reporting Standards and IAS 27 – Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Joint Controlled Entity or Associate (effective January 2009)
The amendment allow first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment also removed the definition of the cost method from IAS 27 and replaced it with a requirement to present dividends as income in the separate financial statements of the investor.
- IFRIC 17 – Distribution of non-cash assets to owners (effective July 2009)
IFRIC 17 applies to the accounting for distributions of non-cash assets (commonly referred to as *dividends in specie*) to the owners of the entity. The interpretation clarifies that: a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity; an entity should measure the dividend payable at the fair value of the net assets to be distributed; and an entity should recognise the difference between the dividend paid and the carrying amount of the net assets distributed in profit or loss.
- Amendments to IFRS 7 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments (effective January 2009)
The amendments require enhanced disclosures about fair value measurements and liquidity risk.

Management is in the process of assessing the impact of these amendments and standards on the reported results of the Group and the Company.

Standards, amendments and interpretations to existing standards that are not yet effective or not relevant to the Group's operations, are as follows:

- IAS 23 Revised – Borrowing Costs (effective January 2009)
- Amendment to IFRS 2 Share Based Payment Vesting Conditions and Cancellations (effective January 2009)
- IFRIC 13 Customer Loyalty Programmes (effective July 2008)
- IFRIC 15 Agreements for the Construction of Real Estate (effective January 2009)
- IFRIC 16 Hedges of a Net Investment in Foreign Operations (effective October 2008)
- IFRIC 18 Transfers of assets from customers (effective July 2009)
- AC 503 Revised – Accounting for Black Economic Empowerment (BEE) Transactions
- AC 504 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction in the South African Environment

FINANCIAL INSTRUMENTS

Financial instruments recognised on the balance sheet include equity securities, receivables, loans and advances, trade payables, and cash and cash equivalents. 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.

INVESTMENT IN ASSOCIATED COMPANIES

Associated companies are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associated companies are accounted for by the equity method of accounting and are initially recognised at cost.

The results of associated companies are accounted for according to the equity method, based on their most recent audited financial statements or latest management information. Equity accounting involves recognising the Group's share of its associated companies' post-acquisition profits or losses in the income statement, and its share of post-acquisition movements in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

Dilution gains and losses arising in investment in associated companies are recognised in equity.

For step acquisitions of investment in associated companies the carrying value of pre-associate investments are restated to cost through equity. The pre-associate interest in identifiable net assets is also stepped up to fair value through equity. Goodwill is calculated at each stage of step acquisition. The step acquisition investment in associated companies is initially carried at fair value of the Group's share of net assets plus goodwill arising from each stage of step acquisition.

Certain associates have year-ends that differ from that of the Company. In such circumstances the results of certain unlisted companies are accounted for from the latest published information and management accounts as at year-end, respectively.

Loans to associated companies (including preference shares) are disclosed as part of the carrying amount of the investment in associated companies.

The Company accounts for investments in associated companies at cost less provision for impairment.

FINANCIAL ASSETS

The Group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, 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 or loss

This category has two subcategories: financial assets held for trading, and those designated at fair value through profit or 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.

The Group does not hold its financial assets for selling in the short term. The Group has designated its financial assets at fair value through profit or loss as it is managed and its performance is evaluated on a fair value basis in accordance with a documented investment strategy and information about the Group is provided internally on that basis to the Group's executive committee and Board of directors.

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 Group 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) Recognition and measurement of financial assets

Purchases and sales of financial assets are recognised on trade date – the date on which the Group 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 Group has transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss are subsequently carried at fair value. Realised and unrealised gains or losses arising from changes in the fair value of the 'Financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise.

The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active, the Group 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 Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

The Group 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 Group 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

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.

CURRENT AND DEFERRED INCOME TAX

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

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.

Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

PROVISIONS

Provisions are recognised when:

- the Group 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.

IMPAIRMENT OF INVESTMENT IN ASSOCIATED COMPANIES

An impairment loss is recognised for the amount by which the associate's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The carrying amount of investment in associated companies are reviewed annually and written down for impairment where necessary.

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 Group 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 or 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 or 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. (exclusive of VAT) on the net asset value of the Group (excluding cash) at the end of every month and 0,15% p.a. (exclusive of VAT) on the daily 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 Group's equity portfolio above the equally weighted FTSE-JSE Beverage Total Return Index (TRI041) and the FTSE-JSE Food Producers Total Return Index (TRI043) over any financial year. The benchmark indexes include the likes of SABMiller, Tiger Brands, Rainbow Chicken and Illovo Sugar. 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 declared by the Company's directors.

SECONDARY TAX ON COMPANIES

South African resident companies are subject to a dual corporate tax system, one part of the tax being levied on taxable income and the other, a secondary tax (called STC), on distributed income. A company incurs STC charges on the declaration or deemed declaration of dividends (as defined under tax law) to its shareholders. STC is not a withholding tax on shareholders, but a tax on companies.

The STC tax consequence of dividends is recognised as a taxation charge in the income statement in the same period that the related dividend is accrued as a liability. The STC liability is reduced by dividends received during the dividend cycle. Where dividends declared exceed the dividends received during a cycle, STC is payable at the current STC rate on the net amount. Where dividends received exceed dividends declared within a cycle, there is no liability to pay STC. The potential tax benefit related to excess dividends is carried forward to the next dividend cycle as an STC credit. Deferred tax assets are recognised on unutilised STC credits to the extent that it is probable that the Group will declare future dividends to utilise such STC credits.

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 Group 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 Group 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 is determined by with reference to over the counter market prices.

b) Directors' valuation of unlisted associated companies

Directors valuation of unlisted associated companies are determined with reference to market prices, assessing the fair value of underlying investments as well as the published net asset value or valuation techniques. Valuation technique used include applying a market related price earning ratio to operational earnings or performing discounted cash flow models to the expected cash flows. The following assumptions are used in the valuation models:

Assumptions	Range
Exit price earnings ratio	7.9 – 9.2
Weighted average cost of capital	12.5% – 15.5%
Growth rate	12.5% – 20%
Beta	1.00

c) Impairment of investments

An impairment of investments 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.

d) Impairment of investments in associated companies

An impairment of investments in associates is considered when the fair value is below its carrying value. In determination of whether the decline is significant or prolonged, the following factors may be considered: normal volatility in share price, the financial health of the investee, sector performance, changes in operational and financing cash flow.

An impairment loss is recognised for the amount by which the associate's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The value in use is calculated with reference to the assumptions noted to par (b) above. The underlying market values of investments in listed entities held by associated companies are also considered in assessing the carrying values.

The directors are satisfied that the Company's investments in associated companies are fairly stated.

e) Acquisition of associated companies

In accounting for the acquisition of associated companies, management apply judgement in allocating the purchase price to the tangible and intangible assets of the associates acquired, as well as to goodwill.

FINANCIAL RISK MANAGEMENT

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

Risk management is carried out under policies approved by the Group's Board of directors.

Market risk

a) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the balance sheet as at fair value through profit or loss. The Group manages price risk by investing in a portfolio of investments and monitoring equity securities prices on a regular basis. The Group is not directly exposed to commodity price risk.

At 29 February 2009, if the closing market prices of the equity investments that the Group and Company holds had been 20% (2008 : 10%) higher/lower, with all other variables held constant, the net profit after tax for the year would have been R42 860 000 (2008: R18 439 000) higher/lower.

Cash flow interest rate risk

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

The Group's financial assets that expose it to interest rate risk are set out in note 1 (Preference shares of associated companies), note 3 (Loans and advances) and note 6 (Cash and cash equivalents).

At 28 February 2009, if interest rates at that date had been 300 (2008: 200) basis points higher/lower, with all other variables held constant for a 12-month period, the Group and Company's net post-tax profit for the year would have been R1 768 000 (2008: R3 366 000) higher/lower, arising as a result of changes in interest rate income on floating rate investments.

The Group had no fixed interest rate investments at 28 February 2009 (2008: Rnil)

Foreign currency risk

The Group's financial assets and liabilities are denominated in Rand. The Group does not have any financial assets denominated in foreign currency.

b) Credit risk

Financial assets which potentially subject the Group to credit risk consist of preference shares of associated companies, loans and advances, and cash and cash equivalents. Cash is invested with high credit-quality financial institutions and money market funds.

The following table provides information regarding the aggregated risk exposure for financial assets:

28 February 2009	Credit rating			Carrying value R'000
	A1-# R'000	A-2# R'000	Not rated R'000	
Preference shares of associated companies			15 193	15 193
Unquoted equity securities			78 466	78 466
Loans and advances	38 709			38 709
Cash and cash equivalents		8 819	19 104	27 923

A1- Global Credit Rating & A-2 Standard & Poor's credit rating

29 February 2008	Credit rating			Carrying value R'000
	A1-# R'000	A-2# R'000	Not rated R'000	
Preference shares of associated companies			13 211	13 211
Unquoted equity securities			58 345	58 345
Loans and advances	72 539			72 539
Cash and cash equivalents		20 341	144 165	164 506

A1- Global Credit Rating & A-2 Standard & Poor's credit rating

The Group's maximum exposure to credit risk at 28 February 2009 and 29 February 2008 is represented by the carrying amounts of preference shares of associated companies, loans and advances, and cash and cash equivalents.

The unrated unquoted equity securities relate to advances which are linked to equity instruments. Refer note 2.

The unrated cash and cash equivalents relate to the Group's investment in the PSG Money Market Fund of which the underlying instruments are rated in terms of the Collective Investment Schemes Control Act. The mandate of the fund is to invest in cash deposits and highly liquid, fixed-interest securities with a weighted average maturity of less than 90 days. A spread of investments in top-quality financial instruments and institutions moderates the risk through diversification.

Impairment history

The Group had no instances of impairment of financial assets due to credit risk during the reporting periods. At 28 February 2009 and 29 February 2008 the Group had no financial assets that were past due.

c) Liquidity risk

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

Trade and other payables will be settled out of existing cash resources.

d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders.

The Group's policy is to declare and pay dividends equal to the cash dividends received from its underlying investments.

The Group's capital comprises total equity, as shown in the Group balance sheet. When funding is required, the Group will raise additional capital. Although there is no restriction on the level of gearing the Group may employ, it is not expected that the Group 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 the Group's portfolio.

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below. The carrying value of the financial instruments approximates fair value.

28 February 2009

	Fair value through profit or loss R'000	Loans and receivables R'000
Assets		
Equity securities	249 187	
Preference shares in associated company		15 193
Loans and advances		38 709
Receivables		585
Cash and cash equivalents		27 923
	249 187	82 410
		At amortised cost R'000
Liabilities		
Trade and other payables		39 192
		39 192

29 February 2008

	Fair value through profit or loss R'000	Loans and receivables R'000
Assets		
Equity securities	214 408	
Preference shares in associated company		13 211
Loans and advances		72 539
Receivables		18
Cash and cash equivalents		164 506
	214 408	250 274
		At amortised cost R'000
Liabilities		
Trade and other payables		35 254
		35 254

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIODS ENDED 28/29 FEBRUARY

	<i>2009</i>	<i>2008</i>	<i>2007</i>
	<i>R'000</i>	<i>R'000</i>	<i>R'000</i>
1. INVESTMENT IN ASSOCIATED COMPANIES			
Carrying value of shares			
Unlisted	1 430 147	1 138 882	-
Preference shares	15 193	13 211	-
	<u>1 445 340</u>	<u>1 152 093</u>	<u>-</u>
Reconciliation			
Carrying value at beginning of year	1 138 882	-	-
Equity accounted earnings			
Share of profit after tax	175 020	72 650	-
Movement in investment value:			
Dividends received	(36 213)	(17 479)	-
Acquisitions			
– cash purchases	132 477	113 572	-
– shares issued	14 612	87 490	-
– shares swapped	-	370 572	-
Other non-cash movements	(707)	-	-
Share of movement in reserves of associated companies	6 076	-	-
Transfer from equity securities at cost	-	355 241	-
Revaluation of assets and liabilities of associated companies	-	156 836	-
Carrying value at end of year	<u>1 430 147</u>	<u>1 138 882</u>	<u>-</u>
Market value of unlisted investments (based on published over-the-counter prices)	<u>890 510</u>	<u>890 802</u>	<u>-</u>
Directors' valuation of unlisted investments	<u>1 430 147</u>	<u>1 138 882</u>	<u>-</u>
Portion of the share in net profit retained by associates that has been accounted for from unaudited interim reports and management reports	<u>91 196</u>	<u>60 856</u>	<u>-</u>

The preference shares carry a dividend rate of prime plus 2% and the capital and accrued dividends are redeemable on 2 October 2010

Refer Annexure A

	<i>2009</i>	<i>2008</i>	<i>2007</i>
	<i>R000</i>	<i>R000</i>	<i>R000</i>
2. EQUITY SECURITIES			
Quoted			
Unlisted	170 721	156 063	682 556
Unquoted	78 466	58 345	93 745
	<u>249 187</u>	<u>214 408</u>	<u>776 301</u>

The unquoted equity securities relate to advances which are linked to equity instruments. In terms of these agreements, the Company is entitled to the majority of the 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 or loss		
	2009	2008	2007
	R000	R000	R000
Reconciliation of movements			
Carrying amount at beginning of year	214 408	776 301	-
Additions			
– cash purchases	127 429	208 054	190 929
– shares issued	-	-	448 308
Transfer to investment in associated companies at cost	-	(355 241)	-
Reversal of previous fair value gains on equity securities transferred to investments in associated companies to equity	-	(192 176)	-
Disposals	(103 524)	(337 838)	-
Unrealised net fair value gains	10 874	115 308	137 064
Carrying amount at end of year	<u>249 187</u>	<u>214 408</u>	<u>776 301</u>
Non-current portion	<u>249 187</u>	<u>214 408</u>	<u>776 301</u>
	<u>249 187</u>	<u>214 408</u>	<u>776 301</u>

The investment in equity securities forms part of a strategic investment portfolio and the Company's stated long-term investment strategy.

	2009	2008	2007
	R000	R000	R000
3. LOANS AND ADVANCES			
Unsecured loan	<u>38 709</u>	<u>72 539</u>	-
Current portion	<u>38 709</u>	<u>72 539</u>	-
Net loans and advances	<u>38 709</u>	<u>72 539</u>	-

The unsecured loan consists of cash advanced to PSG Corporate Services. The unsecured loan carries interest at prime less 3% and is repayable on demand. PSG Group guaranteed the loan to PSG Corporate Services.

4. DEFERRED INCOME TAX			
Deferred income tax assets	5 167	3 020	1 415
To be recovered after more than 12 months	-	-	-
To be recovered within 12 months	5 167	3 020	1 415
Deferred income tax liabilities	(5 037)	(5 910)	(19 876)
To be paid after more than 12 months	(5 037)	(5 910)	(19 876)
To be paid within 12 months	-	-	-
Net deferred income tax (liability)	<u>130</u>	<u>(2 890)</u>	<u>(18 461)</u>

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

	<i>Tax loss</i>	<i>Unrealised profits</i>	<i>STC credits</i>	<i>Total</i>
	<i>R000</i>	<i>R000</i>	<i>R000</i>	<i>R000</i>
At beginning of period	-	-	-	-
(Charge)/credit to income statement	-	(19 876)	1 415	(18 461)
At 28 February 2007	-	(19 876)	1 415	(18 461)
Reversal of deferred tax on previous fair value gains on equity securities transferred to investments in associated companies to equity	-	35 340	-	35 340
(Charge)/credit to income statement	-	(21 374)	1 605	(19 769)
At 29 February 2008	-	(5 910)	3 020	(2 890)
Transferred to income tax liability				
Other	-	516	-	516
Credit to income statement	559	357	1 588	2 504
At 28 February 2009	559	(5 037)	4 608	130

The STC liability, should all retained earnings be paid out, amounts to R42 817 000 (2008: R30 137 000, 2007: R15 169 000) at 28 February 2009.

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

	GROUP		
	2009	2008	2007
	R000	R000	R000
5. RECEIVABLES			
Prepayments and sundry debtors	585	18	219
Current portion	585	18	219
	585	18	219
6. CASH AND CASH EQUIVALENTS			
Cash at bank and in hand	8 819	20 341	12 410
Money market fund	19 104	144 165	524 952
	27 923	164 506	537 362
The money market fund earned interest at money market rates during the period under review. Money market funds are immediately available.			
7. SHARE CAPITAL			
Authorised			
1 500 000 000 ordinary shares of 1 cent each	15 000	15 000	15 000
250 000 000 cumulative, non-redeemable, non-participating preference shares of 1 cent each	2 500	2 500	2 500
Issued			
611 305 323 (2008: 605 057 207; 2007: 571 312 808) ordinary shares of 1 cent each	6 113	6 051	5 713
	6 113	6 051	5 713

Refer to the directors' report for details of shares issued during the year.

	GROUP		
	2009	2008	2007
	R000	R000	R000
8. TRADE AND OTHER PAYABLES			
Management and performance fees – PSG Group	38 528	35 049	5 534
Other	664	205	1 614
	<u>39 192</u>	<u>35 254</u>	<u>7 148</u>
Current portion	39 192	35 254	7 148
	<u>39 192</u>	<u>35 254</u>	<u>7 148</u>
9. INVESTMENT INCOME			
Interest income			
Loans and advances	5 187	5 452	502
Cash and short-term funds	7 382	28 676	18 829
	<u>12 569</u>	<u>34 128</u>	<u>19 331</u>
Dividend income			
Equity securities – at fair value through profit or loss	9 869	12 719	11 317
Associated companies	–	–	–
Debt securities	2 414	858	–
	<u>12 283</u>	<u>13 577</u>	<u>11 317</u>
Investment Income	<u>24 852</u>	<u>47 705</u>	<u>30 648</u>
10. NET FAIR VALUE GAINS AND LOSSES ON FINANCIAL INSTRUMENTS			
Net fair value gains on financial instruments at fair value through profit or loss:			
Realised fair value gains and losses	9 641	39 518	–
Unrealised fair value gains and losses	10 874	115 308	137 064
	<u>20 515</u>	<u>154 826</u>	<u>137 064</u>
11. OTHER OPERATING INCOME			
Rebate received on PSG Money Market funds invested	84	479	215
Underwriting fee income – Pioneer & MGK rights issues	7 286	–	–
	<u>7 370</u>	<u>479</u>	<u>215</u>
12. FINANCE COSTS			
Short-term facility	3 627	–	12
	<u>3 627</u>	<u>–</u>	<u>12</u>

	GROUP		
	2009	2008	2007
	R000	R000	R000
13. TAXATION			
Current taxation			
Current period	–	3 170	5 415
Prior year	210	(1 128)	–
	<u>210</u>	<u>2 042</u>	<u>5 415</u>
Deferred taxation			
Current period	(917)	21 374	19 876
	<u>(917)</u>	<u>21 374</u>	<u>19 876</u>
Secondary tax on companies			
Current taxation	5	13	–
Deferred taxation	(1 588)	(1 605)	(1 415)
	<u>(1 583)</u>	<u>(1 592)</u>	<u>(1 415)</u>
	<u>(2 290)</u>	<u>21 824</u>	<u>23 876</u>
Reconciliation of rate of taxation			
	%	%	%
South African normal rate of taxation	28.0	29,0	29,0
Adjusted for:			
Prior year overprovision	0.1	(0,5)	–
Non-taxable income	(2.1)	(1,7)	(2,0)
Non-deductible expenses	5.5	2,7	1,2
Income from associated companies	(29.5)	(9,2)	–
Capital gains tax charge and rate change	(2.4)	(10,1)	(12,4)
Secondary tax on companies	(1.0)	(0,7)	(0,9)
Effective rate of tax	<u>(1.4)</u>	<u>9,5</u>	<u>14,9</u>
14. EARNINGS PER SHARE			
The calculations of earnings per share are based on the following:			
Total earnings attributable to ordinary shareholders	168 621	207 517	136 525
Adjustments (net of tax and outside shareholders):			
Non-headline items of associated companies	(15 218)	(1 069)	–
Headline earnings	<u>153 403</u>	<u>206 448</u>	<u>136 525</u>
	Number of shares '000	Number of shares '000	Number of Shares '000
The calculation of the weighted average number of shares is as follows:			
Number of shares at beginning of the year	605 057	571 313	–
Weighted number of shares issued in the year	3 914	11 512	490 477
Weighted number of shares for the year	<u>608 971</u>	<u>582 825</u>	<u>490 477</u>
Earnings- and diluted earnings per share (cents)	27.69	35.61	27.84
Headline- and diluted headline earnings per share (cents)	25.19	35.42	27.84

	GROUP		
	<i>2009</i>	<i>2008</i>	<i>2007</i>
	<i>R000</i>	<i>R000</i>	<i>R000</i>
15. DIVIDEND PER SHARE			
Normal dividend	30 253	11 426	-

Final

7 cents per share (2008: 5 cents, 2007: 2 cents)

Dividends payable are not accounted for until they have been declared.

16. CAPITAL COMMITMENTS AND CONTINGENCIES

The Group did not have any capital commitments neither contingencies at 29 February 2008.

17. BORROWING POWERS

The borrowing powers of the Company are unlimited.

18. 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.

The management fee to PSG for providing all investment, administrative, advisory, financial corporate services in terms of a management agreement amounted to R35 594 000 (2008: R25 704 000, 2007: R7 514 000) for the year under review. The management agreement also provides for a performance fee to be paid to PSG should the Group out perform the Food Producers and Beverages indices based on the growth in the Group's net asset value for the year under review. A performance fee of R19 939 000 (2008: R20 608 000, 2007: Nil) is payable to PSG for the year under review. See note 8 for amounts due to PSG at year end.

During the year a market related fee of R2 160 000 was paid to PSG for sub-underwriting the Pioneer rights issue.

During the year the Company invested in the PSG Money Market Fund and earned interest of R4 798 000 (2008: R26 738 000, 2007: R17 952 000) for the year. The balance on the PSG Money Market Fund at 29 February 2008 was R19 104 000 (2008: R144 165 000, 2007: R524 952 000). A rebate of R84 000 (2008: R479 000, 2007: R215 000) was received from PSG Investments Services (Proprietary) Limited for investing in the PSG Money Market Fund.

During the year the Company advanced money to a subsidiary of PSG and earned interest at prime less 3 % amounting to R5 187 000 (2008: R5 452 000, 2007: Nil) for the year. The amount due from the subsidiary at 28 February 2009 was R38 709 000 (2008: R72 539 000, 2007: Nil) (refer note 3).

Net interest of R60 000 (2008: R188 000, 2007: R184 000) was earned on the Company's account with PSG Online Services (Proprietary) Limited.

Details of directors' emoluments and share dealings are included in the Directors' Report.

	GROUP		
	<i>2009</i>	<i>2008</i>	<i>2007</i>
	<i>R000</i>	<i>R000</i>	<i>R000</i>
19. NOTES TO THE CASH FLOW STATEMENT			
19.1 Cash generated by operating activities			
Net income before from normal operations before tax	166 331	229 341	160 401
Adjusted for:			
Changes in working capital			
Change in receivables	(567)	201	(219)
Change in trade and other payables	3 938	28 144	7 148
Changes in financial instruments			
Fair value changes in equity securities	(12 827)	(154 826)	(137 064)
Non-cash income from associates	(140 792)	(56 029)	-
	<u>16 083</u>	<u>46 831</u>	<u>30 266</u>
19.2 Taxation paid			
Credit/(charge) in income statement	(2 290)	21 824	(23 876)
Deferred tax adjustment	2 505	(19 769)	18 461
Movement in taxation receivable	1 794	6 376	5 415
Other	(195)	36	-
	<u>1 814</u>	<u>8 467</u>	<u>-</u>
19.3 Cash and equivalents at end of year			
Cash and short-term funds	27 923	164 506	537 362
	<u>27 923</u>	<u>164 506</u>	<u>537 362</u>
20. NET ASSET VALUE PER SHARE			
Net asset value per share (R)	2.82	2.59	2.25
Net tangible asset value per share (R)	2.82	2.59	2.25
21. SEGMENTAL REPORTING			
All investment activities are considered by the directors to be in the agricultural and related services sector of South Africa.			

ANNEXURE A – INVESTMENT IN ASSOCIATED COMPANIES

INVESTMENT IN ASSOCIATED COMPANIES

Company	Nature of business	Proportion held directly or indirectly by holding companies	
		2009 %	2008 %
Unlisted			
Kaap Agri Limited	Agricultural	34.3%*	33.6%
KWV Limited	Wine producing	25.7%*	20.7%
MGK Business Investments Limited	Agricultural	26.7%	29.8%
Thembeke Agri Holdings (Pty) Ltd	Holding company of 20% in KLK	49.9%	49.9%
Agricol Holdings Limited	Agricultural	20.0%	20.0%

SUMMARISED FINANCIAL INFORMATION IN RESPECT OF PRINCIPAL ASSOCIATED COMPANIES

	R'000	R'000
Assets	6,433,995	5,971,991
Liabilities	2,050,489	2,111,638
Revenues	5,092,074	2,257,424
Profits	647,165	278,832

* The economic interest held amounted to 35.6% in Kaap Agri Limited and 27.7% in KWV Limited, respectively.

Kaap Agri Limited

Nature of business:	Agricultural
Issued share capital:	255 147 696 ordinary shares
Proportion held directly or indirectly by holding company 2009:	87 445 444 ordinary shares amounting to 34.3%
Carrying value of investment as at 28 February 2009:	R805,4m

As at the last practicable date the interim results for Kaap Agri had not been published. Upon such interim results been made public, Zeder will announce its share of profits from such associate.

KWV Limited

Nature of business:	Wine producing
Issued share capital:	447 923 265 ordinary shares
Proportion held directly or indirectly by holding company 2009:	114 914 126 ordinary shares amounting to 25.7%
Share of profits from associate after amortisation of intangible assets attributable to Zeder for the year ended 28 February 2009:	R67,9m
Carrying value of investment as at 28 February 2009:	R550,1m

SHARE TRADING HISTORY OF ZEDER SHARES

The share trading history of Zeder shares is set out below.

			High (cents)	Low (cents)	Volume
Quarterly					
2007	February	28	300	220	117,321,380
	May	31	285	250	66,058,349
	August	31	278	250	60,203,076
	November	30	300	255	77,125,505
2008	February	29	300	221	56,646,458
	May	31	279	240	43,198,105
	August	31	250	161	63,846,301
	November	30	183	135	63,397,146
2009	February	28	179	140	40,786,973
Monthly					
2008	February	29	265	230	15,118,969
2008	March	31	275	240	13,462,367
2008	April	30	279	255	15,618,381
2008	May	31	265	240	14,117,357
2008	June	30	250	195	15,575,290
2008	July	31	199	170	19,431,874
2008	August	31	185	161	28,839,137
2008	September	30	183	145	26,179,675
2008	October	31	167	135	19,069,298
2008	November	30	179	145	18,148,173
2008	December	31	179	145	15,739,527
2009	January	31	165	140	3,849,765
2009	February	28	165	140	21,197,681
2009	March	31	155	133	9,230,680
Daily					
2009	March	9	154	150	250,300
		10	153	150	440,860
		11	150	150	11,100
		12	155	147	133,000
		13	155	150	163,800
		16	150	145	36,000
		17	155	150	8,450
		18	150	145	187,900
		19	144	144	10,000
		20	149	143	113,795
		23	149	142	182,976
		24	148	138	571,462
		25	140	136	3,832,624
		26	140	136	708,100
		27	140	135	145,763
		30	140	133	399,416
		31	140	138	665,584
2009	April	1	140	140	301,000
		2	141	140	30,000
		3	140	135	60,125
		6	140	135	240,805
		7	139	134	1,666,937
		8	142	135	469,534
		9	144	140	172,847
		14	149	143	373,244
		15	148	143	124,800
		16	146	142	153,284
		17	145	143	20,260
		20	149	144	245,260
		21	149	145	723,391
		23	147	145	50,500
		24	145	145	179,300

CORPORATE GOVERNANCE AND KING CODE

1. 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 and 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. In terms of the management agreement, the Board has delegated certain powers to PSG 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 PSG 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 five directors, with Mr AE Jacobs being the only executive director and the balance being non-executive directors. In the light of the role that PSG Manco plays 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 boards 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 and LP Retief are defined as independent non-executive directors. The profiles of the Directors appear in paragraph 6.5.1 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.

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:

- Audit committee; and
- PSG Manco investment committee.

There is no remuneration committee as the remuneration of the directors is determined and paid for by PSG Manco. The audit committee sets principles for the use of the external auditors for non-audit services. The audit committee comprises Messrs Lambert Retief (Chairman) and MS du Pre Le Roux. The audit committee meets at a minimum, twice yearly.

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 Zeder will be determined and paid by PSG 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 sequestered 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.
- 30.8 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."

MANAGEMENT FEE SCHEDULE

The following is an extract from the existing 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 –
 - 2.1 **“benchmark index”** means an index calculated by equally weighting the FTSE-JSE beverages total return index (tri041) and the FTSE-JSE food producers total return index (TRI043), or their successors in title;
 - 2.2 **“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;
 - 2.3 **“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;
 - 2.4 **“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;
 - 2.5 **“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;
 - 2.6 **“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;
 - 2.7 **“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
 - 2.8 **“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).

INTER-COMPANY BALANCES

The table below sets out the inter-company balances between Zeder and PSG Manco before elimination on consolidation as at 28 February 2009:

Company	Long Term Loans Receivable R'000	Long Term Loans Payable R'000	Short Term Receivables R'000	Short Term Payables R'000
PSG Corporate Services (Proprietary) Limited	-	-	38 709 ¹	38 528 ²

Notes

- Details of this intercompany loan are set out in note 3 in **Annexure 5**. This is an inter-company loan for cash advanced with no fixed terms save for interest being charged at prime less 3% on any outstanding balance from time to time.
- Amount consists of management fees presently owed to PSG Manco in terms of the existing management agreement.

INFORMATION ON THE UNDERWRITER

The rights offer has been partially underwritten by Coronation Asset Management (Proprietary) Limited.

Details pertaining to the underwriter as required by the Listings Requirements are set out below:

1. Nature of business

Independent asset managers.

2. Directors

Hugo Anton Nelson (chief executive officer)

Anton Pillay

John Ashley Snalam

3. Date and place of incorporation of the underwriter

25 May 1993, Pretoria.

4. Registration number

Registration number: 1993/002807/07

5. Registered office

7th Floor, MontClare Place

Cnr Campground and Main Roads

Claremont, Cape Town, 7708

6. Auditors

KPMG Inc.

7. Bankers

Nedbank Limited

8. Authorised share capital

250 000 ordinary shares with a par value of R1 each

9. Issued share capital

250 000 ordinary shares with a par value of R1 each.

