THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions commencing on page 4 of this Circular apply *mutatis mutandis* to this cover.

ACTION REQUIRED BY SHAREHOLDERS:

1. This entire Circular is important and should be read with particular attention to the section entitled "Action required by Shareholders", which commences on page 2.
2. If you are in any doubt as to what action to take, you should consult your broker, CSDP, banker, accountant, attorney or other professional advisor immediately.
3. If you have disposed of all your Zeder Shares, please forward this Circular and the attached form of proxy (*grey*) to the purchaser to whom, or the broker, CSDP or other agent through whom, the disposal was effected.

ZEDER INVESTMENTS LIMITED

ZEDER INVESTMENTS 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

relating to:

– the Internalisation of the Management Agreement by Zeder by way of the Acquisition (constituting a related party transaction in terms of the JSE Listing Requirements) and the Share Issue;
– the approval of the Waiver of the Mandatory Offer; and
– the adoption of the Share Incentive Scheme,

and incorporating:

– a Notice of General Meeting; and
– a form of proxy in respect of the General Meeting (*grey*) for use by Certificated Shareholders and Dematerialised Shareholders with "own-name" registration only.

Transaction advisor and sponsor

PSG CAPITAL

Independent Expert

EY

Independent Reporting Accountant

pwc

Independent sponsor

questco
CORPORATE ADVISORY

Date of issue: 28 July 2016

Copies of this Circular are available in English only and may, from 28 July 2016 until 29 August 2016 (both days inclusive), be obtained during normal business hours from the registered office of Zeder, from the Corporate advisor and sponsor and the Transfer Secretaries, at the addresses set out in the "Corporate Information" section of this Circular. A copy of this Circular will also be available on the Company's website (www.zeder.co.za).

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)

Directors
JF Mouton (Chairman) *
N Celliers (Chief Executive Officer)
WL Greeff (Financial Director)
PJ Mouton *
CA Otto *#
GD Eksteen (Lead Independent Director) *#
NS Mjoli-Mncube *#
ASM Karaan *#

* Non-executive
# Independent

Transfer secretaries
Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Date of incorporation
21 June 2006

Place of incorporation
South Africa

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

and at:

1st Floor, Building 8
Inanda Greens Business Park
54 Wierda Road West
Wierda Valley
Sandton, 2196
(PO Box 987, Parklands, 2121)

Independent Expert
Ernst & Young Advisory Services Proprietary Limited
(Registration number 2006/018260/07)
La Gratitude 1st Floor
97 Dorp Street
Stellenbosch

Auditor and Independent Reporting Accountant
PricewaterhouseCoopers Incorporated
(Registration number 1998/012055/21)
Capital Place
15 – 21 Neutron Avenue
Technopark
Stellenbosch, 7600
(PO Box 57, Stellenbosch, 7599)

Independent sponsor
Questco Proprietary Limited
(Registration number 2002/005616/07)
First Floor, Yellowwood House
Ballywoods Office Park
33 Ballyclare Drive
Bryanston, 2192
(PO Box 98956, Sloane Park, 2152)

CONTENTS

ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 4 of this Circular apply to this section headed "Action required by Shareholders".

This Circular is important and requires your immediate attention. The action you need to take, is set out below. If you are in any doubt as to what action to take, please consult your broker, CSDP, banker, attorney, accountant or other professional advisor immediately. If you have disposed of all of your Zeder Shares, this Circular should be handed to the purchaser to whom, or the CSDP, broker or other agent through whom, the disposal was effected.

A General Meeting of Zeder Shareholders will be held at Lanzerac, No. 1 Lanzerac Road, Stellenbosch, Western Cape at 11:00 on Monday, 29 August 2016, at which General Meeting Zeder Shareholders will be requested to consider and, if deemed fit, to pass, with or without modification, the resolutions set out in the Notice of General Meeting attached to this Circular.

1. **DEMATERIALISED SHAREHOLDERS WITHOUT "OWN-NAME" REGISTRATION**

1.1. **Voting at the General Meeting**

1.1.1. If you do not wish to, or are unable to, attend the General Meeting and you have not been contacted by your CSDP or broker, it is advisable for you to contact your CSDP or broker immediately and furnish your CSDP or broker with your voting instructions in the manner and by the cut-off time stipulated by your CSDP or broker in terms of the custody agreement between you and your CSDP or broker;

1.1.2. If your CSDP or broker does not obtain voting instructions from you, your CSDP or broker will be obliged to act in accordance with the instructions contained in the custody agreement between you and your CSDP or broker; and

1.1.3. You must <u>not</u> complete the attached form of proxy (*grey*).

1.2. **Attendance and representation at the General Meeting**

1.2.1. In accordance with the custody agreement between you and your CSDP or broker, you must advise your CSDP or broker if you wish to:

1.2.1.1. attend, speak and vote at the General Meeting; or

1.2.1.2. send a proxy to represent you at the General Meeting.

1.2.2. Your CSDP or broker should then issue the necessary letter of representation to you for you or your proxy to attend, speak and vote at the General Meeting.

2. **CERTIFICATED SHAREHOLDERS OR DEMATERIALISED SHAREHOLDERS WITH "OWN-NAME" REGISTRATION**

Voting, attendance and representation at the General Meeting

You may attend, speak and vote at the General Meeting in person (or, if you are a company or other body corporate, be represented by a duly authorised natural person). Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached form of proxy (*grey)* in accordance with its instructions and returning it to the Transfer Secretaries at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received by them no later than 11:00 on 25 August 2016.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 4 of this Circular apply to this section.

	2016
Record date to determine which Shareholders are eligible to receive notice of the General Meeting	Friday, 22 July
Circular incorporating Notice of General Meeting and form of proxy, distributed to Zeder Shareholders on	Thursday, 28 July
Distribution of Circular and notice convening General Meeting announced on SENS on	Thursday, 28 July
Distribution of Circular and notice convening General Meeting announced in the press	Friday, 29 July
Last day to trade in order to be eligible to vote at the General Meeting	Tuesday, 16 August
Record date to be eligible to vote at the General Meeting	Friday, 19 August
Last day to lodge forms of proxy in respect of the General Meeting at 11:00 on	Thursday, 25 August
General Meeting of Zeder Shareholders held at 11:00 on	Monday, 29 August
Results of the General Meeting released on SENS on	Monday, 29 August
Results of the General Meeting published in the press on	Tuesday, 30 August
Receive exemption from the TRP	Wednesday, 31 August
Effective Date of Internationalisation	Thursday, 1 September

Notes:

1. The above dates and times are subject to change. Any material changes will be released on SENS.
2. All times quoted in this Circular are local times in South Africa.
3. If the General Meeting is adjourned or postponed, forms of proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting unless the contrary is stated on such forms of proxy.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless the context indicates a contrary intention, a word or an expression which denotes any gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the following words and expressions bear the meanings assigned to them below:

"Acquisition"	the acquisition by Zeder of the Newco Shares from PSG Corporate Services, in consideration for the Consideration, on the terms set out in the Acquisition Agreement;
"Acquisition Agreement"	the agreement concluded on or about 21 July 2016 between PSG Corporate Services and Zeder, setting out the terms of the Acquisition, a copy of which is available for inspection, as indicated in paragraph 20 of this Circular;
"Assignment"	the cession, delegation and assignment by PSG Corporate Services of its rights, title, interest and obligations, without limitation, in terms of and arising from the Management Agreement, to Newco, in anticipation of the Acquisition of Newco by Zeder;
"Business Day"	any day other than a Saturday, Sunday or official public holiday in South Africa;
"cents"	South African cents, in the official currency of South Africa;
"Certificated"	in relation to a Share of a company, such share as evidenced by a Document of Title;
"Certificated Shareholder"	a Shareholder who holds Certificated Shares;
"Circular"	this circular to Shareholders, dated 28 July 2016, together with the annexures hereto, and including the Notice of General Meeting and the form of proxy (*grey*) in relation to the General Meeting;
"Companies Act"	the Companies Act, No. 71 of 2008, as amended from time to time;
"Companies Regulations"	the Companies Regulations, 2011, promulgated under the Companies Act, as amended from time to time;
"the Company" or "Zeder"	Zeder Investments Limited (registration number 2006/019240/06), a public company incorporated under the laws of South Africa, the shares of which are listed on the main board of the JSE;
"Conditions Precedent"	the conditions precedent to the Internalisation, as detailed in paragraph 5.5 of this Circular;
"Consideration"	the amount equal to the aggregate Issue Price of all Issue Shares, being the amount due by Zeder to PSG Corporate Services under the Acquisition Agreement in consideration for the Newco Shares, to be settled by way of the Share Issue. In this regard, it is recorded that the Independent Expert, who adopted a conservative approach, as indicated in its report enclosed at **Annexure 3** to the Circular, has valued PSG's rights in the Management Agreement at R1 453 million;
"CSDP"	a Central Securities Depository Participant, as defined in the Financial Markets Act;
"Dematerialise" or "Dematerialised" or "Dematerialisation"	the process by which Certificated Shares are converted into an electronic format as Dematerialised shares and recorded in a company's uncertificated securities register administered by a CSDP;
"Dematerialised Shareholder"	a Shareholder who holds Dematerialised Shares;
"Dematerialised Shares"	Shares that have been Dematerialised;
"Directors" or "Board"	the directors of Zeder as at the Last Practicable Date, whose names are set out in the Corporate Information section of the Circular;
"Document of Title"	share certificates, certified transfer deeds, balance receipts or any other physical documents of title pertaining to the Shares in question acceptable to the Directors;
"Financial Markets Act"	the Financial Markets Act, No. 19 of 2012, as amended from time to time;
"General Meeting"	the general meeting of Zeder Shareholders to be held at Lanzerac, No. 1 Lanzerac Road, Stellenbosch, Western Cape at 11:00 on 29 August 2016, to consider and, if deemed fit, approve, with or without modification, the resolutions set out in the Notice of General Meeting;
"Independent Board"	collectively, GD Eksteen, ASM Karaan, NS Mjoli-Mncube and CA Otto, being the Directors that the Company has indicated are independent directors in relation to the Waiver of the Mandatory Offer for purposes of the Companies Act and the Companies Regulations;
"Independent Expert"	Ernst & Young Advisory Services Proprietary Limited (registration number 2006/018260/07), a personal liability company incorporated under the laws of South Africa, particulars of which appear in the "Corporate Information" section of the Circular;

“Independent Expert Report”	the report prepared by the Independent Expert in connection with the Internalisation and the Waiver of the Mandatory Offer, in accordance with the provisions of the Companies Act, the Companies Regulations and the JSE Listings Requirements, a copy of which is annexed to the Circular at **Annexure 3**;
“Independent Reporting Accountant”	PricewaterhouseCoopers Incorporated (registration number 1998/012055/21), a personal liability company incorporated under the laws of South Africa, particulars of which appear in the “Corporate Information” section of the Circular;
“Internalisation”	the internalisation of the Management Agreement and function by Zeder, as contemplated in this Circular, involving the Acquisition and the Share Issue;
“Issue Price”	the issue price per Issue Share, being an amount equal to the VWAP at which Zeder Shares traded on the JSE for the 30 trading days prior to the date of fulfillment or, where applicable, waiver of the last outstanding Condition Precedent;
“Issue Shares”	207 661 758 new Zeder Shares, to be issued, in terms of the Share Issue, by Zeder to PSG Corporate Services at the Issue Price per Share, in settlement of the Consideration, such Shares constituting 13.6% of Zeder’s current issued Share capital;
“JSE”	the exchange, licensed under the Financial Markets Act, operated by the JSE Limited (registration number 2005/022939/06), a public company incorporated under the laws of South Africa;
“JSE Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“Last Practicable Date”	the last practicable date prior to the finalisation of this Circular, being Friday, 15 July 2016;
“Management Agreement”	the management agreement existing between the Company, Zeder Investments Corporate Services and the Manager, originally concluded on or about 29 September 2006, as subsequently amended by agreement on or about 2 April 2008, on or about 18 November 2010 and on or about 20 June 2013, in terms of which the Manager provides investment, management, financial and other services to the Zeder Group;
“Manager”	the manager under the Management Agreement, currently being PSG Corporate Services, and which will, following the Internalisation, be Newco;
“Mandatory Offer”	the mandatory offer which PSG would, upon implementation of the Share Issue, be obliged to make to the remaining Shareholders to acquire their Zeder Shares, the waiver of which by Shareholders is a Condition Precedent to the Internalisation;
“Newco”	Rose Bridge 59 Proprietary Limited (registration number 2015/376259/07), a private company incorporated under the laws of South Africa, currently a wholly-owned subsidiary of PSG Corporate Services and which will, following the Internalisation, be a wholly-owned subsidiary of Zeder. Newco is a shelf company and has not previously traded;
“Newco Shares”	all shares held by PSG Corporate Services in the share capital of Newco on the implementation date of the Acquisition, equivalent to 100% of Newco’s issued ordinary share capital;
“Notice of General Meeting”	the notice of the General Meeting of Shareholders, forming part of this Circular;
“PSG”	PSG Group Limited (registration number 1970/008484/06), a public company incorporated under the laws of South Africa, the shares of which are listed on the main board of the JSE, and which, as at the Last Practicable Date, held approximately 34.5% of the Zeder Shares in issue through its wholly-owned subsidiary, PSG Financial Services;
“PSG Board” or “PSG Directors”	the directors of PSG as at the Last Practicable Date;
“PSG Capital” or “Sponsor”	PSG Capital Proprietary Limited (registration number 2006/015817/07), a private company incorporated under the laws of South Africa, particulars of which appear in the “Corporate Information” section of the Circular;
“PSG Corporate Services”	PSG Corporate Services Proprietary Limited (registration number 1996/004840/07), a private company incorporated under the laws of South Africa and a wholly-owned subsidiary of PSG Financial Services and, ultimately, of PSG Group, with PSG Corporate Services being a related party of Zeder for purposes of the JSE Listings Requirements;
“PSG Financial Services”	PSG Financial Services Limited (registration number 1919/000478/06), a public company incorporated under the laws of South Africa, being a wholly-owned subsidiary of PSG Group, and holding, as at the Last Practicable Date, approximately 34.5% of the Zeder Shares in issue;
“PSG Group”	collectively, PSG and its subsidiaries;
“PSG Group Company”	any company in the PSG Group;
“PSG Shares”	ordinary no par value shares in the share capital of PSG Group;
“Rand” or “R”	South African Rand, the official currency of South Africa;

"Record Date"	the last time and date for Zeder Shareholders to be recorded in the Register in order to be eligible to attend, speak and vote at the General Meeting (or any adjournment thereof);
"Register"	the register of Certificated Shareholders maintained by the Transfer Secretaries on behalf of the Company and the sub-register of Dematerialised Shareholders maintained by the relevant CSCP's in terms of the Companies Act;
"SENS"	the Stock Exchange News Service of the JSE;
"Share Incentive Scheme"	the share incentive scheme, to be presented to Shareholders for approval at the General Meeting, which will, following registration of the Zeder SIT Deed with the Master of the High Court, be operated under the Zeder SIT, in terms of the Zeder SIT Deed;
"Share Issue"	the issuing by Zeder to PSG Corporate Services, in terms of the Internalisation, of the Issue Shares for the Issue Price per Share, in settlement of the Consideration, on the terms set out in the Acquisition Agreement;
"South Africa"	the Republic of South Africa;
"Strate"	Strate Proprietary Limited (registration number 1998/022242/06), a private company incorporated under the laws of South Africa, a central securities depository licensed in terms of the Financial Markets Act and responsible for the electronic clearing and settlement system provided to the JSE;
"Transfer Secretaries" or "Computershare"	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company incorporated under the laws of South Africa, particulars of which appear in the "Corporate Information" section of the Circular;
"TRP"	the Takeover Regulation Panel established in terms of section 196 of the Companies Act;
"VWAP"	volume weighted average price;
"Waiver of the Mandatory Offer" or "Waiver"	the waiver of the Mandatory Offer, as more fully described in paragraph 7 of the Circular;
"Zeder Group"	collectively, Zeder and its subsidiaries;
"Zeder Investments Corporate Services"	Zeder Investments Corporate Services Proprietary Limited (registration number 2010/009472/07), a private company incorporated under the laws of South Africa, being an indirect wholly-owned subsidiary of the Company;
"Zeder Shareholders" or "Shareholders"	registered holders of Zeder Shares;
"Zeder Shares" or "Shares"	ordinary no par value shares in the share capital of Zeder;
"Zeder SIT"	the Zeder Group Share Incentive Trust, a trust to be created under the Zeder SIT Deed, which is to be registered with the Master of the High Court, subject to the Share Incentive Scheme being approved by Shareholders at the General Meeting; and
"Zeder SIT Deed"	the trust deed for the Zeder SIT, to be concluded, following the approval of the Share Incentive Scheme by Shareholders at the General Meeting, between the Company (as founder) and Chris Adriaan Otto and Andro Rossouw (as the first trustees), a copy of which is available for inspection, as indicated in paragraph 20 of the Circular.

ZEDER INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2006/019240/06)
Share code: ZED, ISIN: ZAE000088431
(**"Zeder"** or **"the Company"**)

Directors of Zeder

JF Mouton (Chairman) *
N Celliers (Chief Executive Officer)
WL Greeff (Financial Director)
PJ Mouton *
CA Otto *#
GD Eksteen (Lead Independent Director) *#
NS Mjoli-Mncube *#
ASM Karaan *#

* Non-executive
\# Independent

CIRCULAR TO SHAREHOLDERS

1 **INTRODUCTION AND PURPOSE OF THIS CIRCULAR**

1.1 Shareholders are referred to the Company's announcement on SENS on Friday, 24 June 2016 and in the press on Monday, 27 June 2016, advising that Zeder and PSG, through its wholly-owned subsidiary PSG Corporate Services, have agreed that the existing Management Agreement and function in terms of which PSG Corporate Services provides investment, management, financial and other services to Zeder Investments Corporate Services, be internalised by Zeder against the issue of the Issue Shares to PSG Corporate Services.

1.2 The Acquisition, which forms part of the Internalisation, constitutes a category 2 related party transaction for Zeder in terms of the JSE Listings Requirements and, accordingly, requires Shareholder approval by way of an ordinary resolution. PSG Group Companies and their associates will not be entitled to vote any Zeder Shares held by them on this resolution.

1.3 Should the Acquisition be approved by Shareholders and the Internalisation be implemented, the Share Issue by Zeder to PSG Corporate Services will result in PSG's effective current shareholding in Zeder of approximately 34.5% increasing to approximately 42.4% of Zeder's issued ordinary share capital, triggering a Mandatory Offer, unless same is waived by Shareholders by way of an ordinary resolution in accordance with the Companies Regulations.

1.4 The Share Incentive Scheme is being proposed in order to incentivise senior management of Zeder, to align their interests with those of Zeder Shareholders and to ensure continuity of senior management.

1.5 The purpose of this Circular is to –

1.5.1 provide Shareholders with the relevant information relating to the Internalisation and the manner in which it will be implemented, as well as the Share Incentive Scheme, so as to enable Shareholders to make an informed decision in respect of the resolutions set out in the Notice of the General Meeting enclosed with this Circular; and

1.5.2 convene the General Meeting of Shareholders in order to consider and, if deemed fit, approve the resolutions authorising the Acquisition, waiving the Mandatory Offer and approving the Share Incentive Scheme.

2 **BACKGROUND ON THE MANAGEMENT AGREEMENT**

2.1 Zeder is an investment holding company that invests in the broad agribusiness and related industries with a specific focus on the food and beverage sectors. It will continue to invest primarily in these areas but will be expanding its investment strategy to include the broader sustainability industries, such as water, waste and renewable energy, as these become increasingly interlinked in the world.

2.2 Zeder Investments Corporate Services renders management and other services primarily to the Zeder Group and its investee entities.

2.3 Under the Management Agreement, the Manager renders investment, management, financial and other services to Zeder Investments Corporate Services, so as to enable Zeder Investments Corporate Services to achieve the above objective. The existing management fee structure is outlined in paragraph 4 below.

2.4 It is now proposed, for the reasons set out below, that the Management Agreement and function be internalised by Zeder.

3 **THE RATIONALE**

3.1 The Internalisation should result in a significant improvement in Zeder's future profitability and cash flows and, potentially, its market rating following the associated management fee cost savings.

3.2 Zeder's future cash flows will be available for investments, servicing debt and paying dividends. In this regard, it is estimated that Zeder should be able to raise an additional approximately R1 billion in debt given its current cash flows from underlying investments and following the significant improvement in cash flows as a result of the substantial saving in management fees. By providing Zeder with more certainty regarding future cash flows, the Internalisation will improve Zeder's ability to deploy capital into investments.

3.3 PSG will remain a significant shareholder in Zeder and the existing PSG representatives will continue to serve on both Zeder's executive committee and Zeder's Board to help determine strategy and help make investment decisions for at least the next five years at a nominal fee of R5 million per annum, escalating annually at a rate equal to the consumer price index.

3.4 Following the Internalisation, the current management team of Zeder will be employed by the Zeder Group and their direct and other operating costs will be for its account going forward. It is anticipated that Zeder's net head office recurring operating costs (taking into account management and director fee income) following the Internalisation will amount to approximately R12 million per annum.

3.5 The Internalisation will not result in any immediate change in the business of Zeder or in the composition of its Board.

4 **MANAGEMENT FEE STRUCTURE**

4.1 Currently, PSG Corporate Services, as Manager under the Management Agreement, provides investment, management, financial and other services to Zeder Investments Corporate Services in consideration for a management fee.

4.2 The current management fee structure came into effect during 2013 at the request of certain institutional shareholders and was duly approved by Zeder Shareholders. It consists of a base management fee and a performance management fee, which are calculated as follows –

4.2.1 ***Base management fee***

The base management fee is calculated half-yearly, with the base management fee in respect of each half-year being calculated as an annual percentage of 1.5% of the average market capitalisation of Zeder.

4.2.2 ***Performance management fee***

4.2.2.1 The performance management fee is calculated at the end of each financial year as 20% per annum of the Company's share price outperformance from the starting hurdle share price (being R5.65 as at 1 March 2016) increased by the GOVI-index (comprising the most liquid government bonds, being the government bonds within the top 10 of the All Bond Index) yield plus 4%, adjusted for dividends.

4.2.2.2 The performance management fee pertaining to a financial year may not exceed that year's base management fee. If, save for the cap, the performance management fee would have exceeded the base management fee, the excess performance management fee is carried forward to the following financial year, by adjusting the starting hurdle share price of the following year accordingly.

4.2.3 The Management Agreement, setting out the above management fees, is available for inspection at the offices of Zeder and PSG Capital, as indicated in paragraph 20 below.

4.3 The base management and performance management fees incurred by the Zeder Group during the past three financial years are set out in the table below:

	28 Feb 14 R'000	**28 Feb 15 R'000**	**29 Feb 16 R'000**
Base management fees[(1)]	59 022	117 757	154 643
Performance management fees[(2)]	59 022	117 757	–
Total fees	**118 044**	**235 514**	**154 643**

NOTES:

(1) Assuming the Zeder Share price for the year ending 28 February 2017 is equal to R7.04 per Share, being the Share price on the Last Practicable Date, and assuming that no Shares are issued by Zeder prior to 28 February 2017, the base management fee payable by Zeder in respect of the year ending 28 February 2017 will amount to R161 million.

(2) The starting hurdle for determining the February 2017 performance fee is R5.65. Assuming the Zeder Share price for the year ending 28 February 2017 is equal to R7.04 per Share being the Share price on the Last Practicable Date, and assuming that no Shares are issued by Zeder prior to 28 February 2017, and assuming a GOVI-index of 9.41%, being the daily average for the current financial year until the Last Practicable Date, the performance fee for the February 2017 financial year will amount to R218 million, being capped to the base management fee, with the excess carried forward by adjusting the starting hurdle Share price of the following year accordingly.

5 MECHANISM FOR INTERNALISATION

5.1 PSG Corporate Services will cede, delegate and assign its rights, title, interest and obligations, without limitation, in terms of and arising from the Management Agreement, to Newco, with the Assignment becoming effective on 1 September 2016.

5.2 Following the Assignment and subject to fulfilment of the Conditions Precedent, Zeder will, by way of the Acquisition, acquire all Newco Shares from PSG Corporate Services for the Consideration, which is to be settled by way of the Share Issue. The Acquisition and the Share Issue are to be implemented on the 5th Business Day following the date of fulfilment or, where applicable, waiver of the last outstanding Condition Precedent.

5.3 Newco is a recently incorporated shelf company and has not previously traded. Upon implementation of the Assignment, the only assets and liabilities of Newco will be those ceded, delegated and assigned to it by PSG Corporate Services in terms of the Assignment.

5.4 The Acquisition constitutes an asset-for-share transaction in terms of section 42 of the Income Tax Act, No. 58 of 1962, as amended.

5.5 **Conditions Precedent**

5.5.1 The Internalisation is subject to the fulfilment, by no later than 31 October 2016 of the following Conditions Precedent –

5.5.1.1 that the Assignment be implemented;

5.5.1.2 whereas the Acquisition constitutes a related party transaction by Zeder under the JSE Listings Requirements, that the Acquisition be approved by the Zeder Shareholders in accordance with the JSE Listings Requirements;

5.5.1.3 whereas the issue of the Issue Shares under the Acquisition Agreement, if implemented, will result in the effective shareholding of PSG in Zeder's issued share capital increasing to more than 35%, that –

5.5.1.3.1 the requisite majority of Zeder Shareholders waive the need for the Mandatory Offer to be made to them by PSG under section 123 of the Companies Act, such waiver to comply with the requirements of the Companies Regulations; and

5.5.1.3.2 the TRP exempts PSG from the need to make the Mandatory Offer to the remaining Zeder Shareholders;

5.5.1.4 that, to the extent that any statutory or regulatory approvals or waivers of the Acquisition (collectively, "**Approvals**") may be required, such Approvals be obtained, such Approvals to be unconditional or, if not unconditional, such Approvals to be subject to such conditions as are acceptable to the Party affected thereby (whose acceptance will not be unreasonably refused or withheld); and

5.5.1.5 that the board of directors of PSG Corporate Services approves or, to the extent applicable, ratifies the Acquisition of the Newco Shares.

5.5.2 The Condition Precedent in paragraph 5.5.1.3 may be waived (wholly, but not only in part) by PSG Corporate Services by written notice to Zeder.

5.5.3 Unless all the Conditions Precedent have been fulfilled or (to the extent possible) waived by not later than the relevant date for fulfilment thereof set out in paragraph 5.5.1 (or such later date as may be agreed by Zeder and PSG Corporate Services), the Internalisation will never become of any force or effect and the *status quo ante* will be restored as near as may be.

5.6 **Further material terms of the acquisition**

5.6.1 In terms of the Acquisition Agreement, PSG Corporate Services warrants to Zeder that –

5.6.1.1 PSG Corporate Services is the sole registered and beneficial owner of the Newco Shares;

5.6.1.2 the Newco Shares are not subject to any encumbrance and PSG Corporate Services is entitled to and will pass free and unencumbered ownership thereof to Zeder; and

5.6.1.3 no person, other than Zeder, has any right (including any option or right of first refusal or pre-emption), whether present or future, to acquire the Newco Shares, while Zeder warrants to PSG Corporate Services that the Issue Shares to be issued to PSG Corporate Services under the Share Issue, will be issued free of any encumbrance.

5.7 **Following the Internalisation**

5.7.1 PSG will remain a significant shareholder in Zeder and the existing PSG representatives will continue to serve on both Zeder's executive committee and Zeder's Board to help determine strategy and make investment decisions for at least the next five years at a nominal fee of R5 million per annum, escalating annually at a rate equal to the consumer price index. This fee will be paid by Newco, then being a wholly-owned subsidiary of Zeder, to PSG Corporate Services and will only cover PSG executive time on the Zeder executive committee, as well as board representation on the Zeder Board. All other operating costs are to be borne by Newco. After the expiry of the five-year period, Zeder may terminate this arrangement on one month's notice, if so resolved by a majority of the independent non-executive Directors (excluding any Directors who are PSG representatives).

5.7.2 Zeder's operating costs following the Internalisation, being ultimately carried by its wholly-owned subsidiary, Newco, will amount to approximately R20 million to R25 million per annum. The table below contains a breakdown of the total anticipated net annual operating costs to be carried by Newco, had the Internalisation been in effect for the financial year ending 28 February 2017:

	R'000
Director and management fee income	**11 196**
Operating costs	**(23 374)**
Payroll costs (including bonus and share-based payments)	(14 303)
Fee payable to PSG Corporate Services	(5 000)
Other costs [(1)]	(4 071)
Net annual operating costs to be carried by Newco	**(12 178)**

Note:

(1) Other costs include various operating costs such as annual listing fees, shareholder communication costs, sponsor fees, audit fees, office rent, information technology support costs, travel and accommodation, water and electricity, telephone costs, depreciation and non-executive director fees (other than PSG representative).

5.7.3 Following the Internalisation, the Management Agreement will initially remain in place, with Newco, as the new Manager, continuing to provide investment, management, financial and other services to Zeder Investments Corporate Services, thereby allowing the latter to provide the corresponding services to Zeder's investee entities for a to be agreed upon fee.

6 **RELATED PARTY ASPECTS**

6.1 The Acquisition constitutes a category 2 related party transaction in terms of the JSE Listings Requirements, as PSG Corporate Services' direct holding company, PSG Financial Services, holds more than 10% of Zeder's issued share capital.

6.2 Accordingly, the Acquisition requires the approval of Zeder Shareholders by way of an ordinary resolution in terms of the JSE Listings Requirements. PSG Group Companies and their associates will not be entitled to vote any Zeder Shares held by them on this resolution.

6.3 The Independent Board has appointed the Independent Expert to provide it with external advice and to prepare the Independent Expert Report, indicating whether the Internalisation would be fair and reasonable to Zeder Shareholders.

7 **THE WAIVER OF THE MANDATORY OFFER**

7.1 As indicated previously, should the Acquisition be approved by Shareholders and be implemented, the Share Issue by Zeder to PSG Corporate Services will result in PSG's effective shareholding in Zeder of approximately 34.5% increasing to approximately 42.4% of Zeder's issued ordinary share capital. In terms of section 123 of the Companies Act, PSG would be obliged to make a Mandatory Offer to the Shareholders unless the Mandatory Offer is waived in accordance with regulation 86(4) of the Companies Regulations.

7.2 Regulation 86(7) of the Companies Regulations requires that a fair and reasonable be included in the Circular. In this regard, the Independent Expert Report appears in **Annexure 3** of this Circular.

7.3 The TRP has advised that it is willing to consider the application to grant an exemption from the obligation to make a Mandatory Offer if the majority of independent Shareholders waive their entitlement to receive the Mandatory Offer from PSG, in accordance with regulation 86(4) of the Companies Regulations.

7.4 Any Shareholder who wishes to make representations relating to the exemption shall have 10 Business Days from the date of posting of this Circular to make such representations to the TRP before the ruling is considered. Representations should be made in writing and delivered by hand, posted or faxed to:

If delivered by hand or courier	If posted	If faxed
The Executive Director Takeover Regulation Panel 1st Floor, Block 2 Freestone Park 135 Patricia Road Atholl 2196	The Executive Director Takeover Regulation Panel 1st Floor, Block 2 Freestone Park 135 Patricia Road Atholl 2196	The Executive Director Takeover Regulation Panel +27 86 274 9056

and should reach the TRP by no later than the close of business on Monday, 15 August 2016 in order to be considered.

7.5 If any submissions are made to the TRP within the permitted timeframe, the TRP will consider the merits thereof before making a ruling.

7.6 Included in the Circular is the Notice of General Meeting and the resolution for the Waiver of the Mandatory Offer for Shareholders to consider, and if deemed fit, to approve at the General Meeting.

7.7 Should the requisite majority of Shareholders vote in favour of the Waiver of the Mandatory Offer, the TRP will be approached to exempt PSG from its obligation to make the Mandatory Offer.

8 NO CONCERT PARTIES

Save for the Acquisition Agreement, there are no arrangements, undertakings or agreements between the Company and PSG and persons acting in concert with either of them in relation to the Internalisation or the Waiver of the Mandatory Offer.

9 ADDITIONAL DISCLOSURES

There are further no agreements, arrangements or understandings between PSG or any person acting in concert with it and any of the Directors of the Company, or any persons who were Directors of the Company in the 12 months preceding the Acquisition Agreement or with Zeder Shareholders or persons who were Zeder Shareholders in the 12 months preceding the Acquisition Agreement, which has any connection with or dependence upon the Internalisation or the Waiver of the Mandatory Offer.

10 FINANCIAL INFORMATION

10.1 **Historical financial information of Zeder**

10.2 Extracts of the published audited historical financial information of Zeder for the last three financial years ended 28 February 2014, 28 February 2015 and 29 February 2016 are annexed at **Annexure 4**.

10.3 **Information incorporated by reference**

The full financial statements for the above periods are incorporated herein by reference and can be accessed on the website of Zeder. As indicated in paragraph 20 below, these financial statements will also be available for inspection by Shareholders and/or prospective investors at no charge during business hours at Zeder's registered office and at the offices of its sponsor, PSG Capital, at the relevant addresses appearing in the "Corporate Information" section of the Circular.

Disclosure	Document	Website link
Historical financial information	Audited annual financial statements of Zeder for the financial year ended 28 February 2014	http://www.zeder.co.za/wp-content/uploads/pdf/Zeder_AFS_2014.pdf
Historical financial information	Audited annual financial statements of Zeder for the financial year ended 28 February 2015	http://www.zeder.co.za/wp-content/uploads/pdf/ZED%20AFS%20FY2015.pdf
Historical financial information	Audited annual financial statements of Zeder for the financial year ended 29 February 2016	http://www.zeder.co.za/wp-content/uploads/pdf/Annual%20Financial%20Statement%202016.pdf

10.4 ***Pro forma* financial effects**

The purpose of the table below is to illustrate the *pro forma* financial effects of the Internalisation and such *pro forma* financial effects, as set out below, are the responsibility of the Directors. The *pro forma* financial effects are presented in a manner consistent with the basis on which the historical financial information of Zeder has been prepared and in terms of Zeder's accounting policies. The *pro forma* financial effects have been presented for illustrative purposes only and, because of their nature, may not fairly present Zeder's financial position, changes in equity, results of operations or cash flows after the implementation of the Internalisation.

These *pro forma* financial effects as set out below should be read in conjunction with the *pro forma* consolidated statement of financial position, income statement and statement of comprehensive income as set out in **Annexure 1**, together with the assumptions upon which the financial effects are based, as indicated in the notes thereto in **Annexure 1**.

The Independent Reporting Accountants' report on the *pro forma* financial information appears in **Annexure 2** to this Circular.

	Audited 29 Feb 2016 cents	**Adjustment for the Internalisation cents**	***Pro forma* after the Internalisation cents**	**% Change**
Earnings per Share	52.5	(84.6)	(32.1)	n/a
Headline earnings per Share	36.5	(82.6)	(46.1)	n/a
Recurring headline earnings per Share	42.4	2.9	45.3	6.8
Recurring headline earnings from investments per Share	54.0	(6.6)	47.4	(12.2)
Net asset value per Share	541.8	(65.2)	476.6	(12.0)
Net tangible asset value per Share	498.6	(59.9)	438.7	(12.0)
Free cash flow/dividend per Share	9.0	6.9	15.9	76.7

Notes and assumptions:

1 The figures included in the "*Audited*" column have been extracted, without adjustment, from Zeder's audited consolidated annual financial statements for the year ended 29 February 2016.

2 For purposes of determining the figures included in the "*Adjustment for the Internalisation*" column, the assumptions used in preparation of the *pro forma* financial effects were applied, as set out in **Annexure 1**.

3 Accounting standards require that the fair value of the Issue Shares be expensed through the income statement of the Zeder Group, since the Management Agreement held by Newco does not meet the requirements for recognition as an intangible asset in accordance with IAS 38 *Intangible Assets* by the Zeder Group. This non-recurring expense results in the significant once-off decrease in earnings per Share and headline earnings per Share. Furthermore, the above *pro forma* financial information does not present the future cost savings that the Zeder Group will enjoy following the Internalisation.

4 Headline earnings comprise recurring and non-recurring headline earnings. Recurring headline earnings is calculated on a see-through basis and include the sum of Zeder's effective interest in that of each of its underlying investments. The result is that investments which Zeder does not equity account or consolidate in terms of accounting standards, are included in the calculation of recurring headline earnings. Non-recurring headline earnings include the elimination of equity securities' see-through recurring headline earnings not equity accounted, its related net fair value gains/losses and investment income (as recognised in the income statement). Associates' and subsidiaries' once-off gains/losses are excluded from recurring headline earnings and included in non-recurring headline earnings.

11 **DIRECTORS**

11.1 **Interests of Directors**

11.1.1 *Directors' interests in Zeder Shares*

11.1.1.1 As at the Last Practicable Date, the following Directors held a beneficial or non-beneficial interest, whether directly or indirectly, in Zeder Shares –

Zeder Director	Beneficial		Non-beneficial	Total	
	Direct	Indirect	Indirect	Number	%
N Celliers	–	5 097 733	–	5 097 733	0.3
GD Eksteen	–	6 683 585	250 000	6 933 585	0.5
WL Greeff	–	80 000	–	80 000	–
AE Jacobs*	–	70 000	–	70 000	–
NS Mjoli-Mncube	48 983	–	–	48 983	–
JF Mouton	–	80 000	–	80 000	–
CA Otto	–	–	80 000	80 000	–
Total	**48 983**	**12 011 318**	**330 000**	**12 390 301**	**0.8**

* *Ceased to be a Director on 24 June 2016*

11.1.1.2 Save as set out below, the Directors had no dealings in Zeder Shares during the six-month period prior to the Last Practicable Date –

Name	Date	Nature of transaction	Nature of interest	Number of shares	Price (cents)
N Celliers	26/02/2016	Purchase[(1)]	Beneficial, indirect	337 838	333
N Celliers	26/02/2016	Purchase[(1)]	Beneficial, indirect	1 248 476	410
N Celliers	20/04/2016	Purchase[(1)]	Beneficial, indirect	437 743	257

(1) *Acquired pursuant to share options vesting.*

11.1.2 *Directors' interests in PSG Shares*

11.1.2.1 As at the Last Practicable Date, the following Directors held a beneficial or non-beneficial interest, whether directly or indirectly, in PSG Shares –

Zeder Director	Beneficial		Non-beneficial	Total	
	Direct	Indirect	Indirect	Number	%
N Celliers	–	30 050	–	30 050	–
GD Eksteen	–	20 000	–	20 000	–
WL Greeff	–	1 261 373	–	1 261 373	0.6
AE Jacobs*	–	–	15 000	15 000	–
NS Mjoli-Mncube	1 430	–	–	1 430	–
JF Mouton	–	50 446 482	–	50 446 482	23.3
PJ Mouton	54 148	5 358 820	–	5 412 968	2.5
CA Otto	108	–	3 434 621	3 434 729	1.6
Total	**55 686**	**57 116 725**	**3 449 621**	**60 622 032**	**28.0**

* *Ceased to be a Director on 24 June 2016*

11.1.2.2 Save as set out below, the Directors had no dealings in PSG Shares during the six-month period prior to the Last Practicable Date –

Name	Date	Nature of transaction	Nature of interest	Number of shares	Price (cents)
JF Mouton	26/02/2016	Purchase(1)	Non-beneficial, indirect(2)	50 488	3 961
JF Mouton	26/02/2016	Purchase(1)	Non-beneficial, indirect(2)	51 014	4 739
JF Mouton	26/02/2016	Purchase(1)	Non-beneficial, indirect(2)	42 791	6 150
JF Mouton	26/02/2016	Purchase(1)	Non-beneficial, indirect(2)	160 959	8 323
JF Mouton	17/05/2016	Purchase	Beneficial, indirect	20 921	17 968
JF Mouton	18/05/2016	Purchase	Beneficial, indirect	33 711	18 588
JF Mouton	18/05/2016	Purchase	Beneficial, indirect	12 968	18 191
JF Mouton	23/05/2016	Purchase	Beneficial, indirect	24 055	18 799
JF Mouton	24/05/2016	Purchase	Beneficial, indirect	63 080	19 171
JF Mouton	25/05/2016	Purchase	Beneficial, indirect	101 970	19 208
N Celliers	26/02/2016	Purchase(1)	Beneficial, indirect	7 913	4 739
N Celliers	26/02/2016	Purchase(1)	Beneficial, indirect	6 098	6 150
N Celliers	26/02/2016	Purchase(1)	Beneficial, indirect	2 028	8 323
PJ Mouton	26/02/2016	Purchase(1)	Beneficial, indirect	75 465	3 961
PJ Mouton	26/02/2016	Purchase(1)	Beneficial, indirect	28 211	4 739
PJ Mouton	26/02/2016	Purchase(1)	Beneficial, indirect	32 263	6 150
PJ Mouton	26/02/2016	Purchase(1)	Beneficial, indirect	165 471	8 323
PJ Mouton	31/05/2016	Purchase	Beneficial, indirect	2 150	18 879
WL Greeff	26/02/2016	Purchase(1)	Beneficial, indirect	61 296	3 961
WL Greeff	26/02/2016	Purchase(1)	Beneficial, indirect	22 680	4 739
WL Greeff	26/02/2016	Purchase(1)	Beneficial, indirect	26 045	6 150
WL Greeff	26/02/2016	Purchase(1)	Beneficial, indirect	150 357	8 323

Note:

1) *Acquired pursuant to share options vesting.*

2) *Interest has changed since the transaction date to beneficial, indirect.*

11.1.3 *Other interests*

11.1.3.1 Neither Zeder, nor any of its subsidiaries hold any PSG Shares or have dealt in PSG Shares during the six-month period prior to the Last Practicable Date.

11.1.3.2 Details regarding the interests of PSG Directors in PSG Shares appear in **Annexure 6** hereto.

11.2 **Remuneration of Directors**

There will be no variation in the remuneration payable to Directors as a consequence of the Internalisation or the Waiver of the Mandatory Offer.

11.3 **Directors' service contracts**

11.3.1 Service agreements have been concluded between the Manager and each of the executive Directors on terms and conditions that are standard for such appointments, with the duration of the executive Directors' employment being determined in such agreements and copies of such agreements being available for inspection in terms of paragraph 20 below. No such contracts have been entered into within the last six months before the Last Practical Date.

11.3.2 There are no service contracts between Zeder and any of its non-executive Directors. As at the date of this Circular, no further candidates have been nominated or proposed as Directors of Zeder. Accordingly, no service contracts with any proposed Directors have been entered into.

12 **FURTHER INFORMATION**

12.1 **Material changes**

There have been no material changes in the financial or trading position of the Company or its subsidiaries between 29 February 2016, being the most recent financial year-end of the Company, and the Last Practicable Date.

12.2 **Material contracts**

To the best of the Directors' belief the Zeder Group has not entered into, verbally or in writing, any restrictive funding arrangements or other material contracts other than in the ordinary course of business either –

12.2.1 within the last two years prior to the date of this Circular; or

12.2.2 at any time which contains an obligation or settlement that is material to the Zeder Group at the date of this Circular.

12.3 **Major shareholders**

12.3.1 As far as the Directors are aware, the following Shareholders (other than Directors), as at the Last Practicable Date, beneficially held, directly or indirectly, an interest of 5% or more of the issued share capital of Zeder –

Zeder Shareholder	**Number of Zeder Shares**	**% of Zeder issued share capital**
PSG Financial Services	525 718 298	34.5
Public Investment Corporation	141 467 176	9.3
Allan Gray	102 967 576	6.8
Total	**770 153 050**	**50.6**

12.3.2 The implementation in 2014 of a scheme of arrangement, involving the issue of Shares by Zeder to the remaining shareholders of Agri Voedsel Limited ("**AVL**") in exchange for all AVL shares held by them, resulted in PSG's shareholding in Zeder reducing from 42.9% to below 35% of Zeder's issued share capital, with the result that PSG ceased to be the controlling shareholder of Zeder for purposes of the JSE Listings Requirements. PSG currently holds approximately 34.5% of Zeder's issued share capital. Save for the aforesaid, there has been no change in controlling shareholder(s) or trading objects of Zeder or any of its subsidiaries (following their acquisition or incorporation by Zeder) in the last five years prior to the Last Practicable Date.

12.3.3 Details regarding dealings in Zeder Shares by the PSG Group during the six-month period prior to the Last Practicable Date, are set out in **Annexure 7**.

12.4 **Litigation statement**

There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened) in relation to the Zeder Group, of which the Directors are aware which may have, or have had, a material effect on the Zeder Group's financial position during the past 12 months preceding the date of this Circular.

13 **THE INDEPENDENT EXPERT REPORT**

13.1 The Independent Expert Report prepared in accordance with section 114(3) of the Companies Act and regulation 90 of the Companies Regulations, as well as in terms of the JSE Listings Requirements, is provided in **Annexure 3** to this Circular.

13.2 Having considered the terms and conditions of the Internalisation and the Waiver of the Mandatory Offer and based on the conditions set out in the Independent Expert Report, the Independent Expert has concluded that the terms and conditions of the Internalisation and the Waiver of the Mandatory Offer are both fair and reasonable to Shareholders, as each of these terms is defined in the Companies Regulations and in the JSE Listings Requirements.

14 **THE VIEWS OF THE INDEPENDENT BOARD**

14.1 In accordance with the Companies Regulations, the Board has appointed the Independent Board comprising GD Eksteen, ASM Karaan, NS Mjoli-Mncube and CA Otto. The Independent Board has appointed the Independent Expert to compile a report on the Internalisation and the Waiver of the Mandatory Offer.

14.2 The Independent Board, after due consideration of the Independent Expert Report, has determined that it will place reliance on the valuation performed by the Independent Expert for the purposes of reaching its own opinion regarding the Internalisation and the Waiver of the Mandatory Offer as contemplated in Companies Regulation 110(3)(b). The Independent Board has formed a view of the fair value range of Zeder Shares, which accords with the range contained in the Independent Expert's report, in considering its opinion and recommendation.

14.3 The Independent Board is not aware of any factors which are difficult to quantify or are unquantifiable (as contemplated in Companies Regulation 110(6)) and has not taken any such factors into account in forming its opinion.

14.4 The Independent Board, taking into account the report of the Independent Expert, has considered the terms and conditions of the Internalisation and the Waiver of the Mandatory Offer and the members of the Independent Board are unanimously of the opinion that the terms and conditions thereof are fair and reasonable to Shareholders and, accordingly, recommend that Shareholders vote in favour of the Acquisition and the Waiver of the Mandatory Offer at the General Meeting.

14.5 As at the Last Practicable Date, the Board has not received any offers, as defined in section 117(1)(f) of the Companies Act.

15 **INTENDED ACTION OF DIRECTORS**

All the Directors who own Zeder Shares and are eligible to vote in their own beneficial capacity intend to vote in favour of the Acquisition and the Waiver of the Mandatory Offer at the General Meeting.

16 **ADOPTION OF SHARE INCENTIVE SCHEME**

16.1 If approved by Shareholders at the General Meeting, the Share Incentive Scheme will have, as its main object and purpose, the incentivisation and retention of employees of the Zeder Group. The awarding, vesting and exercising of options in Shares will be regulated under the Zeder SIT Deed. Options will vest in four tranches on the second, third, fourth and fifth anniversaries of the option award date, with each tranche having to be exercised by the participant within a specified period thereafter, failing which such options will lapse.

16.2 The salient terms of the Share Incentive Scheme, as detailed in the Zeder SIT Deed, appear in **Annexure 5** to this Circular.

17 **EXPENSES**

The estimated costs of the Internalisation, including preparing and distributing this Circular, holding the General Meeting and implementing the Internalisation, including the fees payable to professional advisors, are approximately R2 379 552, excluding VAT (R2 713 000, including VAT), and comprise the following –

Expenses of Zeder	**R**
Sponsor and corporate advisor – PSG Capital	950 000
Lead independent sponsor – Questco	50 000
Independent Expert – Ernst & Young	250 000
Independent Reporting Accountant – PwC	112 000
JSE documentation fees	52 632
JSE listing fees	391 833
Printing and postage costs	175 000
Announcements and publication	65 000
TRP Fees	200 000
Contingency	133 087
Estimated total	**2 379 552**

18 **ADVISORS' CONSENTS**

The parties referred to in the "Corporate Information" section of this Circular have consented in writing to act in the capacities stated and to their names being stated in the Circular and, in the case of the Independent Reporting Accountants and the Independent Expert, have consented to the inclusion of their reports in the Circular and references to their reports in the form and context in which they appear, and have not withdrawn their consents prior to the publication of the Circular.

19 **DIRECTORS' RESPONSIBILITY STATEMENT**

19.1 **Responsibility statement of the Directors of the Company in terms of the JSE Listings Requirements**

The Directors of Zeder, whose names are listed in the "Corporate Information" section of this Circular, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by the JSE Listings Requirements.

19.2 **Responsibility statement of the Independent Board in terms of the Companies Regulations**

The Independent Board accepts responsibility for the information contained in this Circular which relates to Zeder and confirms that, to the best of its knowledge and belief, such information which relates to Zeder is true and the Circular does not omit anything likely to affect the importance of such information.

20 **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents, or copies thereof, will be available for inspection by Zeder Shareholders during normal business hours at the registered office of Zeder and at the offices of PSG Capital (the details of which appear in the "Corporate Information" section of this Circular) from 28 July 2016 until the date on which the General Meeting is held (both days inclusive) –

20.1 the memorandum of incorporation of Zeder and its major subsidiaries;

20.2 the audited annual financial statements of Zeder for the three financial years ended 28 February 2014, 28 February 2015 and 29 February 2016;

20.3 the report of the Independent Reporting Accountant on the *pro forma* financial information of Zeder, as reproduced in **Annexure 2**;

20.4 the Independent Expert Report, as reproduced in **Annexure 3**;

20.5 the consent letters referred to in this Circular;

20.6 the Management Agreement;

20.7 the Acquisition Agreement;

20.8 draft Zeder SIT Deed;

20.9 copies of service agreements with Directors;

20.10 TRP approval letter; and

20.11 a signed copy of this Circular.

SIGNED AT STELLENBOSCH ON 26 JULY 2016 ON BEHALF OF ALL THE DIRECTORS OF ZEDER INVESTMENTS LIMITED, AS LISTED BELOW, IN TERMS OF POWERS OF ATTORNEY SIGNED BY SUCH DIRECTORS

N CELLIERS
Chief Executive Officer

JF Mouton	PJ Mouton
N Celliers	CA Otto
WL Greeff	NS Mjoli-Mncube
GD Eksteen	ASM Karaan

SIGNED AT STELLENBOSCH ON 26 JULY 2016 ON BEHALF OF THE DIRECTORS OF THE INDEPENDENT BOARD IN TERMS OF POWERS OF ATTORNEY SIGNED BY SUCH INDEPENDENT DIRECTORS

GD EKSTEEN
Chairman of the Independent Board

CA Otto
NS Mjoli-Mncube
ASM Karaan
GD Eksteen

ANNEXURE 1 – *PRO FORMA* FINANCIAL INFORMATION OF ZEDER

The *pro forma* consolidated statement of financial position of Zeder as at 29 February 2016 and the *pro forma* consolidated financial results of Zeder for the year ended 29 February 2016 are set out below. The *pro forma* financial information has been prepared for illustrative purposes only to provide information on how the Internalisation might have impacted on the financial position, changes in equity and results of operations of Zeder. Due to its nature, the *pro forma* financial information may not fairly present Zeder's financial position, changes in equity, results of operations or cash flows after the implementation of the Internalisation. The *pro forma* financial information is presented in a manner that is consistent with the accounting policies of Zeder.

The *pro forma* financial information set out below, having been prepared in accordance with the South African Institute of Chartered Accountants' Guide on *Pro Forma* Financial Information, should be read in conjunction with the report of the Independent Reporting Accountants, which is included as **Annexure 2** to this Circular.

The directors of Zeder are responsible for the preparation of the *pro forma* financial information. The *pro forma* consolidated statement of financial position of Zeder has been prepared on the assumption that the Internalisation was effected on 29 February 2016, while the *pro forma* consolidated income statement and the *pro forma* consolidated statement of comprehensive income have been prepared on the assumption that the Internalisation was effected on 1 March 2015 (i.e. the beginning of the 29 February 2016 financial year).

***PRO FORMA* CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 29 FEBRUARY 2016**

	Zeder[1] R'000	Internalisation[2, 3, 4] R'000	***Pro forma* after[5] R'000**
ASSETS			
Non-current assets	9 180 814	–	**9 180 814**
Property, plant and equipment	1 561 748		**1 561 748**
Intangible assets	656 555		**656 555**
Biological assets (bearer plants)	278 636		**278 636**
Investment in ordinary shares of associates	6 455 232		**6 455 232**
Investment in ordinary shares of joint ventures	576		**576**
Equity securities	50 192		**50 192**
Loans and advances	64 673		**64 673**
Deferred income tax assets	69 862		**69 862**
Employee benefits	43 340		**43 340**
Current assets	3 722 544	(2 713)	**3 719 831**
Biological assets (agricultural produce)	126 940		**126 940**
Inventories	1 291 297		**1 291 297**
Debt securities	22 854		**22 854**
Trade and other receivables	1 575 351		**1 575 351**
Loans and advances	1 644		**1 644**
Derivative financial assets	42		**42**
Current income tax assets	20 138		**20 138**
Cash, money market investments and other cash equivalents	684 278	(2 713)	**681 565**
Total assets	12 903 358	(2 713)	**12 900 645**

	Zeder[1] R'000	Internali-sation[2, 3, 4] R'000	***Pro forma* after[5] R'000**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Stated capital	5 704 822	1 461 939	**7 166 761**
Other reserves	31 708		**31 708**
Retained earnings	2 514 064	(1 464 652)	**1 049 412**
	8 250 594	(2 713)	**8 247 881**
Non-controlling interests	441 833		**441 833**
Total equity	8 692 427	(2 713)	**8 689 714**
Non-current liabilities	1 473 877	–	**1 473 877**
Deferred income tax liabilities	101 664		**101 664**
Borrowings	1 165 916		**1 165 916**
Derivative financial liabilities	65 424		**65 424**
Employee benefits	140 873		**140 873**
Current liabilities	2 737 054	–	**2 737 054**
Borrowings	1 275 970		**1 275 970**
Trade and other payables	1 328 052		**1 328 052**
Current income tax liabilities	61 753		**61 753**
Employee benefits	71 279		**71 279**
Total liabilities	4 210 931	–	**4 210 931**
Total equity and liabilities	12 903 358	(2 713)	**12 900 645**
Number of Shares in issue ('000)	1 522 853	207 662	**1 730 515**
Net asset value per Share (cents)	541.8	(65.2)	**476.6**
Net tangible asset value per Share (cents)	498.6	(59.9)	**438.7**

Notes and assumptions:

1. Extracted, without adjustment, from the audited consolidated financial statements of Zeder for the year ended 29 February 2016, as set out in **Annexure 4** to this Circular.
2. The decrease in cash and cash equivalents represents payment of the expected transaction costs of R2 713 000 (inclusive of value added tax).
3. The increase in stated capital represents the issue of the Issue Shares to PSG Corporate Services in exchange for its shareholding in Newco (a newly incorporated shelf company that has not previously traded and which has, and will have, no assets or liabilities prior to the implementation of the Internalisation), which holds the rights to the Management Agreement. The transaction is accounted for at a value of R1 461 939 000, which is calculated by multiplying the Issue Shares with their market value of R7.04 per share, being Zeder's JSE-listed share price at the Last Practicable Date. The Management Agreement held by Newco does not meet the requirements for recognition as an asset by the Zeder Group, and is therefore expensed through the income statement as a non-recurring headline item.
4. The decrease in retained earnings of R1 464 652 000 represents the aforementioned once-off management agreement acquisition expense of R1 461 939 000 incurred by Zeder through the issue of the Issue Shares to PSG Corporate Services, plus expected transaction costs of R2 713 000 (inclusive of value added tax).
5. Represents the *pro forma* financial results after incorporating the adjustments set out above.

***PRO FORMA* CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2016**

	Zeder[1] R'000	Internalisation[2, 3, 4, 5] R'000	***Pro forma* after[6, 7] R'000**
Revenue	9 317 747		**9 317 747**
Cost of sales	(7 758 904)		**(7 758 904)**
Gross profit	1 558 843	–	**1 558 843**
Income			
Change in fair value of biological assets	243 556		**243 556**
Investment income	46 803	6 470	**53 273**
Net fair value losses	(53 246)		**(53 246)**
Other operating income	51 097		**51 097**
Total income	288 210	6 470	**294 680**
Expenses			
Management fees	(154 643)	154 643	**–**
Once-off management agreement acquisition expense		(1 464 652)	**(1 464 652)**
Marketing, administration and other expenses	(1 429 812)	(21 500)	**(1 451 312)**
Total expenses	(1 584 455)	(1 331 509)	**(2 915 964)**
Net income from associates and joint ventures			
Share of profits of associates and joint ventures	569 411		**569 411**
Net profit on dilution of interest in associate	258 298		**258 298**
Net income from associates and joint ventures	827 709	–	**827 709**
Profit/(loss) before finance costs and taxation	1 090 307	(1 325 039)	**(234 732)**
Finance costs	(180 123)		**(180 123)**
Profit/(loss) before taxation	910 184	(1 325 039)	**(414 855)**
Taxation	(122 103)	(1 812)	**(123 915)**
Profit/(loss) for the year	788 081	(1 326 851)	**(538 770)**
Attributable to:			
Owners of the parent	781 909	(1 326 851)	**(544 942)**
Non-controlling interests	6 172		**6 172**
	788 081	(1 326 851)	**(538 770)**
Reconciliation to headline and recurring headline earnings:			
Profit/(loss) attributable to owners of the parent	781 909	(1 326 851)	**(544 942)**
Non-headline items	(237 404)		**(237 404)**
Headline earnings/(loss)	544 505	(1 326 851)	**(782 346)**
Non-recurring headline items	87 280	1 464 652	**1 551 932**
Recurring headline earnings	631 785	137 801	**769 586**
Management fees	154 643	(154 643)	**–**
Net interest, taxation and other income and expenses	18 219	16 842	**35 061**
Recurring headline earnings from investments	804 647	–	**804 647**
Weighted average number of Shares in issue ('000)			
Basic	1 490 428	207 662	**1 698 090**
Diluted	1 490 428	207 662	**1 698 090**
Earnings/(loss) per Share (cents)			
Attributable – basic	52.5	(84.6)	**(32.1)**
Attributable – diluted	49.4	(84.2)	**(34.8)**
Headline – basic	36.5	(82.6)	**(46.1)**
Headline – diluted	33.8	(82.3)	**(48.5)**
Recurring headline	42.4	2.9	**45.3**
Recurring headline from investments	54.0	(6.6)	**47.4**
Free cash flow/dividend per Share (cents)	9.0	6.9	**15.9**

Notes and assumptions:

1 Extracted, without adjustment, from the audited consolidated financial statements of Zeder for the year ended 29 February 2016, as set out in **Annexure 4** to this Circular.

2 The increase of R6 470 000 in investment income relates to additional interest income being earned as a result of the existing management fee no longer being payable, being partially offset by the additional R21 500 000 marketing, administration and other expenses set out below now being payable by Zeder in respect of the financial year ended 29 February 2016. The additional interest income was calculated using an interest rate of 6% per annum, based on indicative average money market interest rates achieved by the Zeder Group.

3 The decrease of R154 643 000 in management fees is as a result of the management fee no longer being payable to PSG Corporate Services following the Internalisation.

4 The once-off management agreement acquisition expense relates to the issue of 207 661 758 Zeder Shares to PSG Corporate Services in exchange for its rights to the Management Agreement. The transaction is accounted for at a value of R1 461 939 000, which is calculated by multiplying the Consideration Shares with their market value of R7.04 per share, being the JSE-listed share price at the Last Practicable Date, plus expected transaction costs of R2 713 000 (inclusive of value added tax).

5 The increase of R21 500 000 in marketing, administration and other expenses (which includes the R5 000 000 annual management fee payable to PSG Corporate Services after the Internalisation) is as a result of Newco, forming part of the Zeder Group, carrying all operating and employment costs associated with investment, administrative, advisory, financial and corporate services following the Internalisation. Currently these costs are carried by PSG Corporate Services in terms of the Management Agreement. Any intergroup charges between Newco and other entities within the Zeder Group have been eliminated in full.

6 Represents the *pro forma* financial results after incorporating the adjustments set out above.

7 All adjustments, except for the once-off management agreement acquisition expense, are expected to have a continuing effect on the income statement.

PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 29 FEBRUARY 2016

	Zeder [1] R'000	Internali-sation[2] R'000	***Pro forma* after[3,4]** **R'000**
Profit/(loss) for the year	788 081	(1 326 851)	**(538 770)**
Other comprehensive loss for the year, net of taxation	(131 699)	–	**(131 699)**
Items that may be reclassified to profit or loss			
Currency translation adjustments	(130 723)		**(130 723)**
Share of other comprehensive loss of associates	(7 553)		**(7 553)**
Cash flow hedges	(2 637)		**(2 637)**
Items that may not be reclassified to profit or loss			
Gains from changes in financial and demographic assumptions of post-employment benefit obligations	9 214		**9 214**
Total comprehensive income/(loss) for the year	656 382	(1 326 851)	**(670 469)**
Attributable to:			
Owners of the parent	765 138	(1 326 851)	**(561 713)**
Non-controlling interests	(108 756)		**(108 756)**
	656 382	(1 326 851)	**(670 469)**

Notes and assumptions:

1 Extracted, without adjustment, from the audited consolidated financial statements of Zeder for the year ended 29 February 2016, as set out in **Annexure 4** to this Circular.

2 The decrease of R1 326 851 000 in profit for the year and total comprehensive income for the year represents the Internalisation transaction effects set out in the *pro forma* consolidated income statement.

3 Represents the *pro forma* financial results after incorporating the adjustments set out above.

4 All adjustments, except for the once-off management agreement acquisition expense set out in the *pro forma* consolidated income statement, are expected to have a continuing effect on the consolidated statement of comprehensive income.

ANNEXURE 2 – INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF ZEDER

The Board of Directors
Zeder Investments Limited
PO Box 7403
Stellenbosch
7599

Independent reporting accountant's assurance report on the compilation of *pro forma* financial information of Zeder Investments Limited

INTRODUCTION

Zeder Investments Limited ("Zeder" or "the Company") is issuing a circular to its shareholders ("the Circular") regarding the internalisation of the management fee of Zeder Investments Limited ("Internalisation").

At your request and for the purposes of the Circular to be dated on or about 28 July 2016, we present our assurance report on the compilation of the *pro forma* financial information of Zeder by the directors. The *pro forma* financial information, presented in paragraph 10.4 and Annexure 1 to the Circular, consists of the *pro forma* consolidated statement of financial position as at 29 February 2016, the *pro forma* consolidated income statement and the *pro forma* consolidated statement of comprehensive income for the year ended 29 February 2016 and the *pro forma* financial effects ("the *Pro Forma* Financial Information"). The *Pro Forma* Financial Information has been prepared on the basis of the applicable criteria specified in the JSE Limited ("JSE") Listings Requirements and the requirements of Regulation 106(6)(d)(ii) of the Companies Act 71 of 2008 ("the Companies Act").

The *Pro Forma* Financial Information has been compiled by the directors to illustrate the impact of the Internalisation on the Company's reported financial position as at 29 February 2016, and the Company's financial performance for the period then ended, as if the Internalisation had taken place at 29 February 2016 and 1 March 2015, respectively. As part of this process, information about the Company's financial position and financial performance has been extracted by the directors from the Company's financial statements for the year ended 29 February 2016, on which an audit report has been published.

DIRECTORS' RESPONSIBILITY

The directors of Zeder are responsible for the compilation, contents and presentation of the *Pro Forma* Financial Information on the basis of the applicable criteria specified in the JSE Listings Requirements and the Companies Act and described in paragraph 10.4 and Annexure 1. The directors of Zeder are also responsible for the financial information from which it has been prepared.

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B).

The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

REPORTING ACCOUNTANT'S RESPONSIBILITY

Our responsibility is to express a reasonable assurance opinion about whether the *Pro Forma* Financial Information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements and in Annexure 1 of the Circular based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a Prospectus. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements and in Annexure 1 of the Circular.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *Pro Forma* Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *Pro Forma* Financial Information.

As the purpose of *Pro Forma* Financial Information included in a Circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *Pro Forma* Financial Information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *Pro Forma* Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *Pro Forma* Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro Forma* Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 10.4 and Annexure 1 of the Circular.

PricewaterhouseCoopers Inc.
Director: D de Jager
Registered Auditor
Stellenbosch
Date: 22 July 2016

ANNEXURE 3 – INDEPENDENT EXPERT REPORT

The Independent Board of Directors
Zeder Investments Limited ("**Zeder**")
1st Floor, Ou Kollege Building
35 Kerk Street
Stellenbosch
7600

22 July 2016

Dear Sirs

Independent Expert Opinion on the Internalisation of the Management Agreement by Zeder Investments Limited (Zeder) by way of an acquisition and share issue.

Introduction

Zeder and PSG Group Limited (PSG), through its wholly-owned subsidiary PSG Corporate Services, have agreed that the existing Management Agreement and function in terms of which PSG Corporate Services provides investment, management, financial and other services to Zeder and its subsidiaries, be internalised by Zeder against the issue of the Issue Shares to PSG Corporate Services.

PSG holds approximately 34.5% of the issued shares of Zeder. The Acquisition constitutes a category 2 related party transaction in terms of the JSE Listings Requirements, as PSG Corporate Services' direct holding company, PSG Financial Services, holds more than 10% of Zeder's issued share capital. Accordingly, the Acquisition requires the approval of Zeder Shareholders by way of an ordinary resolution in terms of the JSE Listings Requirements.

It is proposed that PSG Corporate Services will receive 207 661 758 new Zeder shares ("**Issue Shares**") in exchange for the acquired rights ("**Share Issue**").

Furthermore, as PSG's shareholding in Zeder will increase to 42.4% (above 35%), should the Management Agreement be internalised as set out above, PSG will be required to make a mandatory offer to the remaining Zeder shareholders, unless such mandatory offer is waived in accordance with regulation 86(4) of the Companies Regulations. Section 86(7) of the Companies Regulations states that a waiver requires that a fair and reasonable be included in the circular to shareholders.

Save where the context indicates otherwise, terms appearing in title case in this letter and that are not otherwise defined herein, shall bear the meanings assigned to those terms in the circular to be distributed to Zeder shareholders on or about 28 July 2016, to which this letter will be annexed as an annexure ("**Circular**").

The abovementioned Acquisition, Share Issue and waiver of mandatory offer are collectively referred to herein as the "**Proposed Transaction**".

Executive Summary

Fairness and Reasonableness

Refer below to the results of our valuation procedures performed:

Currency: R	Notes	**Amount**
Fair value per share	1	6.68
30-day volume weighted average price ("**VWAP**") (trade days) from 05/07/2016		6.66
Share issue (number of shares)		207.66m
Value of PSG's rights in the Management Agreement	2	1 453m
Share issue at fair value	3	1 386m
Share issue at VWAP	4	1 383m

1. The fair value per share has been calculated using a sum-of-the-parts discounted cash flow methodology, adjusted for head-office net assets, minority discounts (where applicable), the capital gains tax impact of exiting investments and the estimated management fee liability.
2. The Value of PSG's rights in the Management Agreement ("PSG's rights") was determined by discounting forecasted management fees, excluding future performance fees, and then deducting the costs associated with providing managerial services. We have therefore based this value on the base management fee per the Management Agreement, including any performance fee accrued to PSG up to the valuation date. This calculation therefore implies that there will be zero performance fees in the future. Note that we have been consistently conservative in our estimate of the fair value per share and the value of PSG's rights.
3. The Share Issue at fair value amount is less than the value of PSG's rights. While the margin is quite narrow, we note that the value of PSG's rights incorporates no future performance fee and as a result is very conservative.
4. The Share Issue at VWAP amount is less than the value of PSG's rights. While the margin is quite narrow, we note that the value of PSG's rights incorporates no future performance fee and as a result is very conservative.

Furthermore, the following qualitative factors should be considered:

- Should the Management Agreement be internalised, Zeder will be able to retain significantly more future cash flows. This greater future capital base will improve Zeder's ability to deploy capital into investments;
- An increase in profitability, due to the internalisation of the Management Agreement, could result in an improved rating from analysts and creditors alike;

- The transaction will transfer the day-to-day management of Zeder from the PSG management team, with PSG currently holding 34.5% of Zeder, to a team that will be fully in control of Zeder. This will provide the minorities with more influence over day-to-day management decisions;
- The Internalisation of the Management Agreement would provide Zeder with more certainty with regards to future cash flow and thereby enable improved business planning; and
- We have not incorporated the impact of performance fees in our valuation of the Management Agreement, which could have a significant impact on value, if performance above the benchmark is expected or required.

Scenario analysis: Potential future performance fees

The analysis below illustrates to shareholders the potential future performance fees which a shareholder could incur over a five-year holding period, under certain capital growth assumptions. *Note that these potential future performance fees have not been included in our valuation of PSG's rights in the Management Agreement.* The performance fee is primarily dependent on the yield on the GOVI, which determines the hurdle, and the capital growth of the share. We have provided a scenario analysis showing the potential performance fee, at various levels of capital growth, on a five-year holding period. We have assumed that the yield on the GOVI will remain constant. Note that we have not incorporated these performance fees into our valuation of the Management Agreement.

Capital growth rate	**FY17**	**FY18**	**FY19**	**FY20**	**FY21**	**Performance fee shortfall**	**Total**	**NPV at 15.5%**	**NPV per share**
13.0%	3.9	175.5	4.3	0.8	1.0	–	185.4	138.6	0.09
14.0%	4.3	177.3	67.9	29.6	33.7	–	312.8	213.7	0.14
15.0%	4.8	179.1	132.5	59.7	68.6	–	444.7	291.3	0.19
16.0%	5.3	181.0	198.1	91.1	105.7	–	581.1	371.4	0.24
17.0%	5.7	182.9	213.9	181.2	145.0	–	728.8	453.3	0.30
18.0%	6.2	184.7	218.0	257.2	220.6	–	886.7	537.2	0.35
19.0%	6.7	186.6	222.0	264.2	379.4	65.0	1 124.0	622.8	0.41
20.0%	7.1	188.5	226.2	271.4	543.5	217.8	1 454.5	711.2	0.47

The figures should be interpreted in the following manner:

- Zeder, or an investor,
- With a five year time horizon,
- Anticipating or requiring capital gains of 18.0% in the Zeder share,
- Could expect to incur cumulative fees, including a performance fee shortfall of approximately R886.7m,
- Which, at a discount rate of approximately 15.5%,
- Amounts to a net present value ("**NPV**") of approximately R537.2m or approximately R0.35 per share.

Under these assumptions, these figures could be considered as the potential cost savings to a shareholder, should the Management Agreement be internalised.

Conclusion

Based on the results of our procedures performed, our detailed valuation work and other considerations, subject to the foregoing and following assumptions, we are of the opinion that the Proposed Transaction is fair and reasonable to Zeder shareholders.

Scope

The Acquisition constitutes a category 2 related party transaction in terms of the JSE Listings Requirements and as such an Independent Expert's opinion is required to be obtained by the Independent Board.

Furthermore, as PSG's shareholding in Zeder is envisaged to increase above 35%, PSG is required to make a mandatory offer to the shareholders of Zeder, unless the mandatory offer is waived in accordance with regulation 86(4) of the Companies Regulations. Section 86(7) of the Companies Regulations states that a waiver requires that a fair and reasonable be included in the Circular.

Ernst & Young Advisory Services Proprietary Limited ("EY") has been appointed by the Independent Board as the Independent Expert to advise on whether the terms and conditions of the Proposed Transaction are fair and reasonable to the shareholders of Zeder.

Responsibility

The compliance with the Companies Act is the responsibility of the Independent Board. Our responsibility is to report on the terms and conditions of the Proposed Transaction in compliance with the related provisions of the Companies Act as well as the JSE Listing Requirements.

We confirm that our fair and reasonable opinion has been provided to the Independent Board for the sole purpose of assisting them in forming and expressing an opinion for the benefit of Zeder shareholders.

Definition of the terms "fair" and "reasonable"

The Proposed Transaction would be considered fair if the fair value of the rights received exceeded the fair value of the Issue Shares.

The Proposed Transaction would be considered reasonable if the fair value of the rights received exceeded the market capitalisation of the Issue Shares on an appropriate date or weighted over an appropriate date range. In addition, relevant qualitative factors must be taken into consideration when determining reasonableness.

Our approach in considering the Proposed Transaction

In considering the Proposed Transaction, we have independently calculated the fair value of the shares of Zeder and the value of PSG Corporate Service's rights in the Management Agreement.

Information utilised

In the course of our analysis, we relied upon financial and other information, including prospective financial information, obtained from Zeder (including its underlying investments) and Zeder's management team, together with industry-related and other information in the public domain. Our conclusion is dependent on such information being complete and accurate in all material respects.

The principal sources of information used in formulating our opinion regarding the terms and conditions of the Proposed Transaction include:

- The terms of the Management Agreement;
- The historical management fee payable to PSG Corporate Services;
- Zeder's draft circular to shareholders dated 17 June 2016;
- Representations and assumptions made available by, and discussions held with, the management of Zeder (that include the relevant underlying investments);
- S&P Capital IQ;
- Published market data on Zeder (including its underlying investments);
- Audited annual financial statements of Zeder, Pioneer Food Group Limited ("**Pioneer**"), Kaap Agri Limited ("**Kaap Agri**") and Quantum Foods Holdings Limited ("**Quantum Foods**")
- Audited and unaudited financial statements/management accounts of Capespan Group Limited, ("**Capespan**") ZAAD Holdings Limited ("**ZAAD**") and Agrivision Africa ("**Agrivision**") and
- Management forecasts for Capespan, ZAAD and Agrivision.

Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether in writing or obtained through discussions with the respective management teams.

Procedures performed

In arriving at our opinion we have undertaken the following procedures in evaluating the fairness and reasonableness of the Proposed Transaction:

- Supplemented our knowledge and understanding of Zeder as well as the industries in which it operates.
- Held discussions with management on the prospects of the underlying investments/divisions/assets within Zeder.
- Reviewed and analysed the historical financial information of Zeder (including its underlying investments).
- For the underlying investments in Zeder, ZAAD and Agrivision, we assessed the budgets/forecasts as prepared by the relevant management team and challenged certain assumptions. In the case of Zeder's investment in Pioneer, Kaap Agri and Quantum Foods, we were not provided with any budget/forecasts as prepared by its management team. We reviewed and analysed publicly available company information, multiples, analyst reports and market multiples of comparable companies.
- Prepared a sum-of-the-parts valuation of Zeder from the underlying discounted cash flow and market multiple valuations.
- Corroborated the above values using market multiples of comparable companies. Corroborated the value of Zeder's investment in Pioneer and Quantum Foods based on a 90 day VWAP.
- Used the price of recent transactions where applicable.
- Reviewed Zeder's historic traded share prices and trading volumes.
- Examined the Circular to shareholders and considered the terms and conditions contained in the Circular, as well as the commercial issues relating to the Proposed Transaction.
- Examined the terms of the Management Agreement.
- Performed an independent valuation of the rights held by PSG Corporate services in the Management Agreement using various methods.
- Considered any other/qualitative aspects which we believe are of importance.
- Determined the fairness and the reasonableness of the transaction.

We have not interviewed any of the shareholders of Zeder to obtain their views on the Proposed Transaction.

Based on the results of the procedures mentioned above, we determined the fairness and reasonableness of the Proposed Transaction to Zeder shareholders. We believe that the above considerations justify the conclusion outlined below.

We have further assumed that, as at the Last Practicable Date:

- Zeder is not involved in any legal proceedings that would have a material adverse effect on its share value.
- Zeder (including its underlying investments) has no material outstanding disputes with the South African Revenue Service.
- There are no other contingencies that could affect the value of Zeder's shares.

Background

Zeder

Zeder is a diversified agricultural investment holding company. Zeder came into existence as the brainchild of PSG Group's leadership team. From as early as 2004, the board of PSG, sought a vehicle through which to consolidate its diverse holdings in the broad agribusiness industry. Thus, Zeder Investments came into being and listed on the JSE in 2006, with a colourful basket of holdings in agribusinesses across Southern Africa. Historically, Zeder's strategy was to take non-controlling interests in a wide spectrum of agribusiness investments. PSG Group is a major shareholder of Zeder and is responsible for the management of the company.

Management Agreement

A Management Agreement exists between entities within PSG and Zeder whereby PSG renders management services to Zeder in exchange for a management fee. The management fee consists of a base fee and a performance fee.

The base fee is calculated at 1.5% of the average market capitalisation of Zeder over the previous financial year. The performance management fee is calculated at the end of each financial year as 20% per annum of the company's share price outperformance from the starting hurdle of the GOVI-index (comprising the most liquid government bonds, being the government bonds within the top 10 of the All Bond Index) yield plus 4%, adjusted for dividends.

The total performance management fee may not exceed two times the base fee. If, save for the cap, the performance fee would have exceeded the base fee, the excess performance fee is carried forward to the following financial year, by adjusting the starting hurdle share price of the following year accordingly.

Valuation

Zeder

We valued Zeder on the sum-of-the parts basis as follows:

- For the underlying investments in Zeder we performed discounted cash flow valuations;
- Corroborated the above values using market multiples of comparable companies and VWAPs/share prices of the relevant entities;
- Adjusted for any assets and liabilities at a head-office level;
- Incorporated an appropriate minority discount relating to Zeder's calculated equity value; and
- Deducted the value of the Management Agreement and any estimated deferred tax liabilities.

The key external value drivers of Zeder (including its underlying investments) include the following:

- Commodity prices such as maize, wheat and soya;
- Weather conditions;
- Consumer behaviour; and
- Global exchange rates.

The key internal value drivers of Zeder (including its underlying investments) include the following:

- The margins earned on products and services rendered;
- Working capital management;
- Required capital expenditure to support current and future capacity;
- The level of financial leverage and finance costs;
- The level of retained capital;
- Managing relationships with stakeholders such as suppliers, customers and shareholders;
- The extent and resilience of its capital base in order to sustain adverse weather and general market conditions;
- Pricing of its products to ensure profitability of various product lines; and
- Forecasting of future agricultural commodity prices to ensure profitability.

The valuation was performed taking cognisance of risk, cyclicality and other market and industry factors affecting Zeder (including its underlying investments). Additionally, sensitivity analyses were performed considering key assumptions. Prevailing market and industry conditions were also considered in assessing the risk profile of Zeder (including its underlying investments).

We performed sensitivities on variables such as gross margins, sales growth (including commodity prices), inflation and discount rates in order to establish critical variables. These critical variables were then further analysed and interrogated as shown below.

- Sales growth: A 1.5% increase/(1.5% decrease) in the revenue growth rate resulted in a 15.1% increase/(14.3% decrease) in value.
- Gross margin: A 1.0% increase/(1.0% decrease) in the gross margin resulted in a 7.5% increase/(7.5% decrease) in value.
- Inflation: A 1.0% increase/(1.0% decrease) in expense inflation resulted in a 5.5% decrease/(5.3% increase) in value.
- Discount rate: A 0.5% increase/(0.5% decrease) in the discount rate resulted in a 7.2% decrease/(8.3% increase) in value.

Below is a discussion of our critical discounted cash flow valuation assumptions. Note that several valuations were performed on the various investee companies:

- Growth rates: Terminal value growth rates of between 2.5% and 4.0% for the various investee companies (weighted average terminal growth rate of approximately 3.5%);
- Discount rates: Estimated discount rates between 11.5% and 16.0% (weighted average discount rate of approximately 15.5%), depending on the implied risks within the cash flow forecasts, calculated according to the capital asset pricing model;
- Explicit period growth rates and profitability ratios were estimated based on company and industry prospects as well as historical averages;
- Working capital ratios: Forecasted working capital ratios were determined and analysed against historical and industry averages;
- Capital expenditure: Forecasted capital expenditure was determined and analysed based on historical averages and growth forecasts;
- Financial leverage: Forecasted financial leverage ratios were determined based on historical averages, industry averages and targeted ratios.
- Minority discounts: A minority discount of 17.5% was applied to valuations performed on a majority basis;
- Deferred tax: We estimated deferred tax liabilities on investments based on publically available information; and
- Corroborative valuation methods were used to determine the reasonableness of the discounted cash flow values.

Rights in the Management Agreement

We have valued the rights held by PSG Corporate Services in the Management Agreement using discounted cash flow and multiple methodologies.

Below is a summary of our critical valuation assumptions applied:

- The valuation of the rights in the management agreement consisted of two components;
  - "Value of management fees" was estimated by discounting forecasted management fees, excluding future performance fees. Inflationary share price growth of 5.5% from VWAP price onwards was assumed.
  - "Cost of management services liability" was estimated by discounting forecasted PSG management costs incurred to service the Management Agreement. Inflationary growth of 5.5% was assumed.
  - The net balance is our estimate of PSG's rights in the Management Agreement.
- Estimated discount rates based on the capital asset pricing model.

Shareholder rights

There would be no material change in the rights of the Zeder shareholders as a result of the Proposed Transaction. We understand that as a condition precedent to the Proposed Transaction the shareholders are required to waive their rights relating to a mandatory offer.

Opinion

Fairness

In undertaking the valuation exercise above, we determined by way of a conservative approach, a fair value of Zeder of R6.68 per ordinary share. Based on the number of shares to be issued, this amounts to a consideration of R1 386m in exchange for PSG Corporate Services rights in the Management Agreement. We determined a value of R1 453m for PSG Corporate Services's rights in the Management Agreement, excluding any future potential performance fees. The value of the rights compare favourably (are in excess) to the value of the Issue Shares.

Reasonableness

On 5 July 2016, the 30-day volume weighted average share price of Zeder amounted to R6.66 per share, valuing the Issue Shares at R1 383m. Our value for the rights amounts to at least R1 453m which is in excess of the fair value of the Issue Shares, excluding any future potential performance fees. Given that the value received in terms of the Proposed Transaction is above the regulated price of the shares at the time the Proposed Transaction was announced and no restrictions are placed on the Zeder shareholders, we consider the Proposed Transaction to be reasonable.

Furthermore, the following qualitative factors have been considered:

- Should the Management Agreement be internalised, Zeder will be able to retain significantly more future cash flows. This greater future capital base will improve Zeder's ability to deploy capital into investments;
- An increase in profitability, due to the internalisation of the Management Agreement, could result in an improved rating from analysts and creditors alike;
- The Proposed Transaction will transfer the day-to-day management of Zeder from the PSG management team, with PSG currently holding 34.5% of Zeder, to a team that will be fully controlled by Zeder. This will provide the minorities with more influence over day-to-day management decisions;
- The Internalisation of the Management Agreement would provide Zeder with more certainty with regards to future cash flow and thereby enable improved business planning; and
- We have not quantified the impact of performance fees in our valuation of the Management Agreement, which could have a significant impact on value, if performance above the benchmark is expected or required.

These qualitative factors enhance the reasonableness of the Proposed Transaction.

Conclusion

Based on the results of our procedures performed, our detailed valuation work and other considerations, subject to the foregoing assumptions, we are of the opinion that the Proposed Transaction is fair and reasonable to Zeder shareholders.

Limiting conditions

The valuation above is provided solely in respect of this Independent Expert opinion and should not be used for any other purposes.

Our opinion is necessarily based upon the information available to us up to 7 July 2016, including in respect of the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory, other approvals and consents required in connection with the Proposed Transaction have been or will be timeously fulfilled and/or obtained. Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

This opinion does not purport to cater for each individual shareholder's circumstances and/or risk profile, but rather that of the general body of shareholders taken as a whole. Each shareholder's decision will be influenced by such shareholder's particular circumstances and, accordingly, shareholders should consult with an independent adviser if they are in any doubt as to the merits or otherwise of the Proposed Transaction.

We have relied upon the accuracy of the information used by us in deriving our opinion albeit that, where practicable, we have corroborated the reasonableness of such information through, amongst other things, reference to work performed by independent third party/ies, historic precedent or our own knowledge and understanding. While our work has involved an analysis of the annual financial statements and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy of any information provided to us in respect of Zeder (including its underlying investments) or the Management Agreement.

Forecasts relate to uncertain future events and are based on assumptions, which may not remain valid for the whole of the forecast period. Consequently, forecast financial information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting purposes. We express no opinion as to how closely actual results will correspond to projections made by the management of Zeder (including its underlying investments) and made available to us during the course of our review.

Independence, competence and fees

We confirm that we have no direct or indirect interest in Zeder or PSG (including underlying investments) shares or the Proposed Transaction. We also confirm that we have the necessary qualifications and competence to provide the independent opinion on the Proposed Transaction.

Our fees amount to R250 000 excluding VAT and disbursements. Furthermore, we confirm that our professional fees are not contingent upon the success of the Proposed Transaction.

Consent

We consent to the inclusion of this letter and the reference to our opinion in the Circular to be issued to the shareholders of Zeder in the form and context in which it appears and in any required regulatory announcement or documentation.

Yours faithfully

Hannes Boshoff
Director
Ernst & Young Advisory Services Proprietary Limited

ANNEXURE 4 – HISTORICAL FINANCIAL INFORMATION OF ZEDER

EXTRACTS OF PUBLISHED THREE-YEAR AUDITED HISTORICAL FINANCIAL INFORMATION OF ZEDER

BASIS OF PREPARATION

The consolidated and standalone statements of financial position, statements of comprehensive income, statements of changes in equity, cash flow statements and notes thereto of Zeder Investments Ltd ("Zeder") for the financial years ended 28 February 2014, 28 February 2015 and 29 February 2016, have been extracted and compiled from the audited consolidated and standalone annual financial statements of Zeder, which are available on Zeder's website. Aforementioned annual financial statements were compiled under the supervision of the group financial director, Mr WL Greeff, CA(SA), and were approved by the Zeder Directors on 7 April 2014, 8 April 2015 and 11 April 2016, respectively. The preparation of this Annexure is the responsibility of the Zeder Directors.

The historical financial information of Zeder has previously been audited by PwC and reported on without qualification for all of the aforementioned financial periods.

NATURE OF BUSINESS

Zeder is an investor in the broad agribusiness industry with a specific focus on the food and beverage sectors. The activities of the Zeder group of companies are set out in detail in the review of operations section of Zeder's annual reports, being available at www.zeder.co.za or may be requested and obtained in person, at no charge, at the registered office of Zeder during office hours.

OPERATING RESULTS

The operating results and state of affairs of the company and group are set out in the attached income statements and statements of financial position, comprehensive income, changes in equity and cash flows, as well as the segment report and the notes to the aforementioned.

Earnings performance

- Recurring headline earnings per share increased by 20% to 42.4 cents (2015: 35.3 cents) (2014: 30.6 cents) due to improved earnings contributions from the majority of Zeder's underlying investments.
- Headline earnings per share increased by 66% to 36.5 cents (2015: 22.0 cents) (2014: 26.6 cents) as a result of the aforesaid and no performance fee being payable in respect of the year under review.
- Profit for the year amounted to R788.1m (2015: R283.7m) (2014: 356.5m), while earnings attributable to equity holders of the group amounted to R781.9m (2015: R241.8m) (2014: 306.8m).

Sum-of-the-Parts ("SOTP")

- Zeder's SOTP value per share, calculated using the quoted market prices for all JSE-listed investments, and market-related valuations for unlisted investments, decreased by 13% during the reporting period to R8.03 (2015: R9.18) (2014: R5.26) as at 29 February 2016 following predominantly a 21% decline in Pioneer Foods' share price.
- At the close of business on Thursday, 31 March 2016, Zeder's SOTP value per share was R8.37.

Corporate actions

- During the year under review, Zeder made an offer to acquire all the shares in Capespan Group Ltd ("Capespan") not already held by Zeder or Capespan management, whereby Capespan shareholders were offered 85 Zeder shares for every 100 Capespan shares held. This transaction was approved by Capespan shareholders on 24 June 2015 and implemented on 27 July 2015. Following completion of same, Zeder now owns an interest of 96.6% in Capespan. As purchase consideration, 69 557 939 Zeder shares were issued to Capespan shareholders.
- Furthermore, the group invested R143.1m in cash in Zaad Holdings Ltd and Agrivision Africa, both companies forming part of Zeder's existing core investments.
- In addition Zeder issued 4 433 103 ordinary shares to acquire an additional 1.5% interest in Kaap Agri Ltd and 5 017 863 ordinary shares to acquire a 19.4% interest in Gebroeders Bakker Zaadteelt en Zaadhander B.V. ("Bakker"). Subsequently, the company swapped the Bakker shares for a 0.3% additional interest in Zaad Holdings Ltd.

HISTORICAL FINANCIAL INFORMATION

No material change in the nature of the business of Zeder and its subsidiaries occurred, and no material fact or circumstance has occurred between the end of the latest financial year of Zeder and the date of this Prospectus, in so far as not already dealt with in historical financial information outlined in this Annexure.

STATEMENTS OF FINANCIAL POSITION AS AT 29 FEBRUARY 2016

		GROUP			COMPANY		
		2016	2015	2014*	**2016**	2015	2014
	Notes	**R'000**	R'000	R'000	**R'000**	R'000	R'000
ASSETS							
Non-current assets		**9 180 814**	7 951 068	3 637 184	**6 823 922**	6 214 060	**2 125 732**
Property, plant and equipment	1	**1 561 748**	1 223 209	924 975			
Intangible assets	2	**656 555**	600 729	375 795			
Biological assets (bearer plants)	10	**278 636**	181 524	117 121			
Investment in subsidiary	3				**6 823 922**	6 214 060	2 125 732
Investment in ordinary shares of associates	4.1	**6 455 232**	5 703 989	1 821 814			
Loans to associates	4.2		30 030	18 239			
Investment in ordinary shares of joint ventures	5.1	**576**	39	67			
Loans to joint ventures	5.2		81	1 553			
Equity securities	6	**50 192**	51 008	206 528			
Loans and advances	8	**64 673**	62 128	78 614			
Deferred income tax assets	18	**69 862**	63 869	59 388			
Employee benefits	9	**43 340**	34 462	33 090			
Current assets		**3 722 544**	3 184 404	3 122 922	**–**	–	–
Biological assets (agricultural produce)	10	**126 940**	92 808	83 447			
Inventories	11	**1 291 297**	988 105	955 724			
Debt securities	7	**22 854**					
Trade and other receivables	12	**1 575 351**	1 259 979	1 045 000			
Loans and advances	8	**1 644**	52 281				
Derivative financial assets	13	**42**	24	1 299			
Current income tax assets		**20 138**	21 208	22 684			
Cash, money market investments and other cash equivalents	14	**684 278**	769 999	1 014 768			
Non-current assets held for sale	15		30 378	177 570			
Total assets		**12 903 358**	11 165 850	6 937 676	**6 823 922**	6 214 060	2 125 732
EQUITY AND LIABILITIES							
Equity attributable to owners of the parent							
Stated capital	16	**5 704 822**	5 095 256	1 748 061	**5 704 822**	5 095 256	1 748 061
Other reserves	17	**31 708**	54 067	76 121			
Retained earnings		**2 514 064**	1 983 375	1 796 330	**334 497**	413 893	309 620
		8 250 594	7 132 698	3 620 512	**6 039 319**	5 509 149	2 057 681
Non-controlling interests		**441 833**	607 845	544 679			
Total equity		**8 692 427**	7 740 543	4 165 191	**6 039 319**	5 509 149	2 057 681
Non-current liabilities		**1 473 877**	1 273 712	1 028 346	**–**	–	–
Deferred income tax liabilities	18	**101 664**	105 627	119 768			
Borrowings	19	**1 165 916**	969 938	738 533			
Derivative financial liabilities	20	**65 424**	63 644	45 666			
Employee benefits	9	**140 873**	134 503	124 379			
Current liabilities		**2 737 054**	2 151 595	1 744 139	**784 603**	704 911	68 051
Borrowings	19	**1 275 970**	902 373	459 699	**783 975**	701 911	68 051
Trade and other payables	21	**1 328 052**	1 153 236	1 176 719	**628**		
Derivative financial liabilities	20		417	15 236			
Current income tax liabilities		**61 753**	30 928	19 299		3 000	
Employee benefits	9	**71 279**	64 641	73 186			
Total liabilities		**4 210 931**	3 425 307	2 772 485	**784 603**	704 911	68 051
Total equity and liabilities		**12 903 358**	11 165 850	6 937 676	**6 823 922**	6 214 060	2 125 732
Net asset value per share (cents)		**541.8**	494.0	369.9			
Tangible net asset value per share (cents)		**498.6**	452.4	331.0			

* *Restated as set out in note 35.*

INCOME STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016

		GROUP			COMPANY		
		2016	2015	2014*	**2016**	2015	2014
	Notes	**R'000**	R'000	R'000	**R'000**	R'000	R'000
Revenue	22	**9 317 747**	8 691 968	5 977 508			
Cost of sales	23	**(7 758 904)**	(7 423 794)	(5 204 533)			
Gross profit		**1 558 843**	1 268 174	772 975			
Income							
Change in fair value of biological assets	10	**243 556**	144 019	134 150			
Investment income	24	**46 803**	74 848	65 854	**21**	151 380	25 000
Net fair value (losses)/gains	25	**(53 246)**	37 717	143 953			
Other operating income	26	**51 097**	44 714	16 342			
Total income		**288 210**	301 298	360 299	**21**	151 380	25 000
Expenses							
Management fees	27.1	**(154 643)**	(235 514)	(118 044)			
Marketing, administration and other expenses	27.2	**(1 429 812)**	(1 129 819)	(660 828)			
Total expenses		**(1 584 455)**	(1 365 333)	(778 872)	**–**	–	–
Net income from associates and joint ventures							
Share of profits of associates and joint ventures	4 & 5	**569 411**	299 892	218 011			
Impairment of associates and joint ventures	4 & 5		(132)	(21 421)			
Net profit on dilution of interest in associate	4 & 5	**258 298**					
Loss on disposal of interest in associate				(3 836)			
Net income from associates and joint ventures		**827 709**	299 760	192 754	**–**	–	–
Profit before finance costs and taxation		**1 090 307**	503 899	547 156	**21**	151 380	25 000
Finance costs	28	**(180 123)**	(142 864)	(85 962)			
Profit before taxation		**910 184**	361 035	461 194	**21**	151 380	25 000
Taxation	29	**(122 103)**	(77 289)	(104 686)	**(6)**	(3 000)	
Profit for the year		**788 081**	283 746	356 508	**15**	148 380	25 000
Profit attributable to:							
Owners of the parent		**781 909**	241 816	306 753	**15**	148 380	25 000
Non-controlling interests		**6 172**	41 930	49 755			
		788 081	283 746	356 508	**15**	148 380	25 000
Earnings per share (cents)	33						
Attributable – basic		**52.5**	20.6	31.3			
Attributable – diluted		**49.4**	20.6	31.3			

* *Restated as set out in note 35.*

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 29 FEBRUARY 2016

	GROUP			COMPANY		
	2016	2015	2014*	**2016**	2015	2014
	R'000	R'000	R'000	**R'000**	R'000	R'000
Profit for the year	**788 081**	283 746	356 508	**15**	148 380	25 000
Other comprehensive (loss)/income for the year, net of taxation	**(131 699)**	(30 963)	118 138	**–**	–	–
Items that may be reclassified to profit or loss						
Currency translation adjustments	**(130 723)**	(19 012)	157 391			
Reclassification of foreign exchange gains on long-term loan forming part of net foreign investment		(1 015)				
Fair value gains on available-for-sale investments		792	391			
Reclassification of loss on available-for-sale investments			(678)			
Share of other comprehensive (loss)/income of associates	**(7 553)**	(12 725)	31 200			
Reclassification of share of associates' other comprehensive loss and equity movements upon disposal			(55 887)			
Cash flow hedges	**(2 637)**	(5 709)	(15 428)			
Reclassification of cash flow hedges		25 010				
Items that may not be reclassified to profit or loss						
Gains/(losses) from changes in financial and demographic assumptions of post-employment benefit obligations	**9 214**	(18 304)	1 149			
Total comprehensive income for the year	**656 382**	252 783	474 646	**15**	148 380	25 000
Attributable to:						
Owners of the parent	**765 138**	217 522	377 110	**15**	148 380	25 000
Non-controlling interests	**(108 756)**	35 261	97 536			
	656 382	252 783	474 646	**15**	148 380	25 000

* *Restated as set out in note 35.*

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 29 FEBRUARY 2016

	Stated/ share capital R'000	Share premium R'000	Other reserves R'000	Retained earnings* R'000	Non controlling interests* R'000	Total R'000
GROUP						
Balance at 1 March 2013	9 781	1 730 071	5 529	1 538 100	109 109	3 392 590
Conversion to no par value shares	1 738 259	(1 738 259)				–
Total comprehensive income	–	–	69 529	307 581	97 536	474 646
Profit for the year				306 753	49 755	356 508
Other comprehensive income			69 529	828	47 781	118 138
Transactions with owners	21	8 188	1 063	(49 351)	338 034	297 955
Shares issued	21	8 188				8 209
Subsidiaries acquired					302 808	302 808
Share-based payment costs – employees			1 339		337	1 676
Transactions with non-controlling interests			(276)	(10 227)	(16 760)	(27 263)
Capital contributions**					64 819	64 819
Dividends paid				(39 124)	(13 170)	(52 294)
Balance at 28 February 2014	1 748 061	–	76 121	1 796 330	544 679	4 165 191
Total comprehensive (losses)/income	–	–	(10 095)	227 617	35 261	252 783
Profit for the year				241 816	41 930	283 746
Other comprehensive losses			(10 095)	(14 199)	(6 669)	(30 963)
Transactions with owners	3 347 195	–	(11 959)	(40 572)	27 905	3 322 569
Shares issued	3 347 195				10 890	3 358 085
Share-based payment costs – employees			10 709			10 709
Transactions with non-controlling interests			(20 263)	1 130	32 141	13 008
Transfer between reserves			(2 405)	2 405		–
Dividends paid				(44 107)	(15 126)	(59 233)
Balance at 28 February 2015	5 095 256	–	54 067	1 983 375	607 845	7 740 543
Total comprehensive (losses)/income	**–**	**–**	**(25 679)**	**790 817**	**(108 756)**	**656 382**
Profit for the year				**781 909**	**6 172**	**788 081**
Other comprehensive (losses)/income			**(25 679)**	**8 908**	**(114 928)**	**(131 699)**
Transactions with owners	**609 566**	**–**	**3 320**	**(260 128)**	**(57 256)**	**295 502**
Shares issued	**609 566**				**364 752**	**974 318**
Share-based payment costs – employees			**3 265**		**6 020**	**9 285**
Transactions with non-controlling interests				**(180 662)**	**(413 464)**	**(594 126)**
Subsidiaries acquired					**4 952**	**4 952**
Transfer between reserves			**55**	**(55)**		**–**
Dividends paid				**(79 411)**	**(19 516)**	**(98 927)**
Balance at 29 February 2016	**5 704 822**	**–**	**31 708**	**2 514 064**	**441 833**	**8 692 427**

** Restated as set out in note 35.*
*** Consist of capital contributions from Agrivision Africa and Zaad's non-controlling interest.*

	Stated/ share capital R'000	Share premium R'000	Retained earnings R'000	Total R'000
COMPANY				
Balance at 1 March 2013	9 781	1 730 071	323 711	2 063 563
Shares issued	21	8 188		8 209
Conversion to no par value shares	1 738 259	(1 738 259)		–
Total comprehensive income			25 000	25 000
Dividends paid			(39 124)	(39 124)
Other			33	33
Balance at 28 February 2014	1 748 061	–	309 620	2 057 681
Shares issued	3 347 195			3 347 195
Total comprehensive income			148 380	148 380
Dividends paid			(44 107)	(44 107)
Balance at 28 February 2015	5 095 256	–	413 893	5 509 149
Shares issued	**609 566**			**609 566**
Total comprehensive income			**15**	**15**
Dividends paid			**(79 411)**	**(79 411)**
Balance at 29 February 2016	**5 704 822**	**–**	**334 497**	**6 039 319**

Final dividends per share
– 2013: 4 cents (declared on 8 April 2013 and paid on 6 May 2013)
– 2014: 4.5 cents (declared on 7 April 2014 and paid on 5 May 2014)
– 2015: 5.5 cents (declared on 7 April 2015 and paid on 4 May 2015)
– 2016: 9 cents (declared on 11 April 2016 and payable on 9 May 2016)

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 29 FEBRUARY 2016

		GROUP		
		2016	2015	2014
	Notes	**R'000**	R'000	R'000
Cash flow from operating activities		**120 486**	(108 584)	255 058
Cash generated from/(utilised by) operations	32.1	**107 389**	(75 699)	300 642
Interest received		**41 793**	68 675	50 775
Dividends received		**225 029**	132 817	77 128
Interest paid		**(158 268)**	(125 373)	(89 001)
Taxation paid	32.2	**(95 457)**	(109 004)	(84 486)
Cash flow from investment activities		**(741 801)**	(741 132)	189 397
Acquisition of subsidiaries	32.3	**(274 338)**	(300 233)	(36 361)
Acquisition of associates and joint ventures	4 & 5	**(58 136)**	(264 849)	(242 184)
Acquisition of equity securities	6	**(6 709)**		(177 797)
Additions to property, plant and equipment	1	**(359 109)**	(256 475)	(160 646)
Additions to intangible assets	2	**(95 183)**	(75 828)	(16 164)
Proceeds from disposal of associates				91 707
Proceeds from disposal of equity securities				124 567
Proceeds from disposal of non-current assets held for sale		**13 086**	193 458	504 524
Proceeds from disposal of property, plant and equipment		**48 072**	8 953	53 863
Proceeds from disposal of intangible assets			41	
(Increase)/decrease in loans and advances		**(9 484)**	(46 199)	47 888
Cash flow from financing activities		**557 621**	579 514	(228 389)
Capital contributions by non-controlling interests		**364 752**	6 400	64 819
Transactions with non-controlling interests		**(6 310)**	(9 052)	(23 241)
Dividends paid to shareholders of the parent		**(79 411)**	(44 107)	(39 124)
Dividends paid to non-controlling interests		**(19 516)**	(15 126)	(13 170)
Borrowings repaid		**(395 786)**	(79 386)	(252 058)
Borrowings drawn		**693 892**	720 785	34 385
Net (decrease)/increase in cash and cash equivalents		**(63 694)**	(270 202)	216 066
Cash and cash equivalents at beginning of year		**769 999**	1 014 768	752 615
Exchange (losses)/gains on cash and cash equivalents		**(22 027)**	25 433	46 087
Cash and cash equivalents at end of year	14	**684 278**	769 999	1 014 768

The company has no cash, money market investments and other cash equivalents, therefore no cash flow was presented.

ACCOUNTING POLICIES FOR THE YEAR ENDED 29 FEBRUARY 2016

The principal accounting policies applied in the preparation of these consolidated and standalone financial statements are set out below. The accounting policies applied in the preparation of these financial statements are consistent in all material respects with those used in the prior financial year.

1. BASIS OF PREPARATION

The consolidated and standalone financial statements have been prepared on the going concern basis and in accordance with International Financial Reporting Standards ("IFRS"); the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; the manner required by the Companies Act of South Africa and the Listings Requirements of the JSE Ltd. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets classified as "available-for-sale", financial assets and liabilities (including derivative financial instruments) classified as "at fair value through profit or loss", employee defined benefit assets and liabilities, and biological assets, as well as investments in associates and joint ventures being accounted for according to the equity method of accounting.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the 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 and standalone financial statements are disclosed in accounting policy note 26 below.

2. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS

2.1 New standards, interpretations and amendments adopted by the group during the year

No new standards, interpretations or amendments, which are relevant to the group's operations, were adopted during the year.

2.2 New standards, interpretations and amendments not currently relevant to the group's operations

The following new standards, interpretations and amendments had no impact on the measurement of amounts or disclosures in the current or prior year:

- Amendments to IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions (effective 1 July 2014)
- Annual improvements to IFRSs 2012 and 2013

2.3 New standards, interpretations and amendments that are not yet effective

The following new standards, interpretations and amendments have been published and are mandatory for the group's accounting periods beginning on or after 1 March 2016 or later periods and have not been early adopted by the group:

- IFRS 9 Financial Instruments (effective 1 January 2018)[^]
  New standard to replace IAS 39 Financial Instruments: Recognition and Measurement. The standard, *inter alia*, replaces the multiple classification and measurement models in IAS 39 with a single model that has only two categories: amortised cost and fair value.
- Amendments to IFRS 10, IFRS 11, IFRS 12 and IAS 28 – Investment Entities (effective 1 January 2016)[*]
- Amendments to IFRS 10 and IAS 28 – Sale or Contribution to Assets between an Investor and its Associate or Joint Venture (effective 1 January 2016)[*]
- Amendments to IFRS 11 Joint Arrangements (effective 1 January 2016)[*]
- IFRS 14 Regulatory Deferral Accounts (effective 1 January 2016)[*]
- IFRS 15 Revenue from Contracts with Customers (effective 1 January 2017)[^]
  New standard that specifies how and when an entity will recognise revenue, as well as requiring more informative and relevant disclosures. The standard provides a single, five-step principles-based model to be applied to all contracts with customers.
- IFRS 16 Leases (effective 1 January 2019)[^]
- Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative (effective 1 January 2016)[+]
- Amendments designed to encourage entities to apply professional judgement in determining what information to disclose in their financial statements.
- Amendments to IAS 16 and IAS 38 – Acceptable Methods of Depreciation and Amortisation (effective 1 January 2016)[*]
- Amendments to IAS 27 Consolidated and Separate Financial Statements – Equity Method in Separate Financial Statements (effective 1 January 2016)[*]

– *Annual improvements to IFRSs 2014*[+]

^ *Management is in the process of assessing the impact of these standards, interpretations and amendments on the reported results of the group and company.*

* *Management has assessed the impact of these standards, interpretations and amendments on the reported results of the group and company and do not foresee any significant impact.*

+ *Management has assessed the impact of these amendments on the reported results of the group and company and foresee only minor disclosure changes.*

3. CONSOLIDATION

3.1 Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method of accounting for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in the income statement.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

Investments in subsidiaries are accounted for at cost less impairment in the separate financial statements. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes directly attributable costs of investment, being the incremental costs relating to acquire the investment such as professional fees for legal services, transfer taxes and other transaction costs.

3.2 Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

3.3 Disposal of subsidiaries

When the group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

3.4 Associates

Associates 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 associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss, where appropriate.

The group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income and other equity movements are recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

3. CONSOLIDATION (continued)

3.4 Associates (continued)

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount as an impairment in the income statement.

Profits and losses resulting from upstream and downstream transactions between the group and its associates are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Dilution gains and losses arising from investments in associates are recognised in the income statement.

Loans to associates, not forming part of the group's investment in same, is classified as loans and receivables and carried at amortised cost on the basis set out under the financial instruments accounting policy below.

3.5 Joint arrangements

In terms of IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method of accounting.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses, movements in other comprehensive income and other equity movements. When the group's share of losses in a joint venture equals or exceeds its interests in the joint ventures, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the group.

4. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (refer segment report). The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive committee that makes strategic decisions.

5. FOREIGN CURRENCY TRANSLATION

5.1 Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which those entities operate ("functional currency"). The consolidated and separate financial statements are presented in South African rand, being the company's functional and presentation currency.

5.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses are presented in the income statement within "fair value gains and losses".

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities, such as equity securities classified as at fair value through profit or loss, are recognised in the income statement as part of "fair value gains and losses". Translation differences on non-monetary financial assets, such as equity securities classified as available-for-sale, are included in other comprehensive income.

5.3 Group companies

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions);
- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position; and
- all resulting exchange differences are recognised in other comprehensive income.

5. FOREIGN CURRENCY TRANSLATION (continued)

5.3 Group companies (continued)

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Group entities with functional currencies other than the presentation currency, mainly have the following functional currencies:

	2016		2015		2014	
	Average rand per foreign currency unit	**Closing rand per foreign currency unit**	Average rand per foreign currency unit	Closing rand per foreign currency unit	Average rand per foreign currency unit	Closing rand per foreign currency unit
British pound	**19.52**	**23.01**	17.83	17.99	15.05	17.11
Canadian dollar	**9.97**	**11.19**	9.84	9.96		
Chilean peso	**0.02**	**0.02**	0.02	0.02		
Egyptian pound	**1.66**	**1.98**	1.53	1.62		
Euro	**14.17**	**16.97**	14.14	14.05	12.78	14.32
Hong Kong dollar	**1.64**	**2.00**	1.40	1.49	1.24	1.34
Japanese yen	**0.11**	**0.13**	0.10	0.10	0.10	0.10
Mozambique new metical	**0.31**	**0.35**	0.35	0.34	0.32	0.34
United States dollar	**12.76**	**15.53**	10.84	11.60	9.64	10.50
Zambian kwacha	**1.49**	**1.41**	1.77	1.84	1.79	1.89

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item of property, plant and equipment.

Subsequent costs are included in the asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the period in which it is incurred.

Depreciation is calculated on the straight-line method at rates considered appropriate to reduce carrying values to estimated residual values over the useful lives of the assets, as follows:

Land and buildings	25 - 75 years
Motor vehicles	4 - 5 years
Plant	5 -15 years
Office equipment (includes computer equipment)	3 - 10 years

Land is not depreciated, except for land held under leasehold rights, which is depreciated over the relevant leasehold term.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying value exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Gains and losses on disposals of property, plant and equipment are determined by comparing the asset's proceeds with its carrying value and are included in the income statement.

7. INTANGIBLE ASSETS

7.1 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary, joint venture or associate at the date of acquisition. Goodwill on the acquisition of a subsidiary is reported in the statement of financial position as an intangible asset. Goodwill on the acquisition of a joint venture or associate is included in the respective investment's carrying amount. Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The groups of cash-generating units are not larger than operating segments.

An excess of the acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities arises where the net assets of a subsidiary, joint venture or associate at the date of acquisition, fairly valued, exceed the cost of the acquisition. This excess arising on acquisition is recognised as a gain on bargain purchase in profit or loss.

7.2 Trademarks

Acquired patents, trademarks and licences are shown at cost less accumulated amortisation and impairment. The carrying amount of each cash-generating unit is reviewed for impairment when an impairment indicator is identified.

7. **INTANGIBLE ASSETS (continued)**

7.3 Customer lists

Acquired customer lists are shown at cost less accumulated amortisation and impairment. The carrying amount of each cash-generating unit is reviewed for impairment when an impairment indicator is identified.

7.4 Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when all of the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use.
- Management intends to complete the software product and use or sell it.
- There is an ability to use or sell the software product.
- It can be demonstrated how the software product will generate probable future economic benefits.
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available.
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

7.5 Capitalised product development costs

Research costs undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as an expense as incurred. Development costs are expensed when incurred, unless they result in projects that are technically and commercially feasible and the group has sufficient resources to complete development, in which event these development costs are capitalised and amortised over the estimated useful life of the project. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses.

7.6. Amortisation of intangible assets

Amortisation is calculated on the straight-line method at rates considered appropriate to reduce carrying values to estimated residual values over the useful lives of the assets, as follows:

Capitalised product development costs	3 - 10 years
Customer lists	4 - 5 years
Trademarks	25 - 75 years
Computer software	5 - 15 years

8. **IMPAIRMENT OF NON-FINANCIAL ASSETS**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset'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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

9. **FINANCIAL INSTRUMENTS**

Financial instruments recognised on the statement of financial position include financial assets, consisting of equity securities, debt securities, loans and advances, derivative financial assets, trade and other receivables, cash, money market investments and other cash equivalents, as well as financial liabilities, consisting of borrowings, derivative financial liabilities and trade and other payables.

There are group companies that are parties to derivative financial instruments that reduce exposure to financial risks. These instruments mainly comprise forward currency exchange contracts and hedge accounting is applied in some instances. Gains and losses arising from cash flow hedges are recognised through other comprehensive income, while those arising from fair value hedges are recognised in profit or loss in the period in which they arise. Group companies that do not apply hedge accounting, recognise changes in the fair value of these and other derivative instruments in profit or loss in the period in which they arise.

10. **OFFSETTING FINANCIAL INSTRUMENTS**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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.

11. FINANCIAL ASSETS

The group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

11.1 Classification

(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. Financial assets designated at fair value through profit or loss at inception are those that are managed and whose performance is evaluated on a fair value basis. Information about these financial assets is provided internally on a fair value basis to the group's key management personnel. Derivatives are categorised as held for trading.

(b) Loans and receivables

Loans and receivables 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.

(c) Available-for-sale financial assets

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

11.2 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 not carried at fair value through profit or loss, are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. 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.

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

Interest on available-for-sale securities calculated using the effective-interest method is recognised in the income statement as part of investment income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of investment income when the group's right to receive payment is established.

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.

Quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

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

Loans advanced to associated companies, joint ventures and subsidiaries, which are interest free with no repayment terms, are carried at amortised cost using the effective-interest method.

11.3 Impairment of financial assets

The group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

Loans and receivables are considered impaired if, and only if, there is objective evidence of impairment as a result of events that occurred after initial asset recognition (known as loss events) and these loss events have an adverse impact on the assets' estimated future cash flows that can be reliably measured. Objective evidence that loans and receivables may be impaired, includes breach of contract, such as a default or delinquency in interest or principal payments. In this regard instalments past due date are considered in breach of contract. The amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Impairment losses are recognised in and reversed through the income statement.

12. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are classified as at fair value through profit or loss and are measured as set out in accounting policy note 11. Fair values of over-the-counter traded derivatives are obtained using valuation techniques, including discounted cash flow models and option pricing models.

The best evidence of fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only observable market data.

12.1 Non-controlling interest put option liabilities

IFRS requires the group to account for written put options held by non-controlling shareholders of the group's subsidiaries. Such options provide them with the right to require the group to acquire their shareholding in the respective subsidiary. IAS 32 requires that in the circumstances described above, the present value of the future redemption amount be reclassified from equity to financial liabilities and that the financial liability so reclassified subsequently be measured in accordance with IAS 39. In accordance with IAS 39, all subsequent changes in the fair value of the liability together with the related interest charges arising from present valuing the future liability, shall be recognised in profit or loss.

12.2 Derivative financial instruments and hedging activities

The group uses derivative financial instruments to hedge its exposure to foreign exchange risk arising from operational activities. In accordance with its treasury policy, the group does not hold or issue derivative financial instruments for trading purposes. Subsequent to initial recognition, derivatives are measured at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and if so, the nature of the item being hedged. Where a derivative financial instrument is used to hedge the variability in cash flows of the foreign exchange exposure of a recognised asset or liability or a highly probable forecast transaction, hedge accounting may be applied. These derivatives are designated as cash flow hedges.

12.3 Cash flow hedges

Hedge relationships are formally documented at inception. The documentation includes identification of the hedged item and the hedging instrument, details of the risk that is being hedged and the way in which effectiveness will be assessed at inception and during the period of the hedge. If the hedge is not highly effective in off-setting changes in fair value or cash flows attributable to the hedge risk, consistent with the documented risk management strategy, hedge accounting is discontinued. Where a derivative financial instrument is designated as a hedge of the variability in cash flow of a recognised asset or liability or a highly probable forecast transaction, the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income. The ineffective portion is recognised in profit or loss. When the forecast transaction results in the recognition of a financial asset or financial liability, the cumulative gain or loss is reclassified from other comprehensive income in the same period in which the hedged forecast cash flow/hedged item affects profit or loss. Otherwise the cumulative gain or loss is removed from other comprehensive income and recognised in profit or loss at the same time as the hedge transaction.

When the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or property, plant and equipment) the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the asset's cost. For example, the deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of property, plant and equipment. Hedge accounting is discontinued if the hedge no longer meets the criteria for hedge accounting; if the hedging instrument expires or is sold, terminated or exercised; if the forecast transaction is no longer expected to occur; or if the hedge designation is revoked. On the discontinuance of hedge accounting (except where a forecast transaction is no longer expected to occur), the cumulative unrealised gain or loss recognised in other comprehensive income is recognised in profit or loss when the forecast transaction occurs and affects profit or loss. Where a forecast transaction is no longer expected to occur, the cumulative gain or loss is recognised immediately in profit or loss.

13. BIOLOGICAL ASSETS

13.1 Agricultural produce

Agricultural produce are measured on initial recognition and at the end of each reporting period at fair value less cost to sell. Changes in the measurement of fair value less cost to sell are included in profit or loss for the period in which they arise. Costs to sell include all costs that would be necessary to sell the assets, including transportation costs and incremental selling costs, including auctioneers' fees and commission paid to brokers and dealers. All costs incurred in maintaining the assets are included in profit or loss for the period in which they arise. Refer note 10 for further details regarding the valuation of biological assets.

Agricultural produce is transferred at the prevailing fair value less cost to sell value to inventory upon harvest.

13.2 Bearer plants

Biological assets that meet the definition of bearer plants are measured at cost less accumulated depreciation and impairment losses. Bearer plants are measured at accumulated costs until maturity, similar to the accounting for a self-constructed item of property, plant and equipment.

Subsequent production and borrowing costs are included in the bearer plant's carrying value only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

13. BIOLOGICAL ASSETS (continued)

13.2 **Bearer plants** (continued)

The lifespan of the bearer plant begins the day same is planted in the ground. Depreciation is calculated on the straight-line method at rates considered appropriate to reduce carrying values to estimated residual values over the useful lives of the assets. The useful life is determined in collaboration with the technical department, and is as follows:

Apples	36 years	Oranges and lemons	30 years
Pears	36 years	Grapefruit and soft citrus	20 years
Grapes	18 years	Plums	20 years

A distinction is made between non-bearing and partially-bearing bearer plants and when the transformation has been sustainably completed (i.e. full-bearing orchards/vineyards). In collaboration with the technical department, the bearer plants (i.e. orchards/vineyards) are deemed to be full bearing when they reach the following ages:

Apples	7 years	Oranges and lemons	7 years
Pears	7 years	Grapefruit and soft citrus	7 years
Grapes	4 years	Sugar cane	9 years

All costs relating to the development of an orchard/vineyard are capitalised to the respective orchard/block of vineyard planted. The establishment costs are allocated per orchard/block of vineyard based on establishment costs allocated per hectare.

Production costs, capital expenditure and borrowing costs are capitalised to the bearer plant until the plant has reached the age of full bearing. Income that is received related to the orchard/vineyard prior to it becoming full bearing is credited to the capitalised costs.

Depreciation in respect of orchards/vineyards is calculated from the date the orchard/vineyard reaches the state of full bearing and calculated by taking the cost per orchard/vineyard and dividing by the relevant remaining life.

All orchards/vineyards to be removed during a financial year will be deemed to be removed from the date the last crop was harvested from the orchard/vineyard. No depreciation will be charged from that date for the specific orchard that is to be removed. The value of the orchards/vineyards removed is the book value of the orchard/vineyard at the deemed date of removal.

14. INVENTORY

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and relevant selling expenses.

15. TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially measured at fair value and subsequently recognised at amortised cost using the effective-interest 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 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 original effective interest rate. The movement in the amount of the provision is recognised in the income statement.

16. CASH, MONEY MARKET INVESTMENTS AND OTHER CASH EQUIVALENTS

Cash and cash equivalents consist of cash held at call with banks and other short-term highly liquid investments with maturities of three months or less. Investments in money market funds are classified as cash equivalents, since these funds are held to meet short-term cash requirements, are highly liquid investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included within borrowings in the statement of financial position.

17. STATED 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.

Where any group company purchases the company's equity share capital (i.e. treasury shares), the consideration paid, including any directly attributable incremental costs, net of income taxes, is deducted from equity attributable to the company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to the company's equity holders, net of any directly attributable incremental transaction costs and the related income tax effects.

18. FINANCIAL LIABILITIES

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity.

Financial liabilities include borrowings, derivative financial liabilities, and trade and other payables.

Financial liabilities are initially recognised at fair value less transaction costs that are directly attributable to the raising of the funds, for all financial liabilities carried at amortised cost. All financial liabilities measured at fair value through profit or loss are initially recognised at fair value. The best evidence of the fair value at initial recognition is the transaction price (i.e. the fair value of the consideration received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets.

18.1 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.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the income statement as finance cost.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

18.2 Trade and other payables

Trade and other payables are recognised initially at fair value, net of transaction costs incurred. Trade and other payables are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period using the effective interest method.

19. TAXATION

19.1 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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 reporting 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.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associated companies, except where the group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

19.2 Dividend withholding tax

Dividend withholding tax is not levied on the company but on the beneficial owner of the share and accordingly does not require recognition in profit or loss. Dividends tax withheld by the company on dividends paid to its shareholders (who do not qualify for an exemption from dividends tax) and payable at the reporting date to the South African Revenue Services is included in trade and other payables in the statement of financial position.

20. EMPLOYEE BENEFITS

The group operates various post-employment schemes, including both defined benefit and defined contribution pension and medical plans.

20.1 Post-retirement pension and medical plans

A defined contribution plan is a plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension or medical obligations. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

20.2 Share-based compensation

Subsidiaries of the group operates equity-settled share-based payment schemes.

For the share-based payment schemes, the fair value of the employee services received in exchange for the grant of the scheme share options is recognised as an expense. The total amount to be expensed over the vesting periods, which are between 4 and 5 years, is determined by reference to the fair value of the scheme share options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions concerning the number of scheme share options that are expected to become exercisable. At each reporting date, the entity revises its estimates of the number of scheme share options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

If the group cancels or settles a grant of equity instruments during the vesting period, the group accounts for the cancellation or settlement of the grant and recognise immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

The share-based payment expense is recognised in the income statement and a share-based payment reserve is recognised in equity as part of other reserves and represents the fair value at grant date of the share options that will be delivered on vesting.

20.3 Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

20.4 Annual leave

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated annual leave as a result of services rendered by employees up to reporting date.

20.5 Profit sharing and bonus plans

The group recognises a liability and an expense for bonus plans and profit sharing, where contractually obliged, or where there is a past practice that has created a constructive obligation.

20.6 Other short-term employee benefits

The cost of all other short-term employee benefits is recognised as an expense during the period in which the employee renders the related service. Accruals for employee entitlements to wages, salaries and bonuses represent the amount which the group has a present obligation to pay as a result of employees' services provided up to the reporting date. The accruals have been calculated at undiscounted amounts based on current wage and salary rates.

21. PROVISIONS AND CONTINGENT LIABILITIES

21.1 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 finance cost.

21.2 Contingent assets and liabilities

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 statement of financial position but are disclosed in the notes to the financial statements if the inflow of financial benefits is probable.

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

22. LEASES

Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the statement of financial position based on their nature.

23. DIVIDEND DISTRIBUTIONS

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

24. REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for goods sold or services rendered in the ordinary course of the group's activities. The group's activities comprise the sale of fruit, agricultural seed/produce, management fees, port charges, shipping and related services.

Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

If circumstances arise that may change the original estimates of revenues, costs or the extent of progress toward completion of services, then estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in income in the period in which the circumstances that gave rise to the revision became known by management.

24.1 Sale of goods

Sale of goods are recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

24.2 Services rendered

Revenue arising from services is recognised on an accrual basis in accordance with the substance of the relevant agreements. Revenue from the operation of vessels is recognised on a proportionate basis where voyages have not terminated at year-end.

24. REVENUE RECOGNITION (continued)

24.3 Interest income

Interest income is recognised using the effective interest rate method. When a loan and 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 is included as part of investment income in the income statement.

24.4 Dividend income

Dividend income is recognised when the right to receive payment is established. Dividend income is included as part of investment income in the income statement.

25. NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

26. 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 concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities are addressed below.

26.1 Estimated impairment of goodwill

The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy on goodwill. The recoverable amounts of cash-generating units have been determined based on value-in-use and fair value less cost to sell calculations. These calculations require the use of estimates (see note 2 for further detail and disclosure of estimates used).

26.2 Impairment of investment in associates

An impairment of 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 investment in associated company'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.

26.3 Acquisition of associates

Details regarding significant new investments in associates are disclosed in note 4. Furthermore, the group's interest in certain already existing associates were also increased. In accounting for these transactions management had to apply judgement in allocating the purchase price to the identifiable assets and liabilities of the associates acquired, or the portion acquired when an additional interest was acquired.

26.4 Recognition of intangible assets

With a business combination all identifiable assets are recognised at their respective fair values in the consolidated financial statements. The fair values of intangible assets acquired through business combinations are determined by using a discounted cash flow valuation method. The discount rate is based on the long-term risk-free rate with risk premiums added for market and other company and asset specific risks. Intangible assets acquired through business combinations were valued using a discount rates ranging between 5% and 8% (2015: ranging between 4% and 17%) (2014: ranging between 17% and 20%).

Trademarks and customers lists acquired through business combinations or acquisitions are valued on acquisition using discounted cash flow methodology based on assumptions and estimates regarding future revenue growth, weighted cost of capital, marketing costs and other economic factors affecting the value in use of these intangible assets. These assumptions reflect management's best estimates but are subject to inherent uncertainties, which may not be controlled by management.

The cost of the trademarks and customer lists are amortised over their estimated useful lives. The remaining useful lives of intangible assets are re-assessed annually. If the estimate of the remaining useful lives changes, the remaining carrying values are amortised prospectively over that revised remaining useful life.

The main assumptions used in the valuation of key customer lists are the useful lives of these assets and the future profitability and cancellation rate of the underlying revenue streams. The useful life of a key customer list is estimated based on the cancellation experience of the existing business and the useful life of customer lists of other players in the market. For the key customer lists recognised during the year, useful lives ranging between 2 and 5 years were assumed and average cancellation rates ranging between 15% and 85% (2015: ranging between 15% and 85%) (2014: ranging between 15% and 85%) were assumed.

If useful lives were increased/decreased by 10%, the intangible assets recognised would have been approximately R3.1m (2015: approximately R2.5m) (2014: approximately R2m) higher/lower. Future profit margins used in determining customer contracts and relationships values were consistent with the margins applied in determining the fair value of the related investment.

Refer to the intangible asset accounting policy and note 2 for further detail.

26. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)

26.5 Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated over their estimated useful lives to their estimated residual values. The remaining useful lives and residual values of property, plant and equipment are re-assessed annually. If the estimates of the remaining useful lives or residual values change, the remaining carrying values are depreciated prospectively, taking into account the revised estimates. Refer to the property, plant and equipment accounting policy and note 1 for further detail.

26.6 Fair value of biological assets

The fair value of these biological assets were determined using a discounted cash flow model, which incorporates significant variable inputs i.e. discount rate and useful life of the biological assets. Where an insignificant level of biological transformation had taken place since planting, the biological assets are valued at cost (refer note 10 for further details).

26.7 Money market funds

Cash and cash equivalents disclosed on the statement of financial position includes investments in money market funds, being short-term highly liquid investments with maturities of three months or less. Money market funds are classified as cash equivalents, since these funds are held to meet short-term cash requirements, are highly liquid investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The classification of money market funds as cash equivalents is only judgemental for purposes of disclosure and judgement applied could not have any impact of disclosed amounts of assets or liabilities.

26.8 Recoverability of trade and other receivables

Each entity in the group makes assumptions on the recoverability of its financial assets. These instruments mainly cover trade and other receivables and production loans. Where the recoverability of these instruments is considered to be doubtful management applies judgement in the calculation of the amount to be impaired. Capespan establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

26.9 Deferred tax

Each group entity determines the recoverability of deferred tax assets and the recognition of estimated tax losses. The recognition is based on the entities' ability to utilise these losses based on expected future taxable earnings. Deferred tax assets in respect of tax losses set out in note 18.

26.10 Contingent consideration

The deferred purchase consideration recognised as at 28 February 2014 (refer note 34) relates to an earn-out clause paid during 2014. Calculations are based on the estimated average net profit before tax for three years using average forecast exchange rates and discounted.

1. PROPERTY, PLANT AND EQUIPMENT

GROUP	Land R'000	Buildings R'000	Vehicles and plant R'000	Office equipment R'000	Total R'000
At 29 February 2016					
Cost	**409 647**	**858 081**	**861 305**	**148 193**	**2 277 226**
Accumulated depreciation and impairment	**(21 967)**	**(216 021)**	**(380 119)**	**(97 371)**	**(715 478)**
	387 680	**642 060**	**481 186**	**50 822**	**1 561 748**
Reconciliation					
Balance at beginning of year	**376 078**	**373 503**	**433 901**	**39 727**	**1 223 209**
Additions	**20 930**	**191 882**	**123 648**	**22 649**	**359 109**
Disposals	**(298)**	**(4 286)**	**(13 953)**	**(4 046)**	**(22 583)**
Depreciation	**(6 895)**	**(26 031)**	**(80 342)**	**(11 551)**	**(124 819)**
Impairment		**(12 704)**	**(1 103)**	**(364)**	**(14 171)**
Exchange rate movements	**(41 788)**	**(2 852)**	**(44 973)**	**3 097**	**(86 516)**
Subsidiaries acquired	**39 653**	**122 548**	**64 008**	**1 310**	**227 519**
Balance at end of year	**387 680**	**642 060**	**481 186**	**50 822**	**1 561 748**
At 28 February 2015					
Cost	390 981	389 391	552 464	56 006	1 388 842
Accumulated depreciation and impairment	(14 903)	(15 888)	(118 563)	(16 279)	(165 633)
	376 078	373 503	433 901	39 727	1 223 209
Reconciliation					
Balance at beginning of year	289 270	312 395	304 745	18 565	924 975
Additions	47 691	44 841	133 090	30 853	256 475
Disposals	(121)	(140)	(4 250)	(111)	(4 622)
Depreciation	(6 935)	(15 016)	(65 189)	(9 788)	(96 928)
Reversal of impairment		8 277	3 616		11 893
Transfer to held-for-sale		(20 454)	(9 533)	(11)	(29 998)
Exchange rate movements	(2 127)	(9 948)	193	(175)	(12 057)
Subsidiaries acquired	48 300	53 548	71 229	394	173 471
Balance at end of year	376 078	373 503	433 901	39 727	1 223 209
At 28 February 2014					
Cost	297 238	321 544	361 735	25 056	1 005 573
Accumulated depreciation and impairment	(7 968)	(9 149)	(56 990)	(6 491)	(80 598)
	289 270	312 395	304 745	18 565	924 975
Reconciliation					
Balance at beginning of year	194 094	62 112	124 329	1 283	381 818
Additions	25 006	32 881	96 087	6 672	160 646
Disposals	(5 470)	(29 117)	(22 766)	(348)	(57 701)
Depreciation	(5 626)	(7 737)	(45 780)	(6 166)	(65 309)
Exchange rate movements	32 852	14 733	26 152	(988)	72 749
Subsidiaries acquired	48 414	239 523	126 723	18 112	432 772
Balance at end of year	289 270	312 395	304 745	18 565	924 975

Details of land and buildings are available at the registered offices of the relevant group companies. Refer note 19 for details regarding property, plant and equipment that serve as security for borrowings.

The current year impairment relates to the assets of a logistical mineral terminal situated in Mozambique, having experienced lower volumes due to the decline in the commodity cycle.

The prior year reversal of impairment relates to the property, plant and equipment of a subsidiary of Capespan Group Ltd, which was subsequently reclassified as a non-current asset held-for-sale and disposed of (refer note 15).

2. INTANGIBLE ASSETS

GROUP	Capitalised product development costs* R'000	Customer lists R'000	Trademarks, computer software and other R'000	Goodwill R'000	Total R'000
At 29 February 2016					
Cost	**258 281**	**39 965**	**109 826**	**375 644**	**783 716**
Accumulated amortisation and impairment	**(58 837)**	**(29 553)**	**(38 771)**		**(127 161)**
	199 444	**10 412**	**71 055**	**375 644**	**656 555**
Reconciliation					
Balance at beginning of year	**127 560**	**19 681**	**37 378**	**416 110**	**600 729**
Additions	**59 493**		**35 690**		**95 183**
Amortisation	**(14 259)**	**(10 020)**	**(6 371)**		**(30 650)**
Impairment	**(2 926)**			**(5 024)**	**(7 950)**
Exchange rate movement	**28 597**	**(573)**	**2 499**	**(56 551)**	**(26 028)**
Subsidiaries acquired	**979**	**1 324**	**1 859**	**21 109**	**25 271**
Balance at end of year	**199 444**	**10 412**	**71 055**	**375 644**	**656 555**
At 28 February 2015					
Cost	144 884	36 999	67 907	416 110	665 900
Accumulated amortisation and impairment	(17 324)	(17 318)	(30 529)		(65 171)
	127 560	19 681	37 378	416 110	600 729
Reconciliation					
Balance at beginning of year	74 471	22 329	46 058	232 937	375 795
Additions	71 598		4 230		75 828
Disposals			(41)		(41)
Amortisation	(9 272)	(6 386)	(9 671)		(25 329)
Impairment	(3 894)		(9 166)	(5 953)	(19 013)
Exchange rate movement	(5 743)	133	250	27 985	22 625
Subsidiaries acquired	400	3 605	5 718	161 141	170 864
Balance at end of year	127 560	19 681	37 378	416 110	600 729
At 28 February 2014					
Cost	78 629	33 261	57 750	232 937	402 577
Accumulated amortisation and impairment	(4 158)	(10 932)	(11 692)		(26 782)
	74 471	22 329	46 058	232 937	375 795
Reconciliation					
Balance at beginning of year		4 819	11 008	143 079	158 906
Additions	14 433		1 731		16 164
Amortisation	(4 158)	(6 851)	(9 345)		(20 354)
Impairment	(1 155)				(1 155)
Exchange rate movement	4 092		(652)	20 793	24 233
Subsidiaries acquired	61 259	24 361	43 316	69 065	198 001
Balance at end of year	74 471	22 329	46 058	232 937	375 795

* *Only capitalised product development costs are internally generated.*

Intangible assets other than goodwill

Included in intangible assets other than goodwill are the following significant intangible assets and their remaining amortisation periods:

	Remaining amortisation period			Carrying value		
	2016	2015	2014	**2016 R'000**	2015 R'000	2014 R'000
Zaad						
– Capitalised product development costs	**< 7 years**	< 8 years	< 9 years	**199 444**	127 560	74 471
Capespan						
– Metspan Hong Kong customer lists	**15 years**	16 years	17 years	**10 412**	13 372	14 209
– Software development	**5 - 9 years**			**41 410**	4 679	
				251 266	145 611	88 680

2. INTANGIBLE ASSETS (continued)

Goodwill allocation

Goodwill is allocated to cash-generating units ("CGUs"), being each operating subsidiary. A summary of the goodwill allocation is as follows:

	GROUP		
	2016 R'000	2015 R'000	2014 R'000
Zaad			
– Agricol	**51 722**	51 722	51 722
– Klein Karoo Seed Marketing	**69 065**	69 065	69 065
– Agriseeds	**6 228**		
Agrivision Africa			
– Chobe Agrivision	**34 672**	42 883	38 253
– Somawhe	**63 441**	78 467	73 897
– Mpongwe Milling	**140 659**	173 973	
Capespan			
– Contour Logistics (acquired as Aspen Logistics)	**9 857**		
	375 644	416 110	232 937

Goodwill is tested for impairment annually by comparing the carrying value to the recoverable amount of the CGUs, being the higher of value-in-use and fair value less cost to sell. Therefore, should the recoverable amount exceed the carrying value, goodwill is considered adequately supported.

Zaad – Agricol and Klein Karoo Seed Marketing
The fair value less cost to sell of Agricol and Klein Karoo Seed Marketing (including Klein Karoo Seed Marketing Zimbabwe and Agriseeds in the current year) is determined using unobservable inputs (level 3), by applying a price/earnings ratio of 12 (2015: 12) (2014: 12). The price/earnings ratio applied was determined with reference to similar listed companies, adjusted for entity specific considerations. Had the price/earnings ratio been decreased by 10%, the recoverable amount would still exceed the carrying value.

Zaad – Agriseeds
The value-in-use of Agriseeds is determined using a discounted cash flow model, management-approved budgets and the following key inputs:

Discount rate	16.7%
Terminal growth rate	5.5%
Tax rate	25.8%

Agrivision Africa
The fair value less cost to sell of Agrivision Africa, which consists of three CGUs, namely Chobe Agrivision, Somawhe and Mpongwe Milling, is determined based on the net realisable value of the underlying assets, with reference to the fair value of land, buildings and other tangible assets (level 3 unobservable inputs). This was based mainly on an average selling price of US$13 000 (2015: US$11 840) (2014: US$11 840) per irrigated hectare of land. Had the price per irrigated hectare been adjusted downward by 10%, the recoverable amount would still exceed the carrying value. Mpongwe Milling's fair value less cost to sell was determined using a price/earnings ratio of 10 – 15 (2015: 10 – 15).

Capespan – Contour Logistics
The value-in-use of Contour Logistics is determined using a discounted cash flow model, management-approved budgets and a discount rate equal to the entity's weighted average cost of capital.

The directors are satisfied that the carrying value of goodwill is adequately supported.

	COMPANY		
	2016 R'000	2015 R'000	2014 R'000
3. INVESTMENT IN SUBSIDIARY			
Unlisted shares at cost	**6 823 922**	6 214 060	2 125 732

The company holds 100% (2015: 100%) (2014: 100%) of the issued share capital of Zeder Financial Services Ltd. Refer to Annexure A.

The company's investment increased during the year following the asset-for-share transactions set out in note 16.

	GROUP 2016 R'000	2015 R'000	2014 R'000
4. INVESTMENT IN ASSOCIATES			
4.1 Investment in ordinary shares of associates			
– Listed	**5 133 863**	4 916 986	
– Unlisted but quoted	**550 838**	461 922	1 571 336
– Unlisted	**770 531**	325 081	250 478
	6 455 232	5 703 989	1 821 814
4.2 Loans to associates			
– Klein Karoo Akademie (Pty) Ltd		2 305	3 472
– Klein Karoo Seed Marketing Zimbabwe		27 725	14 767
	–	30 030	18 239
These loans are unsecured, interest-free with no repayment terms.			
Reconciliation of ordinary share investments:			
Balance at beginning of year	**5 703 989**	1 821 814	2 126 535
Subsidiaries acquired			181 047
Acquisitions			
– Cash[1]	**57 399**	87 301	242 184
– Shares issued[2,3]	**36 354**	3 335 322	8 209
– Other		50 079	6 881
Equity accounting			
– Share of profits of associates[4]	**569 611**	300 743	164 518
– Dividends received	**(223 242)**	(126 644)	(63 549)
– Other comprehensive income	**(7 554)**	(12 725)	31 200
Impairment of associates[5]		(65)	(21 421)
Profit on dilution[6]	**277 336**		
Loss on dilution[7]	**(19 038)**		
Transfer from equity securities[3]		254 387	
Transfer to non-current asset held for sale[8]			(311 195)
Transfer to subsidiaries	**(197)**	(7 946)	(503 999)
Fair value gain on step-up acquisition of an associate to a subsidiary	**3 731**		17 205
Transfer from loan to associates	**2 361**		
Disposals			(95 543)
Exchange rate movement	**54 482**	1 723	39 742
Balance at end of year	**6 455 232**	5 703 989	1 821 814
Market value of listed investments	**7 741 374**	9 763 816	
Market value of unlisted investments (based on a rolling PE basis per associate)	**1 677 413**	962 923	2 513 516

1 During the current year, the group, through Capespan Group Ltd, acquired a 25% interest in Fruchimport van Wylick, a fruit marketing company in Germany, for R53.2m.

2 During the current year, the company issued 4 433 103 ordinary shares for an additional 1.5% interest in Kaap Agri Ltd ("Kaap Agri"). Subsequently, the company transferred the Kaap Agri shares to Zeder Financial Services Ltd (wholly-owned subsidiary), through an asset-for-share transaction.

3 During the previous year, the company made an offer to acquire all the shares in Agri Voedsel Ltd ("Agri Voedsel") (which in turn held an interest of 26% and 23.8% in Pioneer Food Group Ltd and Quantum Foods Holdings Ltd, respectively) not already held by Zeder, whereby Agri Voedsel shareholders were offered 16.2 Zeder shares for every one Agri Voedsel share. This transaction was approved on 15 September 2014 and implemented on 20 October 2014. Following the completion of same, Zeder held a direct interest of 27.3% in Pioneer Food Group Ltd and 25% in Quantum Foods Holdings Ltd. Subsequently, the direct interest in Quantum Foods Holdings Ltd was increased to 26.4%. The company issued 463 655 654 shares, valued at R3.3bn, to the Agri Voedsel shareholders through the aforementioned scheme of arrangement to effectively increase its interest in Pioneer Food Group Ltd and Quantum Foods Holdings Ltd. The group's existing direct interest (previously classified as equity securities) was transferred to investment in associates at fair value (refer note 6).

4 Equity accounted earnings as per the income statement of R569.4m (2015: R299.9m) (2014: R218m) includes the reversal of other comprehensive income of associates of Rnil (2015: Rnil) (2014: R55.9m) as per the statement of comprehensive income, as well as the equity accounted loss from the investment in joint ventures of R0.2m (2015: R0.9m) (2014: R2.4m) (refer note 5).

5 The prior year impairment of R0.1m (2014: R7.4m) relates to Blue Green Oceans (Pty) Ltd, an aqua culture operation, while the impairment in the 2014 financial year also included R14m impairment relating to Suidwes Beleggings Ltd, prior to being reclassified as a non-current asset held for sale and subsequently sold.

6 During the year, Golden Wing Mau, an associate of Capespan Group Ltd, merged as equals with Joyvio. Both companies are leading players in China's fresh fruit business and the merger resulted in the group's interest in Golden Wing Mau diluting from 25% to 11.3%. The group continues to exercise significant influence through, *inter alia*, board representation. The dilution gain of R277.3m consequently recognised by the group was determined with reference to the fair value at which the merger was concluded being above the carrying value of the investment. The fair value was determined by the appointed appraiser using the discounted cash flow method and price-to-sales ratios. The most significant inputs to the fair value determination were the discount rate applied ranging between 10.5% and 11.9% and the price-to-sale ratio ranging between 1.0257 to 3.9626, depending on the nature of the operations.

7 The group's interest in Pioneer Food Group Ltd diluted.

8 A Capespan associate, Addo Cold Storage (Pty) Ltd, were transferred to non-current asset held for sale, following the successful negotiations to sell the company with an effective date in 2015 (refer note 15).

4. INVESTMENT IN ASSOCIATES (continued)

Reconciliation of ordinary share investments (continued)

Further information

Refer to Annexure B for further details regarding the investment in associates.

		GROUP		
		2016	2015	2014
		R'000	R'000	R'000
5.	**INVESTMENT IN JOINT VENTURES**			
5.1	**Investment in ordinary shares of joint ventures**	**576**	39	67
	Reconciliation of ordinary share investment:			
	Balance at beginning of year	**39**	67	
	Additions	**737**		2 461
	Impairment		(67)	
	Equity accounted losses	**(200)**	(851)	(2 394)
	Other movements		890	
	Balance at end of year	**576**	39	67
5.2	**Loans to joint ventures**		81	1 553
6.	**EQUITY SECURITIES**			
	Available-for-sale	**7 033**	4 729	3 756
	– Unlisted but quoted	**1 321**	1 321	1 007
	– Unquoted	**5 712**	3 408	2 749
	At fair value through profit or loss	**43 159**	46 279	202 772
	– Listed			163 792
	– Unquoted	**43 159**	46 279	38 980
		50 192	51 008	206 528

The unquoted equity securities include advances which are linked to equity instruments. In terms of these agreements, the group 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 (refer to note 36 for fair value disclosures).

GROUP	Available-for-sale R'000	At fair value through profit or loss R'000	Total R'000
Reconciliation			
Balance at 1 March 2013	3 031	97 484	100 515
Subsidiaries acquired	6 190		6 190
Additions		177 797	177 797
Disposals	(5 929)	(60 157)	(66 086)
Net fair value gains	464	(12 352)	(11 888)
Balance at 28 February 2014	3 756	202 772	206 528
Net fair value gains	973	97 894	98 867
Transfer to associates		(254 387)	(254 387)
Balance at 28 February 2015	4 729	46 279	51 008
Additions	**2 304**	**4 405**	**6 709**
Net fair value losses		**(7 525)**	**(7 525)**
Balance at 29 February 2016	**7 033**	**43 159**	**50 192**

	GROUP		
	2016	2015	2014
	R'000	R'000	R'000
7. DEBT SECURITIES			
At fair value through profit or loss (current)			
– Unquoted	**22 854**		

The unquoted debt securities comprise Zimbabwean Government treasury bills with a fixed interest rate of 5% and maturing between 2017 and 2019. The debt securities were acquired during the year as part of the repayment by a debtor and were disposed of subsequent to year-end at an amount higher than the carrying value.

	GROUP		
	2016	2015	2014
	R'000	R'000	R'000
8. LOANS AND ADVANCES			
Secured loans	**60 446**	104 191	72 454
Unsecured loans	**5 871**	10 218	6 160
	66 317	114 409	78 614
Current	**1 644**	52 281	
Non-current	**64 673**	62 128	78 614
	66 317	114 409	78 614

Secured loans include, *inter alia*, loans to Capespan Group Ltd ("Capespan") staff of R21.6m (2015: R21.2m), loans to non-controlling shareholders of Zaad Holdings Ltd amounting to R32.3m (2015: R29.7m) (2014: R16.4m) and a production loan of Rnil (2015: R48.7m) (2014: R44.9m) by Capespan to a supplier. The Capespan staff loans carry interest at the SARS official interest rate, has fixed repayment terms and Capespan ordinary shares serve as security for the loans. The loans to the non-controlling shareholders carry interest at rates ranging between prime and prime less 2%, are repayable between July 2017 and November 2018, and are secured by the non-controlling shareholders' ordinary shares in Zaad Holdings Ltd. The loan to a supplier of Capespan carried interest at a rate of prime plus 1% had fixed repayment terms and the supplier's fruit produced served as security.

9. EMPLOYEE BENEFITS

Assets and liabilities relating to the group's employee benefits can be summarised as follows:

	2016			2015		
GROUP	**Assets R'000**	**Liabilities R'000**	**Net R'000**	Assets R'000	Liabilities R'000	Net R'000
Short-term employee benefits						
Performance-based remuneration		**(41 514)**	**(41 514)**		(45 096)	(45 096)
Leave pay		**(27 578)**	**(27 578)**		(18 705)	(18 705)
Post-employment defined benefit plans	**43 340**	**(137 457)**	**(94 117)**	34 462	(132 818)	(98 356)
Termination employee benefits		**(5 603)**	**(5 603)**		(2 525)	(2 525)
	43 340	**(212 152)**	**(168 812)**	34 462	(199 144)	(164 682)
Non-current portion	**43 340**	**(140 873)**	**(97 533)**	34 462	(134 503)	(100 041)
Current portion		**(71 279)**	**(71 279)**		(64 641)	(64 641)

	2014		
	Assets R'000	Liabilities R'000	Net R'000
Short-term employee benefits			
Performance-based remuneration		(40 800)	(40 800)
Leave pay		(17 612)	(17 612)
Other		(500)	(500)
Long-term incentive scheme		(27 607)	(27 607)
Post-employment defined benefit plans	33 090	(111 046)	(77 956)
	33 090	(197 565)	(164 475)
Non-current portion	33 090	(124 379)	(91 289)
Current portion		(73 186)	(73 186)

9. EMPLOYEE BENEFITS (continued)

Short-term employment benefits

These benefits comprise bonus and leave pay accruals.

Long-term incentive scheme

The executive management of Capespan was part of a long-term incentive scheme based on the increase in Capespan's headline earnings per share, measured over a three-year rolling period. Amounts provided for in terms of this scheme was recognised through profit or loss. During the previous year, the long-term incentive scheme has been replaced by a share option scheme for executive directors and senior management (refer note 16).

Post-employment defined benefit plans (Capespan medical benefits)

The group, through Capespan, provides for post-employment medical aid benefits in respect of certain retired employees. This liability is for a relatively small group of staff and their dependants who were already retired from International Harbour Services (Pty) Ltd, Outspan International Ltd ("Outspan") and Unifruco Ltd ("Unifruco") prior to the merger between Unifruco and Outspan in 1999. To qualify for the scheme they had to be permanently employed, be a member of the company designated scheme at retirement and remain resident in South Africa until their retirement. The obligation was quantified by an independent actuary.

Post-employment defined benefit plans (Capespan pension benefits)

The group, through Capespan, operates a number of externally funded defined benefit pension schemes across various countries. The schemes are set up under trusts and the assets of the schemes are therefore held separately from those of the group.

The accompanying disclosures relate to the group's most significant defined benefit pension schemes across the United Kingdom, continental Europe and South Africa.

Actuarial valuations were carried out by independent actuaries for the various schemes using the projected unit credit method.

The respective employee defined benefit plan deficits can be analysed as follows:

	2016 Capespan medical benefits			2015 Capespan medical benefits		
	Assets R'000	**Liabilities R'000**	**Net R'000**	Assets R'000	Liabilities R'000	Net R'000
Present value of funded obligations		**(25 700)**	**(25 700)**		(23 823)	(23 823)
Balance at beginning of year		**(23 823)**	**(23 823)**		(21 260)	(21 260)
Interest expense		**(1 922)**	**(1 922)**		(1 264)	(1 264)
Losses from changes in financial and demographic assumptions		**(2 384)**	**(2 384)**		(3 367)	(3 367)
Employer contributions		**2 429**	**2 429**		2 068	2 068
Balance at end of year	**–**	**(25 700)**	**(25 700)**	–	(23 823)	(23 823)

	2014 Capespan medical benefits		
	Assets R'000	Liabilities R'000	Net R'000
Present value of funded obligations		(21 260)	(21 260)
Balance at beginning of year			–
Subsidiaries acquired		(22 243)	(22 243)
Interest expense		(1 481)	(1 481)
Gains from changes in financial and demographic assumptions		515	515
Employer contributions		1 949	1 949
Balance at end of year	–	(21 260)	(21 260)

	2016 Capespan pension benefits			2015 Capespan pension benefits		
	Assets R'000	**Liabilities R'000**	**Net R'000**	Assets R'000	Liabilities R'000	Net R'000
Fair value of plan assets	**43 340**		**43 340**	34 462		34 462
Present value of funded obligations		**(109 570)**	**(109 570)**		(108 155)	(108 155)
	43 340	**(109 570)**	**(66 230)**	34 462	(108 155)	(73 693)
Balance at beginning of year	**34 462**	**(108 155)**	**(73 693)**	33 090	(89 786)	(56 696)
Interest expense		**(14 661)**	**(14 661)**		(16 227)	(16 227)
Return on plan assets	**14 191**		**14 191**	12 081		12 081
Gains/(losses) from changes in financial and demographic assumptions		**14 190**	**14 190**		(17 338)	(17 338)
Benefits paid			**–**	(10 709)	12 517	1 808
Employer contributions		**10 255**	**10 255**		3 472	3 472
Exchange differences	**(5 313)**	**(11 199)**	**(16 512)**		(793)	(793)
Balance at end of year	**43 340**	**(109 570)**	**(66 230)**	34 462	(108 155)	(73 693)

9. EMPLOYEE BENEFITS (continued)

	2014 Capespan pension benefits Assets R'000	Liabilities R'000	Net R'000
Fair value of plan assets	33 090		33 090
Present value of funded obligations		(89 786)	(89 786)
	33 090	(89 786)	(56 696)
Balance at beginning of year			–
Subsidiaries acquired	25 184	(72 139)	(46 955)
Interest expense		(14 848)	(14 848)
Return on plan assets	12 003		12 003
Gains from changes in financial and demographic assumptions		634	634
Benefits paid	(4 097)	4 097	–
Employer contributions		3 021	3 021
Exchange differences		(10 854)	(10 854)
Settlements		303	303
Balance at end of year	33 090	(89 786)	(56 696)

The Capespan pension benefits can be divided into the following three plans: South African Co-operative Citrus Exchange ("SACCE"), Capespan Continent NV ("CCNV") and Capespan Germany GmbH ("CGG").

Principal actuarial assumptions at the reporting date (expressed as weighted averages) are presented below:

	Capespan medical benefits	**Capespan pension benefits SACCE**	**CCNV**	**CGG**
29 February 2016				
Discount rate	**0,4%**	**3,7%**	**1,4%**	**2,0%**
Future salary increases	**1,0%**		**3,0%**	**3,5%**
Inflation	**9,0%**	**2,2%**	**2,0%**	**2,2%**
28 February 2015				
Discount rate	0,5%	4,4%	1,2%	1,2%
Future salary increases	1,0%		3,0%	3,5%
Inflation	7,0%	2,8%	2,0%	2,2%
28 February 2014				
Discount rate	0,8%	4,4%	3,3%	3,4%
Future salary increases	1,0%		3,0%	3,5%
Inflation		2,8%	2,0%	2,2%

A sensitivity analysis for each significant actuarial assumption (i.e. what impact would a change in the actuarial assumption have on the net defined benefit obligation):

	Capespan medical benefits			**Capespan pension benefits**		
	Change in assumption	**Increase**	**Decrease**	**Change in assumption**	**Increase**	**Decrease**
29 February 2016						
Discount rate	**0,5%**	**976**	**(913)**	**0,5%**	**30 220**	**(30 005)**
Inflation	**1,0%**	**(1 665)**	**1 860**	**1,0%**	**(17 020)**	**16 130**
Mortality	**1 year**	**(618)**	**647**	**1 year**	**(21 192)**	**20 804**
28 February 2015						
Discount rate	0,5%	899	(842)	0,5%	6 645	(6 630)
Inflation	1,0%	(1 549)	1 726	1,0%	(1 569)	3 970
Mortality	1 year	(1 173)	1 217	1 year	(22 298)	21 726
28 February 2014						
Discount rate	0,5%	765	(817)	0,1%	5 150	(5 275)
Inflation	1,0%	(1 779)	1 587	0,1%	(1 329)	3 502
Medical cost trends	1,0%	(1 325)	3 502			
Mortality	1 year	(1 105)	1 064	1 year	(14 645)	14 105

	GROUP		
	2016	2015	2014
	R'000	R'000	R'000
10. BIOLOGICAL ASSETS			
Balance at beginning of year	**274 332**	200 568	31 264
Subsidiaries acquired	**62 485**		144 106
Exchange rate movement	**(10 191)**	(1 335)	5 622
Additions	**175 651**	172 577	135 640
Harvests	**(328 803)**	(231 617)	(209 082)
Disposals			(32 551)
Depreciation	**(11 454)**	(9 880)	(8 581)
Change in fair value of biological assets	**243 556**	144 019	134 150
Balance at end of year	**405 576**	274 332	200 568
Biological assets (bearer plants)[1]	**278 636**	181 524	117 121
Orchards	**122 686**	57 062	48 564
Vineyards	**155 950**	124 462	68 557
Biological assets (agricultural produce)	**126 940**	92 808	83 447
Maize[2]	**16 519**	24 127	6 396
Soya[2]	**32 275**	24 797	33 567
Orchards[3]	**39 820**	17 220	12 885
Vineyards[3]	**13 238**	12 395	14 262
Sugar cane[3]	**14 414**	14 269	16 337
Timber[4]	**10 674**		
	405 576	274 332	200 568

[1] Bearer plants are carried at cost less accumulated depreciation and impairment losses.

[2] These current biological assets are valued at cost, since an insignificant level of biological transformation has taken place since planting.

[3] These current biological assets, which comprise the fruit on the orchards, grapes on the vineyards and sugar cane have been valued using the following assumptions:

– expected sales realisation at free on board value for export fruit and net value for local fruit sales;

– budgeted costs to harvest and sell the fruit as per management-approved budgets;

– packing and cooling costs as per the management-approved budgets; and

– overheads directly attributable to the operations for the year.

[4] This current biological asset is valued using the discounted cash flow valuation model to consider the present value of the net cash flows expected to be generated.

The abovementioned fair value of biological assets has been calculated using unobservable inputs (level 3). The table below summarises the sensitivity of the group's post-tax net profit for the year as a result of fair value assumption fluctuations. The analysis is based on the assumption that the fair value increase/decrease by 10% (2015: 10%) (2014: 10%) at the reporting date:

GROUP	**2016 10% increase R'000**	2015 10% increase R'000	2014 10% increase R'000	**2016 10% decrease R'000**	2015 10% decrease R'000	2014 10% decrease R'000
Impact on post-tax profit	**91 397**	66 822	66 090	**(91 397)**	(66 822)	(66 090)

As at 29 February 2016, biological assets comprised plantings of 395 hectares (2015: 168 hectares) of apples, 95 hectares (2015: 32 hectares) of pears, 477 hectares (2015: 475 hectares) of grapes, 440 hectares (2015: 156 hectares) of citrus, 955 hectares (2015: nil hectares) of sugar cane and 800 hectares (2015: nil hectares) of timber plantations, 5,170 hectares (2015: 3,345 hectares) of soya and 1,299 hectares (2015: 2,922 hectares) of maize.

	GROUP		
	2016	2015	2014
	R'000	R'000	R'000
11. INVENTORIES			
Raw materials	**135 707**	169 699	52 270
Work in progress	**17 646**	8 148	3 996
Finished goods	**1 137 944**	810 258	899 458
	1 291 297	988 105	955 724

Inventory to the value of R32m (2015: R8m) (2014: R11m) was written off during the year.

Raw materials consist of packaging material, consumables, fertilizer and seeds held for planting on the farms, wheat and maize held for milling and other inputs. Work in progress consist of seeds in the cleaning process prior to packaging the finished product. Finished goods include fruit produced, packaged seeds ready for sale and milled wheat and maize packaged.

	GROUP		
	2016	2015	2014
	R'000	R'000	R'000
12. TRADE AND OTHER RECEIVABLES			
Trade receivables	**1 260 912**	1 044 407	899 131
Provision for impairment of trade receivables	**(49 047)**	(18 967)	(18 724)
Value added tax	**56 707**	42 031	41 672
Prepayments and sundry receivables*	**306 779**	192 508	122 921
	1 575 351	1 259 979	1 045 000
* *Includes non-financial assets of R296m (2015: R174m) (2014: R5.4m).*			
13. DERIVATIVE FINANCIAL ASSETS			
Forward currency exchange contracts (refer note 35)	**42**	24	1 299
14. CASH, MONEY MARKET INVESTMENTS AND OTHER CASH EQUIVALENTS			
Bank balances	**566 843**	347 478	632 261
Money market fund	**117 435**	422 521	382 507
	684 278	769 999	1 014 768
The money market fund earned interest at money market rates during the year under review. Money market funds are invested in highly liquid instruments with a weighted average maturity of less than 90 days, and the majority of the balance was withdrawn subsequent to year-end.			
15. NON-CURRENT ASSETS HELD FOR SALE			
Carrying value at beginning of year	**30 378**	177 570	287 733
Subsidiaries acquired			10 113
Transfer from subsidiaries		30 378	
Transfer from investment in associated			311 195
Net fair value gains		15 888	59 049
Disposals	**(30 378)**	(193 458)	(490 520)
Carrying value at end of year	**–**	30 378	177 570
At 1 March 2014, non-current assets held for sale consisted mainly of JSE-listed Capevin Holdings Ltd shares, which was disposed of during the prior year.			
At 28 February 2015, non-current assets held for sale comprised Addo Cold Storage (Pty) Ltd (previously a subsidiary of Capespan Group Ltd) which was transferred from investment in subsidiaries. The disposal was concluded during the year under review for cash proceeds of R13m; with non-controlling interests of R17m being derecognised. Statement of financial position information is as follows:			
Property, plant and equipment		29 998	
Cash and cash equivalents		106	
Net receivables		274	
		30 378	

	GROUP			COMPANY		
	2016	2015	2014	**2016**	2015	2014
	R'000	R'000	R'000	**R'000**	R'000	R'000
16. STATED CAPITAL						
Ordinary shares						
Authorised						
2 000 000 000 (2015: 2 000 000 000) (2014: 2 000 000 000) ordinary shares with no par value						
Issued						
1 522 852 890 (2015: 1 443 843 985) (2014: 980 188 331) ordinary shares with no par value	**5 704 822**	5 095 256	1 748 061	**5 704 822**	5 095 256	1 748 061

16. STATED CAPITAL (continued)

During the current year, the company issued 69 557 939 ordinary shares to Capespan Group Ltd ("Capespan") shareholders through a scheme of arrangement to effectively increase its interest in Capespan to 96.6%. The company also issued 4 433 103 and 5 017 863 ordinary shares for an additional interest in Kaap Agri Ltd ("Kaap Agri") and in Gebroeders Bakker Zaadteelt en Zaadhander B.V. ("Bakker"), respectively. Subsequently, the company transferred the Capespan, Kaap Agri and Bakker shares to Zeder Financial Services Ltd (wholly-owned subsidiary) through an asset-for-share transaction (refer notes 3 & 4).

Cumulative, non-redeemable, non-participating preference shares

Authorised

250 000 000 (2015: 250 000 000) (2014: 250 000 000) shares with no par value

During the 2014 financial year, the company converted it ordinary and preference shares to shares with no par value.

Share incentive schemes of subsidiaries

Agrivision Africa

During the current and previous years, Agrivision Africa operated an equity-settled share incentive scheme. In terms of the scheme, share options were granted to executive directors and senior management. The total equity-settled share-based payment charge recognised in profit or loss amounted to R6.8m (2015: R0.1m) (2014: R1.6m). This charge was credited to other reserves and non-controlling interests.

Reconciliation of outstanding share options:	**2016 Number**	2015 Number	2014 Number
Balance at beginning of year	**49 273**	46 213	84 024
Number of share options granted during the year	**97 638**	3 060	
Number of share options forfeited during the year	**(9 853)**		(37 811)
Balance at end of year	**137 058**	49 273	46 213

	2016		2015		2014	
Analysis of outstanding scheme shares by financial year of maturity:	**Weighted average strike price (R)**	**Number**	Weighted average strike price (R)	Number	Weighted average strike price (R)	Number
2015/16			722	9 855	789	9 243
2016/17	**831**	**36 616**	782	9 855	854	9 243
2017/18	**848**	**38 593**	847	9 855	925	9 243
2018/19	**864**	**42 401**	918	9 855	1 002	9 242
2019/20	**940**	**15 640**	994	9 853	1 002	9 242
2020/21	**848**	**3 808**				
		137 058		49 273		46 213

Outstanding share options per trance allocated:	**Number of shares**	**Price R**	**Volatility %**	**Dividend yield %**	**Risk-free rate %**	**Fair value R**
11 April 2012	**753**	728.20	32.5	–	6.1	34.22
20 April 2012	**2 781**	788.65	32.5	–	6.7	34.64
19 June 2012	**5 035**	854.15	32.5	–	7.1	37.68
3 August 2012	**17 722**	924.99	32.5	–	7.5	41.46
14 September 2012	**10 069**	1 001.72	32.5	–	7.8	43.77
8 April 2014	**3 060**	716.69	30.7	–	7.5	45.04
1 January 2015	**97 638**	632.07	26.8	–	7.9	180.92
	137 058					

The value of the options was calculated using the Black-Scholes-Merton model.

Capespan Group Ltd

During the previous year, Capespan Group Ltd replaced its long-term bonus scheme with a share option scheme. In terms of the share option scheme, share options are granted to executive directors and senior management on grant date at a strike price equal to fair value. The settlement of the purchase consideration payable by the participant in terms of the share options granted occurs on vesting. Vesting of share options occurs in tranches of 25% each after 2, 3, 4 and 5 years from grant date, respectively.

Participants with 'in the money' entitlements in terms of the long-term bonus scheme were awarded their first tranche of share options at a reduced strike price. Accordingly, the previously recognised liability of R9.4m (net of tax) was reclassified to the share-based payment reserve and the remainder of the equity-settled share-based payment charge (calculated making use of a Black-Scholes valuation model and the inputs set out below) is recognised over the specified service periods. The equity-settled share-based payment charge recognised in the income statement amounted to R2.4m (2015: R1.1m). This charge, net of the related tax effect, was credited to the share-based payment reserve.

During the year under review, 11 838 683 (2015: 14 745 337) share options were granted to participants at a total consideration of R66.6m (2015: R37.5m). Each share option awarded entitles the participant to acquire one ordinary share in the issued share capital of Capespan Group Ltd. The maximum number of shares which may be offered to participants is 38 818 693. During the year under review, the Capespan Group Share Incentive Trust acquired nil (2015: 654 000) ordinary shares in Capespan Group Ltd in order to assist in meeting its obligations in terms of the share options granted.

16. **STATED CAPITAL (continued)**

Share incentive schemes of subsidiaries (continued)

Capespan Group Ltd (continued)

Reconciliation of outstanding share options:	**2016 Number**	2015 Number
Balance at beginning of year	**13 839 393**	
Number of share options granted during the year	**11 898 462**	14 745 737
Number of share options forfeited during the year	**(1 812 688)**	(906 344)
Balance at end of year	**23 925 167**	13 839 393

Analysis of outstanding share options by financial year of maturity:	**2016 Weighted average strike price (R)**	**2016 Number**	2015 Weighted average strike price (R)	2015 Number
2015/16			2.36	3 459 848
2016/17	**3.20**	**8 462 262**	2.36	3 459 848
2017/18	**3.91**	**5 966 348**	2.36	3 459 848
2018/19	**3.91**	**5 966 348**	2.36	3 459 849
2019/20	**5.63**	**2 959 672**		
2020/21	**5.81**	**570 537**		
		23 925 167		13 839 393

Outstanding share options per tranche allocated:	**Number of shares**	**Price R**	**Volatility %**	**Dividend yield %**	**Risk-free rate %**	**Fair value R**
1 January 2014	**2 256 798**	0.99	31.2	4.4	6.1 – 7.3	2.07
1 January 2014	**1 325 801**	1.08	31.2	4.4	6.1 – 7.3	2.00
1 January 2014	**2 636 918**	1.45	31.2	4.4	6.1 – 7.3	1.72
1 January 2014	**5 807 188**	3.31	31.2	4.4	6.1 – 7.3	0.73
1 January 2015	**1 374 580**	4.00	29.0	6.1	6.8 – 7.3	0.72
1 January 2015	**8 421 053**	5.85	29.0	6.1	6.8 – 7.3	0.32
1 January 2016	**2 102 829**	5.81	32.5	4.5	7.9 – 8.2	1.42
	23 925 167					

17. **OTHER RESERVES**

GROUP	**Available-for-sale R'000**	**Foreign currency translation R'000**	**Share-based payment R'000**	**Other* R'000**	**Total R'000**
Balance at 1 March 2013	363	9 585		(4 419)	5 529
Currency translation adjustments		106 704			106 704
Fair value gains on available-for-sale investments	317				317
Share of other comprehensive income of associates				30 779	30 779
Reclassification of share of associates' other comprehensive income on disposal				(55 466)	(55 466)
Reclassification of gains on available-for-sale investments	(624)				(624)
Share-based payment costs - employees			1 339		1 339
Cash flow hedges				(12 181)	(12 181)
Transactions with non-controlling interests		(1 276)		1 000	(276)
Balance at 28 February 2014	56	115 013	1 339	(40 287)	76 121
Currency translation adjustments		(11 977)			(11 977)
Fair value gains on available-for-sale investments	792				792
Share of other comprehensive loss of associates				(12 725)	(12 725)
Share-based payment costs - employees			10 709		10 709
Cash flow hedges				(7 009)	(7 009)
Recycling of cash flow hedges		3 623		18 216	21 839
Transfer between reserves				(2 405)	(2 405)
Recycling of foreign exchange gains on long-term loan classified as part of net foreign investment		(1 015)			(1 015)
Transactions with non-controlling interests				(20 263)	(20 263)
Balance at 28 February 2015	**848**	**105 644**	**12 048**	**(64 473)**	**54 067**
Currency translation adjustments		**(15 579)**			**(15 579)**
Share of other comprehensive income of associates				**(7 553)**	**(7 553)**
Share-based payment costs - employees			**3 265**		**3 265**
Cash flow hedges				**(2 547)**	**(2 547)**
Transfer between reserves				**55**	**55**
Balance at 29 February 2016	**848**	**90 065**	**15 313**	**(74 518)**	**31 708**

* *Relates mainly to other comprehensive income attributable to associates, a cash flow hedge reserve and the initial remeasurement of written put options held by non-controlling shareholders of a subsidiary.*

	2016 R'000	GROUP 2015 R'000	2014 R'000
18. DEFERRED INCOME TAX			
Deferred income tax assets	**69 862**	63 869	59 388
Deferred income tax liabilities	**(101 664)**	(105 627)	(119 768)
Net deferred income tax liability	**(31 802)**	(41 758)	(60 380)
Deferred income tax assets			
To be recovered within 12 months	**26 786**	7 523	
To be recovered after 12 months	**43 076**	56 346	59 388
	69 862	63 869	59 388
Deferred income tax liabilities			
To be recovered within 12 months	**(20 432)**	(13 997)	(17 302)
To be recovered after 12 months	**(81 232)**	(91 630)	(102 466)
	(101 664)	(105 627)	(119 768)

GROUP	Tax losses R'000	Provisions R'000	Unrealised profits R'000	Intangible assets and other differences R'000	Total R'000
Balance at 1 March 2013		806	(28 337)	(26 364)	(53 895)
Subsidiaries acquired	67 823	4 147	(3 519)	(64 627)	3 824
(Charged)/credited to profit and loss	(17 373)	1 917	(4 444)	(517)	(20 417)
(Charged)/credited to other comprehensive income			(1 238)	193	(1 045)
Exchange rate movements		(1 526)	(51)	12 730	(111 533)
Balance at 28 February 2014	50 450	5 344	(37 589)	(78 585)	(60 380)
Subsidiaries acquired	1 116	(2 865)		(25 242)	(26 991)
Credited/(charged) to profit and loss	4 794	(601)	32 138	9 505	45 836
Credited to other comprehensive income			1 243	6 506	7 749
Exchange rate movements		76	71	(8 119)	(7 972)
Balance at 28 February 2015	56 360	1 954	(4 137)	(95 935)	(41 758)
Subsidiaries acquired				**(3 891)**	**(3 891)**
Credited/(charged) to profit and loss	**46 485**	**22 590**	**(2 340)**	**(61 486)**	**5 249**
Charged to other comprehensive income				**(2 897)**	**(2 897)**
Exchange rate movements	**(956)**	**6 954**	**317**	**5 180**	**11 495**
Balance at 29 February 2016	**101 889**	**31 498**	**(6 160)**	**(159 029)**	**(31 802)**

Deferred income tax on temporary differences relating to equity securities that are classified as at fair value through profit or loss and available-for-sale, is calculated using South Africa's effective capital gains tax rate of 22.4% (2015: 18.6%) (2014: 18.6%). Deferred income tax was otherwise calculated on temporary differences using the applicable tax rate as per the tax jurisdiction it relates to.

		GROUP			COMPANY	
	2016	2015	2014	**2016**	2015	2014
	R'000	R'000	R'000	**R'000**	R'000	R'000
19. BORROWINGS						
Non-current						
Secured redeemable preference shares	**300 000**	300 000	300 000			
Secured loans	**864 011**	665 938	414 475			
Unsecured loans	**1 905**	4 000	24 058			
	1 165 916	969 938	738 533			
Current						
Secured loans	**288 001**	213 684	76 021			
Unsecured loans	**35 929**	8 547		**783 975**	701 911	68 051
Bank overdrafts	**945 933**	674 035	377 571			
Accrued redeemable preference share dividends	**6 107**	6 107	6 107			
	1 275 970	902 373	459 699	783 975	701 911	68 051

Secured redeemable preference shares

The preference shares, issued by Zeder Financial Services Ltd, a wholly-owned subsidiary, are secured by investments in associates and subsidiaries with a market value of R5.4bn (2015: R6.2bn) (2014: R3.0bn), carry a fixed dividend rate of 8.11% nominal annual compounded monthly, and are redeemable during September 2017.

Secured loans

The following significant borrowings are included in secured loans:

- Capespan has a guaranteed term loan of R100m (2015: R100m) (2014: R100m) from ABSA, which carries interest at prime less 1.5% (2015: prime less 1.5%) (2014: prime less 5.5%) and is repayable during January 2017;
- Capespan has a guaranteed term loan of R300m (2015: Rnil) from ABSA, which carries interest at JIBAR plus 2.3% and is repayable in quarterly instalments;
- Capespan has a guaranteed term loan of R100m (2015: R100m) from HSBC, which carries interest at JIBAR plus 2.1% (2015: JIBAR plus 2.1%) and is repayable in quarterly instalments;
- Zaad has a term loan of R82.1m (2015: R134m) (2014: R50m) from FNB, which carries interest at prime less 1.25% (2015: prime less 1.25%) (2014: prime less 1.25%), is repayable in annual instalments and is secured by a general covering mortgage bond over immovable property with a carrying value of R51.7m (2015: R59.3m);
- Agrivision has a United States dollar-denominated term loan of R108.7m (2015: R116m) (2014: R107m) from the African Agriculture and Trade Investment Fund, which carries a fixed interest rate of 5.75% (2015: 5.75%) (2014: 5.75%) and an additional charge payable if Agrivision's gross profit exceeds a specified threshold. The loan is repayable during October 2016 and is secured by immovable property with a carrying value of R66m (2015: R75m); and
- Agrivision has a United States dollar-denominated term loan of R267m (2015: R230m) (2014: R87m) from Stanbic, which carries interest at 7.15% (2015: 7.15%) (2014: 7.15%), is repayable in semi-annual instalments and Agrivision's shareholding in two of its operational subsidiaries serve as security.

Unsecured loans

The group's most significant unsecured loan is Zaad's United States dollar-denominated loan of R25m (2015: Rnil) from Royal Crown Pvt Ltd, which carries interest at 16% and is fully repayable in June 2016.

The company's unsecured loan from Zeder Financial Services Ltd (wholly-owned subsidiary) is interest free and has no fixed repayment terms.

Bank overdrafts

Zaad has Euro-denominated bank overdrafts of R78m (2015: R30m) (2014: R97m) and R187m (2015: R215m) (2014: R132m) from ABN Amro Bank and FNB, respectively.

Capespan has the following bank overdrafts:

- South African rand-denominated bank overdrafts of R160m (2015: R199m) from Standard Bank; R85m (2015: Rnil) from HSBC; R75m (2015: R3m) from CITI Bank and R25m (2015: R25m) from Investec;
- United States dollar-denominated bank overdraft of R38m (2015: R29m) from HSBC; and
- Euro-denominated bank overdraft of R32m (2015: R30m) from KBC Bank.

Effective interest rates

The effective interest rates applicable to borrowings range between 2% and 12% (2015: 1.5% and 13.3%) (2014: 1.5% and 13.3%).

		GROUP	
	2016	2015	2014
	R'000	R'000	R'000
20. DERIVATIVE FINANCIAL LIABILITIES			
Non-current			
Non-controlling interests' put option liabilities	**65 424**	63 644	45 666
Current			
Forward currency exchange contracts (refer note 36)		417	15 236

Previously, the group entered into transactions with non-controlling shareholders of Zaad Holdings Ltd (a subsidiary), which granted them the right to put their entire shareholdings to the group at a fixed price/earnings multiple that was market-related at the date of issue. The options are exercisable in July 2017 and November 2018 and the carrying value at the reporting date represents the present value of the possible exercise price.

		GROUP			COMPANY	
	2016	2015	2014	**2016**	2015	2014
	R'000	R'000	R'000	**R'000**	R'000	R'000
21. TRADE AND OTHER PAYABLES						
Trade payables*	**1 244 250**	915 088	912 323	**628**		
Management fee payable (refer note 27.1)	**83 802**	226 277	102 402			
Deferred purchase consideration – associate			113 342			
Unsettled share trades and sundry payables		11 871	48 652			
	1 328 052	1 153 236	1 176 719	**628**	–	–

* *Includes non-financial liabilities of R29m (2015: R39m) (2014: Rnil).*

The contingent consideration was settled in full in May 2014 after a final balance sheet review was performed, resulting in a charge of R65m to group profit representing the excess amount (over and above the liability carried by Capespan in the prior year) paid to the other shareholder for its 25% equity interest in Golden Wing Mau. The total payment amounted to R177m representing the full and final settlement for acquiring a 25% equity interest in Golden Wing Mau.

		GROUP			COMPANY	
	2016	2015	2014	**2016**	2015	2014
	R'000	R'000	R'000	**R'000**	R'000	R'000
22. REVENUE						
Agricultural inputs and produce	**8 715 798**	8 107 208	5 376 678			
Logistical services	**601 949**	584 760	600 830			
	9 317 747	8 691 968	5 977 508			
23. COST OF SALES						
Changes in finished goods	**7 422 320**	7 119 669	5 052 305			
Raw material and consumables used	**325 937**	294 519	129 543			
Transportation expenses	**5 520**	4 427	16 385			
Commission	**5 127**	5 179	6 300			
	7 758 904	7 423 794	5 204 533			
24. INVESTMENT INCOME						
Interest income	**45 016**	68 675	52 275	**21**	–	–
Loans and advances	**7 825**	7 062	4 537			
Trade and other receivables	**1 317**	19	799			
Cash, money market investments and other cash equivalents	**35 874**	61 594	46 939	**21**		
Dividend income	**1 787**	6 173	13 579	**–**	151 380	25 000
Equity securities held at fair value through profit or loss	**1 787**	3 788	3 496			
Equity securities held as available-for-sale		26	140			
Non-current assets held for sale		2 359	9 943			
Subsidiary company					151 380	25 000
	46 803	74 848	65 854	**21**	151 380	25 000

		GROUP	
	2016	2015	2014
	R'000	R'000	R'000
25. NET FAIR VALUE (LOSSES)/GAINS			
Unrealised net fair value gains and losses			
Equity securities – at fair value through profit or loss	**(7 525)**	97 894	(12 352)
Fair value gain on step-up acquisition of an associate and joint venture to a subsidiary	**3 731**	3 295	17 205
Foreign exchange (losses)/gains	**(53 051)**	(19 082)	7 566
Gains on derivative financial instruments	**3 591**	4 777	
Non-current asset held for sale (refer note 15)			59 049
Fair value loss on contingent consideration adjustment		(65 657)	
Realised net fair value gains			
Equity securities – at fair value through profit or loss	**8**		58 481
Non-current assets held for sale		16 490	14 004
	(53 246)	37 717	143 953
26. OTHER OPERATING INCOME			
Management and other fee income	**1 073**	3 046	1 818
Profit on sale of property, plant and equipment	**30 481**	4 411	336
Bad debts recovered			1 628
Reversal of impairment on property, plant and equipment		11 893	7 414
Gain on bargain purchase			
Profit on disposal of available-for-sale financial assets		3 559	
Sundry income	**19 543**	21 805	5 146
	51 097	44 714	16 342
27. EXPENSES			
27.1 Management fees			
Base fee expense	**154 643**	117 757	59 022
Performance fee expense		117 757	59 022
	154 643	235 514	118 044

The base and performance fees are payable to PSG Corporate Services (Pty) Ltd ("PSGCS"), a subsidiary of PSG Group, the company's ultimate holding company, in terms of a management agreement. In accordance with the management agreement, PSGCS provides management services, including corporate, secretarial, advisory, investment and financial services and all related aspects thereto to the Zeder group of companies.

The base management fee is calculated at the end of every half-year as 1.5% p.a (exclusive of VAT) of the company's volume weighted average market capitalisation for that half-year. The performance management fee is calculated at the end of the financial year as 20% p.a. of the company's share price outperformance of the GOVI (comprising the most liquid government bonds, being the government bonds within the top 10 of the All Bond Index) yield plus 4%, adjusted for dividends ("hurdle price"). The performance management fee pertaining to a financial year may not exceed that year's base management fee. If the performance management fee exceeds the base management fee, the excess performance management fee is carried forward to the following financial year, by adjusting the starting hurdle price of the following year accordingly. The excess performance management fee at year-end amounted to Rnil (2015: R634m) (2014: R21m). Consequently, the starting hurdle share price for performance fee determination purposes at 1 March 2016 is R5.65 (2015: R4.95) (2014: R3.99).

			GROUP	
		2016	2015	2014
		R'000	R'000	R'000
27.	**EXPENSES (continued)**			
27.2	**Marketing, administration and other expenses**			
	Depreciation	**136 273**	106 808	73 890
	– Land	**6 895**	6 935	5 626
	– Buildings	**26 031**	15 016	7 737
	– Vehicles and plant	**80 342**	65 189	45 780
	– Office equipment	**11 551**	9 788	6 166
	– Biological assets (bearer plants)*	**11 454**	9 880	8 581
	Amortisation of intangible assets	**30 650**	25 329	20 354
	Operating lease rentals	**141 689**	112 714	44 628
	– Properties	**92 476**	85 042	26 887
	– Equipment	**49 213**	27 672	17 741
	Auditors' remuneration	**15 011**	13 065	9 033
	– Audit services – current year	**12 459**	11 351	7 764
	– Audit services – previous year	**584**	445	1 170
	– Other services	**1 968**	1 269	99
	Employee costs	**665 398**	586 216	341 899
	– Salaries, wages and allowances*	**625 424**	557 139	323 366
	– Equity-settled share-based payment costs	**9 285**	1 280	1 676
	– Pension costs – defined contribution and benefit plans	**26 600**	24 427	14 654
	– Medical costs – defined contribution and benefit plans	**4 089**	3 370	2 203
	Impairment losses	**22 121**	19 098	7 137
	– Property, plant and equipment	**14 171**		
	– Intangible assets	**7 950**	19 013	1 155
	– Loans and advances		85	5 982
	Loss on sale of property, plant and equipment	**631**	80	4 174
	Loss on sale of non-current assets held for sale	**1 730**		
	Repairs, maintenance and vehicle costs	**96 593**	58 496	54 158
	Marketing and administration costs	**19 910**	17 370	4 210
	– Marketing	**19 666**	17 008	3 797
	– Administration	**244**	362	413
	Professional fees	**28 440**	30 754	23 381
	Insurance costs	**31 209**	24 567	15 604
	Communication costs	**16 893**	15 677	10 713
	Commission paid	**23 344**	14 390	12 756
	Other costs*	**199 920**	105 255	38 891
		1 429 812	1 129 819	660 828

* *Restated as set out in note 35.*

Refer to note 30 for further information with regards to directors' emoluments.

28.	**FINANCE COSTS**			
	Redeemable preference shares	**24 883**	24 676	24 681
	Secured loans	**38 280**	40 157	18 213
	Unsecured loans	**24 190**	20 812	17 042
	Bank overdrafts	**87 398**	49 604	25 585
	Other	**5 372**	7 615	441
		180 123	142 864	85 962

	GROUP			COMPANY		
	2016	2015	2014	**2016**	2015	2014
	R'000	R'000	R'000	**R'000**	R'000	R'000
29. TAXATION						
South Africa current taxation						
– Current year	**51 534**	55 634	48 824	**6**		
– Previous year	**206**	3 402	51		3 000	
South Africa deferred taxation						
– Current year	**(14 764)**	(42 231)	24 591			
Foreign current taxation						
– Current year	**45 761**	64 089	35 394			
– Previous year	**29 851**					
Foreign deferred taxation						
– Current year	**9 515**	(3 605)	(4 174)			
	122 103	77 289	104 686	**6**	3 000	–
Reconciliation of effective tax rate:	**%**	%	%	**%**	%	%
South African standard tax rate	**28.0**	28.0	28.0	**28.0**	28.0	28.0
Adjusted for:						
– Non-taxable income	**(1.2)**	(13.0)	(1.8)		(28.0)	
– Capital gains tax rate differential	**(0.5)**	(3.1)	(4.0)			
– Change in capital gains tax inclusion rate	**0.1**					
– Non-deductible charges	**6.2**	22.4	10.9	**0.6**		
– Income from associates and joint ventures	**(17.0)**	(23.4)	(10.6)			
– Dilution gains	**(8.5)**					
– Foreign tax rate differential	**2.7**	2.8	0.9			
– Special tax allowances		(0.9)	(0.4)			
– Deferred tax purchase consideration		5.1				
– Other	**(0.4)**	0.6	0.7			
– Deferred tax assets written off/not recognised	**0.8**	2.6	0.9			
– Effect of tax losses utilised		(0.7)	(2.4)			
– Prior period adjustments	**3.2**	1.0	0.5		2.0	
Effective tax rate	**13.4**	21.4	22.7	**28.6**	2.0	28.0
Tax (credits)/charges relating to components of other comprehensive income						
– Currency translation movements		848	(1 488)			
– Fair value gains on available-for-sale investments			(73)			
– Reclassification of gains on available-for-sale investments			324			
– Share of other comprehensive income of associates			(1 183)			
– Reclassification of share of associates' other comprehensive income			1 183			
– Reclassification of foreign exchange gains on long-term loan forming part of net foreign investment		395				
– (Losses)/gains from change in financial assumptions or change in demographic assumptions on employee defined benefit plans	**(2 897)**	6 506	193			
	(2 897)	7 749	(1 044)			

30. RELATED-PARTY TRANSACTIONS AND BALANCES

The following related parties were identified with which the company and/or group transacted during the year, and/or balances were outstanding at year-end:

Party	Relationship
PSG Group Ltd	Ultimate holding company
Zeder Financial Services Ltd	Wholly-owned subsidiary
Zeder Investments Corporate Services (Pty) Ltd	Wholly-owned subsidiary of Zeder Financial Services Ltd
Zeder Africa (Pty) Ltd	Wholly-owned subsidiary of Zeder Financial Services Ltd
Zaad Holdings Ltd	Subsidiary of Zeder Financial Services Ltd
Chayton Corporate Services (Pty) Ltd	Wholly-owned subsidiary of Zeder Investments Corporate Services (Pty) Ltd
Pioneer Food Group Ltd	Associate of Zeder Financial Services Ltd
Kaap Agri Ltd	Associate of Zeder Financial Services Ltd
PSG Corporate Services (Pty) Ltd	Subsidiary of PSG Group Ltd
PSG Online Securities (Pty) Ltd	Subsidiary of PSG Group Ltd
PSG Money Market Fund	Subsidiary of PSG Group Ltd

Related-party transactions during the year included dividends received from associates (refer note 4), the management fee expense (refer note 27.1), professional fees, interest income (refer note 24) and interest paid (refer note 28).

Included in the group's interest income (refer note 24) is R17 000 (2015: R82 000) (2014: R818 000) received from PSG Online Securities (Pty) Ltd and R3.1m (2015: R15.8m) (2014: R18.7m) received from PSG Money Market Fund.

Included in the group's marketing, administration and other expenses is professional fees of R617 000 (2015: R786 000) (2014: R5.2m) paid to PSG Capital (a division of PSG Corporate Services (Pty) Ltd) and R161 000 (2015: R79 000) (2014: Rnil) paid to Grayston Elliot (Pty) Ltd for corporate finance and tax services relating to acquisitions made. Included in transactions with non-controlling interest (2015: investment in ordinary shares of associates) is R2.9m (2015: R5.7m) paid to PSG Capital (a division of PSG Corporate Services (Pty) Ltd) for professional fees, and R56 000 (2015: R111 000) paid to Grayston Elliot (Pty) Ltd for tax services (refer note 4).

Brokerage and administration fees of R1 000 (2015: R15 000) (2014: R15 000) were paid to PSG Online Securities (Pty) Ltd. These fees related to trades that took place via the group's share trading accounts.

The group previously entered into a written put agreement with Mr AE Jacobs, who is a non-executive director of the company and also a non-controlling shareholder in Zaad Holdings Ltd. The agreement grants him the right to sell his non-controlling interest to the group at a fixed market-related multiple in July 2017 (refer note 20).

Included in revenue are R20.5m (2015: R18.5m) (2014: R11.9m) goods sold to Kaap Agri Ltd and its subsidiaries and R917 000 (2015: R3.2m) (2014: Rnil) goods sold to Pioneer Food Group Ltd and its subsidiaries (refer note 22). Included in cost of sales is R12.3m (2015: R6.5m) in respect of purchases from Kaap Agri Ltd and its subsidiaries, and R296 000 from Quantum Foods Holdings and its subsidiaries (refer note 23).

Included in trade and other receivables is an amount of R144 000 due by Kaap Agri Ltd (refer note 12) and included in trade and other payables is an amount payable of R1.5m to Kaap Agri Ltd (refer note 21).

Directors' emoluments (excluding Mr AE Jacobs' emoluments) are paid by PSG Corporate Services (Pty) Ltd ("PSGCS") (an indirect wholly-owned subsidiary of PSG Group Ltd) in terms of the management agreement (refer note 27.1). Directors' emoluments include the following cash-based remuneration:

	Basic salary R'000	**Company contributions and allowances R'000**	**Performance-related R'000**	**Fees R'000**	**Total 2016 R'000**	Total 2015 R'000	Total 2014 R'000
Executive							
N Celliers[1]	**2 569**	**31**	**3 300**		**5 900**	5 500	4 000
WL Greeff[3]					**–**		
Non-executive							
GD Eksteen				**123**	**123**	115	108
WA Hanekom				**123**	**123**	100	20
AE Jacobs[2]	**1 549**	**297**			**1 846**	1 733	1 625
JF Mouton[3]					**–**		
PJ Mouton[3]					**–**		
CA Otto[3]					**–**		
MS du Pré le Roux[4]					**–**	55	108
LP Retief[4]					**–**	80	114
	4 118	**328**	**3 300**	**246**	**7 992**	7 583	5 975

[1] *Performance-related emoluments were paid in respect of the 2016 financial year.*

[2] *The basic salary and company contributions received by AE Jacobs relates to his employment as chief executive officer of Zaad Holdings Ltd, a subsidiary.*

[3] *These directors do not receive any emoluments for services rendered to Zeder Investments Ltd, as the Zeder Investments Ltd group is managed by PSGCS in terms of a management agreement. These directors only receive emoluments from PSGCS for services rendered to PSG Group Ltd and its investee companies (including the Zeder Investments Ltd group).*

[4] *Resigned during the previous year.*

30. RELATED-PARTY TRANSACTIONS AND BALANCES (continued)

The company's prescribed officers include members of the PSG Group Ltd Executive Committee, which manages the group and whose remuneration is disclosed in PSG Group Ltd's annual report.

In addition to the cash-based remuneration above, share options have been awarded to Mr N Celliers, the cost of which is borne by PSGCS in terms of the aforementioned management agreement. The cost (determined using an option pricing model) of the share options awarded amounted to R2.9m (2015: R2.7m) (2014: R0.9m) for the year.

During the year, Mr N Celliers exercised 2 024 057 (2015: 775 581) (2014: nil) Zeder Investments Ltd and 16 039 (2015: 21 924) (2014: nil) PSG Group Ltd share options at weighted average strike prices of R3.64 (2015: R2.90) (2014: nil) and R57.29 (2015: R51.31) (2014: nil), respectively. The weighted average market price across the respective vesting dates during the year was R6.14 (2015: R5.73) (2014: nil) for the Zeder Investments Ltd share options and R174.97 (2015: R126.40) (2014: nil) for the PSG Group Ltd share options.

Share options awarded to Mr N Celliers will vest as follows:

	Number of shares	
	Zeder	**PSG Group**
FY17	**2 155 380**	**18 506**
FY18	**2 352 878**	**12 426**
FY19	**1 577 295**	**6 328**
FY20	**328 821**	**4 300**
FY21	**197 496**	**1 836**
Total	**6 611 870**	**43 396**

The weighted average strike price per share for the aforementioned Zeder Investments Ltd and PSG Group Ltd share options is R4.21 and R98.86, respectively.

Shareholding of directors

	Beneficial		**Non-beneficial**	**Total shareholding 2016**	
29 February 2016	**Direct**	**Indirect**	**Indirect**	**Number**	**%**
N Celliers		**4 659 990**		**4 659 990**	**0,306**
GD Eksteen		**6 683 585**	**250 000**	**6 933 585**	**0,455**
WL Greeff	**80 000**			**80 000**	**0,005**
AE Jacobs		**70 000**		**70 000**	**0,005**
JF Mouton			**80 000**	**80 000**	**0,005**
CA Otto			**80 000**	**80 000**	**0,005**
	80 000	**11 413 575**	**410 000**	**11 903 575**	**0,781**

	Beneficial		Non-beneficial	Total shareholding 2015	
28 February 2015	Direct	Indirect	Indirect	Number	%
N Celliers		3 411 514		3 411 514	0,236
GD Eksteen		6 683 585	250 000	6 933 585	0,480
WL Greeff	80 000			80 000	0,006
AE Jacobs		70 000		70 000	0,005
JF Mouton			80 000	80 000	0,006
CA Otto			80 000	80 000	0,006
	80 000	10 165 099	410 000	10 655 099	0,739

	Beneficial		Non-beneficial	Total shareholding 2014	
28 February 2014	Direct	Indirect	Indirect	Number	%
N Celliers			2 635 933	2 635 933	0,269
GD Eksteen			250 000	250 000	0,026
WL Greeff	80 000			80 000	0,008
AE Jacobs		70 000		70 000	0,007
JF Mouton			80 000	80 000	0,008
MS du Pré le Roux*			250 000	250 000	0,026
CA Otto			80 000	80 000	0,008
	80 000	70 000	3 295 933	3 445 933	0,352

* *Resigned 20 June 2014*

Related-party balances outstanding at the reporting date included cash invested with the PSG Money Market Fund amounting to R117.4m (2015: R337.8m) (2014: R382.5m) (refer note 14) and the management fee payable (refer note 21).

	GROUP		
	2016	2015	2014
	R’000	R’000	R’000
31. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES			
Operating lease commitments			
Operating leases – premises			
– Due within 1 year	**85 395**	89 239	69 396
– Due within 1 to 5 years	**380 966**	380 776	313 519
– Due after more than 5 years	**863 412**	514 418	466 259
	1 329 773	984 433	849 174
Operating leases – vehicles and plant			
– Due within 1 year	**24 311**	19 827	6 586
– Due within 1 to 5 years	**19 240**	30 400	8 755
	43 551	50 227	15 341
Operating leases – equipment			
– Due within one year	**6 623**	6 633	17 378
– Due within 1 to 5 years	**7 812**	9 659	22 761
	14 435	16 292	40 139
Capital expenditure commitments			
Property, plant and equipment authorised but not yet contracted	**359 774**	580 703	53 369
Property, plant and equipment contracted	**89 009**	8 643	33 098

Suretyship

A 49% associate of the group has a R250m facility with the Land Bank. The Capespan group has provided surety for the associate’s facility in a maximum amount of R122.5m. The associate uses this facility to provide interest-bearing production loans to fruit producers. At year-end, the outstanding balance due by the associate to the Land Bank was R124.2m, while the associate held loan receivable balances of R131.2m against fruit producers. The associate has met all obligations in terms of its facility with the Land Bank and the associate’s loan receivable balances are secured by property, plant and equipment and inventory.

Contingent liability

The South African Revenue Service has issued audit findings in respect of value-added tax against a subsidiary of Capespan Group Ltd. The amount at risk (excluding penalties and interest) is R47.3m. Management has obtained legal advice that supports the subsidiary’s current tax treatment.

		GROUP	
	2016	2015	2014
	R'000	R'000	R'000
32. NOTES TO THE STATEMENTS OF CASH FLOWS			
32.1 Cash generated from/(utilised by) operations			
Profit before taxation	**910 184**	361 035	461 194
Interest income	**(45 016)**	(68 675)	(52 275)
Dividend income	**(1 787)**	(6 173)	(13 579)
Finance costs	**180 123**	142 864	85 962
Depreciation	**136 273**	106 808	73 890
Amortisation	**30 650**	25 329	20 354
Net profit on sale of property, plant and equipment	**(29 850)**	(4 331)	3 838
Net loss on sale of non-current asset held for sale	**1 730**		
Net profit on dilution of interest in associate	**(258 298)**		
Net fair value losses/(gains)	**203**	(122 456)	(143 953)
Change in fair value of biological assets	**(243 556)**	(144 019)	(134 150)
Impairments	**22 121**	7 337	28 558
Net gain on disposal of investment in associates			3 836
Share of profits of associates and joint ventures	**(569 411)**	(299 892)	(218 011)
Profit on disposal of available-for-sale investments		(3 559)	
Equity-settled share based payment costs	**9 285**	1 280	1 676
Fair value loss on remeasurement of contingent consideration liability		65 657	
Net harvest short-term biological assets	**43 877**	43 484	6 697
Non-cash translation movements	**70 381**	19 082	(11 431)
Sub-total	**256 909**	123 771	112 606
Changes in working capital	**(149 520)**	(199 470)	188 036
Decrease/(increase) in trade and other receivables	**10 080**	(253 779)	88 863
Decrease in inventories	**82 435**	180 795	24 786
Increase in biological assets	**(175 651)**	(73 764)	(128 860)
Decrease/(increase) in trade and other payables	**(75 320)**	(52 929)	165 920
Decrease in employee benefits payable	**8 936**	207	37 327
	107 389	(75 699)	300 642
32.2 Taxation paid			
Current taxation charged to profit or loss	**(127 352)**	(123 125)	(84 269)
Movement in net taxation liability	**31 895**	14 121	(217)
	(95 457)	(109 004)	(84 486)

32.3 Subsidiaries acquired

2016 acquisitions

Aspen Logistics (Pty) Ltd ("Aspen Logistics")

During March 2015, the group, through Capespan Group Ltd ("Capespan"), acquired 75% of the issued share capital of Aspen Logistics for a cash consideration of R4.5m. Capespan South Africa's fruit logistical operations were integrated with Aspen Logistics and subsequently rebranded as Contour Logistics. Contour Logistics is a logistical solutions service provider supporting Capespan's operations. Goodwill arose in respect of, *inter alia*, synergies pertaining to the integration of the logistical activities. Accounting for Contour Logistics' business combination has been finalised.

Novo Packhouse business operations ("Novo Packhouse")

During March 2015, the group, through Capespan, acquired the business operations of Novo Packhouse, including its coldstores, equipment and inventory, for a cash consideration of R120m. Novo Packhouse complements the group's existing coldstore operations in South Africa. No goodwill arose in respect of this business combination. Accounting for Novo Packhouse's business combination has been finalised.

Theewaterskloof farming operations ("Theewaterskloof")

During March 2015, the group, through Capespan, acquired the farming operations of Theewaterskloof, a pome fruit farm, for a cash consideration of R120m. Theewaterskloof complements the group's existing farming operations in South Africa. No goodwill arose in respect of this business combination. Accounting for Theewaterskloof's business combination has been finalised.

Agriseeds Pvt Ltd ("Agriseeds")

During October 2015, the group, through Zaad Holdings Ltd ("Zaad"), acquired 80% of the issued share capital of Agriseeds for a cash consideration of R32.7m. Agriseeds operates in the seed marketing industry and goodwill arose in respect of, *inter alia*, expected synergies. Accounting for Agriseeds' business combination has been finalised.

Klein Karoo Seed Marketing Zimbabwe Pvt Ltd ("KKSM Zimbabwe")

During October 2015, the group, through Zaad, acquired an additional 25% of the issued share capital of KKSM Zimbabwe, previously an associate, for a cash consideration of R0.2m. KKSM Zimbabwe operates in the seed marketing industry and goodwill arose in respect of, *inter alia*, expected synergies. The goodwill was subsequently impaired in full following management's reassessment of same. Accounting for KKSM Zimbabwe's business combination has been finalised. The remeasurement of the previously held interest in the associate resulted in a non-headline gain of R3.7m.

32. NOTES TO THE STATEMENTS OF CASH FLOWS (continued)

32.3 Subsidiaries acquired (continued)

2016 acquisitions (continued)

The summarised assets and liabilities recognised at the respective acquisition dates were:

GROUP	Aspen Logistics R'000	Novo Packhouse R'000	Theewaters-kloof R'000	Agriseeds R'000	KKSM Zimbabwe R'000	Total R'000
Property, plant and equipment	690	118 461	57 515	46 149	4 704	227 519
Intangible assets				2 074	2 088	4 162
Biological assets (bearer plants)			62 485			62 485
Loans and advances	463			19 720		20 183
Inventories	72	770		20 571	35 821	57 234
Trade and other receivables	42 885	4 269		34 656	34 569	116 379
Cash, money market investments and other cash equivalents	1 167			1 599	111	2 877
Borrowings				(68 755)	(45 558)	(114 313)
Deferred income tax liabilities				(3 605)	(286)	(3 891)
Employee benefits	(293)					(293)
Trade and other payables	(52 127)	(3 500)		(19 300)	(36 160)	(111 087)
Total identifiable net (liabilities)/assets	(7 143)	120 000	120 000	33 109	(4 711)	261 255
Non-controlling interests	1 786			(6 622)	(116)	(4 952)
Derecognition of investment in associate					(197)	(197)
Goodwill recognised	9 857			6 228	5 024	21 109
Total consideration	4 500	120 000	120 000	32 715	–	277 215
Cash consideration paid	(4 500)	(120 000)	(120 000)	(32 715)		(277 215)
Cash and cash equivalents acquired	1 167			1 599	111	2 877
Net cash outflow from business combination	(3 333)	(120 000)	(120 000)	(31 116)	111	(274 338)

The non-controlling interests of Aspen Logistics was recognised based on the non-controlling interest's proportionate share of the acquired entity's net identifiable assets, while the non-controlling interests of Agriseeds and KKSM Zimbabwe were recognised based on fair value.

The aforementioned business combinations do not contain any contingent consideration or indemnification asset arrangements and the acquisition-related costs expensed were insignificant.

Had Agriseeds and KKSM Zimbabwe been consolidated with effect from 1 March 2015 instead of their respective acquisition dates, the consolidated income statement would have reflected additional revenue of R133.6m and profit after tax of R15.3m.

2015 acquisitions

Mpongwe Milling (2009) Ltd ("Mpongwe Milling")

During April 2014, the group, through Agrivision Africa (previously Chayton Africa), acquired the entire issued share capital of Mpongwe Milling, a maize and wheat mill operating in the Copperbelt province of Zambia, for a Zambian kwatcha-denominated cash consideration of R307.6m. Mpongwe Milling compliments the group's existing farming operations in Zambia and the acquisition provides the group with an opportunity to expand its product offering across the value chain. Goodwill arose in respect of, *inter alia*, synergies pertaining to the procurement and marketing functions of the mill and farming operations. Accounting for Mpongwe Milling's business combination has been finalised.

Animalzone (Pty) Ltd ("Animalzone")

During July 2014, the group, through Zaad Holdings Ltd, acquired the remaining 50% shareholding not yet held in Animalzone (name has since been changed to Agricol Niche Brands (Pty) Ltd), previously a joint venture, for a nominal cash consideration of R1. Animalzone manufactures seed-based pet food and goodwill arose in respect of, *inter alia*, expected synergies and its growth potential. Accounting for Animalzone's business combination has been finalised. The remeasurement of the previously held interest in the joint venture resulted in a non-headline gain of R3.2m. The goodwill was subsequently impaired in full following management's reassessment of same.

Gestao de Terminais SA

During October 2014, the group, through Capespan Group Ltd, increased its shareholding in Gestao de Terminais SA, previously an associate by 10% to 50%, for a cash consideration of R7.3m. Gestao de Terminais SA operates a customs terminal in Mozambique. Accounting for Gestao de Terminais SA's business combination has been finalised.

32. NOTES TO THE STATEMENTS OF CASH FLOWS (continued)

32.3 Subsidiaries acquired (continued)

2015 acquisitions (continued)

The summarised assets and liabilities recognised at the respective acquisition dates were:

GROUP	Mpongwe Milling R'000	Animalzone R'000	Gestao de Terminais SA R'000	Total R'000
Property, plant and equipment	118 960	1 399	53 112	173 471
Intangible assets	8 653	1 070		9 723
Deferred income tax assets		944		944
Inventories	26 527	571		27 098
Trade and other receivables	23 819	765	14 216	38 800
Current income tax receivable			81	81
Cash, money market investments and other cash equivalents	13 606	2	2 997	16 605
Borrowings	(6 650)	(9 604)	(25 003)	(41 257)
Deferred income tax liabilities	(27 635)	(300)		(27 935)
Trade and other payables	(3 774)	(676)	(24 996)	(29 446)
Current income tax payables	(1 097)			(1 097)
Total identifiable net assets/(liabilities)	152 409	(5 829)	20 407	166 987
Non-controlling interest			(5 190)	(5 190)
Derecognition of investment in associates and joint ventures		(124)	(7 946)	(8 070)
Goodwill recognised	155 188	5 953		161 141
Total consideration	307 597	–	7 271	314 868
Cash consideration paid	(307 597)		(7 271)	(314 868)
Bank overdraft acquired (included in borrowings)		(1 970)		(1 970)
Cash and cash equivalents acquired	13 606	2	2 997	16 605
Net cash outflow from business combination	(293 991)	(1 968)	(4 274)	(300 233)

The aforementioned business combinations do not contain any contingent consideration or indemnification asset arrangements.

Had Mpongwe Milling, Animalzone and Gestao de Terminais SA been consolidated with effect from 1 March 2014 instead of their respective acquisition dates, the consolidated income statement would have reflected additional revenue of R248m and profit after tax of R7m.

2014 acquisitions

Capespan Group Ltd ("Capespan")

During the prior year, the group acquired a further 25.3% shareholding in Capespan and thereby increased its interest to 71.1%. At the prior reporting date, the group held 72.1% in Capespan, which is a global fruit procurement company and South Africa's largest fruit exporter. The remeasurement of the previously held interest in an associated company resulted in a non-headline gain of R16.1m being recognised in net fair value gains in the income statement.

Klein Karoo Seed Marketing (Pty) Ltd ("KKS")

The group, through Zaad, acquired the remaining 51% of KKS on 31 October 2013. The remeasurement of the previously held interest in the associate resulted in a non-headline gain of R1.1m being recognised in net fair value gains in the income statement. KKS is a seed company that develops and distributes vegetable, pasture and agronomic seed in developing countries, mainly throughout Africa and the Middle East. KKS has offices and research stations in, *inter alia*, South Africa, Zambia, Zimbabwe, Jordan and the Netherlands.

32. NOTES TO THE STATEMENTS OF CASH FLOWS (continued)

32.3 Subsidiaries acquired (continued)

2014 acquisitions (continued)

The summarised assets and liabilities recognised at the respective acquisition dates were:

GROUP	Capespan R'000	KKS R'000	Total R'000
Property, plant and equipment	308 295	124 477	432 772
Biological assets	144 106		144 106
Intangible assets	58 112	70 824	128 936
Investment in associates	181 047		181 047
Loans to and preference share investments in associates		9 274	9 274
Equity securities	6 190		6 190
Loans and advances	64 390	4 346	68 736
Derivative financial assets		57	57
Deferred tax assets	59 295	1 114	60 409
Current income tax receivable	19 583		19 583
Inventories	105 734	319 575	425 309
Trade and other receivables	973 284	147 421	1 120 705
Cash and cash equivalents	350 304	1 365	351 669
Non-current assets held for sale	10 113		10 113
Borrowings	(538 666)	(371 907)	(910 573)
Deferred income tax liabilities	(36 195)	(12 792)	(48 987)
Net employee benefits	(122 333)	(4 815)	(127 148)
Current income tax payable	(14 889)	(1 024)	(15 913)
Trade and other payables	(638 823)	(91 690)	(730 513)
Total identifiable net assets	929 547	196 225	1 125 772
Non-controlling interest	(268 563)	(34 245)	(302 808)
Previously held investment at fair value	(403 004)	(100 995)	(503 999)
Goodwill		69 065	69 065
Total consideration	257 980	130 050	388 030
Cash consideration paid	(257 980)	(130 050)	(388 030)
Cash and cash equivalents acquired	350 304	1 365	351 669
Net cash inflow/(outflow) from business combination	92 324	(128 685)	(36 361)

Acquisition costs of R4.2m were incurred with the above business combinations, which are included in marketing, administration and other expenses in the income statement.

Had Capespan and KKS been consolidated with effect from 1 March 2013 instead of their acquisition dates, the group income statement would have reflected additional revenue of R1.9bn and profit of R9m for the prior year.

		GROUP	
	2016	2015	2014
	R'000	R'000	R'000
33. EARNINGS PER SHARE			
The calculation of earnings per share is based on the following:			
Earnings attributable to equity holders of the company	**781 909**	241 816	306 753
Non-headline items of associates and joint ventures	**19 844**	20 377	11 377
– Gross	**19 844**	20 437	11 561
– Non-controlling interests		(60)	(184)
Net profit on dilution of interest in associates	**(249 160)**	–	3 836
– Gross	**(258 298)**		3 836
– Non-controlling interests	**9 138**		
Loss/(gains) on disposal of non-current assets held for sale	**1 673**	–	(3 758)
– Gross	**1 730**		(14 004)
– Non-controlling interests	**(57)**		10 246
Fair value gains on step-up acquisition of associates and joint ventures to subsidiaries	**(3 430)**	(3 031)	(17 120)
– Gross	**(3 731)**	(3 295)	(17 205)
– Non-controlling interests	**301**	264	85
Reversal of impairment of property, plant and equipment	**–**	(8 456)	–
– Gross		(11 893)	
– Non-controlling interests		3 437	
Reclassification of reserves of associates with step-up to subsidiary or disposal	**–**	–	(55 466)
– Gross			(57 070)
– Non-controlling interests			421
– Tax effect			1 183
Reclassification of gains on available-for-sale financial assets	**–**	–	(812)
– Gross			(1 010)
– Non-controlling interests			71
– Tax effect			127
Impairment of investment in associates and joint ventures	**–**	126	21 421
– Gross		131	21 421
– Non-controlling interests		(5)	
Net profit on sale of property, plant and equipment	**(22 778)**	(2 884)	(66)
– Gross	**(29 850)**	(4 331)	3 838
– Non-controlling interests	**2 644**	689	(89)
– Tax effect	**4 428**	758	(3 815)
Impairment of property, plant and equipment	**9 138**	–	–
– Gross	**14 171**		
– Non-controlling interests	**(314)**		
– Tax effect	**(4 719)**		
Impairment of intangible assets and goodwill	**7 309**	12 822	1 063
– Gross	**7 950**	19 013	1 155
– Non-controlling interests	**(641)**	(2 678)	(92)
– Tax effect		(3 513)	
Sub-total	**544 505**	260 770	267 228

	GROUP		
	2016	2015	2014
	R'000	R'000	R'000
33. EARNINGS PER SHARE (continued)			
Sub-total	**544 505**	260 770	267 228
Fair value adjustment on non-current asset held for sale	**–**	–	727
– Gross			1 210
– Non-controlling interests			(290)
– Tax effect			(193)
Recycling of foreign exchange gains on long-term loan	**–**	(935)	–
– Gross		(1 410)	
– Non-controlling interests		81	
– Tax effect		394	
Profit on disposal of available-for-sale financial assets	**–**	(2 530)	–
– Gross		(3 559)	
– Non-controlling interests		1 029	
Gain on bargain purchase(gross)			(7 414)
Headline earnings	**544 505**	257 305	260 541
The calculation of the weighted number of shares in issue is as follows:			
– Number of shares in issue at beginning of year ('000)	**1 443 844**	980 188	978 089
– Weighted number of shares issued during the year ('000)	**46 584**	191 814	1 674
– Weighted number of shares at end of year ('000)	**1 490 428**	1 172 002	979 763
Earnings per share (cents)			
– Attributable – basic	**52.5**	20.6	31.3
– Attributable – diluted	**49.4**	20.6	31.3
– Headline – basic	**36.5**	22.0	26.6
– Headline – diluted	**33.8**	22.0	26.6

34. CONTINGENT CONSIDERATION PAID

During the prior year deferred purchase consideration of R177.5m was paid that related to an earn-out clause pertaining to the acquisition of a foreign associate. The contingent consideration paid was calculated with reference to the average net profit before tax for the past three years.

35. RESTATEMENT OF PRIOR YEAR FIGURES

The 2014 financial year figures of Capespan Group Ltd ("Capespan"), a subsidiary, have been restated to account for the following:

Restatement 1: Agriculture: Bearer plants

During the prior year, amendments were made to IAS 41 *Agriculture* and IAS 16 *Property, plant and equipment* that allow companies to account for bearer plants at cost less accumulated depreciation and impairment losses. Long-term biological assets consist of bearer plants used in the production of agricultural produce and are expected to bear produce for more than one period. Management's intention is to recover the economic benefit of these assets through continued use. Management revised its accounting policy to account for bearer plants in accordance with the cost model under IAS 16.

Restatement 2: Accounting for the sales and cost of sales of product sold

During the prior year, management reassessed an existing management agreement which was previously accounted for as management fee income, but concluded it to rather fall within IFRIC 4 *Determining whether an Arrangement contains a Lease* and therefore applied IAS 17 *Leases* retrospectively. This resulted in Capespan now accounting for this agreement and the related farming operations as principal.

Restatement 3: Reclassification of production costs

Certain production costs were reallocated from other expenses to cost of sales to correctly disclose the nature thereof. This restatement had no impact on previously reported profit.

35. RESTATEMENT OF PRIOR YEAR FIGURES (continued)

The effect of these restatements are as follows on the group results:

	Previously reported R'000	Currently reported R'000	Difference R'000
Statement of financial position as at 28 February 2014			
Assets			
Biological assets[1]	201 426	200 568	(858)
Inventories[2]	739 763	955 724	215 961
Trade and other receivables[2]	1 127 223	1 045 000	(82 223)
			132 880
Equity			
Ordinary shareholders equity	3 606 929	3 620 512	13 583
Restatement 1 – profit for the year			171
Restatement 2 – profit for the year			15 264
Restatement 2 – other movements			(1 852)
Non-controlling interest[2]	535 958	544 679	8 721
Restatement 2 – profit for the year			6 869
Restatement 2 – other movements			1 852
Liabilities			
Deferred income tax liabilities	104 612	119 768	15 156
Restatement 1			(686)
Restatement 2			15 842
Trade and other payables[2]	1 081 299	1 176 719	95 420
			132 880
Income statement for the year ended 28 February 2014			
Revenue[2]	6 010 700	5 977 508	(33 192)
Cost of sales	(5 134 607)	(5 204 533)	(69 926)
Restatement 1			(37 125)
Restatement 2			48 854
Restatement 3			(81 655)
Gross profit			(103 118)
Change in fair value of biological assets[1]	90 510	134 150	43 640
Investment income[1]	64 354	65 854	1 500
Other operating income[2]	8 928	16 342	7 414
Marketing, administration and other expenses	(741 254)	(660 828)	80 426
Restatement 1			(8 580)
Restatement 2			7 351
Restatement 3			81 655
Profit before finance costs and taxation			29 862
Taxation	(97 128)	(104 686)	(7 558)
Restatement 1			395
Restatement 2			(7 953)
Profit for the year			22 304
Profit attributable to:			
Owners of the parent	291 318	306 753	15 435
Non-controlling interest	42 886	49 755	6 869
			22 304
Impact on earnings per share			
Recurring headline earnings	29.8	30.6	0.8
Headline earnings	25.8	26.6	0.8
Attributable earnings	29.7	31.3	1.6

[1] *Relates to Restatement 1*

[2] *Relates to Restatement 2*

During the 2014 financial year, the group acquired a further 25.3% shareholding in Capespan and thereby increased its interest to 71.1%. Since Capespan Group Ltd was not a subsidiary in the previous year, no prior year opening balances were restated and disclosed above therefore and the above only reflects post-acquisition restatements.

36. FINANCIAL RISK MANAGEMENT

Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including price risk, cash flow and fair value interest rate risk and foreign exchange risk), credit risk and liquidity 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 by each major entity within the group under policies approved by the respective boards of directors. Each entity identifies, evaluates and utilises derivative financial instruments to hedge financial risks as appropriate. Each major entity's board of directors provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

Financial instruments are grouped into the classes set out below in order to facilitate effective financial risk management and disclosure in terms of IFRS 7 *Financial Instruments – Disclosures*. The sensitivity analyses presented below are based on reasonable possible changes in market variables for equity prices, interest rates and foreign exchange rates for the group.

GROUP	At fair value through profit or loss R'000	Available-for-sale R'000	Loans and receivables R'000	Held for sale R'000	Total R'000
Financial assets at 29 February 2016					
– Equity securities	**43 159**	**7 033**			**50 192**
– Debt securities			**22 854**		**22 854**
– Loans and advances			**66 317**		**66 317**
– Trade and other receivables			**1 222 373**		**1 222 373**
– Derivative financial assets	**42**				**42**
– Cash and cash equivalents			**684 278**		**684 278**
	43 201	**7 033**	**1 995 822**		**2 046 056**
Financial assets at 28 February 2015					
– Loans and preference share investments in associates			30 030		30 030
– Loan granted to joint ventures			81		81
– Equity securities	46 279	4 729			51 008
– Non-current assets held for sale				30 378	30 378
– Loans and advances			114 409		114 409
– Trade and other receivables			1 143 678		1 143 678
– Derivative financial assets	24				24
– Cash and cash equivalents			769 999		769 999
	46 303	4 729	2 058 197	30 378	2 139 607
Financial assets at 28 February 2014					
– Loans and preference share investments in associates			18 239		18 239
– Loan granted to joint ventures			1 553		1 553
– Equity securities	202 772	3 756			206 528
– Non-current assets held for sale				177 570	177 570
– Loans and advances			78 614		78 614
– Trade and other receivables			997 928		997 928
– Derivative financial assets	1 299				1 299
– Cash and cash equivalents			1 014 768		1 014 768
	204 071	3 756	2 111 102	177 570	2 496 499

COMPANY

The company had no financial assets (2015: Rnil) (2014: Rnil) at the reporting date.

	GROUP		COMPANY	
	At amortised cost R'000	Total R'000	At amortised cost R'000	Total R'000
Financial liabilities at 29 February 2016				
– Borrowings	**2 441 886**	**2 441 886**	**783 975**	**783 975**
– Derivative financial liabilities	**65 424**	**65 424**		**–**
– Trade and other payables	**1 299 115**	**1 299 115**	**628**	**628**
	3 806 425	**3 806 425**	**784 603**	**784 603**

	GROUP At amortised cost R'000	GROUP At fair value through profit or loss R'000	GROUP Total R'000	COMPANY At amortised cost R'000	COMPANY Total R'000
36. FINANCIAL RISK MANAGEMENT (continued)					
Financial liabilities at 28 February 2015					
– Borrowings	1 872 311		1 872 311	701 911	701 911
– Derivative financial liabilities		64 061	64 061		–
– Trade and other payables	1 113 897		1 113 897		–
	2 986 208	64 061	3 050 269	701 911	701 911

	GROUP At amortised cost R'000	GROUP At fair value through profit or loss R'000	GROUP Total R'000	COMPANY At amortised cost R'000	COMPANY Total R'000
Financial liabilities at 28 February 2014					
– Borrowings	1 198 232		1 198 232	68 051	68 051
– Derivative financial liabilities		60 902	60 902		–
– Trade and other payables	1 081 299		1 081 299		–
	2 779 531	60 902	2 340 433	68 051	68 051

Market risk

Market risk is the risk of adverse financial impact due to changes in fair values or future cash flows of financial instruments from fluctuations in interest rates, equity prices and foreign currency exchange rates.

Price risk

The group is exposed to equity securities price risk because of investments held and classified on the statement of financial position as at fair value through profit or loss, available-for-sale and held for sale. The group manages price risk by investing in a portfolio of investments and monitoring equity securities' prices on a regular basis.

The table below summarises the sensitivity of the group's post-tax net profit for the year as a result of market price fluctuations. The analysis is based on the assumption that marked-to-market prices increase/decrease by 20% (2015: 20%) (2014: 20%) at the reporting date, with all other variables (e.g. effective tax rate) held constant.

GROUP	**2016 20% increase R'000**	2015 20% increase R'000	2014 20% increase R'000	**2016 20% decrease R'000**	2015 20% decrease R'000	2014 20% decrease R'000
Impact on post-tax profit	**7 790**	8 299	61 866	**(7 790)**	(8 299)	(61 866)
Impact on post-tax other comprehensive income			611			(611)

The impact on post-tax other comprehensive income would have been insignificant.

36. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

Cash flow and fair value interest rate risk

The group's interest rate risk arises from interest-bearing investments, receivables and borrowings, which expose the group to cash flow interest rate risk if it is a variable rate instrument, or to fair value interest rate risk if it is a fixed rate instrument.

GROUP	**2016** **R'000**	2015 R'000	2014 R'000
Loans and preference share investments in associates			
Fixed rate		30 030	18 239
Loans to and preference share investments in joint ventures			
Fixed rate		81	1 553
Debt securities			
Fixed rate	**22 854**		
Loans and advances			
Floating rate	**60 434**	106 998	72 750
Fixed rate	**5 883**	7 411	5 864
Trade and other receivables			
Floating rate	**701 204**	733 982	765 801
Fixed rate	**521 169**	409 696	232 127
Cash, money market investments and other cash equivalents			
Floating rate	**637 493**	769 999	1 014 768
Fixed rate	**46 785**		
Borrowings			
Floating rate	**(1 703 211)**	(1 124 213)	(797 645)
Fixed rate	**(738 675)**	(748 098)	(400 587)
Total	**(446 064)**	185 886	912 870
Floating rate	**(304 080)**	486 766	1 055 674
Fixed rate	**(141 984)**	(300 880)	(142 804)

Fixed rate investments, receivables and borrowings include those bearing no interest.

The table below summarises the sensitivity of the group's post-tax net profit for the year to interest rate fluctuations. The analysis is based on the assumption that interest rates were 1% (2015: 1%) (2014: 1%) higher/lower for the full year, with all other variables (e.g. effective tax rate, interest carrying balances) held constant.

GROUP	**2016** **1%** **increase** **R'000**	2015 1% increase R'000	2014 1% increase R'000	**2016** **1%** **decrease** **R'000**	2015 1% decrease R'000	2014 1% decrease R'000
Impact on post-tax profit	**(2 189)**	3 505	8 193	**2 189**	(3 505)	(8 139)

Foreign exchange risk

The group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Management monitors this exposure and cover is used where appropriate.

The group's financial assets and liabilities denominated in foreign currency are analysed in the following table:

GROUP	**British pound sterling R'000**	**United States dollar R'000**	**Euro R'000**	**Australian dollar R'000**	**Hong Kong dollar R'000**	**Sub-total R'000**
At 29 February 2016						
Financial assets						
– Trade and other receivables	**11 280**	**194 002**	**66 793**		**4 346**	**276 421**
– Cash and cash equivalents	**3 517**	**96 711**	**1 883**		**11 389**	**113 500**
Financial liabilities						
– Trade and other payables	**(3 582)**	**(137 874)**	**(75 502)**	**(2 692)**		**(219 650)**
– Borrowings		**(508 667)**	**(55 623)**			**(564 290)**
Total	**11 215**	**(355 828)**	**(62 449)**	**(2 692)**	**15 735**	**(394 019)**

GROUP	Sub-total R'000	Chinese yuan renminbi R'000	Mozambique new metical R'000	Zambian kwatcha R'000	Total R'000
36. FINANCIAL RISK MANAGEMENT (continued)					
Market risk (continued)					
Foreign exchange risk (continued)					
At 29 February 2016					
Financial assets					
– Equity securities				**4 405**	**4 405**
– Trade and other receivables	**276 421**	**255 888**	**41 301**	**44 987**	**618 597**
– Cash and cash equivalents	**113 500**	**136 621**	**368 402**	**32 700**	**651 223**
Financial liabilities					
– Trade and other payables	**(219 650)**	**(112 174)**	**(4 221)**	**(18 523)**	**(354 568)**
– Borrowings	**(564 290)**			**(135 149)**	**(699 439)**
Total	**(394 019)**	**280 335**	**405 482**	**(71 580)**	**220 218**

GROUP	African currencies R'000	British pound sterling R'000	United States dollar R'000	Euro R'000	Asian currencies R'000	Total R'000
At 28 February 2015						
Financial assets						
– Loans and advances			7 411			7 411
– Trade and other receivables	82 306	12 155	79 927	72 832	516 961	764 181
– Cash and cash equivalents	256 427	3 714	28 833	2 247	198 114	489 335
Financial liabilities						
– Trade and other payables	(61 151)	(4 825)	(11 094)	(37 108)	(344 235)	(458 413)
– Borrowings	(10 417)		(461 669)	(119 455)		(591 541)
Total	267 165	11 044	(356 592)	(81 484)	370 840	210 973

GROUP	African currencies R'000	British pound sterling R'000	United States dollar R'000	Euro R'000	Asian currencies R'000	Total R'000
At 28 February 2014						
Financial assets						
– Trade and other receivables	28 392	209 931	178 863	207 381	63 325	687 892
– Cash and cash equivalents	85 686	47 292	211 673	61 930	44 787	451 368
Financial liabilities						
– Trade and other payables	(74 235)	(70 566)	(119 252)	(65 028)	(10 167)	(339 248)
– Borrowings	(3 157)		(228 565)	(153 814)		(385 536)
Total	36 686	186 657	42 719	50 469	97 945	414 476

36. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

Foreign exchange risk (continued)

A cash flow hedge is a hedge of the exposure to variability in cash flows associated with a recognised asset or liability or a highly probable forecast transaction that is attributable to a particular risk and could affect profit or loss. Capespan Group Ltd and Zaad Holdings Ltd entered into forward currency exchange contracts in respect of fruit import/export transactions. These transactions met the definition of a cash flow hedge and have accordingly been accounted for on the basis set forth in accounting policy note 12.3.

The group has entered into forward currency exchange contracts (some being designated as hedging instruments), which relate to specific foreign commitments in respect of the aforementioned transactions (hedged items). The carrying value of forward currency exchange contracts are set out in notes 13 and 20. Details of forward currency exchange contracts outstanding at the reporting date are as follows:

	2016			2015		
GROUP	**Foreign amount '000**	**Average exchange rate**	**Rand exposure translated at closing rate R'000**	Foreign amount '000	Average exchange rate	Rand exposure translated at closing rate R'000
Exports						
United States dollar	**24 603**	**15.53**	**381 958**	16 534	11.56	191 196
British pound sterling	**7 230**	**23.01**	**166 273**	3 496	17.99	62 909
Euro	**11 229**	**16.97**	**190 544**	3 298	14.05	46 347
Japanese yen	**425 216**	**0.13**	**54 816**	201 432	14.05	19 454
			793 591			319 906
Imports						
United States dollar	**27**	**15.53**	**426**	254	10.84	2 834
British pound sterling	**2**	**23.01**	**34**	160	17.83	2 249
Euro	**11**	**16.97**	**193**	663	14.14	9 330
			653			14 413

	2014		
GROUP	Foreign amount '000	Average exchange rate	Rand exposure translated at closing rate R'000
Exports			
United States dollar	28 562	10.38	296 555
British pound sterling	5 155	17.11	88 190
Euro	6 038	14.32	86 436
Asian currencies	149 866	0.10	14 817
African currencies	154 074	1.84	284 245
			770 243
Imports			
United States dollar	690	14.45	9 971
			9 971

The table below shows the sensitivity of post-tax profits of the group to a 20% (2015: 20%) (2014: 20%) appreciation/depreciation in the South African rand exchange rate at year-end, with all other variables (e.g. effective tax rate) held constant.

GROUP	**2016 20% increase R'000**	2015 20% increase R'000	2014 20% increase R'000	**2016 20% decrease R'000**	2015 20% decrease R'000	2014 20% decrease R'000
Impact on post-tax profit	**28 622**	31 552	27 666	**(31 519)**	(31 552)	(27 666)
Impact on post-tax other comprehensive income	**(86 063)**	(121 221)	111 993	**73 942**	121 221	(111 993)

Credit risk

Financial assets which potentially subject the group to credit risk, consist of loans to associates (refer note 4), debt securities (refer note 7), loans and advances (refer note 8), trade and other receivables (refer note 12) and cash and cash equivalents (refer note 14). Derivative counterparties and cash transactions are limited to high-credit-quality financial institutions. In the case of loans and advances, management would take or insist on collateral or other form of securitisation as they deem fit.

36. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

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

GROUP	P1 Moody's R'000	P2 Moody's R'000	Baa1 Moody's R'000	Baa2 Moody's R'000	Not rated R'000	Carrying value R'000
29 February 2016						
Equity securities					**50 192**	**50 192**
Debt securities					**22 854**	**22 854**
Loans and advances					**66 317**	**66 317**
Trade and other receivables					**1 222 373**	**1 222 373**
Derivative financial assets					**42**	**42**
Cash and cash equivalents						
– bank balances	**67 765**	**29 241**	**291 404**	**57 805**	**120 628**	**566 843**
– money market fund					**117 435**	**117 435**
	67 765	**29 241**	**291 404**	**57 805**	**1 599 841**	**2 046 056**
28 February 2015						
Loans to associates					30 030	30 030
Loans to joint ventures					81	81
Equity securities					51 008	51 008
Non-current asset held for sale					30 378	30 378
Loans and advances					114 409	114 409
Trade and other receivables			11 700		1 131 978	1 143 678
Derivative financial assets	24					24
Cash and cash equivalents						
– bank balances			190 011	157 467		347 478
– money market fund					422 521	422 521
	24	–	201 711	157 467	1 780 405	2 139 607
28 February 2014						
Loans and preference share investments in associates					18 239	18 239
Loans to joint ventures					1 553	1 553
Equity securities					41 729	41 729
Non-current asset held for sale					177 570	177 570
Loans and advances					78 614	78 614
Trade and other receivables					1 080 110	1 080 110
Derivative financial assets	1 299					1 299
Cash and cash equivalents						
– bank balances			632 261			632 261
– money market fund					382 507	382 507
	1 299	–	632 261	–	1 780 322	2 413 882

Loans to associates, loans to joint ventures and loans and advances consist of secured and unsecured assets. There are no significant concentrations of credit risk. The group assesses all counterparties for creditworthiness before transacting, and monitors creditworthiness on a regular basis.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of receivables and, where appropriate, credit guarantee insurance cover is purchased. Capespan, to whom the majority of trade and other receivables relate, established an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main component of this allowance is a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The non-rated financial assets comprise mainly trade and other receivables. These balances mainly relate to Capespan trade receivables. Capespan performs ongoing credit evaluations regarding the financial condition of its trade receivables, and where appropriate, purchases credit guarantee insurance. Capespan's credit guarantee insurance is limited to an annual aggregate of R400m.

The unquoted equity securities are impaired to the value of the underlying instruments should the market value of the instruments fall below the current carrying value.

The unrated cash and cash equivalents relate to the group's investment in money market funds 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.

Refer the foreign exchange risk note where the receivables denominated in foreign currencies are disclosed. These receivables are susceptible to credit risk and the currency denominations provide indication of their geographical area.

36. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

The table below gives an age analysis of receivables that are past due but not impaired. The other classes of financial assets do not contain assets that are past due but not impaired.

GROUP	0-2 months R'000	2-6 months R'000	6-12 months R'000	Total R'000
At 29 February 2016	**49 961**	**31 669**	**11 257**	**92 887**
At 28 February 2015	31 669	70 110	46 358	148 137
At 28 February 2014	96 367	54 058	5 674	156 099

GROUP	2016 R'000	2015 R'000	2014 R'000
Reconciliation of allowance for impairment of trade receivables:			
Balance at beginning of year	**18 967**	18 724	345
Subsidiaries acquired			28 473
Amounts written off		(85)	(11 662)
Impairment provision	**30 080**	328	1 568
Balance at end of year	**49 047**	18 967	18 724

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash resources are available to meet future cash flow requirements.

The tables below analyses the group companies' financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

GROUP	Less than one year R'000	One to five years R'000	Over five years R'000	Total R'000
29 February 2016				
– Borrowings	**1 416 963**	**1 224 085**	**224 668**	**2 865 716**
– Derivative financial liabilities		**65 424**		**65 424**
– Trade and other payables	**1 299 115**			**1 299 115**
	2 716 078	**1 289 509**	**224 668**	**4 230 255**
28 February 2015				
– Borrowings	937 639	1 095 098	28 472	2 061 209
– Derivative financial liabilities	417	85 533		85 950
– Trade and other payables	934 013			934 013
	1 872 069	1 180 631	28 472	3 081 172
28 February 2014				
– Borrowings	546 469	810 007	50 764	1 407 240
– Derivative financial liabilities	15 236	45 666		60 902
– Trade and other payables	1 135 364			1 135 364
	1 697 069	855 673	50 764	2 603 506

COMPANY	No fixed repayment terms R'000	Total R'000
29 February 2016		
– Borrowings	**783 975**	**783 975**
– Trade and other payables	**628**	**628**
	784 603	**784 603**
28 February 2015		
– Borrowings	701 911	701 911
28 February 2014		
– Borrowings	68 051	68 051

36. FINANCIAL RISK MANAGEMENT (continued)

Fair value estimation

Financial assets and liabilities carried at fair value are disclosed by level of the following fair value measurement hierarchy:

Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price.

Level 2

Financial instruments that trade in markets that are not considered to be active but are valued (using valuation techniques) based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include over-the-counter traded financial instruments. Since level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. If all significant inputs in determining an instrument's fair value are observable, the instrument is included in level 2.

Instrument	Valuation technique	Main inputs
Derivative financial assets and liabilities	Exit price on recognised over-the-counter platforms	Not applicable
Equity securities	Closing price on recognised over-the-counter platforms	Not applicable

Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

Equity securities included in level 3 of the fair value hierarchy as at the most recent reporting date consisted of the unquoted equity securities set out in note 6. The unquoted equity securities include advances which are linked to equity securities traded in over-the-counter markets. In terms of these agreements, the group is entitled to the majority of the increase in the market value of the underlying over-the-counter traded equity securities and the dividends received on these securities. The advances are carried at the fair value of the underlying over-the-counter traded equity securities.

The debt securities included in level 3 of the fair value hierarchy comprise unquoted debt securities set out in note 7. It include the Zimbabwean Government treasury bills maturing between 2017 and 2019 that were acquired during the year and disposed of subsequent to year-end at an amount higher than the carrying value.

Other derivative liabilities included in level 3 relate to put options held by non-controlling interests against the group. These fair values are calculated by applying the contractually agreed price/earnings multiple to the relevant subsidiary's board-approved budgeted profits and discounting it at a market-related interest rate.

The carrying value of financial assets and liabilities carried at amortised cost approximates their fair value.

The following financial assets and liabilities are measured at fair value:

GROUP	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Assets				
29 February 2016				
Financial assets at fair value through profit or loss				
– Derivative financial assets		**42**		**42**
– Equity securities		**1 321**	**48 871**	**50 192**
– Debt securities			**22 854**	**22 854**
	–	**1 363**	**71 725**	**73 088**
28 February 2015				
Financial assets at fair value through profit or loss				
– Derivative financial assets		24		24
– Equity securities		1 321	49 687	51 008
– Non-current asset held for sale			30 378	30 378
	–	1 345	80 065	81 410
28 February 2014				
Financial assets at fair value through profit or loss				
– Derivative financial assets	990	309		1 299
– Equity securities	163 792	1 007	41 729	206 528
– Non-current asset held for sale	177 570			177 570
	342 352	1 316	41 729	385 397
Liabilities				
29 February 2016				
– Derivative financial liabilities			**65 424**	**65 424**
28 February 2015				
– Derivative financial liabilities		417	63 644	64 061
28 February 2014				
– Derivative financial liabilities	15 236		45 666	60 902

36. FINANCIAL RISK MANAGEMENT (continued)

Fair value estimation (continued)

Fair value movements in respect of aforementioned equity securities are considered to be “recurring”, as defined by IFRS 13 *Fair Value Measurement*. Please find below the reconciliation in respect of movements in the carrying value of financial assets included in level 3 of the fair value hierarchy. Furthermore, in light of the transfer between level 2 and level 3, as additional information, please also find below a reconciliation of financial assets, for the 2014 financial year, included in level 2 of the fair value.

	Level 2*	Level 3		
	2014	**2016**	2015	2014
GROUP	R’000	**R’000**	R’000	R’000
Reconciliation of financial assets:				
Opening balance	97 481	**80 065**	41 729	
Additions	8 418	**29 563**		3 531
Subsidiaries acquired	3 756			
Transfer from subsidiaries to non-current assets held for sale			30 378	
Disposal	(87 408)	**(28 642)**		(3 531)
Transfer from level 2 to level 3 classification	(41 729)			41 729
Fair value gains/(losses)	20 489	**(9 261)**	7 958	
Closing balance	1 007	**71 725**	80 065	41 729
Reconciliation of financial liabilities:				
Opening balance		**63 644**	45 666	45 666
Additions			19 487	
Fair value gains		**(3 591)**	(4 777)	(730)
Interest		**5 372**	3 268	730
Closing balance		**65 425**	63 644	45 666

** The over-the-counter traded equity securities’ prices are readily available with observable inputs and no significant adjustments were made to the fair value of same. However, following a decline in the trading activity of the relevant over-the-counter traded markets (i.e. less observable inputs), at 28 February 2014, it was considered necessary to reclassify the entire balance of these unquoted equity securities from level 2 (as presented at the previous reporting date) to level 3 of the fair value hierarchy.*

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 to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Zeder Investments Ltd’s capital management is performed at a group level, giving consideration to, *inter alia*, the group’s sum-of-the-parts value. When funding is required management will consider the various forms of paper available for issue taking into account current market conditions, anticipated trends in market indicators and the financial position of the group at the time. Management will accordingly consider raising additional capital or utilising debt. The directors have authority to issue ordinary shares up to 5% of the number of shares in issue.

37. SHAREHOLDER ANALYSIS

	Shareholders		**Shares held**	
	Number	**%**	**Number**	**%**
Range of shareholding				
1 – 20 000	**10 137**	**73.8**	**55 623 849**	**3.7**
20 001 – 50 000	**1 578**	**11.5**	**51 744 960**	**3.4**
50 001 – 100 000	**837**	**6.1**	**60 916 864**	**4.0**
100 001 – 500 000	**922**	**6.7**	**197 240 295**	**13.0**
500 001 – 1 000 000	**129**	**1.0**	**89 490 652**	**5.9**
Over 1 000 000	**127**	**0.9**	**1 067 836 270**	**70.0**
	13 730	**100.0**	**1 522 852 890**	**100.0**
Public and non-public shareholding				
Non-public				
– Directors	**6**	**0.1**	**11 903 575**	**0.8**
– PSG Financial Services Ltd	**1**	**0.0**	**526 156 041**	**34.6**
Public	**13 723**	**99.9**	**984 793 274**	**64.6**
	13 730	**100.0**	**1 522 852 890**	**100.0**
Major shareholders holding 5% or more at 29 February 2016				
PSG Financial Services Ltd (wholly-owned subsidiary of PSG Group Ltd)			**526 156 041**	**34.6**
Public Investment Corporation*			**134 945 035**	**8.9**
Allan Gray*			**111 180 759**	**7.3**
			772 281 835	**50.8**

** The shareholding includes shares held directly or indirectly by the entity and/or its clients.*

38. EVENTS SUBSEQUENT TO THE REPORTING DATE

The directors are unaware of any matter or event which is material to the financial affairs of the company and group that has occurred between the reporting date and the date of approval of these annual financial statements.

ANNEXURE A – SIGNIFICANT SUBSIDIARIES

Subsidiary	Country of incorporation[1]	Nature of business	Economic interest held directly or indirectly[2] 2016 %	2015 %	2014 %
Zeder Financial Services Ltd	South Africa	Investment holding	**100.0**	100.0	100.0
Zaad Holdings Ltd	South Africa[3]	Agricultural seed production/ marketing	**92.3**	92.0	92.0
Capespan Group Ltd	South Africa[4]	Fruit and logistics	**96.6**	71.1	72.1
Agrivision Africa	Mauritius[5]	Farming and milling	**55.9**	76.5	76.7
Total					

[1] *Principle place of business is the country of incorporation, unless otherwise stated.*
[2] *Economic interests equal voting rights.*
[3] *Operating via subsidiaries in Southern Africa, Europe and the Middle East.*
[4] *Operating via an associate in China and various subsidiaries throughout the world. The group obtained control over Capespan Group Ltd during the 2014 financial year.*
[5] *Operating via subsidiaries in Zambia.*

Subsidiary	Profit/ (loss) from continuing operations 2016 R'000	Total comprehensive income/ (loss) for the year 2016 R'000	Revenue 2016 R'000
Zaad Holdings Ltd[1]	**108 344**	**137 346**	**1 226 046**
Capespan Group Ltd[2,3]	**402 438**	**583 643**	**7 687 522**
Agrivision Africa[2]	**(86 927)**	**(363 641)**	**404 179**

[1] *Represents the year ended 29 February 2016 (2015: 28 February 2015) (2014: 28 February 2014).*
[2] *Represents the year ended 31 December 2015 (2015: 31 December 2014) (2014: 31 December 2013).*
[3] *2014 financial year include Capespan's results for the 8 months ended 31 December 2013.*

	Dividends paid		
Subsidiary	To non-controlling interests 2016 R'000	To owners of the parent 2016 R'000	Total 2016 R'000
Capespan Group Ltd	**19 516**	**37 943**	**57 459**

	Assets		
Subsidiary	Non-current 2016 R'000	Current 2016 R'000	Total 2016 R'000
Zaad Holdings Ltd	**546 995**	**1 245 701**	**1 792 696**
Capespan Group Ltd	**2 372 641**	**1 817 040**	**4 189 681**
Agrivision Africa	**693 709**	**529 404**	**1 223 113**

	Liabilities		
Subsidiary	Non-current 2016 R'000	Current 2016 R'000	Total 2016 R'000
Zaad Holdings Ltd	**179 284**	**796 444**	**975 728**
Capespan Group Ltd	**726 489**	**1 379 845**	**2 106 334**
Agrivision Africa	**244 599**	**437 992**	**682 591**

Consequences of changes in a parent's ownership interest in a subsidiary that do not result in a loss of control

The current year's impact on equity attributable to owners of the parent resulting from transactions with non-controlling interests, as disclosed in the statement of changes in equity, relates mainly to the group's schemes of arrangements with Capespan Group Ltd as more fully set out in notes 3 and 16.

Profit or loss attributable to non-controlling interests			Carrying value of non-controlling interests		
2016	2015	2014	**2016**	2015	2014
R'000	R'000	R'000	**R'000**	R'000	R'000
11 668	10 372	4 768	**86 563**	84 358	76 400
25 857	38 549	42 830	**93 325**	396 884	318 964
(31 353)	(6 991)	(4 712)	**261 945**	126 602	140 594
6 172	41 930	42 886	**441 833**	607 845	535 958

Profit/ (loss) from continuing operations	Total compre-hensive income/ (loss) for the year	Revenue	Profit/ (loss) from continuing operations	Total compre-hensive income for the year	Revenue
2015	2015	2015	2014	2014	2014
R'000	R'000	R'000	R'000	R'000	R'000
62 406	44 938	946 573	46 875	54 435	465 417
117 428	141 382	7 392 421	132 474	276 679	7 149 021
(29 515)	(56 154)	352 974	(15 235)	22 807	137 940

Dividends paid

To non-controlling interests	To owners of the parent	Total	To non-controlling interests	To owners of the parent	Total
2015	2015	2015	2014	2014	2014
R'000	R'000	R'000	R'000	R'000	R'000
15 126	33 346	48 472	13 170	18 712	31 882

Assets

Non-current	Current	Total	Non-current	Current	Total
2015	2015	2015	2014	2014	2014
R'000	R'000	R'000	R'000	R'000	R'000
412 286	865 142	1 277 428	336 844	744 401	1 081 245
1 486 163	1 532 302	3 018 465	1 123 506	1 581 495	2 705 001
857 124	291 393	1 148 517	472 992	251 899	724 891

Liabilities

Non-current	Current	Total	Non-current	Current	Total
2015	2015	2015	2014	2014	2014
R'000	R'000	R'000	R'000	R'000	R'000
185 822	530 586	716 408	137 555	500 045	637 600
323 534	1 137 538	1 461 072	306 509	983 336	1 289 845
313 652	345 340	658 992	193 093	152 629	345 722

ANNEXURE B – SIGNIFICANT ASSOCIATES

Associate	Country of incorporation[1]	Nature of business	Economic interest held directly or indirectly[2] 2016 %	2015 %	2014 %
Agri Voedsel Ltd[4]	South Africa	Investment company with an interest in Pioneer Food Group Ltd			48.0
Pioneer Food Group Ltd[4]	South Africa[3]	Food and beverage distributer	**31.5**	31.7	
Kaap Agri Ltd	South Africa[3]	Agricultural	**41.5**	39.9	37.9
Quantum Foods Holdings Ltd	South Africa[3]	Feeds and poultry business	**26.4**	26.4	
Golden Wing Mau	China	Fruit procurement/ distribution	**11.3**	25.0	25.0
NWK Ltd[5]					
Other immaterial associated companies (aggregated)					
Total					

[1] *Principle place of business is the country of incorporation, unless otherwise stated.*

[2] *Economic interests equal voting rights, except for Pioneer Food Group Ltd and Kaap Agri Ltd where voting interest amounts to 27.2% and 39.4%, respectively.*

[3] *Operating via various subsidiaries throughout Southern Africa.*

[4] *During the prior year, Zeder made an offer to acquire all of the shares in Agri Voedsel Ltd (which in turn held an interest in JSE-listed Pioneer Food Group Ltd) not already held by Zeder, whereby Agri Voedsel Ltd shareholders were offered 16.2 Zeder shares for every one Agri Voedsel Ltd share. Following completion of same, Zeder owned a direct voting interest of 27.3% in Pioneer Food Group Ltd and 24.9% in Quantum Foods Holdings Ltd.*

[5] *The group disposed of its interest in the associate during the 2014 financial year.*

Associate[1]	Profitability (100%) Profit for the year 2016 R'000	Total comprehensive income for the year 2016 R'000	Revenue 2016 R'000
Agri Voedsel Ltd			
Pioneer Food Group Ltd	**1 130 429**	**1 199 731**	**18 748 201**
Kaap Agri Ltd	**189 194**	**189 177**	**5 341 402**
Quantum Foods Holdings Ltd	**126 916**	**52 199**	**3 468 312**
NWK Ltd			

Associate[1]	Profitability (group's interest) Profit for the year 2016 R'000	Total comprehensive income for the year 2016 R'000	Profit for the year 2015 R'000	Total comprehensive income for the year 2015 R'000	Profit/(loss) for the year 2014 R'000	Total comprehensive income/(loss) for the year 2014 R'000
Agri Voedsel Ltd					72 488	94 323
Pioneer Food Group Ltd	**401 960**	**413 851**	77 407	73 670		
Kaap Agri Ltd	**75 885**	**75 878**	58 268	58 268	48 879	48 909
Quantum Foods Holdings Ltd	**40 676**	**21 238**	6 999	6 999		
NWK Ltd					(459)	(419)

Dividends received 2016 R'000	Dividends received 2015 R'000	Dividends received 2014 R'000	Carrying value 2016 R'000	Carrying value 2015 R'000	Carrying value 2014 R'000
	17 521	34 320			1 158 375
193 392	90 871		**4 976 007**	4 774 246	
23 688	18 252	13 984	**541 782**	453 146	412 961
6 162			**157 856**	142 769	
		8 339	**650 684**	295 324	231 759
		5 931			
		975	**128 903**	38 504	18 719
223 242	126 644	63 549	**6 455 232**	5 703 989	1 821 814

Profitability (100%)

Profit/(loss) for the year 2015 R'000	Total comprehensive income/(loss) for the year 2015 R'000	Revenue 2015 R'000	Profit for the year 2014 R'000	Total comprehensive income for the year 2014 R'000	Revenue 2014 R'000
			139 380	169 334	
966 300	977 700	17 698 600			
158 213	158 234	4 874 579	129 054	129 130	4 007 807
(8 487)	(28 176)	3 560 943			
			142 100	171 400	1 840 200

ANNEXURE B – SIGNIFICANT ASSOCIATES (continued)

Associate[1]	Assets Non-current 2016 R'000	Assets Current 2016 R'000	Assets Total 2016 R'000
Agri Voedsel Ltd			**–**
Pioneer Food Group Ltd	**5 784 656**	**6 298 258**	**12 082 914**
Kaap Agri Ltd	**653 954**	**2 031 724**	**2 685 678**
Quantum Foods Holdings Ltd	**945 625**	**1 053 062**	**1 998 687**
NWK Ltd			**–**

Associate[1]	Liabilities Non-current 2016 R'000	Liabilities Current 2016 R'000	Liabilities Total 2016 R'000
Agri Voedsel Ltd			**–**
Pioneer Food Group Ltd	**2 273 487**	**2 900 902**	**5 174 389**
Kaap Agri Ltd	**31 193**	**1 399 263**	**1 430 456**
Quantum Foods Holdings Ltd	**220 747**	**346 772**	**567 519**
NWK Ltd			**–**

[1] *These figures are the latest published full year results publically available for these companies.*

Reconciliation of summarised financial information to carrying value of most significant investments:

	Pioneer Food Group Ltd[1] 2016 R'000	Pioneer Food Group Ltd[1] 2015 R'000	Kaap Agri Ltd[1] 2016 R'000	Kaap Agri Ltd[1] 2015 R'000
Total assets reported above	**12 082 914**	10 843 400	**2 685 678**	2 370 253
Total liabilities reported above	**(5 174 389)**	(6 229 300)	**(1 430 456)**	(1 254 885)
Net assets reported above	**6 908 525**	4 614 100	**1 255 222**	1 115 368
Non-controlling interests	**(12 417)**	(10 524)		
Equity attributable to owners of the parent	**6 896 108**	4 603 576	**1 255 222**	1 115 368
Non-current assets and liabilities held for sale[3]		(1 498 718)		
	6 896 108	3 104 858	**1 255 222**	1 115 368
Group's economic interest in the associate (%)	**31.5**	31.7	**41.5**	39.9
Group's interest in equity attributable to owners of the parent	**2 175 032**	983 309	**520 541**	445 032
Deemed goodwill included in associates' carrying value[2]	**2 800 975**	3 790 937	**21 241**	8 114
Associates' carrying value	**4 976 007**	4 774 246	**541 782**	453 146

[1] *Amounts are most recently reported publicly available results as at 30 September 2015 (2015: 30 September 2014) (2014: 30 September 2013).*

[2] *Also include timing differences emanating from lag period accounting adjustments.*

[3] *Pioneer Food Group Ltd unbundled its shareholding in Quantum Foods Holdings Ltd subsequent to 30 September 2014 (being classified as a disposal group held for sale at such reporting date) and thus the carrying value of Quantum Foods Holdings Ltd was excluded from the prior year reconciliation.*

			Assets			
	Non-current 2015 R'000	Current 2015 R'000	Total 2015 R'000	Non-current 2014 R'000	Current 2014 R'000	Total 2014 R'000
			–	2 067 645	6 203	2 073 848
	5 422 500	5 420 900	10 843 400			–
	529 658	1 840 595	2 370 253	454 567	1 664 015	2 118 582
	1 061 357	985 291	2 046 648			–
			–	935 900	1 477 300	2 413 200

			Liabilities			
	Non-current 2015 R'000	Current 2015 R'000	Total 2015 R'000	Non-current 2014 R'000	Current 2014 R'000	Total 2014 R'000
			–		4 177	4 177
	2 308 600	3 920 700	6 229 300			–
	30 875	1 224 010	1 254 885	24 907	1 097 787	1 122 694
	195 922	389 502	585 424			–
			–	251 600	780 300	1 031 900

ANNEXURE C – SEGMENT REPORT

The group is organised into four reportable segments, namely i) food, beverages and related services, ii) agri – related retail, trade and services, iii) agri – inputs and iv) agri – production. The segments represent different sectors in the broad agribusiness industry.

Segments operate mainly in the Republic of South Africa, while some associates and subsidiaries operate elsewhere (refer Annexures A and B for further details). Additional geographical information has not been presented since same is not reviewed by the chief operating decision-maker ("CODM"), being the executive committee, nor is the information available and the cost to develop it would be excessive.

Recurring headline earnings (being a measure of segment profit) is calculated on a see-through basis. The group's recurring headline earnings is the sum of its effective interest in that of each of its underlying investments. The result is that investments which the group do not equity account or consolidate in terms of accounting standards, are included in the calculation of recurring headline earnings.

Non-recurring headline earnings include the elimination of equity securities' see-through recurring headline earnings not equity accounted, the related net fair value gains/losses and investment income (as recognised in the income statement). Associates' and subsidiaries' once-off gains/losses are excluded from recurring headline earnings and included in non-recurring headline earnings.

Segmental income comprises revenue and investment income, as per the income statement.

Sum-of-the-parts ("SOTP") is a key valuation tool used to measure the group's performance. In determining SOTP, listed assets and liabilities are valued using quoted market prices, whereas unlisted assets and liabilities are valued using appropriate valuation methods. These values will not necessarily correspond with the values per the statement of financial position since the latter are predominantly measured using the relevant accounting standards which include historical cost and the equity accounting method.

	GROUP		
	2016	2015	2014
	R'000	R'000	R'000
Recurring headline earnings			
Segments			
Food, beverages and related services	**661 802**	417 011	247 304
Agri-related retail, trade and services	**78 946**	64 130	74 062
Agri-inputs	**100 972**	73 728	49 554
Agri-production	**(37 073)**	(14 278)	(4 796)
Recurring headline earnings from investments	**804 647**	540 591	366 124
Management (base) fee	**(154 643)**	(117 757)	(59 022)
Net interest, taxation and other income and expenses	**(18 219)**	(8 621)	(7 081)
Recurring headline earnings	**631 785**	414 213	300 021
Management (performance) fee		(117 757)	(59 022)
Other non-recurring headline earnings	**(87 280)**	(39 150)	19 539
Headline earnings	**544 505**	257 306	260 538
Non-headline items	**237 404**	(15 491)	46 209
Attributable earnings	**781 909**	241 815	306 747
Earnings per share (cents)			
Recurring headline earnings from investments per share	**54.0**	46.1	37.4
Recurring headline earnings per share	**42.4**	35.3	30.6
SOTP segmental analysis			
Segments			
Food, beverages and related services	**9 767 997**	11 226 333	3 340 859
Agri-related retail, trade and services	**801 958**	681 017	567 899
Agri-inputs	**1 246 352**	885 284	678 805
Agri-production	**614 000**	562 818	560 394
Cash and cash equivalents	**117 503**	338 382	376 102
Other net liabilities	**(323 507)**	(439 389)	(365 383)
SOTP value	**12 224 303**	13 254 445	5 158 676
SOTP value per share (rand)	**8.03**	9.18	5.26
Profit before tax segment analysis			
Segments			
Food, beverages and related services	**912 907**	358 891	265 516
Agri-related retail, trade and services	**75 885**	58 268	75 575
Agri-inputs	**133 658**	70 603	46 271
Agri-production	**(46 499)**	(29 768)	(17 110)
Management fees and other income and expenses	**(165 767)**	(96 959)	90 942
	910 184	361 035	461 194
IFRS revenue (revenue and investment income) segment analysis			
Food, beverages and related services	**7 719 964**	7 438 026	5 442 658
Revenue	**7 687 522**	7 392 421	5 407 343
Investment income	**32 442**	45 605	35 315
Agri-related retail, trade and services			3 496
Agri-inputs	**1 231 430**	951 117	467 780
Revenue	**1 226 046**	946 573	465 417
Investment income	**5 384**	4 544	2 363
Agri-production	**404 196**	352 974	137 947
Revenue	**404 179**	352 974	137 940
Investment income	**17**		7
Unallocated investment income (mainly head office interest income)	**8 960**	24 699	23 173
	9 364 550	8 766 816	6 075 054

ANNEXURE 5 – SALIENT TERMS OF THE ZEDER SIT

This Annexure 5 contains extracts of various provisions from the Zeder SIT Deed. In each case, the numbering and wording below matches that of the applicable provisions in the Zeder SIT Deed. For a full appreciation of the provisions of the Zeder SIT Deed, Shareholders are referred to the full text of the Zeder SIT Deed, which is available for inspection, as provided for in paragraph 20 of the Circular.

2.4 The main object and purpose of the Company adopting the Share Scheme is the incentivisation and retention of Employees and to this extent the Share Scheme as contemplated in this Trust Deed will not to be used for trading purposes. The Trust is adopted to facilitate and govern the implementation of the Share Scheme. Employees, as beneficiaries of the Share Scheme, shall be provided with an incentive to advance the interests and growth of the Group Companies by awarding to them in terms of the Share Scheme the opportunity to acquire and obtain the benefit of Shares in the Company.

4. TRUSTEES

4.1 Andro Rossouw and Chris Adriaan Otto are hereby appointed as the First Trustees of the Trust and they accept such appointment by their signatures to this Deed, including, without limitation, their obligation to administer the Trust property from time to time and to further the object of the Trust in accordance with the provisions of this Deed.

4.2 The number of Trustees shall at all times not be less than 2 (two) nor more than 5 (five).

4.3 A Trustee may not be or become a Beneficiary under this Trust whilst acting as a Trustee.

4.4 Executive Directors of the Company may not be appointed as Trustees of the Trust. Non-executive Directors, subject to any restriction contained in the Act, may be appointed as Trustees, provided they do not benefit from the Scheme.

6. TERMINATION OF OFFICE AS A TRUSTEE

Each Trustee shall remain in office until such Trustee ceases to hold office as contemplated in this clause 6. A Trustee shall cease to hold office as such upon –

6.1 such Trustee's estate being sequestrated; or

6.2 such Trustee having become incapacitated in law to hold the office of trustee, in the circumstances as contemplated in section 20(2) of the Trust Property Control Act; or

6.3 such Trustee having been removed from office at any time if the Board is of the opinion that such Trustee is not fulfilling his role as contemplated herein; or

6.4 the Board giving one calendar month's notice in writing to such Trustee that such Trustee has been removed from office; or

6.5 such Trustee having resigned at any time on giving one calendar month's notice in writing to the Company, provided that the Board may, at the request of a Trustee, waive the full period of notice; or

6.6 such Trustee becoming disqualified, in terms of the Act or any other law or regulation, from holding an appointment as a director of a company (or similar position); or

6.7 such Trustee having been removed from a position of trust or as a trustee from another trust with similar provisions as described in this clause 6; or

6.8 such Trustee becoming a Participant under the Scheme.

7. SUCCESSION AND APPOINTMENT OF TRUSTEES

7.1 Upon any Trustee succeeding to office as Trustee, he shall, in his representative capacity, automatically become vested with the assets and liabilities of the Trust and in every way, with immediate effect, take the place of and assume the powers and duties of the Trustee whom he has succeeded.

7.2 On any Trustee ceasing to hold office for any reason whatsoever, the Board may, subject to clause 4, appoint a successor, but who may not be –

7.2.1 a Beneficiary;

7.2.2 an executive Director of the Company; or

7.2.3 disqualified from holding such office by virtue of the provisions of clause 6, as a Trustee to fill the vacancy.

7.3 The Board shall be entitled from time to time to appoint additional trustees, subject to the maximum number of Trustees and other restrictions provided for in clauses 4 and 7.2 above.

8. POWERS OF TRUSTEES

8.1 The Trustees shall, in addition to such other powers as may be conferred upon them by law or in terms of this Deed (whether express or implied), and subject to any other provisions of this Deed and any applicable peremptory statutory or regulatory provisions have the following powers –

8.1.1 to implement the main object and purpose of the Trust as contemplated in clause 2.4;

8.1.2 to implement the principles of the Share Scheme;

8.1.3 to acquire Shares for purpose of the Share Scheme, either by original subscription, purchase through the market or otherwise, exchange or any other means, and upon such terms as they in their discretion may deem fit, provided that:

8.1.3.1 any Shares purchased through the market or otherwise will not be taken into account when calculating the number of Shares utilised by the Share Scheme;

8.1.3.2 the provisions of paragraphs 3.63 to 3.74 of the JSE Listings Requirements apply *mutatis mutandis* to any dealings by the Trustees, save for the circumstances pursuant to paragraph 3.92 being present; and

8.1.4 Shares may not be purchased during a prohibited period (as defined in the JSE Listings Requirements), unless the Scheme has in place a purchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the prohibited period. The Company must instruct an independent third party, which makes its investment decisions in relation to the Shares independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the purchase programme submitted to the JSE;

8.1.5 to acquire any other marketable securities, whether in the Company or otherwise, either by original subscription, purchase (including the purchase of securities through the stock market or otherwise, in order to satisfy any obligations in terms of the Scheme), exchange or any other means, and upon such terms as they in their discretion may deem fit provided that the acquisition thereof falls within, or is ancillary to, the scope of the main object and purpose of the Trust as contemplated in clause 2.4;

8.1.6 to sell, exchange, donate, alienate, pledge, encumber or in any other manner deal with, dispose of or transfer Shares or the marketable securities as contemplated in 8.1.5 upon such terms as they in their discretion may deem fit;

8.1.7 to participate in any Rights Offer or Capitalisation Issue (including any dividend capitalisation issue) of the Group Companies or in respect of any other company (to the extent applicable);

8.1.8 to buy-back Shares or other marketable securities from Participants and to sell such Shares or marketable securities to the Company if the Company lawfully wishes to acquire its own Shares or other Group Company shares or to acquire such marketable securities;

8.1.9 to acquire assets for such purposes and upon such terms as they in their discretion may deem fit, provided that the acquisition of such assets falls within, or is ancillary to, the scope of the main object and purpose of the Trust as contemplated in clause 2.4;

8.1.10 to take and act upon any expert or professional advice that may be required for any purposes of the Scheme;

8.1.11 subject to any applicable statute, to open and operate accounts of all descriptions with registered financial institutions as may be required for the efficient administration of the Scheme;

8.1.12 to draw, accept, make or endorse cheques, bills of exchange or promissory notes for and on behalf of the Trust in administering the Scheme;

8.1.13 to exercise all rights conferred by shares and any other assets beneficially held by the Trust including voting rights, rights of conversion and redemption, rights to take up further allotments of shares (including by way of rights or Capitalisation Issues) and the like as they in their discretion may deem fit. As indicated in clause 37.4, Shares held by the Trust will not have their votes at general or annual general meetings taken into account for the purposes of resolutions proposed in terms of the JSE Listings Requirements;

8.1.14 to invest the surplus moneys of the Trust in such investments as they in their discretion may determine and to realise any such investment and to reinvest the proceeds thereof;

8.1.15 subject to the provisions of the Act, and with the prior written approval of the Board, to borrow or raise moneys from Group Companies or any other third party for the purposes of the Share Scheme (including for the purposes of subscribing for or purchasing Shares or other marketable securities), on such terms as they in their discretion may deem fit;

8.1.16 to delegate to any person the performance of any acts which they are entitled to perform or exercise under this Deed;

8.1.17 subject to the provisions of the Act, and with the prior written approval of the Board, to make loans to any persons (including Participants), whether interest-bearing or otherwise or whether secured or unsecured, for any purpose considered by the Trustees to be within, or is ancillary to, the scope of the main object and purpose of the Trust as contemplated in clause 2.4;

8.1.18 instead of acting personally, to employ, and to pay, any attorney or any other person to transact business or do any act of whatsoever nature to be done pursuant to this Deed provided that any reasonable payment made in terms hereof shall be refunded to the Trustees by the Trust and/or the Company; and

8.1.19 to exercise such further rights, powers and authorities as may from time to time be conferred upon them under the Share Scheme or by resolution of the Board or, if applicable, by Shareholders in general meeting.

8.2 The Trustees shall have –

8.2.1 full capacity to contract on behalf of the Trust, subject always to such limitations, if any, as may be imposed by this Deed, provided that, subject to any applicable statute, they will under no circumstances be personally liable in respect of any such contract; and

8.2.2 *locus standi in judicio* and be capable of bringing, defending, opposing, withdrawing, settling and/or otherwise acting in connection with any proceedings whatsoever in or before any court, or in any arbitration, or before any other forum, provided that all costs reasonably incurred by them in that regard shall be for the account of the Trust;

8.2.3 without in any way derogating from the powers and authorities hereinbefore vested in the Trustees, such ancillary and/or additional powers as shall be necessary or requisite (including the power to sign all necessary or requisite documentation) to enable them from time to time to deal with all matters pertaining to the Trust and the Share Scheme hereunder in such manner as they shall in their discretion deem advisable in the interests of the Trust and/or any Beneficiary hereunder;

8.2.4 the power to pay any surplus funds held by the Trust from time to time (after discharging liabilities and having made provision for contingent liabilities) to the Company; and

8.2.5 the power, in their sole discretion, to resolve to distribute any income and/or capital assets of the Trust to the Company in which event such income and/or capital assets shall vest in the Company in the financial year in which such resolution was passed.

10. VOTING OF TRUSTEES

Decisions of Trustees shall be passed by majority of votes of the Trustees present at the meeting, provided that in the event that there are, at any time, only 2 (two) Trustees in office, a decision of the Trustees shall be the unanimous decision of both of them.

14. REMUNERATION OF TRUSTEES

14.1 The Trustees may receive for their services as trustees such remuneration as may from time to time be approved by the Board.

14.2 The Trustees shall be entitled to be reimbursed for all expenses incurred by them in connection with the execution of their duties as trustees, including, if for any reason they are at any time required to furnish security, the costs from time to time of furnishing such security.

16. ACQUISITION BY TRUST AND FINANCIAL ASSISTANCE TO THE TRUST

16.1 The Board may from time to time offer Shares to the Trust or grant options to such Shares to the Trust in respect of Shares which do not exceed the scheme allocation determined in terms of clause 19 below. The Shares referred to in this clause 16.1, or any options in respect thereof are intended to enable the Trustees (in addition to any other Shares acquired by the Trust in terms of this Deed) to fulfil any obligations to Participants from time to time in terms of this Deed. The provisions of clause 26 shall apply *mutatis mutandis* to any applicable provisions of this clause 16.1.

16.2 Subject to the provisions of this Deed, the purchase or subscription price of Shares acquired by the Trust pursuant to the Share Scheme, the costs incurred in the acquisition of such Shares, any duties payable upon the transfer of Shares, any disbursements and expenditure incurred by the Trustees in their capacity as such, any amount due to the Trustees in terms of clause 14, any amount in respect of which a Trustee has been lawfully indemnified in terms of clause 15 and any money required to effect any loans under the Share Scheme or repayment of any previous borrowings by the Trustees shall be met out of –

16.2.1 loans to be made to the Trust by any of the Group Companies in accordance with the provisions of sections 44 and 45 of the Act;

16.2.2 contributions, awards or funds other than in the form of a loan, to be provided to the Trust by any of the Group Companies;

16.2.3 loans by third parties (plus any interest thereon) to the Trust to be procured by the Board upon such terms as the Board is able to arrange having due regard to the provisions of sections 44 and 45 of the Act; and

16.2.4 the Trust's own resources, if any, as the Board may from time to time direct. The Company undertakes to ensure that the Trust shall at all times be in a position to fund the acquisition by it (whether by purchase or subscription) of Shares under the Share Scheme.

16.3 Any loss incurred by the Trust pursuant to the implementation of the Share Scheme shall be borne by the Company or the applicable Group Company(ies) unless the Board determines to the contrary.

16.4 The Trust shall not be entitled to any capital gain or profit on any transactions undertaken by it (including in relation to any Shares) and no such capital gain or profit shall accrue to it, unless the Board determines in writing to the contrary. The Trust (unless the Board determines in writing to the contrary) shall cede and transfer to the Company or the applicable Group Company(ies) from time to time upon request, as a quid pro quo for clauses 16.3 and 36.4, its right to any capital gain or profit, which may arise from any such transaction undertaken by it.

18. AWARDING OF OPTIONS

18.1 The Board, subject to clause 19.4, may from time to time instruct and authorise the Trustees in writing to award Options to such Employees selected by it to participate in this Scheme ("the Resolution"). The Resolution shall specify the name of the Employee, the number of Options, the Option Date, the Strike Price and any other relevant terms and conditions as may be determined by the Board. Each such Option shall be offered for purchase at the Strike Price. The Trustees shall as soon as practicable award the Options to the persons named in the Resolution, which award shall be in writing and specify the number of Options, the Option Date, the Strike Price, the obligation of the Participant to adhere strictly to the terms of this Deed (which shall be made available at all times to any Participant) and any other relevant terms and conditions as may be determined by the Trustees, provided that, should the Initial Options be awarded, the number, Vesting Dates and Strike Prices of those Initial Options shall be as set out in **Annexure A** hereto.

18.2 All Options shall be subject to the provisions of the Trust Deed.

18.3 The Board shall determine Employees selected to participate in this Scheme and the number of Options awarded to such Employees based on the main object and purpose of the Trust (as contemplated in clause 2.4) and having regard to incentivising Employees based on recommendations by management and directors of the Company and/or any other Group Companies, to the extent applicable.

18.4 The frequency of the awarding of Options (including any new or additional Options from time to time) shall be determined by the Board from time to time.

18.5 The Board shall be under no obligation to award any Options to Employees or to award the same or similar number of Options to Employees.

19. PARTICIPATION ALLOCATION AND AMOUNT

19.1 The persons eligible for participation in the Share Scheme shall be such Employees determined in accordance with the provisions of this Trust Deed.

19.2 The modus operandi in terms whereof the Trust procures or acquires Options or Shares for the purposes hereof shall be in terms of clause 16.1 above or as otherwise determined between the Board and the Trustees.

19.3 The maximum aggregate number of Shares that may be utilised for the purposes of this Share Scheme, shall not exceed –

19.3.1 173 051 465 Shares; or

19.3.2 such other number of Shares, as may be permitted in terms of the JSE Listings Requirements from time to time, as approved by the Board and, to the extent that such approval is required under the JSE Listings Requirements or other law, by Shareholders.

19.4 The maximum number of Shares that may be acquired by any one Beneficiary in terms of the Share Scheme, shall not exceed –

19.4.1 34 610 293 Shares; or

19.4.2 such other number of Shares, as may be permitted in terms of the JSE Listings Requirements from time to time, as approved by the Board and, to the extent that such approval is required under the JSE Listings Requirements or other law, by Shareholders.

19.5 The limits contained in clauses 19.3 or 19.4 are subject to any adjustment in terms of clause 26 below.

19.6 Save as expressly indicated otherwise in this Trust Deed, Scheme Shares shall in all respects rank *pari passu* with ordinary issued Shares of the Company, including as to voting, dividend, transfer and other rights and as to rights arising on a liquidation of the Company.

19.7 The Company shall make timeous application for any listing on the JSE of the Scheme Shares (to the extent applicable).

20. OPTIONS

20.1 An Option –

20.1.1 shall be awarded on the basis that if the Option is exercised the purchase price payable by the Beneficiary concerned will be the Strike Price;

20.1.2 shall, save to any extent permitted in terms of this Trust Deed, be personal to and only capable of being accepted by the Beneficiary to whom it is granted;

20.1.3 shall be exercised within the relevant period specified in terms of this Deed;

20.1.4 shall be exercised in writing and duly signed by the Beneficiary concerned or, if after his death it is capable of being exercised by the executors of his estate, by such executors. Such exercise shall include a physical address (and, if available, a telefax number or e-mail address), which address (and telefax number or e-mail address) shall constitute the *domicilium citandi et executandi* of such Beneficiary for all purposes in terms of the Scheme. Any notice addressed to the said *domicilium* of such Beneficiary shall, if sent by prepaid registered post, be deemed to have been received on the 5th (fifth) day after posting (unless the contrary is proved) and shall, if delivered by hand to a responsible person during ordinary business hours, be deemed to have been received on the day of delivery (unless the contrary is proved) and shall, if sent by telefax or e-mail, be deemed to have been received on the date of despatch (unless the contrary is proved). Notwithstanding anything to the contrary contained in this clause 20.1.4 any notice actually received by a Beneficiary shall be an adequate notice for the purposes hereof notwithstanding the fact that it was not sent to or delivered to the said *domicilium* of the Beneficiary;

20.1.5 shall, as to the number thereof awarded from time to time to any Beneficiary, be determined by the Board, in its discretion;

20.1.6 may be awarded from time to time during the existence of the Scheme (subject always to clause 19);

20.1.7 may only be exercised in respect of 100 (one hundred) Shares or multiples thereof at a time, or in full (if permitted in terms of this Deed);

20.1.8 shall, pursuant to the exercise of an Option, be settled upon a Beneficiary only by way of the delivery of Shares and a Beneficiary shall not be entitled to receive cash in lieu of Shares (it being recorded that, for the purposes of International Financial Reporting Standard 2, the aforegoing shall be an equity-settled share-based payment transaction);

20.1.9 shall be awarded on the basis that the number of Scheme Shares to be delivered to a Beneficiary, and the discharge of the Strike Price in respect of such Shares, shall be on a delivery versus payment method in accordance with the provisions of this Trust Deed; and

20.1.10 shall be governed by the provisions of this Trust Deed, to which the Beneficiary shall strictly adhere.

20.2 Save to any extent contemplated to the contrary in this Trust Deed, the risk in the Scheme Shares shall pass to the Beneficiary on the exercise of the Option.

20.3 Ownership or any other vested rights in and to the Scheme Shares shall only pass to the Beneficiary on delivery in terms of clause 23 and against payment of the Strike Price and fulfilment of any other obligations of the Beneficiary in terms of this Deed.

20.4 Delivery and registration of Scheme Shares to a Beneficiary shall only take place subject to compliance with the provisions of clause 20.3 and any other applicable provisions of this Deed.

20.5 An Option shall immediately lapse –

20.5.1 to the extent that it is not exercised within the Exercise Period of such Option; or

20.5.2 prior to the exercise of the Option, if the Beneficiary to whom such Option has been granted, is dismissed from employment by a Group Company on grounds of misconduct, poor performance, dishonesty or fraudulent conduct; or

20.5.3 prior to the exercise of the Option, if the Beneficiary to whom such Option has been granted, ceases to be employed by any Group Company for any reason whatsoever, save to any extent expressly contemplated in terms of clause 25 below; or

20.5.4 to the extent contemplated in terms of this Trust Deed; or

20.5.5 upon the Beneficiary making application for the voluntary surrender of his estate or his estate becoming subject to any provisional or final order for its sequestration or upon any attachment of any interest of a Beneficiary under the Scheme unless the Board in its discretion passes a resolution to the contrary within 60 (sixty) days of such voluntary surrender, sequestration or attachment.

20.6 Neither an Option, nor any rights awarded thereunder may be transferred, ceded, pledged or alienated in any way whatsoever, save as may be expressly permitted in terms of this Trust Deed.

21. OPTION EXERCISE

21.1 Options forming part of any Employee Allocation shall only be capable of being exercised in terms hereof (during the Exercise Period) on the basis of –

21.1.1 25% (twenty five percent) thereof vesting as at the 2nd (second) anniversary of the Option Date ("First Vesting Date");

21.1.2 25% (twenty five percent) thereof vesting as at the 3rd (third) anniversary of the Option Date ("Second Vesting Date");

21.1.3 25% (twenty five percent) thereof vesting as at the 4th (fourth) anniversary of the Option Date ("Third Vesting Date"); and

21.1.4 25% (twenty five percent) thereof vesting as at the 5th (fifth) anniversary of the Option Date ("Fourth Vesting Date"),

provided that the Vesting Dates of the Initial Options will be as set out in Annexure A hereto.

21.2 An Option must be exercised during the applicable Exercise Period of such Option ("Option Exercise Date") and such exercise, and the Scheme Shares acquired pursuant to such exercise, shall be governed by the applicable provisions of this Trust Deed. For the avoidance of any doubt, and having regard to the provisions of clauses 20.5.1 and 21.1, the Exercise Period for Options falling due at the First Vesting Date, the Second Vesting Date, the Third Vesting Date and the Fourth Vesting Date (as the case may be) shall be within 30 (thirty) days of each of such First Vesting Date, Second Vesting Date, Third Vesting Date and Fourth Vesting Date (as the case may be). Likewise, for the avoidance of any doubt, the Exercise Period for an Initial Option shall be within 30 (thirty) days of the Vesting Date (as specified in Annexure A hereto) of such Initial Option.

21.3 The Board, in its discretion, may instruct the Trustees to reach more favourable alternative arrangements with Participants or the relevant executor or legal representative in regard to the date or time limits of the lapsing of an Option or the exercising of an Option or the date of payment of the Strike Price (including in respect of any dates or time limits contemplated in clauses 20, 21, 24 or 26 hereof) or the manner for effecting payment thereof.

21.4 Failure by a Beneficiary to exercise an Option timeously in accordance with the provisions of this clause 21 shall result in the lapsing of such Option.

21.5 Failure by a Beneficiary to comply faithfully and timeously with all his obligations in terms of the Trust Deed shall result in the immediate lapsing of his Options unless the Board instructs the Trustees to the contrary.

24. FINANCIAL ASSISTANCE TO BENEFICIARIES

24.1 Subject to the provisions of the Act and in amplification of clauses 8.1.14 and 8.1.16, in respect of any Beneficiary (or the relevant executor or legal representative of a Beneficiary's deceased estate) ("Borrower") who has exercised all or part of his Options in such manner as is contemplated in terms of this Trust Deed, the Trustees ("Lender") shall, in their absolute and unfettered discretion, with the prior written approval of the Board, be entitled to provide financial assistance to the Borrower for the purpose of assisting the Borrower in fulfilling the monetary obligations arising due to the exercise of all or part of his Options in terms of this Trust Deed, which obligations shall include, *inter alia*, the payment of the Strike Price in respect of such Options so exercised and any Beneficiary Taxation ("the loan"), subject to the following terms and conditions –

24.1.1 the Borrower shall be required to provide the Lender with a deposit equal to at least 10% (ten percent) of the loan value in cash on the first business day following the applicable Option Exercise Date;

24.1.2 the Borrower shall be required, in a separate agreement, to pledge in *securitatem debiti* such number of Shares (whether or not they are the Scheme Shares to be delivered to the Borrower as contemplated in this clause 24) as is equal to (or more than) 130% (one hundred and thirty percent) of the loan value, unless the Trustees on reasonable grounds decide otherwise, with the value of such security to be calculated in *mutatis mutandis* the same manner as the Strike Price ("the security");

24.1.3 to the extent that the value of the security as calculated by the Lender continues to fall below aforementioned percentage in clause 24.1.2 above for a period of at least 5 (five) business days, the Lender shall be entitled to forthwith perfect all or part of the security so as to reduce any outstanding balance in respect the loan and in so doing restore the requisite percentage cover, to the extent additional security is not provided by the Borrower;

24.1.4 any outstanding balance in respect of the total amount borrowed by the Borrower from time to time shall attract interest at the South African Revenue Services fringe benefit rate, which shall accrue and be compounded annually in arrears and be payable annually by the Borrower;

24.1.5 the capital amount outstanding in respect of the loan, together with all interest accrued thereon, must be paid in full within 3 (three) years of such capital amount having been advanced to the Borrower by the Lender;

24.1.6 subject to the provisions of clause 25 and notwithstanding the provisions of clause 24, if the Borrower ceases to be an Employee at any time while any amount (whether capital or interest) in respect of the loan is outstanding, the full amount of the loan plus all interest that accrues thereon shall become due and payable within 7 (seven) days of written notice thereof by the Lender to the Borrower and interest at the prime rate of interest plus 3% (three percent) shall be payable on any outstanding amount unless the Lender resolves otherwise. The Lender shall furthermore be entitled forthwith to perfect all or part of the security so as to effect repayment of the full loan amount, including interest that may be outstanding.

24.2 Notwithstanding the aforegoing, the Board may instruct the Trustees to reach more favourable alternative arrangements with a Borrower, depending on the personal circumstances of such Borrower. Accordingly, the terms and conditions of any financial assistance as granted by the Lender, remain in the Lender's sole discretion (subject to such aforementioned instructions as may be received from the Board).

33. AMENDMENTS TO THE TRUST DEED

33.1 Subject to –

33.1.1 the approval by Shareholders, to the extent that such approval may be required in terms of any law and the JSE Listings Requirements (including schedule 14 of the JSE Listings Requirements); and

33.1.2 compliance with any applicable law and the JSE Listing Requirements (including the provisions contained in paragraph 14.1 of Schedule 14 of the JSE Listing Requirements), this Deed may be amended from time to time by written agreement between the Board and the Trustees. For the avoidance of doubt, to the extent that any such amendment relates specifically to matters listed in paragraph 14.1 of Schedule 14 of the JSE Listings Requirements, such amendment shall require the approval of an ordinary resolution to this effect, which resolution shall be approved by not less than a 75% (seventy-five percent) majority of the votes cast in respect of such resolution by all Shareholders present in person or by proxy at the general meeting to approve such resolution and duly authorised to vote in terms of paragraph 14.2 of Schedule 14 of the JSE Listings Requirements.

33.2 Subject to clause 33.1, if the implementation of any provision of this Deed is rendered impossible or impracticable by reason of any change in law at any time after the signing of this Deed, the Board shall have the power, with the approval of the Trustees, to amend this Deed in such manner as will result in it being capable of practical implementation in terms of the law then in force so as to result in the Trust, the Group and the Participants enjoying such rights as confer, in the opinion of the Auditors (acting as experts and not as arbitrators and whose determination shall be final and binding) for the time being of the Company, substantially the same degree of benefit on them as would have been enjoyed by them but for such amendments and change in law.

36. TERMINATION OF THE TRUST

36.1 The Trustees shall be entitled in their discretion to terminate the Trust –

36.1.1 should all Options awarded by it to Employees have been exercised and the Trust has received payment in full of any amounts owed to it by the Participants; or

36.1.2 the Board resolves that the Trust shall be terminated; or

36.1.3 should the Company, the Trustees and the Participants (if any) who have vested rights in terms of this Deed, agree in writing to terminate the Trust.

36.2 Upon termination of the Trust, the Trustees shall be entitled in their discretion to release the assets of the Trust and wind-up the affairs of the Trust and pay over to the Company any surplus funds (after having discharged all liabilities) remaining in the Trust. The provision of this clause 36.2 shall apply *mutatis mutandis* to any Shares held by the Trust upon the termination thereof.

36.3 Upon termination of the Trust, the Trustees shall be entitled in their discretion to transfer any income or capital (on terms and conditions to be determined by the Board and the Trustees) of the Trust to the Company.

36.4 Should the amount paid by the Trustees to the Company in terms of this clause 36 fall short of any indebtedness of the Trust to the Company and/or its Subsidiaries, the Trustees shall be relieved of all liability for such shortfall, which loss shall be constituted as a loss to be borne by the Company and/or the Group Companies.

36.5 The Trustees shall consult with the Board prior to implementing any aspects of this clause 36 and shall as far as reasonably possible take into consideration any determination of the Board.

ANNEXURE 6 – INTERESTS OF PSG DIRECTORS

1. *PSG Directors' interests in PSG Shares*

1.1. As at the Last Practicable Date, the following PSG Directors held a beneficial or non-beneficial interest, whether directly or indirectly, in PSG Shares –

	Beneficial		Non-beneficial	Total	
PSG Director	**Direct**	**Indirect**	**Indirect**	**Number**	**%**
PE Burton	–	191 675	100 000	291 675	0.1
ZL Combi	410 000	–	–	410 000	0.2
MM du Toit	–	232 000	–	232 000	0.1
WL Greeff	–	1 261 373	–	1 261 373	0.6
JA Holtzhausen	814 237	500 000	–	1 314 237	0.6
JF Mouton	–	50 446 482	–	50 446 482	23.3
JJ Mouton	115 000	1 405 500	–	1 520 500	0.7
PJ Mouton	54 148	5 358 820	–	5 412 968	2.5
CA Otto	108	–	3 434 621	3 434 729	1.6
W Theron	10 000	–	157 502	167 502	0.1
Total	**1 403 493**	**59 395 850**	**3 692 123**	**64 491 466**	**29.8**

1.2. Save as set out below, the PSG Directors had no dealings in PSG Shares during the six-month period prior to the Last Practicable Date –

Name	Date	Nature of transaction	Nature of interest	Number of Shares	Price (cps)
JA Holtzhausen	26/02/2016	Purchase(1)	Beneficial, direct	49 441	3 961
JA Holtzhausen	26/02/2016	Purchase(1)	Beneficial, direct	24 948	4 739
JA Holtzhausen	26/02/2016	Purchase(1)	Beneficial, direct	25 885	6 150
JA Holtzhausen	26/02/2016	Purchase(1)	Beneficial, direct	150 561	8 323
JF Mouton	26/02/2016	Purchase(1)	Non-beneficial, indirect(2)	50 488	3 961
JF Mouton	26/02/2016	Purchase(1)	Non-beneficial, indirect(2)	51 014	4 739
JF Mouton	26/02/2016	Purchase(1)	Non-beneficial, indirect(2)	42 791	6 150
JF Mouton	26/02/2016	Purchase(1)	Non-beneficial, indirect(2)	160 959	8 323
JF Mouton	17/05/2016	Purchase	Beneficial, indirect	20 921	17 968
JF Mouton	18/05/2016	Purchase	Beneficial, indirect	33 711	18 588
JF Mouton	18/05/2016	Purchase	Beneficial, indirect	12 968	18 191
JF Mouton	23/05/2016	Purchase	Beneficial, indirect	24 055	18 799
JF Mouton	24/05/2016	Purchase	Beneficial, indirect	63 080	19 171
JF Mouton	25/05/2016	Purchase	Beneficial, indirect	101 970	19 208
JJ Mouton	31/05/2016	Purchase	Beneficial, indirect	2 150	18 879
MM du Toit	22/02/2016	Purchase	Beneficial, indirect(3)	50 000	17 629
PJ Mouton	26/02/2016	Purchase(1)	Beneficial, indirect	75 465	3 961
PJ Mouton	26/02/2016	Purchase(1)	Beneficial, indirect	28 211	4 739
PJ Mouton	26/02/2016	Purchase(1)	Beneficial, indirect	32 263	6 150
PJ Mouton	26/02/2016	Purchase(1)	Beneficial, indirect	165 471	8 323
PJ Mouton	31/05/2016	Purchase	Beneficial, indirect	2 150	18 879
WL Greeff	26/02/2016	Purchase(1)	Beneficial, indirect	61 296	3 961
WL Greeff	26/02/2016	Purchase(1)	Beneficial, indirect	22 680	4 739
WL Greeff	26/02/2016	Purchase(1)	Beneficial, indirect	26 045	6 150
WL Greeff	26/02/2016	Purchase(1)	Beneficial, indirect	150 357	8 323
ZL Combi	19/04/2016	Disposal	Beneficial, direct	80 000	21 240

Notes

(1) Acquired pursuant to share options vesting.

(2) Interest has changed since the transaction date to beneficial, indirect.

(3) Acquisition of single stock future contracts.

2. *PSG Directors' interests in Zeder Shares*

2.1. As at the Last Practicable Date, the following PSG Directors held a beneficial or non-beneficial interest, whether directly or indirectly, in Zeder Shares –

	Beneficial		Non-beneficial	Total	
PSG Director	**Direct**	**Indirect**	**Indirect**	**Number**	**%**
PE Burton	–	34 750	–	34 750	–
WL Greeff	–	80 000	–	80 000	–
JA Holtzhausen	2	–	–	2	–
JF Mouton	–	80 000	–	80 000	–
CA Otto	–	–	80 000	80 000	–
Total	**2**	**194 750**	**80 000**	**274 752**	**–**

2.2. The PSG Directors had no dealings in Zeder Shares during the six-month period prior to the Last Practicable Date.

ANNEXURE 7 – DEALINGS BY PSG GROUP

PSG Group Companies had the following dealings in Zeder Shares during the six-month period prior to the Last Practicable Date:

Date	Transaction	Volume	Price (cents)
26/02/2016	Disposal[1]	(1 553 354)	410
26/02/2016	Disposal[1]	(337 838)	333
20/04/2016	Disposal[1]	(437 743)	257

Note:

[1] Disposal to employees pursuant to exercise of share options.

ZEDER INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2006/019240/06)
Share code: ZED, ISIN: ZAE000088431
(**"Zeder"** or **"the Company"**)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Zeder Shareholders will be held at 11:00 on 29 August 2016 at Lanzerac, No. 1 Lanzerac Road, Stellenbosch, Western Cape.

Purpose

The purpose of the General Meeting is to consider and, if deemed fit, to approve, with or without modification, the resolutions set out in this Notice of General Meeting.

Notes:

- *The definitions and interpretations commencing on page 4 of the circular to which this Notice of General Meeting is attached ("**the Circular**"), apply mutatis mutandis to this notice and to the resolutions set out below.*
- *For Ordinary Resolution Number 1 to be approved by Shareholders, it must be supported by more than 50% of the voting rights exercised on the resolution. PSG Group Companies and their associates will be taken into account in determining a quorum for purposes of Ordinary Resolution Number 1 at the General Meeting, but their votes will not be taken into account in determining the results of the voting on that resolution.*
- *For Ordinary Resolution Number 2 to be approved by Shareholders, it must be supported by independent holders of more than 50% of the general voting rights of all the issued securities of the Company, present and voting or represented by proxy, excluding PSG Group Companies and their associates. PSG Group Companies and their associates will not be taken into account for purposes of determining the quorum for Ordinary Resolution Number 2.*
- *For a special resolution and, in terms of the JSE Listing Requirements, for Ordinary Resolution Number 3 to be approved by Shareholders, it must be supported by at least 75% of the voting rights exercised on that resolution.*

1. **ORDINARY RESOLUTION NUMBER 1 – APPROVAL OF THE ACQUISITION**

"RESOLVED AS AN ORDINARY RESOLUTION that, subject to the approval of Ordinary Resolution Number 2 and Special Resolution Number 2, the Acquisition by the Company, as part of the Internalisation, of the Newco Shares from PSG Corporate Services in consideration for the Consideration, on the terms set out in the Acquisition Agreement (copies of which have been made available for inspection by Shareholders and the salient terms of which are contained in the Circular), be and is hereby approved in terms of the JSE Listings Requirements, it being recorded that the Consideration is to be settled by the issue of the Issue Shares to PSG Corporate Services, constituting an acquisition issue in terms of the JSE Listings Requirements."

Reason and effect

The reason for Ordinary Resolution Number 1 is that the Acquisition, which forms part of the Internalisation, constitutes a related party transaction for Zeder in terms of the JSE Listings Requirements and, accordingly, requires Shareholder approval by way of an ordinary resolution. The effect of Ordinary Resolution Number 1, if passed, will be to grant the necessary approval of the Acquisition in terms of the JSE Listings Requirements.

2. **ORDINARY RESOLUTION NUMBER 2 – WAIVER OF MANDATORY OFFER**

"**RESOLVED AS AN ORDINARY RESOLUTION** that, subject to the approval of Ordinary Resolution Number 1 and Special Resolution Number 2, the requirement that PSG makes the Mandatory Offer to the remaining Zeder Shareholders by reason of it acquiring 35% or more of the voting rights or securities of the Company, as a consequence of the Share Issue to PSG Corporate Services, be and is hereby waived."

Reason and effect

The reason for Ordinary Resolution Number 2 is that the Share Issue, if implemented, will result in PSG's effective shareholding in Zeder exceeding 35% of the total voting rights or securities of the Company. In terms of section 123 of the Companies Act, PSG will be required to make the Mandatory Offer to the Shareholders, unless such an offer is waived by the independent Zeder Shareholders. The Internalisation, of which the Share Issue forms part, is conditional on PSG not being required to make the Mandatory Offer. As such, it requires, inter alia, the remaining Shareholders to waive their rights to receive the Mandatory Offer. The effect of Ordinary Resolution Number 2, if passed, will be that PSG will not be obliged to make the Mandatory Offer.

3. **ORDINARY RESOLUTION NUMBER 3 - ADOPTION OF SHARE INCENTIVE SCHEME**

"**RESOLVED AS AN ORDINARY RESOLUTION THAT**, subject to the passing of Special Resolution Number 1, the Share Incentive Scheme, as detailed in the Zeder SIT Deed, the salient terms of which are included in the Circular and a copy of which has been made available for inspection to Shareholders, be and is hereby adopted."

Reason and effect

The reason for Ordinary Resolution Number 3 is that the JSE Listings Requirements require that the Share Incentive Scheme be approved by Shareholders. The effect of Ordinary Resolution Number 3, if passed, will be to adopt the Share Incentive Scheme in terms of the JSE Listings Requirements.

4. **SPECIAL RESOLUTION NUMBER 1 - ISSUE OF SHARES OR GRANTING OF OPTIONS TO DIRECTORS AND PRESCRIBED OFFICERS**

“**RESOLVED AS A SPECIAL RESOLUTION THAT**, subject to the passing of Ordinary Resolution Number 3, Shares or securities convertible into Shares and/or options and/or any other rights exercisable for securities are hereby authorised, insofar as may be necessary, to be issued in terms of the Share Incentive Scheme to Directors, future directors, prescribed officers or future prescribed officers of the Company and to persons related or inter-related to the Company or to a Director or prescribed officer of the Company, and/or to nominees of such persons insofar as same is permitted under the Share Incentive Scheme, on the terms and conditions and at the issue prices and strike prices as set out in the Share Incentive Scheme.”

Reason for and effect of Special Resolution Number 1

The reason for Special Resolution Number 1 is to obtain approval from Shareholders to enable the Company to issue Shares and grant options to Directors, future directors, prescribed officers and future prescribed officers and persons related or inter-related to the Company or to directors or prescribed officers of the Company or nominees thereof. The effect of Special Resolution Number 1 is that the Company will, if this resolution is adopted, have the necessary authority to issue such shares and grant such options to the category of potential recipients in accordance with the Share Incentive Scheme.

5. **SPECIAL RESOLUTION NUMBER 2 – APPROVAL OF SHARE ISSUE**

“**RESOLVED AS A SPECIAL RESOLUTION**, subject to the approval of Ordinary Resolutions Numbers 1 and 2, **THAT**, to the extent that PSG Corporate Services may be related or inter-related to Zeder (“related” and “inter-related” having the meanings assigned to those terms under section 2 of the Companies Act), the issue of the Issue Shares by Zeder to PSG Corporate Services in settlement of the Consideration due by Zeder under the Internalisation, be and is hereby approved in terms of section 41(1)(b) of the Companies Act.”

Reason for and effect of Special Resolution Number 2

The reason for Special Resolution Number 2 is that section 41(1)(b) of the Companies Act requires that issues of shares must be approved by a special resolution of the shareholders of a company if such shares are issued to a person related or inter-related to the company (“related” or “inter-related” having the meanings assigned to those terms in section 2 of the Companies Act). The effect of Special Resolution Number 2, if passed, will be to provide Shareholder approval under section 41(1)(b) of the Companies Act to the Share Issue, to the extent that PSG Corporate Services may be related or inter-related to Zeder.

VOTING AND PROXIES

The date on which Shareholders must be recorded in the Register for purposes of being entitled to receive this Notice of General Meeting is Friday, 22 July 2016.

The date on which Shareholders must be recorded in the Register for purposes of being entitled to attend and vote at the General Meeting, is Friday, 19 August 2016. The last day to trade in order to be entitled to attend and vote at the General Meeting, is Tuesday, 16 August 2016.

Section 63(1) of the Companies Act requires that meeting participants provide satisfactory identification. Accordingly, meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the General Meeting and must accordingly bring a copy of their identity document, passport or drivers’ license to the General Meeting. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the Transfer Secretaries for guidance.

A Shareholder entitled to attend, speak and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a Shareholder of the Company. For the convenience of Certificated Shareholders and Dematerialised Shareholders with “own-name” registration, a form of proxy (*grey*) is attached hereto. Completion of a form of proxy will not preclude such Shareholder from attending and voting (in preference to that Shareholder’s proxy) at the General Meeting.

Duly completed forms of proxy and the authority (if any) under which it is signed must reach the Transfer Secretaries of the Company at the address given below by not later than 11:00 on 25 August 2016.

Dematerialised Shareholders without “own-name” registration who wish to attend the General Meeting in person should request their CSDP or broker to provide them with the necessary letter of representation in terms of their custody agreement with their CSDP or broker. Dematerialised Shareholders without “own-name” registration who do not wish to attend but wish to be represented at the General Meeting must advise their CSDP

or broker of their voting instructions. Dematerialised Shareholders without “own-name” registration should contact their CSDP or broker with regard to the cut-off time for their voting instructions.

SIGNED AT STELLENBOSCH ON 26 JULY 2016 ON BEHALF OF THE BOARD OF DIRECTORS OF THE COMPANY

PSG CORPORATE SERVICES (PTY) LTD
per A Rossouw
Company secretary

Registered Office	**Transfer secretaries**
1st Floor, Ou Kollege	Computershare Investor Services (Pty) Ltd
35 Kerk Street	Ground Floor
Stellenbosch, 7600	70 Marshall Street
(PO Box 7403, Stellenbosch, 7599)	Johannesburg, 2001
	(PO Box 61051, Marshalltown, 2107)

ZEDER INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2006/019240/06)
Share code: ZED, ISIN: ZAE000088431
(**"Zeder"** or **"the Company"**)

FORM OF PROXY

ONLY FOR USE BY CERTIFICATED SHAREHOLDERS AND DEMATERIALISED SHAREHOLDERS WITH "OWN-NAME" REGISTRATION

For use by Shareholders at the General Meeting of Zeder Shareholders to be held at 11:00 on 29 August 2016 at Lanzerac, No. 1 Lanzerac Road, Stellenbosch, Western Cape or any adjourned or postponed meeting.

*The definitions and interpretations commencing on page 4 of the circular to which this form of proxy is attached (**"the Circular"**) apply mutatis mutandis to this form of proxy.*

If you are a Dematerialised Shareholder without "own-name" registration you must not complete this form of proxy but must instruct your CSDP or broker as to how you wish to vote. This must be done in terms of the custody agreement between you and your CSDP or broker.

I/We (Please PRINT names in full) ______________________________

of (address) ______________________________

telephone numbers: Landline ______________________________ Mobile ______________________________

being the holder(s) of ______________________________ Certificated Shares or Dematerialised Shares with "own-name" registration do hereby appoint (see notes 1 and 2):

1. ______________________________ or failing him/her,

2. ______________________________ or failing him/her,

3. the Chairman of the General Meeting

as my/our proxy to attend, speak and vote for me/us at the General Meeting (or any adjournment thereof) for purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the Shares registered in my/our name(s), in accordance with the following instruction (see notes):

	For*	Against*	Abstain*
Ordinary Resolution Number 1 Approval of the Acquisition			
Ordinary Resolution Number 2 Waiver of Mandatory Offer			
Ordinary Resolution Number 3 Adoption of Share Incentive Scheme			
Special Resolution Number 1 Issue of shares or granting of options to Directors and prescribed officers			
Special Resolution Number 2 Approval of Share Issue			

* *One vote per Share held by Shareholders. Shareholders must insert the relevant number of votes they wish to vote in the appropriate box provided or "X" should they wish to vote all Shares held by them. If the form of proxy is returned without an indication as to how the proxy should vote on any particular matter, the proxy will exercise his/her discretion as to whether, and if so, how he/she votes.*

Signed at: ______________________________ on ______________________________2016

Signature ______________________________

Capacity of signatory (where applicable) ______________________________

Note: Authority of signatory to be attached – see notes 8 and 9.______________________________

Telephone number ______________________________

Cellphone number ______________________________

Assisted by me (where applicable) ______________________________

Full name ______________________________

Capacity ______________________________

Signature ______________________________

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- *A Shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a Shareholder) as a proxy to participate in, and speak and vote at, a Shareholders' meeting on behalf of such Shareholder.*
- *A Shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the Shareholder.*
- *A proxy may delegate his authority to act on behalf of a Shareholder to another person, subject to any restriction set out in the instrument appointing such proxy.*
- *Irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant Shareholder chooses to act directly and in person in the exercise of any of such Shareholder's rights as a Shareholder.*
- *Any appointment by a Shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise.*
- *If an appointment of a proxy is revocable, a Shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the relevant company.*
- *A proxy appointed by a Shareholder is entitled to exercise, or abstain from exercising, any voting right of such Shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise.*
- *If the instrument appointing a proxy or proxies has been delivered by a Shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company's memorandum of incorporation to be delivered to a Shareholder must be delivered by such company to:*
  - *the relevant Shareholder; or*
  - *the proxy or proxies, if the relevant Shareholder has: (i) directed such company to do so, in writing and (ii) paid any reasonable fee charged by such company for doing so.*

Notes:

1. Each Shareholder is entitled to appoint 1 (one) (or more) proxies (none of whom need be a Shareholder of the Company) to attend, speak and vote in place of that Shareholder at the General Meeting.
2. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space/s provided with or without deleting "the Chairman of the General Meeting" but the Shareholder must initial any such deletion. The person whose name stands first on the form of proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the appropriate box provided or "X" should the Shareholder wish to vote all Shares held by him. Failure to comply with the above will be deemed to authorise and direct the chairman of the General Meeting, if the chairman is the authorised proxy, to vote in favour of the resolutions, or any other proxy to vote or abstain from voting at the General Meeting as he/she deems fit, in respect of all the Shareholder's votes exercisable at the meeting.
4. Completed forms of proxy and the authority (if any) under which they are signed must be lodged with or posted to the Transfer Secretaries, Computershare Investor Services Proprietary Limited at Ground Floor, 70 Marshall Street, Johannesburg, 2001 or PO Box 61051, Marshalltown, 2107, to be received by them by no later than 48 hours before the commencement of the General Meeting (or any adjournment of the General Meeting), excluding Saturdays, Sundays and official public holidays.
5. The completion and lodging of this form of proxy will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.
6. The chairman of the General Meeting may accept or reject any form of proxy not completed and/or received in accordance with these notes or with the memorandum of incorporation of the Company.
7. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by the Company or the Transfer Secretaries.
9. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has been registered by the Company or the Transfer Secretaries or waived by the chairman of the General Meeting.
10. Where Shares are held jointly, all joint holders are required to sign this form of proxy.
11. A minor Shareholder must be assisted by his/her parent/guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company or the Transfer Secretaries.
12. Dematerialised Shareholders who do not own Shares in "own-name" dematerialised form and who wish to attend the General Meeting, or to vote by way of proxy, must contact their CSDP or broker who will furnish them with the necessary letter of representation to attend the General Meeting or to be represented thereat by proxy. This must be done in terms of the agreement between the Shareholder and his/her CSDP or broker.
13. This form of proxy shall be valid at any resumption of an adjourned meeting to which it relates although this form of proxy shall not be used at the resumption of an adjourned meeting if it could not have been used at the General Meeting from which it was adjourned for any reason other than it was not lodged timeously for the meeting from which the adjournment took place. This form of proxy shall in addition to the authority conferred by the Companies Act except insofar as it provides otherwise, be deemed to confer the power generally to act at the General Meeting in question, subject to any specific direction contained in this form of proxy as to the manner of voting.
14. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Share in respect of which the proxy is given, provided that no notification in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Transfer Secretaries before the commencement of the meeting or adjourned meeting at which the proxy is used.
15. Any proxy appointed pursuant to this form of proxy may not delegate her or his authority to act on behalf of the relevant Shareholder.
16. In terms of section 58 of the Companies Act, unless revoked, an appointment of a proxy pursuant to this form of proxy remains valid only until the end of the General Meeting or any adjournment of the General Meeting.