

ZEDER INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2006/019240/06)

Share code: ZED

ISIN: ZAE000088431

("Zeder" or "the Company")



DISPOSAL OF SHAREHOLDING IN JOY WING MAU AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

Further to the Company's cautionary announcement dated 13 August 2018, Zeder advises that its subsidiary, Capespan Group Limited ("**Capespan**"), through its underlying subsidiary, CSA Investments Limited ("**CSA**"), has today, 21 September 2018, entered into share transfer agreements ("**Agreements**") for the sale of its entire shareholding in Golden Wing Mau Agriculture Produce Stock Limited Company and Xinguojiayuan Modern Agriculture Company Limited (together referred to as "**Joy Wing Mau**"), such shares ("**Sale Shares**") representing 9.23% of each company's issued share capital, to Joyvio (Qingdao) Modern Agriculture Limited, Xiamen Jianfa Emerging Industry No. 3 Shares Investment Partnership (Limited Partnership) and Beijing Junlianshengyuan Shares Investment Partnership (Limited Partnership) (collectively, the "**Purchasers**") for an aggregate purchase consideration of RMB 566 341 262 ("**Purchase Consideration**"), amounting to approximately R1 177 989 825 at the current exchange rate ("**Sale**").

Joy Wing Mau is based in China and focuses on fruit production, packing, storage, wholesale, export, import and distribution to retailers.

2. RATIONALE FOR THE SALE

Following previous corporate actions in Joy Wing Mau, Capespan's shareholding diluted to a level from where it could no longer maintain its strategic influence in the business through its investment. Capespan is not an investment holding company. Its strategy is to pursue investment opportunities that will enable it to have strategic influence to ensure an expansion of its market penetration and a greater benefit to its customers. There is a healthy commercial relationship between Capespan and Joy Wing Mau and the parties will remain strategic commercial partners despite the sale of the investment.

3. EFFECTIVE DATE AND IMPLEMENTATION OF THE SALE

The Sale is not subject to the fulfilment of any conditions precedent and became effective on signature of the Agreements.

CSA shall attend to the required tax verification and bank payment (exchange control approval by the State Administration of Foreign Exchange (SAFE) of the People's Republic of China) approval procedures, and the Purchasers shall thereafter pay the relevant taxes due to the Chinese tax authorities and the remaining balance of the Purchase Consideration (after deducting the relevant tax amounts due and paid, if any) to CSA.

4. APPLICATION OF THE PURCHASE CONSIDERATION

Over the last four years Capespan has invested close to R1 billion in its fruit and farming businesses, funded mostly by borrowings. The bulk of the Purchase Consideration will be invested in the fruit and farming businesses to reduce their debt. This reinvestment into the business underlines the long term commitment to Capespan strengthening its core businesses of fruit production and marketing.

5. FINANCIAL INFORMATION

The fair value at which the investment in Joy Wing Mau (previously referred to as Golden Wing Mau) was carried in Zeder's audited financial statements for the financial year ended 28 February 2018, amounted to R644 254 000.

This balance comprises an amount of R699 795 000, at which value the investment in associate was transferred to equity securities, a subsequent mark-to-market upward adjustment of R10 898 000, recognised in Zeder's income statement, and a downwards foreign currency translation amount of R66 439 000 recognised in Zeder's other comprehensive income during the 2018 financial year.

No dividend income from Joy Wing Mau was recognised by Zeder for the financial year ended 28 February 2018.

6. OTHER SIGNIFICANT TERMS

CSA has provided no warranties to the Purchasers under the Agreements, other than to guarantee CSA's full and unencumbered disposal right in respect of the Sale Shares, which shall be free of any mortgage, pledge or other encumbrance.

CSA and the Purchasers shall attend to the registration of change procedures in accordance with Chinese law.

Parties may terminate the applicable Agreements in the event of non-performance by the other party and will be entitled to liquidated damages.

7. CLASSIFICATION OF THE SALE

The Sale constitutes a category 2 transaction in terms of the JSE Limited Listings Requirements.

8. WITHDRAWAL OF CAUTIONARY

Shareholders are referred to the Company's cautionary announcement released on SENS on 13 August 2018 and are advised that, as the Agreements have been concluded and the particulars of the Sale have been announced, caution is no longer required to be exercised by shareholders when dealing in the Company's securities.

21 September 2018

Sponsor

PSG Capital

