

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Circular is neither a prospectus nor an invitation to the public to subscribe for shares in Seed Co Limited ("the Company" or "the Group"), but is a document issued in compliance with the Zimbabwe Stock Exchange ("ZSE") Listing Requirements, to inform Seed Co Limited Shareholders of the proposed Transactions whose terms and conditions are fully set out in this Circular.

Action required:

- Shareholders of Seed Co Limited are invited to attend the Annual General Meeting ('AGM'), convened in terms of the Notice to Shareholders contained herein, to be held at 1100 hours on Thursday, 9 August 2018 at No. 1 Shamwari Road, Stapleford Mt Hampden, Harare, Zimbabwe;
- Shareholders of Seed Co Limited who are unable to attend the AGM, but wish to be represented thereat should complete and sign the Form of Proxy included in Appendix V of this Circular and return to the Company Secretary by 1100 hours on Tuesday, 7 August 2018;
- Shareholders of Seed Co Limited may attend the AGM in person, notwithstanding the completion and return of the Form of Proxy;
- If you are in any doubt as to the action you should take, please consult your stockbroker, banker, accountant or other professional advisor immediately; and
- If you no longer hold any shares in Seed Co Limited, you should send this Circular as soon as possible to the stockbroker, bank or other agent through whom the sale of your shareholding in Seed Co Limited was executed for onward delivery to the purchaser or transferee of your shares.



The African Seed Company

Seed Co Limited

(Incorporated in Zimbabwe under company registration number 217/83)

CIRCULAR TO SHAREHOLDERS

REGARDING:

- the proposed Partial Unbundling of Seed Co International Limited out of the Group by way of a *pro rata* dividend-in-specie distribution of 71% of Seed Co International Limited represented by 242,313,440 ordinary shares which are part of the total shares held by Seed Co Limited;
- the raising of approximately US\$19.2 million hard currency capital through the placement of 37,920,648 Seed Co International Limited ordinary shares with Vilmorin & Cie at a cash subscription price of US\$0.5069 per share; and
- the separate primary and secondary listing of Seed Co International Limited on the Botswana Stock Exchange ("BSE") and the Zimbabwe Stock Exchange (ZSE") respectively.

INCORPORATING:

A NOTICE OF THE 23RD ANNUAL GENERAL MEETING OF SHAREHOLDERS

Lead Financial Advisors



Independent Financial Advisors



Legal Advisors



Sponsoring Brokers



(Member of the ZSE)

Reporting Accountants



Transfer Secretaries



Date of issue: 17 July 2018

This Circular is only available in English. Additional copies of this Circular are available from the Company Secretary at the Registered Offices of the Company and can be downloaded from www.seedcogroup.com

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Corporate information

Company Secretary & Registered Office	Mr. J. Matorofa Seed Co Limited Shamwari Road, Stapleford P.O. Box 64 Westgate Harare, Zimbabwe
Lead Financial Advisors	Corporate Excellence 3 Drummond Chaplin Street Milton Park, Harare, Zimbabwe
Independent Financial Advisors	Deloitte Advisory Services (Private) Limited West Block, Borrowdale Office Park, Borrowdale Road Borrowdale Harare, Zimbabwe
Sponsoring Brokers	BancABC Stockbrokers (Member of the ZSE) Heritage House 67 Samora Machel Avenue Harare, Zimbabwe
Legal Advisors	Atherstone & Cook Legal Practitioners Praetor House 119 Josiah Chinamano Avenue Harare, Zimbabwe
Independent Auditors & Reporting Accountants	Ernst & Young Chartered Accountants Zimbabwe Angwa City Corner Julius Nyerere Way & Kwame Nkrumah Avenue Harare, Zimbabwe
Transfer Secretaries	Corpserve Registrars Zimbabwe (Private) Limited 2 nd Floor ZB Centre Corner 1 st & Kwame Nkrumah Avenue Harare, Zimbabwe

Definitions

In this Circular the following definitions apply, unless otherwise stated or the context indicates otherwise, the words in the first column have the meanings stated opposite them in the second column. Words in the singular shall include the plural and vice versa, and words importing natural persons shall include juristic persons, whether corporate or incorporate and vice versa, and all monetary values unless expressly stated otherwise are in United States dollars and cents.

'AGM'	The 23 rd Annual General Meeting of the Shareholders of Seed Co Limited to be held in the Seed Co Administration Block at Stapleford in Harare, Zimbabwe on Thursday, 9 August 2018 at 1100 hours, for purposes of considering the usual AGM ordinary business as well as the special business relating to the proposed Transactions.
'Articles'	The Articles of Association of Seed Co Limited.
'Atherstone & Cook" or "Legal Advisors'	Atherstone & Cook Legal Practitioners, the Company's Legal Advisors in connection with the proposed Transactions.
'BancABC Stockbrokers'	BancABC Stockbrokers (Private) Limited, the Sponsoring Brokers to the proposed Transactions.
'Board' or 'Directors'	The Board of Directors of Seed Co Limited.
'BSE'	The Botswana Stock Exchange.
'Circular'	This Circular to the Shareholders of Seed Co Limited which sets out the details of the proposed Transactions and incorporates all notices, letters and appendices relating to the proposed Transactions.
'Companies Act'	The Companies Act of Zimbabwe (Chapter 24:03) as amended.
'Corporate Excellence'	Corporate Excellence Financial Advisory Services (Private) Limited, the Financial Advisors to Seed Co Limited on the proposed Transaction.
'Corpserve' or 'Transfer Secretaries'	Corpserve Registrars Zimbabwe (Private) Limited, the Company's Transfer Secretaries.
'CSD'	Central Securities Depository a platform that enables the exchange of securities through electronic book entry, operated by Chengetedzai Depository Company Limited of Zimbabwe.
'Deloitte'	Deloitte Advisory Services (Private) Limited, the Independent Financial Advisors to the Independent Directors of Seed Co on the proposed Private Placement.
'Distribution Record Date'	17 August 2018, the record date for dividend-in-specie distribution of Seed Co International shares to the Company's Shareholders registered as such on this date.
'Ernst & Young'	Ernst & Young Chartered Accountants (Zimbabwe), the Company's Independent Auditors and Reporting Accountants.
'Exchange Control Regulations'	The Exchange Control Regulations prevailing in Zimbabwe.
'Form of Proxy'	The Form of Proxy accompanying this Circular, which provides for the Company's Shareholders to appoint a proxy to attend the AGM and vote on their behalf on the resolutions being proposed.
'Limagrain'	Groupe Limagrain Holding S.A., a company controlled by Société Coopérative Agricole Limagrain, a French agricultural co-operative, that is a controlling and reference shareholder of Vilmorin & Cie.
'NAV'	Net Asset Value.
'Non-resident Shareholder'	Seed Co Limited Shareholders with non-resident status in terms of Exchange Control Regulations of Zimbabwe.
'Partial Unbundling'	The proposed unbundling of Seed Co International out of the Group by way of a <i>pro rata</i> dividend-in-specie distribution, to all Shareholders registered as such on the Distribution Record Date, of 71% of Seed Co International's equity amounting to 242,313,440 ordinary shares currently held by Seed Co Limited, under terms and conditions outlined in this Circular.
'Private Placement'	The proposed private placement of 37,920,648 new Seed Co International ordinary shares, representing 10% of Seed Co International issued share capital post-unbundling and the Private Placement, with Vilmorin & Cie to raise approximately US\$19.2 million hard currency equity capital on the terms and conditions set out in this Circular.
'R&D'	Research and development.

'RBZ'	Reserve Bank of Zimbabwe.
'Shareholders' or 'Members'	Registered holders of Seed Co Limited ordinary shares.
'Seed Co Zimbabwe'	Seed Co Zimbabwe (Private) Limited, a 100% Zimbabwean subsidiary of Seed Co Limited.
'Seed Co International'	Seed Co International Limited, a 100% Botswana domiciled Seed Co Limited subsidiary, and intermediary holding company of the Group regional operations, that is earmarked for the proposed Partial Unbundling and dual-listing on the Botswana and Zimbabwe stock exchanges respectively.
'the Company' or 'the Group'	Seed Co Limited, a public company incorporated in Zimbabwe whose ordinary shares are listed on the ZSE.
'Transactions'	a) The proposed Partial Unbundling of the Seed Co Group; b) The proposed Private Placement of Seed Co International shares to raise approximately US\$19.2 million; c) The proposed primary listing of Seed Co International shares on the Botswana Stock Exchange and secondary listing on the Zimbabwe Stock Exchange.
'Vilmorin & Cie'	Vilmorin and Cie. SA, a Limagrain subsidiary company and a technical-equity partner of Seed Co Limited.
'US\$'	The United States dollar, allowable trading currency under the multicurrency trading system in Zimbabwe.
'ZIMRA'	Zimbabwe Revenue Authority
'ZSE'	The Zimbabwe Stock Exchange Limited where the Company's ordinary shares are listed.

Salient information

This summary presents the salient information in relation to the proposed Transactions, the detailed terms and conditions of which are more fully set out in this Circular. The Circular should accordingly be read in its entirety for a full appreciation of the rationale for, and the implications of the Transactions, as well as with regard to determining the action required by the Shareholders of Seed Co Limited.

The proposed Transactions

In view of the hard currency funding needs of the Group's regional growth trajectory and the need to unlock, preserve and grow Shareholder value, the Directors are proposing the following transactions for approval by Shareholders:

a) The Partial Unbundling of Seed Co International

The proposed unbundling of Seed Co International, a wholly-owned subsidiary domiciled in Botswana, out of the Group by way of a *pro rata* dividend-in-specie distribution, to all Shareholders, registered as such on the Distribution Record Date, of 71% of Seed Co International's equity which translates to 242,313,440 ordinary shares currently held by Seed Co Limited, on the basis of 1 (one) Seed Co International share for each Seed Co Limited share held

b) The Private Placement

The proposed placement of 37,920,648 new Seed Co International ordinary shares, representing 10% of Seed Co International issued share capital post-unbundling and the Private Placement, with Vilmorin & Cie at a cash subscription price of US\$0.5069 per share to raise US\$19.2 million hard currency equity capital.

Vilmorin & Cie is a related-party by virtue of being a significant shareholder and technical partner of Seed Co Limited. Notwithstanding that the US\$19.2 million Private Placement is only 3.78% of the US\$508.86 million market value of Seed Co Limited as of 10 July 2018 (i.e. it is a small transaction which is below the 5% related-party disclosure and upfront shareholder approval threshold in terms of Paragraph 10.7(h) of the ZSE Listings Requirements), a fair and reasonable opinion was sought and shareholder approval is being sought for the Private Placement. Vilmorin & Cie will be precluded from voting on the resolution to approve the Private Placement.

c) The Listing of Seed Co International on the BSE and ZSE

Immediately pursuant to the proposed Partial Unbundling and Private Placement, the Directors will do all that is necessary to achieve a primary listing Seed Co International on the BSE and a secondary listing on the ZSE.

The rationale, sequencing, financial effects and other consequences of the proposed Transactions are fully explained in this Circular to Shareholders.

Share capital structures of Seed Co Limited and Seed Co International pre- and post- the proposed Transactions

Company	Pre-Unbundling		Post-Unbundling		Placement of ordinary shares	Post- Private Placement	
	Issued ordinary shares	Authorized ordinary shares	Issued ordinary shares	Authorized ordinary shares		Issued ordinary shares	Authorized ordinary shares
Seed Co Limited	242,313,440	500,000,000	242,313,440	500,000,000	-	242,313,440	500,000,000
Seed Co International	341,286,535	500,000,000	341,286,535	500,000,000	37,920,648	379,207,183	500,000,000

Annual General Meeting

To approve the usual AGM business as well as the special business relating to the proposed Transactions, by resolutions set out in Appendix V, Seed Co Limited Shareholders are being called by notice dated Tuesday, 17 July 2018 to attend the AGM of the Company which will be held in the Seed Co Limited Administration Block at Stapleford in Harare, Zimbabwe at 1100 hours on Thursday, 9 August 2018.

Action to be taken by Shareholders

In order to participate in:

- 1. the AGM** - Shareholders who do not wish to attend the AGM in person should complete and sign the Form of Proxy included in Appendix V of this Circular and return to the Company Secretary by 1100 hours on Tuesday, 7 August 2018.
- 2. the Dividend-in-Specie Distribution** - Seed Co Limited Shareholders who have acquired ordinary shares that have not been registered in their names should ensure that such registration is perfected on or before close of business on the Distribution Record Date, being 16:00 hours on Friday, 17 August 2018.

Related-party transaction

Vilmorin & Cie, a related-party, will be precluded from voting on the specific resolution to approve the proposed Seed Co International Private Placement for which it is an interested party.

Time table of events

Event	Date
Notice of Seed Co Limited AGM published	Tuesday, 17 July 2018
Abridged Circular to Seed Co Limited Shareholders published	Tuesday, 17 July 2018
Circular to Seed Co Limited Shareholders posted	Tuesday, 17 July 2018
Last day of lodging Proxy Forms (at 1100 hours)	Tuesday, 7 August 2018
Seed Co Limited AGM (at 1100 hours)	Thursday, 9 August 2018
Publication of AGM resolution results	Tuesday, 14 August 2018
Last day to trade to allow for settlement on the Distribution Record Date	Tuesday, 14 August 2018
Seed Co International Distribution Record Date	Friday, 17 August 2018
Seed Co International shares issued in dematerialized form or certificate form at the option of the shareholders	Monday, 20 August 2018
Target Seed Co International dual-listing date	By 31 August 2018

Notes

- The above dates are subject to change and any amendments will be published in the Zimbabwean press and on the Company's website.
- All times indicated above and elsewhere in this Circular are Zimbabwean local times (Harare +2GMT)
- It is mandatory for all BSE listed company securities to be held in dematerialized form in depository accounts with the CSDB. The CSDB depository accounts can be opened through any Stockbroker in Botswana or with the facilitation of Corpserv Registrars Zimbabwe.**
- Shareholders are advised to update their records with Corpserv Registrars, the Transfer Secretaries in Zimbabwe, for ease of securities depository account opening with the Central Securities Depository of Botswana ("CSDB") where applicable subject to the fungibility conditions set out by the Reserve Bank of Zimbabwe.**
- In Zimbabwe company securities can be held in either dematerialized or certificated form and shareholders can seek advice regarding the options from the Transfer Secretaries or their Brokers.**

Part I: Letter to Shareholders



The African Seed Company

(Incorporated in Zimbabwe under company registration number 217/83)

Directors: D. E. B. Long (Chairman), M. Nzwere (Group Chief Executive Officer)*, C. Kabaghe, M.S. Ngoro, D. Garwe, A. Colombo, P. Gowero, F. Savin, J. Matorofa (Group Finance Director)*, D. P. F. Jacquemond, F. Ruwende, R.C.D. Chitengu, A. G. Barron,
***Executive**

Registered Address: Seed Co Premises, No. 1 Shamwari Road, Stapleford, Harare, Zimbabwe

Dear Shareholders,

1. Background

As you are aware, your Company has over the years expanded into the region establishing itself as the “African Seed Company” and in the process flying the Zimbabwean flag with pride. After being satisfied with the market position cultivated in Zimbabwe, the expansion into Africa was a proactive geographical diversification strategy embarked upon to ensure continued shareholder value enhancement through the exploitation of new growth opportunities in the then largely untapped markets. In recent years, the African seed industry, has however started witnessing increased forays by multinational seed industry players attracted by growing social-economic stability on the continent. These developments, on the continent now widely viewed as the last growth frontier, demand that the Group adapt and develop strategies to defend its turf and continue pursuing its “African Seed Company” vision leveraging its strong brand and in-depth knowledge of Africa.

Against the aforementioned background and in the quest to defend the significant investment already deployed and also continue to make new investments in the region, the Directors formulated a plan to create a regional platform that makes it possible to attract permanent capital to continue growing existing businesses and establishing new markets. In view of the hard currency funding needs of the Group’s regional growth trajectory and the need to unlock, preserve and grow Shareholder value, the Directors are proposing to partially unbundle through a dividend-in-specie, and separately list on the BSE, the Group’s regional operations which are all held through Seed Co International. Seed Co International was incorporated in Botswana in 2000 and operates under the International Financial Services Centre regime of Botswana. The proposed separate listing of Seed Co International will be preceded by a capital raise of US\$19.2 million through a placement of shares with Vilmorin & Cie, a related-party, which capital raise is meant to address the short to medium-term funding needs of the regional operations.

2. The proposed Transactions

2.1. The Partial Unbundling

2.1.1. Overview of the Partial Unbundling

In order to unlock shareholder value and position the continental operations for growth, the Board is proposing to partially unbundle 71% of Seed Co International. Post the proposed Private Placement to be carried out immediately after the unbundling, Seed Co Limited will retain 26% shareholding in Seed Co International.

If approved by Shareholders, the Partial Unbundling will be achieved through Dividend-in-Specie distribution to all Shareholders of 242,313,440 Seed Co International ordinary shares, on the basis of 1 (one) Seed Co International share for each Seed Co Limited share held and duly registered as such on the Distribution Record Date.

Seed Co Limited Shareholders registered as such on the Distribution Record Date will be entitled to receive share certificates reflecting the number of Seed Co International shares to which they are entitled pursuant to the dividend-in-specie distribution and shareholders with existing CSD accounts will have their shares credited directly on the CSD.

2.1.2. Seed Co International Share Appreciation Rights Plan

In preparing Seed Co International for the partial unbundling, Seed Co Limited structured and put in place a Share Appreciations Rights Plan at Seed Co International for the benefit of qualifying employees to incentivise them as well as align their interests with those of Shareholders going forward. The draft Share Appreciations Rights Plan rules, still to be approved by the BSE Listings Committee, are available for inspection by interested members. In terms of the rules of the Share Appreciations Rights Plan, Seed Co International's Directors are empowered to award Share Appreciations Rights to employees up to a maximum of the equivalent of 28,023,359 share options. The Share Appreciations Rights are granted for a maximum period of ten (10) years at a price determined by the Directors, which price shall not be less than the market price ruling on the BSE on the last business day before the date of any Board resolution granting the Share Appreciation Rights.

2.2. The Private Placement

Seed Co International has expansion projects that require immediate funding amounting to approximately US\$31 million. In order to manage leverage and the attendant financial risk, the Directors have resolved, subject to Shareholder approval, to mobilize half of the required funding as permanent equity through the placement of 37,920,648 Seed Co International ordinary shares for subscription by Vilmorin & Cie, a related-party, at a subscription price of US\$0.5069 per share. If approved by Shareholders, the Private Placement will have a dilutive effect of 10% to the post Partial Unbundling shareholding structure of Seed Co International.

The willingness by Vilmorin & Cie to financially support Seed Co International's strategy demonstrates continued confidence in Seed Co Limited by the strategic partner. This also underscores the strength of the technical-equity partnership established in 2013.

The Partial Unbundling and Private Placement have been designed to ensure Seed Co Limited retains 26% negative control of Seed Co International in order to continue protecting the interests of all Shareholders. This negative control to be retained by Seed Co Limited, together with the direct equity interests of the technical-equity partner, Vilmorin & Cie, in Seed Co International, will be part of a post-unbundling and Private Placement Seed Co International Shareholders' Agreement by and between Seed Co Limited and Vilmorin & Cie.

Vilmorin & Cie is a related-party by virtue of being a significant shareholder and technical partner of Seed Co Limited. Notwithstanding the fact that the US\$19.2 million Private Placement is only 3.78% of the US\$508.86 million market value of Seed Co Limited as of 10 July 2018 (i.e. it is a small transaction which is below the 5% related-party disclosure and upfront shareholder approval requirements threshold in terms of Paragraph 10.7(h) of the ZSE Listings Requirements), a fair and reasonable opinion was sought and shareholder approval is being sought for the Private Placement. Vilmorin & Cie will be precluded from voting on the resolution to approve the Private Placement.

The terms of the Private Placement have been adjudged fair and reasonable by Deloitte, acting as an Independent Financial Advisor to the Independent Directors of Seed Co Limited, whose opinion is set out in Appendix III of this Circular.

2.3. Listing of Seed Co International shares on the BSE and ZSE

Subsequent to the unbundling process and Private Placement, the Board is proposing to list separately Seed Co International on the BSE (Primary Listing) and the ZSE (Secondary Listing). In accordance with the BSE Listing Requirements and the ZSE Listing Requirements, Pre-Listing Statements on Seed Co International will be issued to Shareholders and published in Botswana and Zimbabwe ahead of the listing immediately following Seed Co Limited Shareholder approval of the Partial Unbundling and Private Placement.

3. Rationale for the proposed Transactions

The principal rationale for the proposed Transactions is to mobilize capital, to defend the investment already deployed in the region and fund other expansion opportunities, through a structure that will also unlock and preserve shareholder value whilst providing direct geographical portfolio choice for investors.

3.1. Rationale for the Partial Unbundling

The proposed Partial Unbundling has been motivated by the following factors:

3.1.1. Unlocking shareholder value

The proposed Partial Unbundling is expected to:

- bring to the fore any value hidden and/or discount within the Group due to:

- ✓ any risk premium placed on Zimbabwe single market valuation exposure; and
- ✓ obscured visibility of the regional operations which are currently under the shadow of the parent company.
- provide a direct investment hedge for the Group's Shareholders, including Zimbabwean investors who include multitudes of pensioners, through the permissible fungibility of Seed Co International shares between the BSE and the ZSE;
- provide two sources of dividend income streams and for Zimbabwean investors -local and foreign; and
- provide geographical portfolio choice for investors.

The above-mentioned and other factors are expected to result in the separately rated combined market value of Seed Co Limited and Seed Co International that is higher than the current value of the Group as currently reflected by the market value of Seed Co Limited on the ZSE.

3.1.2. Raising offshore financing

A regional equity platform will make it easier to mobilize the much needed fungible capital capable of being deployed across borders to finance the following:

- a) defending and growing the investment deployed to date amidst global competition – survival of the fittest in a market with immense agriculture potential gifted by underutilized arable land and favourable climatic conditions;
- b) expansion through acquisitions of other industry players funded by own shares - equity outside Zimbabwe is relatively an attractive investment currency for share-based growth acquisitions in Africa;
- c) continuous R&D which is a game changer in the seed industry as technology and climate evolve and as new crop diseases and pests emerge; and
- d) reducing the last mile for farmers to access seed critical through installing production and distribution infrastructure close to the farmers to enhance competitive advantage.

3.2. Rationale for the proposed Private Placement

The proposed Private Placement is for the purposes of satisfying regional market acquisitions as well as capital expenditure programs in the following markets:

- Tanzania warehouses and seed processing infrastructure;
- Nigeria seed processing plant;
- Zambia Mkushi Farm project;
- Botswana warehouses and regional offices;
- Kenya warehouses in Nairobi and Ketale; and
- South Africa R&D.

3.3. Rationale for the proposed Primary and Secondary Listing on the BSE and ZSE

The Board proposes to separately list Seed Co International on the BSE and the ZSE respectively.

The primary listing will be on the BSE for the following reasons:

- to provide a vehicle for future offshore fund raising; and
- to provide another platform for the rating of the Group's equity.

The Directors opted to have a primary listing of Seed Co International in Botswana after taking into consideration the fact that:

- Seed Co International already has a track record and established funding networks in Botswana dating back to the year 2000 when it was incorporated in Botswana;
- Seed Co International is registered under the International Financial Services Centre of Botswana which accords it a number of investment and operational incentives, including the free cross-border movement of funds – a key flexibility requirement for an entity with subsidiary operations in multi-jurisdictions;
- Botswana has consistently achieved superior global competitiveness and ease of doing business rankings in the region; and
- Botswana is one of the remaining African countries that are investment grade [A- Standard & Poor and A2 Moody's].

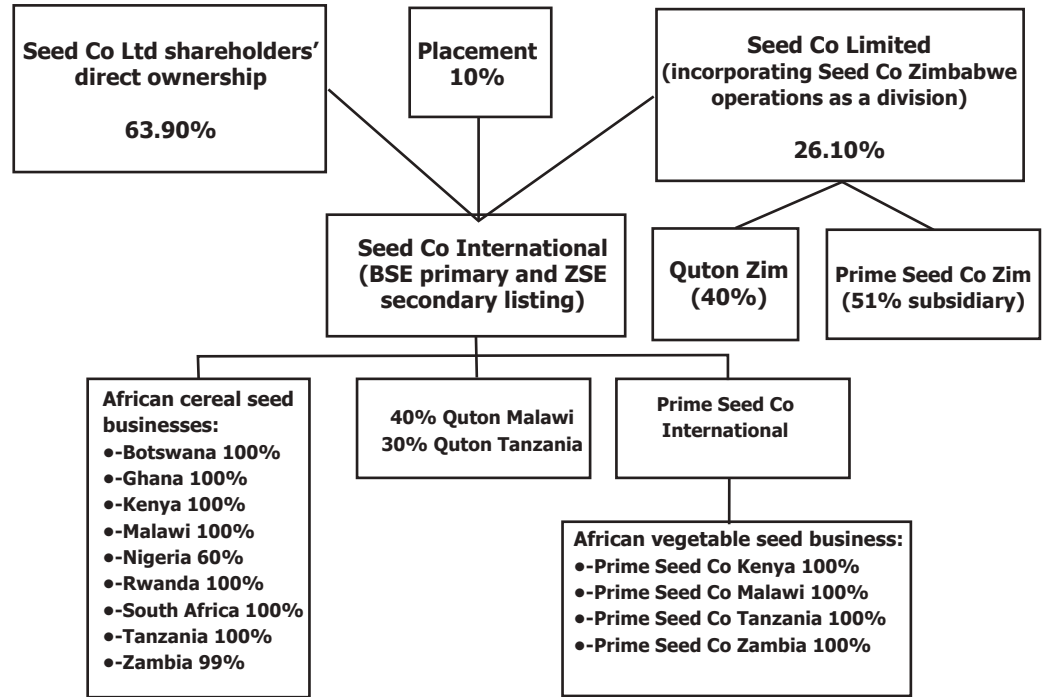
The secondary listing is meant to protect Zimbabwean interests through a legal structure that allows for the monitoring and repatriation of disposal proceeds to Zimbabwe by locals should they dispose of their shares on the BSE. The alternative listing also provides another platform for the comparable rating of the shares of Seed Co International thus enhancing price discovery.

4. Effects of the proposed Partial Unbundling

4.1. Group structure post the proposed Partial Unbundling

The Seed Co Group structure will appear as illustrated below after the Partial Unbundling and Private Placement:

Group structure post the proposed Partial Unbundling and the Private Placement



4.2. Effects of the Partial Unbundling and Private Placement on Seed Co Limited's NAV

NAV	before the Unbundling	After the Unbundling and Private Placement
NAV (US\$) as at 31 March 2018	185,716,806	135,609,820
Number of shares currently in issue	242,313,440	242,313,440
NAV per share (US\$)	0.77	0.56

4.3. Effects of the Partial Unbundling and Private Placement on Seed Co International's NAV

NAV	before the Unbundling and Private Placement	after the Unbundling and Private Placement
NAV (US\$) as at 31 March 2018	74,407,092	93,093,343
Number of shares currently in issue	341,286,535	379,207,183
NAV per share (US\$)	0.22	0.25

4.4. Effects of the Partial Unbundling and Private Placement on share capital structures

Set out below is an analysis of the share capital structure of Seed Co Limited and Seed Co International before and after the proposed Transactions.

Company	Pre-Unbundling		Post-Unbundling		Placement of ordinary shares	Post- Private Placement	
	Issued ordinary shares	Authorized ordinary shares	Issued ordinary shares	Authorized ordinary shares		Issued ordinary shares	Authorized ordinary shares
Seed Co Limited	242,313,440	500,000,000	242,313,440	500,000,000	-	242,313,440	500,000,000
Seed Co International	341,286,535	500,000,000	341,286,535	500,000,000	37,920,648	379,207,183	500,000,000

4.5. Effect on shareholding structure

4.5.1. Seed Co Limited shareholding structure

The consummation of the proposed Transactions will not change the shareholding structure of Seed Co Limited. As of 10 July 2018, being the last practicable date prior to the publication of this Circular, the Company's abridged shareholding appeared as shown in the table below:

Seed Co Limited current shareholding structure

Shareholder	Shares	% holding
1. Vilmorin & Cie	71,229,896	29.40%
2. Old Mutual Life Assurance	31,456,394	12.98%
3. Stanbic Nominees NNR	29,336,321	12.11%
4. NSSA	24,333,888	10.04%
5. Stanbic Nominees	21,053,556	8.69%
6. SCB Nominees NNR	8,191,603	3.38%
7. Mining Industry Pension Fund	7,063,935	2.92%
8. SCB Nominees	4,801,403	1.98%
9. Burket Associates Ltd	4,654,447	1.92%
10. Caperal Ltd	3,050,648	1.26%
11. Local Authorities Pension Fund	2,583,362	1.07%
12. Dekalb Genetics Corporation	1,656,250	0.68%
13. Seed Co Employees Trust Company	1,630,793	0.67%
14. ZESA Pension Fund	1,133,230	0.47%
15. Danbury Farms P/L	778,540	0.32%
Sub-total	212,954,266	87.88%
Others	29,359,174	12.12%
Total	242,313,440	100.00%

Source: Transfer Secretaries

4.5.2. Seed Co International shareholding structure

Following the proposed dividend-in-specie distribution and the Private Placement of a portion of Seed Co International's shares, the shareholding structure of Seed Co International will appear as illustrated in the table below:

Seed Co International pre and post Unbundling and Private Placement shareholding structure

Shareholder	Before Transactions		After Dividend-in-Specie		Private Placement shares	After Private Placement	
	Shares	% holding	Shares	% holding		Shares	% holding
1. Vilmorin & Cie (a)*	-	-	71,229,896	20.87%	-	71,229,896	18.78%
2. Old Mutual Life Assurance	-	-	31,456,394	9.22%	-	31,456,394	8.30%
3. Stanbic Nominees NNR	-	-	29,336,321	8.60%	-	29,336,321	7.74%
4. NSSA	-	-	24,333,888	7.13%	-	24,333,888	6.42%
5. Stanbic Nominees	-	-	21,053,556	6.17%	-	21,053,556	5.55%
6. SCB Nominees NNR	-	-	8,191,603	2.40%	-	8,191,603	2.16%
7. Mining Industry Pension Fund	-	-	7,063,935	2.07%	-	7,063,935	1.86%
8. SCB Nominees	-	-	4,801,403	1.41%	-	4,801,403	1.27%
9. Burket Associates Ltd	-	-	4,654,447	1.36%	-	4,654,447	1.23%
10. Caperal Ltd	-	-	3,050,648	0.89%	-	3,050,648	0.80%
11. Local Authorities Pension Fund	-	-	2,583,362	0.76%	-	2,583,362	0.68%
12. Dekalb Genetics Corporation	-	-	1,656,250	0.49%	-	1,656,250	0.44%
13. Seed Co Employees Trust Company	-	-	1,630,793	0.48%	-	1,630,793	0.43%
14. ZESA Pension Fund	-	-	1,133,230	0.33%	-	1,133,230	0.30%
15. Danbury Farms P/L	-	-	778,540	0.23%	-	778,540	0.21%
Others	-	-	29,359,174	8.60%	-	29,359,174	7.74%
Sub-total	-	-	242,313,440	71%	-	242,313,440	63.90%
Seed Co Limited	341,286,535	100%	98,973,095	29.00%	-	98,973,095	26.10%
Sub-total	341,286,535	100%	341,286,535	100%	-	341,286,535	90.00%
Placement with Vilmorin & Cie (b)*	-	-	-	-	37,920,648	37,920,648	10.00%
Grand total	341,286,535	100%	341,286,535	100%	37,920,648	379,207,183	100.00%

*Vilmorin & Cie's shareholding in Seed Co International after the Private Placement will be 28.78% [(a) + (b)]

NB: The shareholding structure is based on gross dividend-in-specie figures before taking into account 10% Zimbabwean withholding tax on dividends applicable to Zimbabwean individual and, trust shareholders and all foreign shareholders.

4.6. Financial impact

The *pro-forma* financial position of Seed Co Limited is set out in the Accountant's Report in Appendix II to this Circular together with the abridged historical financial information.

4.7. Tax impact of the proposed Unbundling

In terms of existing tax legislation, Seed Co Limited is obligated to withhold 10% of the value of the dividend distribution, whether in cash or in specie, to specified recipients for remittance to the Zimbabwe Revenue Authority. Accordingly, and as required by law, the Company will withhold from relevant Shareholders 10% of the number of Seed Co International shares for the purposes of paying withholding tax to the tax authority.

5. Costs of the proposed Transactions

The costs for the proposed Transactions are expected to amount to approximately US\$500,000 which relate to various advisory, accounting, regulatory as well as advertising, printing and postage charges.

6. Implications of not implementing the Transactions

The partial unbundling and capital raising is critical for Seed Co Limited to maintain its “pan-African Seed Company” vision, backed by solid hard currency funding and shareholder backing in the midst of the heightened competition. In the event that Shareholders do not approve the proposed Transactions, the Directors of the Company believe that Seed Co Limited will fail to mobilize offshore capital critical to realise its vision of becoming the leading “African Seed Company”.

7. Future prospects of the unbundled entities

7.1 Future prospects of Seed Co Limited

The operations of Seed Co Limited in Zimbabwe will remain unchanged and Seed Co Limited will continue riding on its dominant market position going forward leveraging on its technical-equity partnership with Limagrain. Seed Co Limited recently commissioned latest technology plant breeding and research laboratory at its Research Station in Zimbabwe which is expected to keep the operations ahead in terms of R&D and responding to crop diseases, climate change and to customer needs.

Government driven cropping support programmes are expected to continue driving performance in the short-to-medium-term in Zimbabwe. The recently established vegetable seed unit, Prime Seed Co, in partnership with HM. Clause, an international vegetable seed unit of Limagrain, is now appropriately positioned to register significant growth and profitability due to improved vegetable seed varieties and operational efficiencies.

Seed Co Limited will continue to benefit from the operations of Seed Co International through the retained equity interest. Solid external operations will also benefit the Zimbabwean operations in times of seed shortages in the country. In the past the Group has been able to leverage its regional footprint and multi-region adaptable seed varieties to successfully support seed deficits in Zimbabwe. On the other hand, Seed Co Limited’s linked regional operations will continue to provide a market for surplus Zimbabwean produced seed.

7.2 Future prospects of Seed Co International

The Board is very optimistic that pursuant to the Partial Unbundling and Private Placement which seek to protect and expand the investment already deployed by Seed Co Limited on the continent, Seed Co International’s enhanced access to affordable and fungible long-term capital will set it on the path for exponential growth as a result of being better equipped and capacitated to:

- report independently and transparently to its stakeholders so that it will be valued appropriately;
- attract focused capital to recapitalize the business whenever necessary;
- benefit from continued Government and donor-funded input programs in various African markets;

- continue increasing market share in East Africa, particularly Kenya, Tanzania, Rwanda, Uganda, Ethiopia and the Democratic Republic of Congo;
- expedite ongoing plans to penetrate the West African market with high performing proprietary and licensed products;
- intensify R&D activities to develop more short-to-medium season seed varieties whose demand will continue to increase with global warming induced changes in weather patterns;
- replicate the vegetable seed business already established in Zimbabwe in the region;
- acquire regional seed industry players of good strategic fit in order to consolidate existing market positions and also shorten new market establishment timelines;
- strengthen Seed Co International's brand on the African continent and beyond as in-roads are being made in India and Pakistan; and
- unlock shareholder value.

Going forward Seed Co International will continue to leverage and improve its operations based on the following core competences:

- product adaptability in most markets;
- localized research centers in all major operating markets;
- economies of scale;
- strong production base;
- strong brand;
- regional presence;
- skilled employees; and
- high quality products, genetic and physical purity.

Further information on Seed Co International will be disclosed in the Pre-Listing Statements to be issued and published in accordance with introduction primary and secondary listing requirements of the Botswana and Zimbabwe stock exchanges.

8. Conditions precedent

The proposed Transactions are subject to the following conditions precedent:

- the approval by the Members of Seed Co Limited of the transaction resolutions at the AGM to be held on Thursday, 9 August 2018 in terms of the Notice of the AGM in Appendix V;
- consents, specifically for the Partial Unbundling, by the lenders of Seed Co Limited as may be necessary in terms of existing facility agreements;
- the approval by the BSE's Listings Committee of the Primary Listing by introduction of the ordinary shares of Seed Co International as contemplated in this Circular; and
- the approval by the ZSE's Listings Committee of the Secondary Listing by introduction of the ordinary shares of Seed Co International as contemplated in this Circular.

9. Regulatory issues

9.1 ZSE approval

This Circular is issued in compliance with the ZSE Listing Requirements. The ZSE Listings Committee on 10 July 2018 approved the distribution of this Circular and the terms of the proposed Transactions. A copy of the approval letter from the ZSE Listings Committee is available for inspection by Shareholders ahead of the AGM at the Registered Office of the Company.

9.2 Zimbabwe Exchange Control Authority

The RBZ Exchange Control Authority also granted approval for the proposed Partial Unbundling and the dual-listing of Seed Co International on the BSE and the ZSE.

In terms of the Exchange Control approval and subject to admission by the respective exchanges, Seed Co International will have a primary listing on the BSE and a secondary listing on the ZSE. The following key conditions were also set out by the Exchange Control Authority:

- a) Zimbabwean-owned shares for Seed Co International on the ZSE register should not fall below 51% at any point in time;
- b) fungibility of shares between the BSE and the ZSE shall be permitted up to 49% and shares can only move from the ZSE to the BSE when the ruling price on the BSE is higher than on the ZSE and there is no local buyer;
- c) a mechanism should be put in place to ensure Zimbabwean investors who dispose of their shares on the BSE should remit the proceeds to Zimbabwe through normal banking channels; and
- d) Seed Co Limited's shareholding in Seed Co International should not fall below 26% at any point in time.

The operations of the restriction on fungibility will be controlled by the Company's Transfer Secretaries as is standard practice for dual listed shares in line with RBZ Exchange Control Regulations. Shareholders are advised to contact their advisors or brokers or the Company's Transfer Secretaries for any queries about fungibility.

A copy of the approval letter from the ZSE Listings Committee is available for inspection by Shareholders ahead of the AGM at the Registered Office of the Company.

10. Summary information on Seed Co Limited

An overview of the current business operations of Seed Co Limited, together with statutory information required in terms of the Companies Act (Chapter 24:03), is set out in Appendix I to this Circular.

11. Dividend-in-specie share entitlements

The 242,313,440 dividend-in-specie Seed Co International shares will be distributed on a ratio of one (1) Seed Co International share for every one (1) Seed Co Limited Share already held, Shareholders will be entitled to receive the same number of shares as they already hold in Seed Co Limited. However, the effective number received depends on one's tax status given that the Company will deduct 10% of the allotted shares in lieu of withholding tax on dividends.

12. Material agreements

As at the date of issue of this Circular, Seed Co Limited has entered into a Share Subscription Agreement in respect of subscription of shares in Seed Co International by Vilmorin & Cie SA. The Company also concluded a Shareholders' Agreement with Vilmorin & Cie SA with respect to the co-shareholding relationship in Seed Co International. A copy of the Share Subscription Agreement and the Shareholders' Agreement will be available for inspection ahead of the AGM.

13. Working capital adequacy statement

The Directors are of the opinion that the financial resources available to Seed Co Limited and Seed Co International after the Partial Unbundling and Private Placement will be adequate to meet the immediate working capital needs of these companies.

14. Dividend policy

The Company's policy is to declare dividends as set out in the Articles which generally provides that the Directors may from time to time pay interim dividends to members where the Company's performance can justify such a distribution. Directors may recommend to members at a General Meeting the amount to be paid as a final dividend. If a dividend is recommended by the Directors prior to the publication of the annual accounts the dividend notice given to members shall be a statement of the estimated trading profits of the year and particulars of any amounts appropriated from reserves, capital profits or accumulated profits of the past year or any other source to provide for the dividend. The Directors may also deduct from dividends any claims which may be due on account of calls and retain any dividends to enforce any lien. No dividend shall be payable except out of the profits of the Company and no dividend shall carry interest against the Company.

The Board usually follows a 3 times dividend cover. However, in the last 2 financial years the effective dividend cover has been 2 times after the Board declared special dividends, over and above the normal dividend policy pay outs, as a result of exceptional performance.

15. Litigation statement

Seed Co Limited is not involved in or aware of any material litigation, dispute, or arbitration proceedings which may, or have had in the last twelve months preceding the date of this Circular, a significant effect on the financial position of the Company, nor is Seed Co Limited aware that any such material litigation, dispute or arbitration proceedings are pending or threatened.

16. Expert consents

BancABC Stockbrokers, Corporate Excellence, Corpserve, Deloitte, Ernst & Young and Atherstone & Cook have given, and have not withdrawn, their consents to the issue of this Circular with the inclusion of their logos, names and reports in the forms and contexts in which they appear.

17. Documents available for inspection

The following documents or certified copies thereof, are available for inspection at the Registered Offices of Seed Co Limited at the Seed Co Limited Administration Block, Stapleford, Harare , during normal business hours, on week days until the date of the AGM:

- the Memorandum and Articles of Association of Seed Co Limited;
- the Memorandum and Articles of Association of Seed Co International;
- the Share Subscription Agreement between Seed Co international and Vilmorin & Cie;
- the Seed Co International Shareholders' Agreement between Seed Co Limited and Vilmorin & Cie;
- the Annual Reports of Seed Co Limited for the 5-year period ended 31 March 2018;
- the audited financial statements of Seed Co International for the 5-year period ended 31 March 2018;
- the Accountant's Reports on the historical and *pro-forma* financial information of Seed Co Limited;
- the independent business valuation report on Seed Co International;
- the Independent Fair and Reasonable Opinion on the proposed Private Placement;
- the ZSE Listing Committee approval letter for the issuance of this Circular;
- the Exchange Control approval letter for the Partial Unbundling, Private Placement and dual-listing of Seed Co International on the BSE and ZSE;
- the rules of the Seed Co International Share Appreciation Rights Plan;
- the original copy of this Circular signed by the Directors; and
- the Expert Consents.

18. Directors' recommendations

The Directors of Seed Co Limited have considered the terms of the proposed Transactions and are unanimously of the opinion that the terms of the Transactions are in the best interest of Shareholders. Accordingly, the Directors recommend that Seed Co Limited's Shareholders vote in favour of the resolutions giving effect to the proposed Transactions. The Directors will collectively vote in favour of the individual resolutions to approve the proposed Transactions at the AGM in respect of their own shareholdings.

Yours faithfully,

For and on behalf of the Board of Seed Co Limited

Signed on original

David E. B Long
Non-Executive Chairman

19. Directors’ responsibility statement

The Directors of Seed Co Limited, whose names are set out below, collectively and individually accept full responsibility for the accuracy of the information provided in this Circular and certify that, to the best of their knowledge and belief, there are no other facts the omission of which make any statement in this Circular false or misleading, that they have made all reasonable enquiries to ascertain such facts (where applicable), and that this Circular contains all information required by law.

Signed on 17 July 2018 by the Directors:

Director’s name	Position	Signature
David Edward Beaumont Long	Non-Executive Chairman	Signed on original
Morgan Nzwere*	Group Chief Executive Officer	Signed on original
John Matorofa*	Group Finance Director	Signed on original
Chance Kabaghe	Non-Executive Director	Signed on original
Michael Shongwe Ndoro	Non-Executive Director	Signed on original
Dahlia Garwe	Non-Executive Director	Signed on original
Antoine Colombo	Non-Executive Director	Signed on original
Pearson Gowero	Non-Executive Director	Signed on original
Frédéric Savin	Non-Executive Director	Signed on original
Daniel Paul Francis Jacquemond	Non-Executive Director	Signed on original
Fungai Ruwende	Non-Executive Director	Signed on original
Remina Davidzo Chitengu	Non-Executive Director	Signed on original
Andrew Graeme Barron	Non-Executive Director	Signed on original
*Executive		

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Director's name	Position	Signature
David Edward Beaumont Long	Non-Executive Chairman	Signed on original
Morgan Nzwere*	Group Chief Executive Officer	Signed on original
John Matorofa*	Group Finance Director	Signed on original
Chance Kabaghe	Non-Executive Director	Signed on original
Michael Shongwe Ndoro	Non-Executive Director	Signed on original
Dahlia Garwe	Non-Executive Director	Signed on original
Antoine Colombo	Non-Executive Director	Signed on original
Pearson Gowero	Non-Executive Director	Signed on original
Frédéric Savin	Non-Executive Director	Signed on original
Daniel Paul Francis Jacquemond	Non-Executive Director	Signed on original
Fungai Ruwende	Non-Executive Director	Signed on original
Remina Davidzo Chitengu	Non-Executive Director	Signed on original
Andrew Graeme Barron	Non-Executive Director	Signed on original
*Executive		

Part II: Appendices

Appendix 1: Information on Seed Co Limited

A1.1 Company background

Seed Co Limited, a public company incorporated in Zimbabwe and quoted on the ZSE, is the leading producer and marketer of certified crop seeds in Africa. The Group develops and markets certified crop seeds, mainly hybrid maize seed, but also cotton seed, wheat, soya bean, barley, sorghum and ground nut seed. Most of the Group's hybrid and non-hybrid cereals and oil crop seed varieties are proprietary, having been developed and bred at Seed Co Limited's research stations through market-oriented research and breeding projects.

The Group is an African seed business with breeding, production and distribution interests in over 15 African markets. The Group has a wide portfolio of seed products, and other small grain crops which include maize, wheat, soya beans, cowpeas, sorghum, groundnuts, sugar beans and vegetables.

The history of Seed Co Limited dates back to 1940 when it was established as the then Seed Maize Association ("SMA"). In 1973, SMA acquired the first of its 3 research stations, the Rattray Arnold Research Station, which had been producing hybrid seeds since 1949. SMA merged with the then Crop Seeds Association in 1983 to form the Seed Company of Zimbabwe Limited. During 1991, the Company established the Stapleford facility as well as acquiring the Kadoma Research Station. In July 1996, the Company changed its name to Seed Co Limited, converted into a public company and successfully listed on the ZSE. The following year, Seed Co Limited acquired its first foreign operation, Semoc of Mozambique. This was followed by further expansion of the foreign operations through the establishment of:

1. Seed Co Zambia (1998);
2. Seed Co International (2000);
3. Seed Co Botswana (2000);
4. Seed Co Malawi (2000);
5. Kenyan trading office (2004);
6. Seed Co Tanzania (2010);
7. Seed Co Rwanda (2013);
8. Seed Co South Africa (2010);
9. Seed Co Nigeria (2016); and
10. Seed Co Ghana (2017).

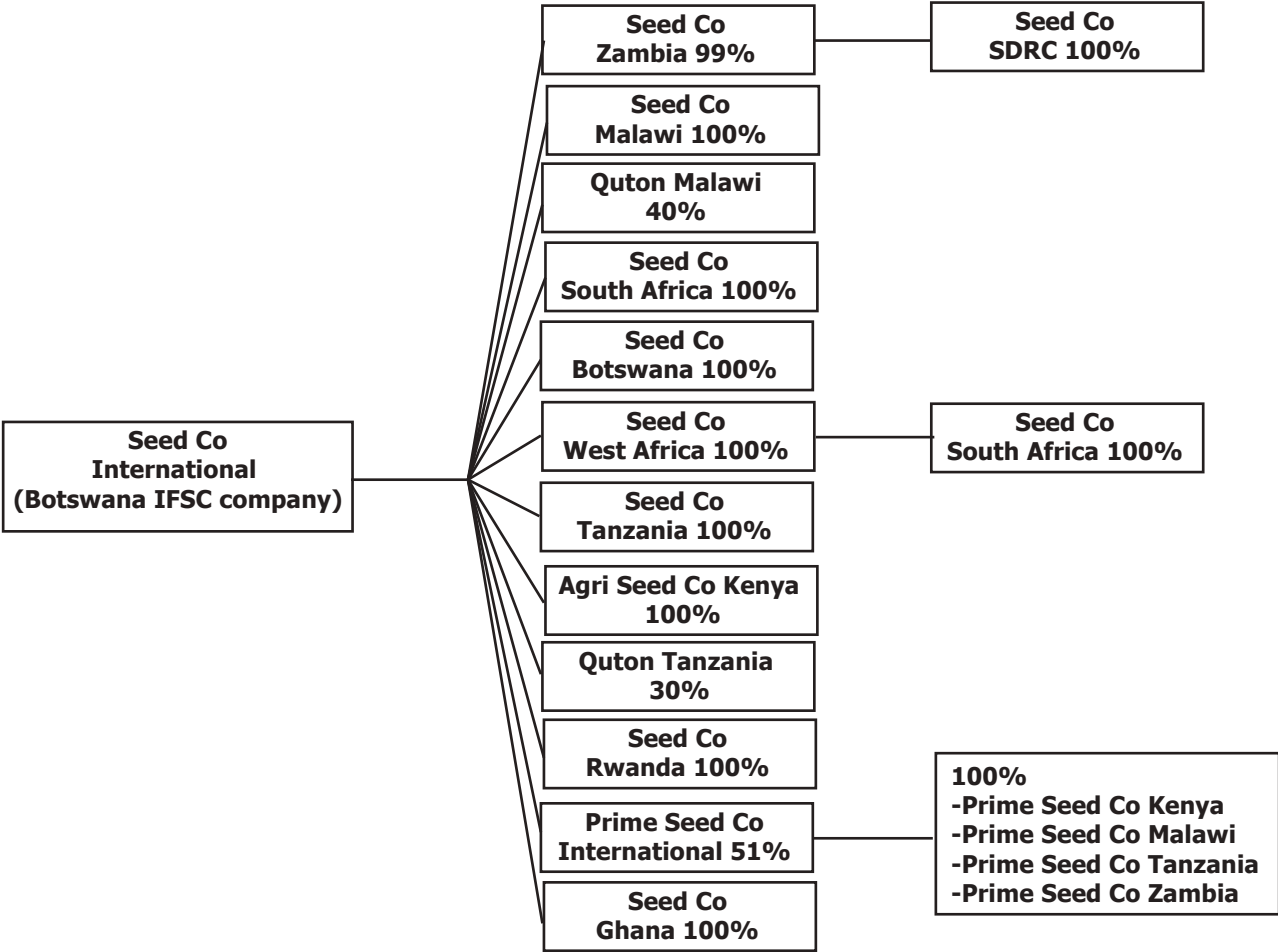
In addition, the Group's products are also currently being distributed in the following countries:

1. DRC;
2. Ethiopia;
3. Lesotho;
4. Swaziland; and
5. Uganda.

In 2013, the Company successfully concluded a technical-equity partnership with Limagrain resulting, Vilmorin & Cie, a Limagrain company, acquiring 30% shareholding in Seed Co Limited. The current relationship with Limagrain has resulted in lucrative opportunities for the Group including the venturing into vegetable seeds through the acquisition of a Zimbabwean vegetable seed trading company and the establishment of a joint-venture African vegetable seed business in partnership with HM.Clause. This strategic partnership is expected to continue unlocking value for Seed Co Limited stakeholders.

A1.2 Operations overview

The following table shows the current Seed Co International group structure prior to the proposed Partial Unbundling exercise:



A1.3 INFORMATION ON SEED CO LIMITED DIRECTORS AND MANAGEMENT

A1.3.1 The Directors of Seed Co Limited

Director	Residential address	Position:
David Edward Beaumont Long	31 Nigel's Lane Chisipite, Harare, Zimbabwe	Board Chairman
Morgan Nzwere	13 Broadmead Lane, Chisipite , Harare, Zimbabwe	Group Chief Executive Officer
John Matorofa	54 Pringle Road, Mandara, Harare, Zimbabwe	Group Finance Director
Chance Kabaghe	Farm no. 693/A/2 Barliastone Park, Lusaka, Zambia	Non-Executive Director
Michael Shongwe Ngoro	19B Wayhill Lane East, Umwinsdale, Harare, Zimbabwe	Non-Executive Director
Dahlia Garwe	1 Kenilworth Close, Greystone Park, Harare, Zimbabwe	Non-Executive Director
Frédéric Savin	12 Rue Du Paradis, Aubiere, France	Non-Executive Director
Pearson Gowero	2343 Enterprise Road, Glen Lorne, Harare, Zimbabwe	Non-Executive Director
Antoine Colombo	15 Rue Pierre Mazuer, 63200 Riom, France	Non-Executive Director
Daniel Paul Francis Jacquemond	16 Hameau De Bellevue, Rue Adrien Cavy, 03700 Bellerive Sur Allier, France	Non-Executive Director
Fungai Ruwende	Postnet Suite 499, Private Bag XI Melrose Arch, Johannesburg, South Africa	Non-Executive Director
Remina Davidzo Chitengu	209 Janseen Close, Mount Pleasant, Harare, Zimbabwe	Non-Executive Director
Andrew Graeme Barron	Mbadzi Estate, P.O Box 50, Lilongwe, Malawi	Non-Executive Director

A1.3.2 Directors' profiles:

Set out below are the brief profiles of the Directors of Seed Co Limited:

David E. B. Long – Non-executive Chairman

David is an independent business advisory consultant. His primary focus is on strategic planning and change management initiatives as well as corporate finance transactions. His work also involves arbitration, mediation and high-end mentoring. He was educated at the Universities of Rhodesia and Cape Town obtaining a Bachelor of Law degree and an MBA. He undertook further studies through Sundridge Park, Wharton, Harvard and Regents College. David is a member of the Chartered Institute of Arbitrators, a Fellow of the Institute of Directors, and past president of the Confederation of Zimbabwe Industries. He serves as the Beit Trust Representative in Africa. He is a director of several quoted and unlisted companies, currently including CABS Building Society, Colcom Holdings and Tsebo Servcor. David is a member of the Seed Co Group Remuneration and Nominations Committee and of the boards of both Seed Co Malawi and Seed Co Zambia.

Morgan Nzwere – Group Chief Executive Officer

Morgan is a Chartered Accountant who holds a Masters in Business Leadership from the University of South Africa and has also attended the Strategy Master Academy at the University of Cape Town's Business School. He attended the Advanced Management Programme 181 at Harvard Business School in Boston. Morgan has been involved in the seed industry since 1998 having joined the company back then as Chief Financial Officer. He has previously held senior corporate positions with entities in the Mining, Manufacturing, Retail, Banking and Real Estate industries. He sits on the Boards of FBC Bank and TSL Limited.

John Matorofa – Group Finance Director & Company Secretary

John qualified is a Chartered Accountant having trained with Deloitte & Touché Chartered Accountants Zimbabwe after graduating with a B.Acc (Hon) degree from the University of Zimbabwe. He holds an MBA from the University of Nottingham in the United Kingdom. He successfully completed the Senior Executive Leadership Program at the London Business School in 2012. John has over 12 years' experience in the seed industry working for Seed Co. Before joining Seed Co in 2004, John held senior financial management roles with a number organisations that include the Lonrho Group, Zimbabwe Newspapers and PG Industries.

Michael S. Ndoro - Non-Executive Director

Michael is currently the Chief Executive Officer/Owner of Interfruit (Private) Limited in Zimbabwe as well as the CEO of Utopia Fresh Exporters (Private) Limited. Michael is the founding member of Utopia Power Company Limited and is currently establishing a 15-megawatt solar energy project in Zimbabwe. Michael holds a BSc in Agric Economics and a MBA, majoring in Finance and Marketing.

Michael joined the Coca-Cola Company of Southern Africa in 1995 with responsibility for marketing in the region and in 2002 he was appointed as the Managing Director of Schweppes Zimbabwe. In 2004, Michael became Chief Executive of Tedco Limited, a furniture company listed on the Zimbabwe Stock Exchange. Later that year he bought into Interfoods, a fruit and canning business.

Michael is the Non-Executive Director of Imara Asset Management and Imara Capital Zimbabwe (Private) Limited, the Imara Africa Series Limited and the African Opportunities Fund. He has recently been appointed to the Board of Bain & Company, a large equipment and agricultural implements manufacturer and distributor. He is also a member of the Seed Co Limited Audit & Risk Committee as well as the Remuneration Committee. He is also the Non-Executive Chairman of Seed Co Zimbabwe.

Dahlia Garwe, PhD - Non Executive Director

Dahlia joined the Seed Co Limited board in February 2011. She is a holder of a PhD in Molecular Biology from the University of Cape Town and also holds an MSc degree in Biotechnology from the University of Zimbabwe as well as a BSc (Hon) degree in Biochemistry from the same University. Additionally, she has completed an Executive Diploma in Business Leadership. Dahlia rose through the ranks and is currently the General Manager of the Tobacco Research Board having worked for the Research Board in various capacities since 1991. Although her primary qualification is Molecular Biology, Dahlia has since been exposed to management at senior level and the implementation of Quality Management Systems. She has several peer-reviewed and non-peer-reviewed papers and articles to her credit and is a Fellow of the Zimbabwe Academy of Sciences. Dahlia sits on the Boards of a number of diverse companies and institutions that include Minerva Risk Advisers, Harare Institute of Technology and the Research Council of Zimbabwe. She has great interest in issues of food security and works with regional organizations such as the Regional Agricultural and Environmental Innovations Network-Africa (RAEIN-Africa) whose mission is to facilitate and build resilient food systems and environments.

Chance Kabaghe - Non Executive Director

Chance chairs the Board of Seed Co Zambia and he joined the main Group Board in 2010. He holds directorship and shareholding in a number of Zambian registered companies that includes Choice Nuts Limited, Choice Insurance, Ace Limited, Multi Agricultural International, Harmonious Haven and Freshpikt Limited. Chance also serves on the boards of Zampalm and Capital Fisheries. He is a former Deputy Minister of Agriculture of the Government of the Republic of Zambia and was recently appointed Project Director for the Food Security Project which is a USAID funded project. Chance chairs ZAMACE (Zambian Agriculture Commodity Exchange) and has held various leadership positions in the Zambian agricultural sector.

Antoine Colombo - Non Executive Director

Antoine Colombo is the Deputy CEO of Limagrain Field Seeds since September 2017. Antoine is a Certified Public Accountant (CPA) and has a Business degree in Finance. Prior to joining Limagrain in 1999, Antoine was Senior Manager Audit with KPMG in France. From 2002 to 2004, he was CFO at Vilmorin. In 2004, he became Member of the Executive Committee Group for 8 years as VP Administrative, Organization and Finance Control & VP Strategy & Development. In 2013, he moved to the Limagrain Field Seeds Division as CEO to build up the Business Unit Limagrain South America, in the fast-growing Brazil and Argentina markets. He currently sits on the Board of Directors of Seed Co Limited, AgReliant and Canterra Seeds. He has almost 18 years of senior financial management experience in the agriculture sector.

Fungai Ruwende - Non Executive Director

Fungai was appointed as Non-Executive Director of the Company in September 2016. He is currently the Managing Partner at Cayor Capital, a mid-market Pan-African private equity firm and the Non-Executive Chairman of Fidelity Life Assurance of Zimbabwe Limited. Fungai is also a member of NSSA's Investment Committee, a similar role he once held at Public Investment Company, a South African government pension fund manager with over US\$4.5 billion investment allocation for Africa. He has over 15 years' private equity experience in Africa and is a seasoned private equity investor and fund manager. Prior to Cayor, Mr. Ruwende was a Partner at Actis, a leading emerging markets private equity fund manager with over US\$5 billion of funds under management in India, China, Brazil and Africa. While at Actis and thereafter, he led investments in and sat on the boards of a number of companies spanning sectors in logistics, distribution, manufacturing, telecommunication, banking, insurance and property. He also has wide experience in strategy consulting having worked for Boston Consulting Group in New York and for Bain in London and Johannesburg. Mr. Ruwende holds a BSc (Hon) degree in Electrical Engineering from University of Zimbabwe and an MBA from Harvard Business School.

Pearson Gowero - Non Executive Director

Pearson Gowero is currently the Chief Executive of Delta Corporation Limited, the leading beverages company in Zimbabwe, having joined Delta in 1997 as Marketing Director of the then Chibuku Breweries Division and becoming the unit managing director in 2001. He has held various senior positions in the beverages business and became an executive director in 2003. Pearson spent some 5 years on secondment to the SABMiller Group from 2006 to 2011 where he was the Managing Director of Zambian Breweries Group. Prior to joining Delta, he had worked for some prominent clothing retail chains. Mr Gowero sits on the various boards of the Delta subsidiary and associate companies and holds BSc (Hon) degree in Economics and an MBA.

Remina D. Chitengu - Non Executive Director

Davidzo is the Financial Controller and Director of Unki Mines and is the Principal Officer of the Anglo American Pension Funds. Davidzo has over 20 years' experience in the finance and accounting field. She is the current chairman of the Generation Medical Aid Fund. She currently sits on the boards of CABS and Bishopslea Preparatory School for Girls. She has chaired the Zimbabwe Association of Pension Funds ("ZAPF") Board. Davidzo holds a B.Comm (Hon) degree in Finance from NUST and is an associate member of the global chartered management accountancy body CIMA.

Daniel P. F. Jacquemond - Non Executive Director

Daniel Jacquemond has been Chief Executive Officer of Vilmorin & Cie SA and Deputy Chief Executive Officer of the Limagrain Group since December 2017. He served as the Chief Financial Officer of Limagrain and Vilmorin & Cie since 2000. He has experience of more than 30 years in Limagrain's main activities and in particular, has held several operational positions as CEO for business units in France and Germany. He is a graduate of ESCP Europe (Paris).

Andrew G. Barron - Non Executive Director

Andrew Graeme Barron is a farmer and managing director of Mbabzi Estates Limited and Lincoln Investments Limited. He continues to serve on a number of boards including Press Corporation PLC, Mpico PLC, Seed Co Malawi (Chairman), Mpico Malls Limited, Team Planet Limited and Plantation House Investments.

Frédéric Savin - Non Executive Director

Frédéric Savin has spent his whole career at Limagrain, in seeds activity. He joined Vilmorin & Cie as Junior Product Manager (vegetable seeds) and became Marketing Director. He continued his career with Harris Moran Seed Co, a Limagrain subsidiary, as Sales Manager for Europe. Then he led Vilmorin & Cie's subsidiary in Turkey for 8 years, trading on field seeds market, vegetable seeds market, fertilizers and home-garden products.

Since 2014 Frédéric was in charge of Limagrain Field Seeds development in Africa until October 2017 when he became Director Limagrain Africa Field Seeds. He works on the one hand with the subsidiary, Link Seed (Maize and Soya), based in South Africa, and with Seed Co Limited on the other hand, Limagrain's African partner. Today, his experience in the seed sector enables him to quickly analyse African markets' needs and contribute to the agriculture development in Africa. Frédéric is an Agricultural Engineer who also has experience as a French Foreign Trade Advisor.

A1.3.2The Directors' interests

At the last practicable date, being 10 July 2018, the direct and indirect interests of the Directors of Seed Co Limited and their immediate families were as follows:

Name	Direct shareholding	Indirect Shareholding	Total
Morgan Nzwere*	-	-	-
John Matorofa*	-	-	-
Chance Kabaghe*	-	-	-
David Edward Beaumont Long	-	-	-
Michael Shongwe Ndoro	-	-	-
Dahlia Garwe	-	-	-
Anotoine Colombo	-	-	-
Pearson Gowero	-	-	-
Frédéric Savin	-	-	-
Daniel Paul Francis Jacquemond	-	-	-
Fungai Ruwende	2,984	-	2,984
Remina Davidzo Chitengu	422	-	422
Andrew Graeme Barron	-	-	-
Total	3,406	-	3,406

A.1.3.3 Other interests

Except as disclosed in this Document, none of the Directors of Seed Co Limited nor any member of their immediate families, nor any person acting in concert with the Directors of Seed Co Limited, control or is interested, beneficially or otherwise, in any Seed Co Limited shares or in any securities convertible to rights to subscribe for Seed Co Limited shares.

A1.3.4 Management of Seed Co Limited

The senior management employees of Seed Co Limited are as follows:

Name	Position	Qualifications
Morgan Nzwere	Group Chief Executive Officer	BAcc (Hons) (UZ), CA(Z), MBL (UNISA)
John Matorofa	Group Finance Director	BAcc (Hons) (UZ), CA(Z), MBA (UK)
Dennis Zaranyika	MD -Seed Co Zimbabwe	EDP (UCT), IMMSA, MBA (Nottingham Trent)
Grace Bwanali	Regional Managing Director Central Cluster & MD Zambia	CIMA, Fellow (Zambia Institute of Chartered Accountants), MBA (Edinburgh)
Kassim Owino	MD -Seed Co Kenya	BSc. Agric, Mphil (Plant genetics) (Birmingham), MBA (Nottingham Trent)
Clive Mugadza	MD -Seed Co Tanzania	B.Tech Management (UZ), Senior Executive Leadership Program for Africa (Harvard Business School)
Kasaija Banage	MD -Seed Co Great Lakes	BSc. Agric, BIM (Member British Institute of Management)
Samson Ruwisi	GM -Seed Co International & Group Treasury	MBA (UK), CAIB (SA)
Willie Ranby	MD -Prime Seed Co Zimbabwe	Entrepreneur with 37 years' experience in vegetable business
Calvin Fambisayi	Group Business Development Executive	BSc. Agric, MSc. (Plant genetics), MBA (Nottingham Trent)
Boyd Luwe	GM - Seed Co Malawi	BAcc (University of Malawi), FCCA (UK), Chartered Banker, currently studying for an MBA Bangor University (Wales, UK)
Bruce Patterson	Country Head South Africa	BSc. Agric, MSc. Agric (Crop Science) University of Natal
Prof. John Derera	Group Head -R&D	PhD (UKZN), MBA (Mancosa), MPhil (UZ), BSc. Hon (UZ), Diploma in Marketing (LCCI)
Charity Murandu	Divisional Marketing Director	BBS (Hons) (UZ), MBA (UZ), Eisenhower Fellow
Edgar Rupende	Divisional Production & Processing Director	BSc. Agric (Hons) Crop Science (UZ), MPhil. Agric (Agronomy) (UZ), MBA (UK), Cert. Dip Accounting & Finance and Financial Management (ACCA - UK)

A1.3.5 Corporate Governance

The Directors of Seed Co Limited are committed to the principles of good corporate governance. The Board is responsible to the Shareholders for the performance of the Group, its strategy, values and governance. The Board is also committed to acting with utmost good faith in its dealings with all stakeholders. The Group has adopted a Corporate Governance Manual that sets out in detail, the basic corporate governance principles that will be pursued by Seed Co Limited. In addition, all senior employees of the Group are required to agree to and sign the Group's Conflict of Interest Policy.

The Articles provide for the appointment of independent directors. The Board currently comprises two (2) Executive Directors and eleven (11) Non-Executive Directors including the Chairman. The Board is responsible for giving direction to the Company through setting the overall strategy, key policies and risk compliance parameters. It is also responsible for approving strategic and operational budgets, significant acquisitions and disposals. The Board

operates a rigorous risk management process that reviews all business risks and ensures that action plans or strategies have been put in place to manage identified risks.

In line with principles of good corporate governance, the Company constituted 3 board committees which meet as and when required to execute their mandates. These are the:

- **Remuneration Committee** – comprising 3 Non-Executive Directors and is responsible for setting the remuneration of executive directors and senior management including granting of share options;
- **Nominations Committee** – which is made up of the Non-Executive Chairman and 2 Non-Executive Directors. The committee is responsible for identification and recommendation of potential directors of the Company; and
- **Audit and Finance Committee** - consists of 4 Non-Executive Directors and is responsible for liaising with the Company's external auditors on accounting, internal control and financial reporting matters among other things. Both the internal audit function and the external auditors have unrestricted access to the Audit Committee and all of their significant findings are brought to the attention of the Audit Committee and the Board.

A1.4 FINANCIAL INFORMATION ON SEED CO LIMITED

The audited abridged historical financial statements of Seed Co Limited for the 5-year period ended 31 March 2014, 2016, 2016, 2017 and 2018 are set out in the Accountants Report in Appendix IIa.

A1.5 PRO FORMA FINANCIAL INFORMATION OF SEED CO LIMITED

The pro forma financial statements have been prepared to illustrate how the Transactions might have affected the financial position of Seed Co Limited had the Transactions been effected on 31 March 2018. The *pro forma* financial information is set out in Appendix IIb.

Appendix II (a): Accountant's Report on the historical financial information of Seed Co Limited



Ernst & Young Advisory Services (Pvt) Ltd
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Cnr Julius Nyerere Way/
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P.O. Box 62 or 702
Harare, Zimbabwe

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ey.com

17 July 2018

The Directors

Seed Co Limited
Shamwari Road, Stapleford
P O Box 64
Westgate
Harare

Dear Sirs,

DRAFT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF SEED CO LIMITED ("SEED CO" OR "THE COMPANY")

(A public company incorporated in the Republic of Zimbabwe under company registration number 217/83)

1. Introduction

The directors of Seed Co Limited ("Seed Co" or "the Group") are proposing:

- a) the Partial Unbundling of Seed Co International Limited out of the Group by way of a *pro rata* dividend-in-specie distribution of 71% of Seed Co International Limited's equity amounting to 242,313,440 ordinary shares currently held by Seed Co;
- b) the raising of US\$19.2 million hard currency equity capital through the placement of 37,920,648 Seed Co International Limited ordinary shares with Vilmorin & Cie at a cash subscription price of US\$0.5069 per share; and
- c) the separate primary and secondary listing of Seed Co International Limited on the Botswana Stock Exchange ("BSE") and the Zimbabwe Stock Exchange ("ZSE") respectively.

The directors are responsible for the preparation of the circular to which this report relates and the information contained therein. This report is prepared in terms of the Listing Requirements of the Zimbabwe Stock Exchange for the purpose of inclusion in the Circular to Shareholders dated 17 July for which the directors of Seed Co are solely responsible.

2. Scope of audited annual financial statements

We audited the historical financial information for the years ended 31 March 2014 to 31 March 2018 for Seed Co.

We conducted our audits in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform that audit to obtain reasonable assurance whether the historical financial information relating to the financial years ended 31 March 2014 and 31 March 2018 are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

3. Prior year audited financial statements

We are the auditors of Seed Co and have reported on its annual financial statements for the years ended: 31 March 2014, 31 March 2015, 31 March 2016, 31 March 2017 and 31 March 2018. Our audit reports for these financial periods were issued without qualification.

4. Scope

As the purpose of the appended financial information differs from the purpose of the financial statements prepared for members, the appended financial information is not intended to comply with the full presentation and disclosure requirements of the Companies Act (Chapter 24:03) and International Financial Reporting Standards. Our reporting shall not in any way constitute recommendations regarding the completion of the Transactions or the issue of the Circular to the Shareholders.

5. Exclusion of Notes and Accounting Policies

At the request of the Company, and with the approval of the ZSE, the notes to the financial statements, and the accounting policies have been excluded from this Circular, but are available for inspection in the Annual Reports as set as out in section 17 of this Circular.

6. Distribution and Assurances

This report is prepared solely for the Directors of Seed Co. Any uses that a third party makes of this report, or any reliance or decisions made based on it, are the responsibility of such third parties. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on this report.

Yours faithfully,

ERNST & YOUNG
Chartered Accountants (Zimbabwe)
Harare

SEED CO LIMITED	Audited				
	After distribution decision		Before dividend-in-specie distribution decision		
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS	31-Mar-18	Restated* 31-Mar-17	Restated 31-Mar-16	31-Mar-15	31-Mar-14
Continuing operations:	US\$	US\$	US\$	US\$	US\$
Revenue	63,364,173	59,226,694	95,956,909	94,659,536	106,534,790
Cost of sales	(26,714,404)	(25,774,814)	(45,028,835)	(51,072,978)	(56,804,925)
Gross profit	36,649,769	33,451,880	50,928,074	43,586,558	49,729,865
Other (expense)/ income	2,401,075	1,382,205	816,110	4,319,623	3,663,003
Operating expenses	(17,496,334)	(16,403,495)	(36,123,081)	(31,246,348)	(35,034,046)
Selling & distribution expenses	(5,214,581)	(3,803,040)	(10,400,215)	(8,586,179)	(6,976,481)
Administrative expenses	(7,894,878)	(8,800,006)	(19,024,646)	(17,480,617)	(23,469,549)
Research expenses	(4,386,875)	(3,800,449)	(6,698,220)	(5,179,552)	(4,588,016)
Operating profit	21,554,510	18,430,590	15,621,103	16,659,833	18,358,822
Finance income	1,435,213	988,914	2,394,858	2,846,750	4,802,027
Finance cost	(131,850)	(463,959)	(1,937,621)	(3,183,978)	(7,239,099)
Share of profit of associates	1,250,527	395,468	201,581	(124,529)	-
Profit before tax	24,108,400	19,351,013	16,279,921	16,198,076	15,921,750
Income tax expense	(6,993,525)	(4,642,577)	(1,630,659)	(1,341,246)	(3,454,611)
Profit for the year from continuing operations	17,114,875	14,708,436	14,649,262	14,856,830	12,467,139
Discontinued operations					
Profit/(loss) for the period from discontinued operations	4,316,904	5,717,051	-	152,911	(633,709)
Profit for the year	21,431,779	20,425,487	14,649,262	15,009,741	11,833,430
Attributable to:					
Equity holders of the parent	21,516,060	20,425,487	14,649,262	15,009,741	11,795,957
Non-controlling interests	(84,281)	-	-	-	37,474
Profit attributable to shareholders	21,431,779	20,425,487	14,649,262	15,009,741	11,833,431
Earnings Per Share (EPS)	US cents	US cents	US cents	US cents	US cents
Basic EPS attributable to owners of the parent	8.99	8.65	6.25	6.92	5.89
Diluted EPS attributable to owners of the parent	8.94	8.61	6.25	6.89	5.89
Earnings Per Share (EPS) from continuing operations	US cents	US cents			
Basic EPS attributable to owners of the parent	7.19	6.23			
Diluted EPS attributable to owners of the parent	7.15	6.20			
Group Statement of comprehensive income	US\$	US\$	US\$	US\$	US\$
Profit for the year	21,431,779	20,425,487	14,649,262	15,009,741	11,833,431
Other comprehensive income					
Items that may be reclassified to profit or loss subsequent in periods (net of tax):					
Exchange differences on translation of foreign operations	797,586	3,500,153	(23,706,079)	(7,905,310)	(6,748,766)
Recycling of translation reserve to profit & loss	-	-	-	390,506	-
	797,586	3,500,153	(23,706,079)	(7,514,804)	(6,748,766)
Items that will not be reclassified to profit or loss in subsequent periods (net of tax):					
Revaluation of property, plant & equipment	3,478,228	-	7,624,858	10,870,466	-
Deferred tax on revaluation of property, plant & equipment	(347,823)	-	(307,571)	-	-
	3,130,405	-	7,317,287	10,870,466	-
Other comprehensive income/ (loss) for the year (net of tax)	3,927,991	3,500,153	(16,388,792)	3,355,662	(6,748,766)
Total comprehensive income/ (loss) for the year	25,359,770	23,925,640	(1,739,530)	18,365,403	5,084,665
Attributable to:					
Equity holders of the parent	25,453,968	23,925,640	(1,739,530)	18,596,249	5,070,346
Non-controlling interest	(94,198)	-	-	(230,846)	14,319
	25,359,770	23,925,640	(1,739,530)	18,365,403	5,084,665

*Refer to note below

SEED CO LIMITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	Audited				
	After distribution decision		Before dividend-in-specie distribution decision		
	31-Mar-18	Restated*	Restated	31-Mar-15	31-Mar-14
	US\$	31-Mar-17 US\$	31-Mar-16 US\$	US\$	US\$
ASSETS					
Non-current assets	49,001,015	89,354,591	97,381,615	89,009,814	49,122,405
Property, plant & equipment	31,318,103	65,568,600	62,145,127	58,357,840	47,126,710
Investments in associates	4,589,256	3,738,729	3,743,261	3,541,680	-
Goodwill	264,472	264,472	264,472	-	186,753
Non-current financial assets	12,255,332	19,448,259	30,889,336	24,685,744	1,079,901
Investment property	-	-	-	304,720	342,200
Deferred tax asset	573,852	334,531	339,419	2,119,830	386,841
Current assets					
Inventories	17,027,367	24,997,633	28,994,690	20,482,833	32,567,929
Biological assets	-	250,022	632,082	817,961	976,823
Trade & other receivables	19,014,647	63,503,105	52,870,050	56,411,010	83,618,098
Other current financial assets	40,757,278	-	-	-	-
Cash & cash equivalents	12,048,606	55,290,579	19,514,900	20,255,496	4,026,614
	88,847,898	144,041,339	102,011,722	97,967,300	121,189,464
Assets held for distribution	111,820,718	-	-	-	-
	200,668,616	144,041,339	102,011,722	97,967,300	121,189,464
Total assets	249,669,631	233,395,930	199,393,337	186,977,114	170,311,869
EQUITY & LIABILITIES					
Equity attributable to equity holders of the parent	185,716,806	163,594,302	143,101,849	147,802,804	101,783,038
Share capital	241,883	236,233	234,449	234,449	206,298
Non-distributable reserves	52,379,234	25,759,991	24,350,900	41,208,865	12,106,174
Retained earnings	149,525,911	137,407,801	118,326,223	106,169,213	89,356,965
Changes in ownership reserves	562,318	190,277	190,277	190,277	190,277
Reserves of a disposal group held for distribution	(16,992,540)	-	-	-	-
Non-controlling interest	2,490,597	-	-	-	-
Total equity	188,207,403	163,594,302	143,101,849	147,802,804	101,783,038
Non-current liabilities	6,048,175	7,338,341	8,541,092	8,607,980	12,751,957
Deferred tax liability	6,048,175	7,067,391	7,266,094	6,368,351	8,586,951
Long term loans	-	270,950	1,274,998	2,239,629	4,002,749
Finance lease	-	-	-	-	162,257
Current liabilities					
Trade & other payables	11,156,074	16,262,165	14,406,862	14,143,325	20,274,082
Bank borrowings	906,651	37,160,861	28,546,081	11,743,272	31,702,278
Current tax payable	1,227,690	2,827,653	145,664	1,103,759	1,922,174
Provisions	4,710,013	6,212,608	4,651,789	3,575,974	1,492,312
Finance lease liability	-	-	-	-	386,028
	18,000,428	62,463,287	47,750,396	30,566,330	55,776,874
Liabilities directly associated with disposal group held for distribution	37,413,625	-	-	-	-
	55,414,053	62,463,287	47,750,396	30,566,330	55,776,874
Total liabilities	61,462,228	69,801,628	56,291,488	39,174,310	68,528,831
Total equity & liabilities	249,669,631	233,395,930	199,393,337	186,977,114	170,311,869

*Refer to note below

SEED CO LIMITED	Audited				
	Before distribution decision		After dividend-in-specie strribution decision		
	31-Mar-18 US\$	Restated* 31-Mar-17 US\$	Restated 31-Mar-16 US\$	31-Mar-15 US\$	31-Mar-14 US\$
CONSOLIDATED STATEMENTS OF CASH FLOWS					
Operating activities					
Profit before tax from continuing operations	24,108,400	19,351,013	16,279,921	15,847,574	15,557,896
Profit before tax from discontinued operations	5,460,163	7,747,595			
Profit before tax	29,568,563	27,098,608	16,279,921	15,847,574	15,557,896
<i>Adjustments to reconcile profit before tax to net cash flows:</i>					
Depreciation	3,557,403	3,377,906	2,875,052	3,253,637	3,958,352
Share based payments expense	-	-	86,920	98,920	98,920
(Profit)/loss on disposal of property plant & equipment	36,836	(122,269)	57,793	(130,107)	(148,812)
Unrealised exchange losses / (gains)	(68,250)	561,706	(673,612)	(2,926,357)	(1,615,454)
Share from (profits)/losses of associates	(1,250,527)	(395,468)	(201,581)	124,529	-
Gain on disposal of subsidiaries	-	-	-	(2,589,868)	-
Allowances for credit losses	2,500,832	5,410,328	957,990	537,478	(461,760)
Provisions	323,181	1,560,819	(1,449)	(411,232)	304,068
Fair value adjustments of biological assets	-	-	119,274	-	-
Fair value adjustments of investment property	-	-	18,220	37,480	(9,966)
Finance income	(1,486,134)	(1,695,090)	(2,394,858)	(2,878,620)	(4,912,611)
Finance costs	2,489,324	4,117,132	1,937,621	3,489,284	7,948,152
Net cash flows before working capital changes	35,671,228	39,913,672	19,061,291	14,452,718	20,718,785
<i>Working capital adjustments</i>					
Decrease/(increase) in inventories	(5,728,808)	3,997,058	(14,111,860)	12,085,096	10,466,414
Decrease/(increase) in biological assets	(395,486)	382,060	185,879	158,861	(356,628)
Increase in trade & other receivables	5,937,555	(9,611,263)	(6,818,532)	(2,195,477)	(10,616,860)
Increase in trade & other paybles	(770,725)	1,855,303	263,537	(2,157,904)	(761,335)
Cash generated from / (utilised in) operations	34,713,764	36,536,830	(1,419,685)	22,343,294	19,450,376
Income tax paid	(10,003,951)	(7,438,126)	(5,815,915)	(4,948,215)	(4,267,539)
Net cash flow from operating activities	24,709,813	29,098,704	(7,235,600)	17,395,079	15,182,837
Investing activities					
Proceeds from sale of property, plant & equipment	255,511	398,116	275,235	240,790	387,143
Purchase of property, plant & equipment	(7,947,320)	(6,295,628)	(5,787,968)	(8,544,904)	(8,972,676)
Purchase of other non non-current financial assets	-	-	-	-	(739,372)
(Increase)/Decrease in non-current financial assets	(34,869,305)	10,434,814	-	-	-
Dividend received from associate	400,000	400,000	-	-	-
Disposal / (Acquisition) of subsidiary	-	-	(1,796,999)	4,911,611	-
Interest received	1,486,134	1,695,090	2,394,858	778,620	171,994
Net cash flows generated by/ (utilising in) investing activities	(40,674,980)	6,632,392	(4,914,874)	(2,613,883)	(9,152,911)
Financing activities					
Proceeds from exercise of share options	1,451,283	233,992	-	27,270,303	13,080,535
Cash dividend paid	(5,144,872)	(4,688,969)	(2,344,485)	-	-
Partial disposal of interest in subsidiary	1,837,500	-	-	-	-
Issue of shares to non-controlling interests	1,119,336	-	-	-	-
Loan repaid	(270,950)	(1,004,048)	(964,631)	(2,311,405)	(701,796)
Long-term loan received	-	-	-	-	2,813,265
Interest paid	(2,489,324)	(3,110,869)	(1,937,621)	(3,489,284)	(7,948,152)
Net cash flows utilised in financing activities	(3,497,027)	(8,569,894)	(5,246,737)	21,469,614	7,243,852
Net increase/ (decrease) in cash & cash equivalents	(19,462,194)	27,161,202	(17,397,211)	36,250,810	13,273,778
Effects of exchange rate changes on cash & cash equivalents	180,065	(303)	(146,194)	(62,922)	20,100
Cash & cash equivalents at beginning of year	18,129,718	(9,031,181)	8,512,224	(27,675,664)	(40,969,542)
Cash & cash equivalents at end of year	(1,152,411)	18,129,718	(9,031,181)	8,512,224	(27,675,664)

**Refer to note below*

SEED CO LIMITED	Attributable to the owners of the parent						Non-controlling interest	Total equity
	Share capital	Non-distributable reserves	Retained earnings	Change of ownership reserve	Reserves of a disposal group held for distribution	Total		
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY								
As at 31 March 2013	194,373	5,963,885	77,283,760	190,277	-	83,632,295	(90,995)	83,541,300
Profit for the year	-	-	11,795,957	-	-	11,795,957	37,474	11,833,431
Other comprehensive income	-	(6,725,611)	-	-	-	(6,725,611)	(23,155)	(6,748,766)
Total comprehensive income	-	(6,725,611)	11,795,957	-	-	5,070,346	14,319	5,084,665
Issue of share capital	10,273	12,764,262	-	-	-	12,774,535	-	12,774,535
Realisation of revaluation reserve on disposal	-	(40,827)	40,827	-	-	-	-	-
Share options exercised	1,652	304,348	-	-	-	306,000	-	306,000
Realisation of revaluation reserve through use	-	(236,421)	236,421	-	-	-	-	-
Share based payments	-	76,538	-	-	-	76,538	-	76,538
As at 31 March 2014	206,298	12,106,174	89,356,965	190,277	-	101,859,714	(76,676)	101,783,038
Profit for the year	-	-	15,240,587	-	-	15,240,587	(230,846)	15,009,741
Other comprehensive income	-	3,355,662	-	-	-	3,355,662	-	3,355,662
Total comprehensive income	-	3,355,662	15,240,587	-	-	18,596,249	(230,846)	18,365,403
Issue of share capital	27,389	26,572,557	-	-	-	26,599,946	-	26,599,946
Realisation of revaluation reserve on disposal	-	(1,375,680)	1,375,680	-	-	-	-	-
Share options exercised	762	669,595	-	-	-	670,357	-	670,357
Realisation of revaluation reserve through use	-	(195,981)	195,981	-	-	-	-	-
Derecognition of non-controlling interest	-	-	-	-	-	-	307,522	307,522
Share based payments	-	76,538	-	-	-	76,538	-	76,538
As at 31 March 2015	234,449	41,208,865	106,169,213	190,277	-	147,802,804	-	147,802,804
Restatement due to prior period error	-	-	(681,478)	-	-	(681,478)	-	(681,478)
Restated at 31 March 2015	234,449	41,208,865	105,487,735	190,277	-	147,121,326	-	147,121,326
Profit for the year	-	-	14,649,262	-	-	14,649,262	-	14,649,262
Other comprehensive income	-	(16,388,792)	-	-	-	(16,388,792)	-	(16,388,792)
Total comprehensive income	-	(16,388,792)	14,649,262	-	-	(1,739,530)	-	(1,739,530)
Dividend	-	-	(2,344,485)	-	-	(2,344,485)	-	(2,344,485)
Realisation of revaluation reserve through use	-	(533,711)	533,711	-	-	-	-	-
Share based payments	-	64,538	-	-	-	64,538	-	64,538
As at 31 March 2016	234,449	24,350,900	118,326,223	190,277	-	143,101,849	-	143,101,849
Restated after dividend-in-specie distribution decision*								
Profit for the year	-	-	20,425,487	-	-	20,425,487	-	20,425,487
Other comprehensive income	-	3,500,153	-	-	-	3,500,153	-	3,500,153
Total comprehensive income	-	3,500,153	20,425,487	-	-	23,925,640	-	23,925,640
Dividend	-	-	(4,688,969)	-	-	(4,688,969)	-	(4,688,969)
Share options exercised	1,784	1,253,998	-	-	-	1,255,782	-	1,255,782
Realisation of revaluation reserve through use	-	(181,298)	181,298	-	-	-	-	-
Transfer to retained earnings	-	(3,163,762)	3,163,762	-	-	-	-	-
As at 31 March 2017 -restated	236,233	25,759,991	137,407,801	190,277	-	163,594,302	-	163,594,302
Profit for the year	-	-	21,516,060	-	-	21,516,060	(84,281)	21,431,779
Other comprehensive income	-	3,927,991	-	-	-	3,927,991	(9,917)	3,918,074
Total comprehensive income	-	3,927,991	21,516,060	-	-	25,444,051	(94,198)	25,349,853
Dividends	-	-	(10,361,153)	-	-	(10,361,153)	-	(10,361,153)
Issue of share capital	3,638	5,212,644	-	-	-	5,216,282	-	5,216,282
Share options exercised	2,012	1,449,271	-	-	-	1,451,283	-	1,451,283
Realisation of revaluation reserve through use	-	(158,029)	158,029	-	-	-	-	-
Realisation of revaluation reserve on disposal	-	(805,174)	805,174	-	-	-	-	-
Discontinued operations	-	16,992,540	-	-	(16,992,540)	-	-	-
Partial disposal of interest in subsidiary	-	-	-	372,041	-	372,041	1,465,459	1,837,500
Issue of shares to non-controlling interest	-	-	-	-	-	-	1,119,336	1,119,336
As at 31 March 2018	241,883	52,379,234	149,525,911	562,318	(16,992,540)	185,716,806	2,490,597	188,207,403

* Refer to note below

NOTE ON DISCONTINUED OPERATIONS (NOTE 6 OF SEED CO LIMITED'S FINANCIAL STATEMENTS)

On 9 June 2017, Seed Co Limited publicly announced the decision of the Board of Directors to unbundle Seed Co International Limited, a wholly-owned subsidiary, by distributing its shares to shareholders of Seed Co Limited ("the Company"). Critical regulatory approvals were obtained on 22 February 2018. At 31 March 2018, Seed Co International was classified as a disposal group held for distribution to equity holders of the parent and as discontinued operations. The business of Seed Co International represented the entirety of the Group's regional operations' operating segment until 31 March 2018. The distribution of the shares of Seed Co International is expected to be completed within the next six months provided shareholder approval is granted. The results of Seed Co International for the year ended 31 March 2018 are presented below.

	2018	2017
	US\$	US\$
Revenue	65,118,853	75,347,411
Cost of sales	(32,444,194)	(35,542,609)
Net operating expenses	(24,907,944)	(29,110,211)
Net finance costs	(2,306,551)	(2,946,996)
Profit before tax	5,460,164	7,747,595
Income tax	(1,143,259)	(2,030,544)
Profit for the year from discontinued operations	4,316,905	5,717,051

The major classes of assets and liabilities of Seed Co International Limited classified as held for distribution to equity holders of the parent as at 31 March are, as follows:

	2018	2017
	US\$	US\$
Assets		
Property, plant and equipment	42,154,328	
Deferred tax asset	1,070,009	
Inventories	13,699,074	
Biological assets	645,508	
Trade and other receivables	36,050,071	
Other current financial assets	1,304,954	
Cash and cash equivalents	16,896,773	
Assets held for distribution	111,820,717	-
Liabilities		
Interest-bearing loans and borrowings	29,191,140	
Deferred tax liability	2,049,101	
Trade and other payables	4,335,366	
Income tax payable	12,242	
Provisions	1,825,776	
Liabilities directly associated with the assets held for distribution	37,413,625	-
Net assets directly associated with disposal group	74,407,092	-
Reserves of a disposal group held for distribution	(16,992,540)	-

NOTE ON DISCONTINUED OPERATIONS CONTINUED

The net cash flows incurred by Seed Co International Limited are as follows:

	2018	2017
	US\$	US\$
Operating	16,259,388	(2,069,872)
Investing	(5,565,653)	(2,985,882)
Financing	(1,529,061)	(8,055,801)
Net cash inflow/(outflow)	9,164,674	(13,111,555)

	2018	2017
	US cents	US cents
Earnings per share		
Basic, profit for the year from discontinued operations	1.80	2.42
Diluted, profit for the year from discontinued operations	1.79	2.41

Interest-bearing liabilities comprise bank loans and overdrafts bearing interest rate of between 3.5% and 4.5% that are repayable by March 2019.

Appendix II (b): Accountant's Report on the unaudited *pro-forma* financial position of Seed Co Limited



Chartered Accountants (Zimbabwe)
Angwa City
Cnr Julius Nyerere Way
Kwame Nkrumah Avenue
P.O. Box 62 or 702
Harare

Tel: +263 4 750905 / 750979
Fax: +263 4 750707 / 773842
ey.com

17 July 2018

The Directors
Seed Co Limited
Shamwari Road, Stapleford
P.O. Box 64
Westgate
Harare
Zimbabwe

DRAFT REPORTING ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF SEED CO LIMITED

(A public company incorporated in the Republic of Zimbabwe under company registration number 217/83)

1. Introduction

The directors of Seed Co Limited ("Seed Co" or "the Group") are proposing:

- d) the Partial Unbundling of Seed Co International Limited out of the Group by way of a *pro rata* dividend-in-specie distribution of 71% of Seed Co International Limited's equity amounting to 242,313,440 ordinary shares currently held by Seed Co ;
- e) the raising of US\$19.2 million hard currency equity capital through the placement of 37,920,648 Seed Co International Limited ordinary shares with Vilmorin & Cie at a cash subscription price of US\$0.5069 per share; and
- f) the separate primary and secondary listing of Seed Co International Limited on the Botswana Stock Exchange ("BSE") and the Zimbabwe Stock Exchange (ZSE") respectively.

The directors are responsible for the preparation of the circular to which this report relates and the information contained therein. This report is prepared in terms of the Listing Requirements of the Zimbabwe Stock Exchange for the purpose of inclusion in the Circular to Shareholders dated 4 April 2018 for which the directors of Seed Co are solely responsible.

2. Responsibility

The directors are solely responsible for the preparation of the unaudited pro forma information to which this independent reporting accountants' report relates. They are also responsible for the preparation of the information from which the unaudited financial information has been prepared. Our responsibility as independent reporting accountants is to form an opinion on the basis used to compile the unaudited pro forma financial information. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the

unaudited pro forma financial information beyond that owed to those to whom those reports were addressed at their dates of issue.

3. Scope

Our work consisted primarily of reviewing the pro forma financial information, considering the evidence supporting the adjustments and discussing the pro forma financial information with directors. We were not involved in the independent examination of the underlying information.

The scope of our work included the following procedures:

- Agreed Seed Co's statement of financial position as at 31 March 2018 to the published annual financial statements
- Reviewed the pro forma journals
- Agreed the arithmetic accuracy of the overall sub-totals and totals contained in the pro forma statement of financial position.

Major Assumptions

The pro-forma statement of financial positions has been prepared assuming that:

- the proposed unbundling and dividend-in-specie transactions occurred on 31 March 2018;
- that the effect of the Dividend-in-Specie has been shown at the carrying value of the Seed Co International in the books of Seed Co Limited; and
- the exact accounting effect of the transactions will be shown in the next audited financial statements of both Seed Co Limited and Seed Co International.

From our enquiries of Seed Co management, we understand that there have been no material subsequent events arising which have, or that could reasonably be expected to have a material impact on the statement of financial position as at 31 March 2018.

4. Unaudited Pro forma Financial Information

The pro forma financial information has been prepared for illustrative purposes only to provide information demonstrating how the transaction would have impacted on the financial position of Seed Co had the Proposed Transaction been undertaken on the 31st of March 2018. Because of its nature, the unaudited pro forma financial information may not give a fair reflection of Seed Co's financial position going forward.

In our opinion the adjustments are appropriate for purposes of the pro forma financial information and consistent with Seed Co's accounting policies.

5. Distribution and Assurances

This report is prepared solely for the Directors of Seed Co. Any uses that a third party makes of this report, or any reliance or decisions made based on it, are the responsibility of such third parties. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on this report.

Because the procedures conducted by us do not constitute either an audit or a review performed in accordance with statements of International Standards on Auditing, we do not express assurance on the fair presentation of the pro forma financial information. Had we conducted additional procedures, or had we performed an audit in accordance with the International Standards on Auditing, other matters might have come to our attention that would have been reported to you.

Yours faithfully,

ERNST & YOUNG
Chartered Accountants (Zimbabwe)
Registered Public Auditor

SEED CO LIMITED UNAUDITED CONSOLIDATED PRO FORMA STATEMENT OF FINANCIAL POSITION as at 31 March 2018 [US\$'000]	Audited at 31 March 2018 (Note 1)	Step 1: Unbundling of SCI with SCL retaining 29%		Step 2:	Proforma at 31 March 2018 (note 5)
		Distribution of SCI (Note 2)	Recognition of 29% investment in SCI (Note 3)	Capital injection into SCI & dilution of SCL (Note 4)	
ASSETS					
Non-current assets					
Property, plant & equipment	31,318	-	-	-	31,318
Investment in associates	4,589	-	21,578	2,719	28,886
Goodwill	265	-	-	-	265
Non-current assets financial assets	12,255	-	-	-	12,255
Deferred tax asset	574	-	-	-	574
Total non-current assets	49,001	-	21,578	2,719	73,298
Current assets					
Inventories	17,027	-	-	-	17,027
Trade & other receivables	19,015	-	-	-	19,015
Other current financial assets	40,757	-	-	-	40,757
Cash & cash equivalents	12,049	-	-	-	12,049
Total current assets	88,848	-	-	-	88,848
Assets held for distribution	111,821	(111,821)	-	-	-
	200,669	(111,821)	-	-	88,848
TOTAL ASSETS	249,670	(111,821)	21,578	2,719	162,146
EQUITY & LIABILITIES					
Equity					
Share capital	242	-	-	-	242
Non-distributable reserves	52,379	-	-	-	52,379
Retained earnings	149,526	(91,400)	21,578	2,719	82,423
Changes in ownership reserve	562	-	-	-	562
Reserves of a disposal group held for distribution	(16,993)	16,993	-	-	-
Total equity	185,716	(74,407)	21,578	2,719	135,606
Non-controlling interests	2,491	-	-	-	2,491
Total equity	188,207	(74,407)	21,578	2,719	138,097
Non-current liabilities: Deferred tax	6,048	-	-	-	6,048
Current liabilities					
Trade & other payables	11,156	-	-	-	11,156
Borrowings	907	-	-	-	907
Provisions	1,228	-	-	-	1,228
Current tax payable	4,710	-	-	-	4,710
Total current liabilities	18,001	-	-	-	18,001
Liabilities associated with assets held for distribution	37,414	(37,414)	-	-	-
	55,415	(37,414)	-	-	18,001
TOTAL EQUITY & LIABILITIES	249,670	(111,821)	21,578	2,719	162,146

Notes:

- 1) Represents the audited consolidated statement of financial position of Seed Co Limited as at 31 March 2018.
- 2) Represents the distribution of the shares of Seed Co International on unbundling via a dividend-in-specie.
- 3) Represents Seed Co Limited's 29% remaining investment in Seed Co International after unbundling via the dividend-in-specie;

- 4) Represents the dilution of Seed Co Limited's investment in Seed Co International from 29% to 26.1% and the injection of additional capital of US\$19,221,976 into Seed Co International by a third party net of transaction costs; and
- 5) Represents the unaudited consolidated pro forma statement of financial position after the effects of the unbundling and capital injection.

Assumptions and basis of preparation:

- The pro-forma statement of financial position has been prepared on the assumption that the proposed unbundling and dividend-in-specie transactions occurred on 31 March 2018;
- The Dividend-in-Specie has been measured using the net carrying value of Seed Co International in the books of Seed Co Limited; and
- The exact accounting effect of the transactions will be shown in the audited financial statements of both Seed Co Limited and Seed Co International for the year ended 31 March 2019.

Appendix III: Independent Financial Advisor's Fair and Reasonable Opinion on the Private Placement



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17 July 2018

The Directors
Seed Co Limited
Shamwari Road, Stapleford
HARARE

Dear Sirs,

"FAIR AND REASONABLE" OPINION ON THE RAISING OF US\$19.2 MILLION HARD CURRENCY EQUITY CAPITAL THROUGH THE PLACEMENT OF 37,920,648 SEED CO INTERNATIONAL LIMITED ORDINARY SHARES WITH VILMORIN & CIE AT A CASH SUBSCRIPTION PRICE OF US\$0.5069 PER SHARE.

This report has been prepared for the purpose of inclusion in the Circular to Shareholders of Seed Co Limited ("Seed Co / the Company") dated 17 July 2018 regarding:

- a) the proposed Partial Unbundling of Seed Co International Limited out of the Group by way of a *pro rata* dividend-in-specie distribution of 71% of Seed Co International Limited's equity amounting to 242,313,440 ordinary shares currently held by Seed Co Limited;
- b) the raising of US\$19.2 million hard currency equity capital through the placement of 37,920,648 Seed Co International Limited ordinary shares with Vilmorin & Cie at a cash subscription price of US\$0.5069 per share ("Private Placement"); and
- c) the separate primary and secondary listing of Seed Co International Limited on the Botswana Stock Exchange ("BSE") and the Zimbabwe Stock Exchange (ZSE") respectively.

Deloitte Advisory Services (Private) Limited ("Deloitte") were appointed by the Board of Seed Co as the Independent Financial Advisors to provide the Board with its opinion as to whether the terms of the raising of US\$19.2 million hard currency equity capital through the placement of 37,920,648 Seed Co International Limited ordinary shares with Vilmorin & Cie at a cash subscription price of US\$0.5069 per share ("part b) of the Transactions") are fair and reasonable.

The terms and conditions of the transactions are detailed in the Circular to Shareholders, dated 17 July 2018, of which this opinion is a part. Words and phrases used in this letter shall have the same meaning as ascribed to them in the Circular. In arriving at our opinion, we considered, inter alia, the background against which the Transactions are being made and the current macro-economic environment in which Seed Co operates.

Our engagement did not constitute an examination made in accordance with International Standards on Auditing. Accordingly, we are not expressing an audit opinion on the information contained in the Circular to the Shareholders.

Summary of the transaction

In order to unlock shareholder value and position the continental operations for growth, the Board is proposing to partially unbundle 71% of Seed Co International. Post the proposed Private Placement to be carried out immediately after the unbundling, Seed Co Limited will retain 26% shareholding in Seed Co International.

If approved by Shareholders, the Partial Unbundling will be achieved through Dividend-in-Specie distribution to all Shareholders of 242,313,440 Seed Co International ordinary shares, on the basis of 1 (one) Seed Co International share for each Seed Co Limited share held and duly registered as such on the Distribution Record Date. In relation to the Private Placement part of the Transactions, Seed Co International has expansion projects that require immediate funding amounting to approximately US\$31 million. In order to manage and leverage the attendant financial risk, the Directors have resolved, subject to Shareholder approval, to mobilise half of the required funding as permanent equity through the placement of 37,920,648 Seed Co International ordinary shares for subscription by Vilmorin & Cie, a related-party, at a subscription price of US\$0.5069 per share. If approved by Shareholders, the Private Placement will have a dilutive effect of 10% to the post Partial Unbundling shareholding structure of Seed Co International.

Scope

In accordance with our engagement letter dated 15 March 2018, we performed the following:

- A review and analysis of all relevant Information forwarded to us;
- A review of the terms and conditions of the proposed Transactions;
- A review of historical and projected income statements, balance sheets and cash flow statements;
- Interviews and, where necessary, correspondence with management;
- A review of analysts' reports on the industry;
- A review of an indicative valuation of the Seed Co International; and
- Preparation and delivery of our fair and reasonable report (the "Fair and Reasonable Opinion") thereafter.

Restrictions

The scope of our work is limited to the matters set out in this letter.

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 periods. We express no opinion as to how closely actual results will correspond to the financial projections provided to us.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the Proposed Transactions.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the accounts and items specified above and does not extend to any financial statements of Seed Co.

Definition of fair and reasonable for the purpose of our opinion

A transaction will generally be considered fair to a company's shareholders if the benefits received by the shareholders, as a result of the transaction, are equal to or greater than the value surrendered by the shareholders. The assessment of fairness is primarily based on quantitative issues. The Proposed the private placement of 37,920,648 Seed Co International Limited ordinary shares with Vilmorin & Cie at a cash subscription price of US\$0.5069 per share would be considered fair if the subscription price for the shares is equal to or greater than their fair value.

The assessment of reasonableness is generally based on qualitative considerations surrounding the transaction. Hence, even though the quantifiable benefits received by Seed Co shareholders may be less than the value that they surrender, the entire Transaction may still be reasonable in certain circumstances after considering other significant qualitative factors.

Sources of information

In order for us to arrive at our opinion of fair and reasonable on this transaction, we considered the following sources of information:

- 1) The Articles of Association of Seed Co;
- 2) Group audited financial statements for Seed Co for the past five years;
- 3) Recent management accounts;

- 4) Forecast financial information for the following five years;
- 5) Enterprise/equity valuation reports; and
- 6) Zimbabwe Stock Exchange Listing Requirements.

Procedures performed

We performed the following procedures to arrive at our opinion:

Key quantitative considerations

- 1) Assessed the Proposed consideration for the Private Placement of cash subscription price of US\$0.5069 per share against valuation prepared by Corporate Excellence;
- 2) Reviewed the assumptions and calculations used in the valuation of Seed Co International valuation prepared by Corporate Excellence;
- 3) Attended certain working party meetings for the Proposed Transactions; and
- 4) Reviewed the preliminary Circular to Shareholders prepared for internal updates and discussion, and where relevant, held discussions to confirm the factual accuracy of all the information, figures and financial calculations included therein.

Key qualitative considerations

- 1) Considered the rationale for the Proposed Transactions, based on discussions with management and directors of Seed Co and its advisors; and
- 2) Considered the company's need to access additional offshore financing in order to finance expansion activities in the region.

Opinion

Based on the above considerations, along with the information made available to us by the Seed Co directors, for which they are solely responsible, and after due consideration of the details of the Transactions, we report that the Private Placement are fair and reasonable to the shareholders of Seed Co. Our opinion is based upon the market, regulatory and trading conditions as they currently exist and can only be evaluated as at the date of this letter. It should be understood that subsequent developments may affect our opinion, which we are under no obligation to update, revise or re-affirm.

Independence

Deloitte Advisory Services have no interest, direct or indirect in Seed Co or any of its subsidiaries or associated companies, save for professional fees for services rendered in connection with the Transactions. Furthermore, we confirm that our professional fees are not contingent upon the successful conclusion of the proposed transactions.

Yours faithfully

Deloitte Advisory Services (Private) Limited

Appendix IV: Seed Co Limited's share price information

The chart below provides statistical information on the trading prices and volume of shares traded for Seed Co Limited since 10 July 2017 to 9 July 2018.



Appendix V: Notice of the 23rd Annual General Meeting and Proxy Form



The African Seed Company

(Incorporated in Zimbabwe under company registration number 217/83)

Directors: D. E. B. Long (Chairman), M. Nzwere (Group Chief Executive Officer)*, C. Kabaghe, M.S. Ndoro, D. Garwe, A. Colombo, P. Gowero, F. Savin, J. Matorofa (Group Finance Director)*, D. P. F. Jacquemond, F. Ruwende, R.C.D. Chitengu, A.G.Barron,
*Executive

Registered address: Seed Co Premises, Shamwari Road, Stapleford, Harare, Zimbabwe

NOTICE OF ANNUAL GENERAL MEETING 'AGM' INCORPORATING SPECIAL BUSINESS

NOTICE IS HEREBY GIVEN THAT THE 23RD ANNUAL GENERAL MEETING of Members of Seed Co Limited ("the Company") will be held in the Seed Co Administration Block at Stapleford in Harare, Zimbabwe on Thursday, 9 August 2018, at 1100 hours. Members will be asked to consider, and if deemed fit, to pass with or without modification, the resolutions set out below, the details of which are more fully set out in the Circular to Shareholders dated 17 July 2018:-

A) ORDINARY AGM BUSINESS: -

As ordinary resolutions:

1. Approval of Financial Statements and Reports

To receive, consider and adopt the Annual Financial Statements and Reports of the Directors and Auditors for the year ended 31 March 2018.

2. Appointment of Directors

In accordance with Articles 97 and 98 of the Company's Articles of Association Messrs. A. G. Barron, P. Gowero, and D. P. F. Jacquemond retire by rotation while Messrs. A. Colombo and F. Savin who joined the Board by co-option on 23 November 2017 retire in terms of Article 104 of the Company's Articles of Association. All these retiring Directors offer themselves for re-election.

3. Approval of Directors' fees

Approval of Directors' fees for the year ended 31 March 2018.

4. Auditors

To approve the remuneration of the auditors for the past audit and re-appoint Ernst & Young, Chartered Accountants (Zimbabwe) as auditors for the current year.

5. Dividend

To ratify the dividend of 4.43 cents per share payable in cash.

.....**END OF ORDINARY BUSINESS**.....

B) SPECIAL BUSINESS RELATING TO THE PROPOSED PARTIAL UNBUNDLING, CAPITAL RAISE AND SEPARATE LISTING OF SEED CO INTERNATIONAL LIMITED AS WELL INCREASE IN THE MAXIMUM NUMBER OF THE COMPANY'S DIRECTORS: -

As ordinary resolutions:

1. Dividend-in-specie distribution of 242,313,440 ordinary shares in Seed Co International Limited

"That in terms of Article 130 of the Company's Articles of Association and subject to approval by the respective stock exchanges for the primary and secondary listings contemplated in resolution 3 below, the Directors be and are hereby authorized to distribute to Shareholders registered as such on the Seed Co International Distribution Record Date, being 17 August 2018, by way of a dividend-in-specie, 242,313,440 (two hundred and forty two million three hundred and thirteen thousand four hundred and forty) Seed Co International Limited ordinary shares on the basis of one (1) Seed Co International Limited share for every one (1) Seed Co Limited share held. The Directors are authorized to transfer from such amounts from the Company's non-distributable reserves to distributable reserves as may be necessary to give effect to the dividend-in-specie distribution of Seed Co International Limited shares."

2. Placement of 37,920,648 Seed Co International Limited's ordinary shares for cash

"That the Directors be and are hereby authorized to issue and allot 37,920,648 (thirty seven million nine hundred and twenty thousand six hundred and forty eight) ordinary shares, representing approximately 10% of Seed Co International Limited post the proposed placement, to Vilmorin & Cie at a cash subscription price of US\$0.5069 per share to enable Seed Co International to raise hard currency equity capital of approximately US\$19.2 million and Members hereby authorize the waiving by Seed Co Limited of its pre-emptive rights in Seed Co International Limited."

3. Listing of Seed Co International Limited shares on the BSE and ZSE

"That, subject to the passing of Resolution 1 (above) and approval by the Botswana Stock Exchange Listings Committee and the Zimbabwe Stock Exchange Listings Committee, the Directors of the Company be and are hereby authorized to facilitate the primary and secondary listing of Seed Co International Limited's shares on the Botswana Stock Exchange and the Zimbabwe Stock Exchange respectively."

4. Maximum number of Directors

Paragraph 79 of the Company's Articles of Association be amended to increase the maximum number of directors from twelve (12) to thirteen (13) as follows:

"UNTIL otherwise decided by the Company in general meeting the number of Directors shall be not less than four (4) not more than thirteen (13) and no Director shall be over the age of seventy (70) years."

5. Directors' authority to give effect to the above resolution

"That the Directors of the Company be and are hereby authorized to do any and all such things as may generally be required or necessary to give effect to the above Resolutions."

BY ORDER OF THE BOARD

17 July 2018

Company Secretary

Seed Co Limited
Shamwari Road, Stapleford
P.O. Box 64 Westgate
Harare, Zimbabwe

PROXY FORM

Members are notified that they are entitled to appoint one or more proxies who need not be a member of the Company, to act in their alternative, to attend, speak and vote in his/her stead at the AGM. Proxies must be lodged at the Registered Office of the Company at least forty-eight hours before the meeting.

I/We _____
(Name in block letters)

Of _____

Being the holder of _____ Shares in the Company hereby appoint

1. _____ of _____ or failing him/her
2. _____ of _____ or failing him/her
3. the Chairman of the AGM.

As my/our proxy to act for me/us at the AGM for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat, and at each adjournment or postponement thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares in the issued share capital of the Company registered in my/our name (see note 2) in accordance with the following instructions:

ORDINARY AGM BUSINESS RESOLUTIONS	For	Against	Abstain
1. Approval of Financial Statements and Reports To receive, consider and adopt the Annual Financial Statements and Reports of the Directors and Auditors for the year ended 31 March 2018.			
2. Appointment of Directors In accordance with Articles 97 and 98 of the Company's Articles of Association Messrs. A. G. Barron, P. Gowero, and D. P. F. Jacquemond retire by rotation while Messrs. A. Colombo and F. Savin who joined the Board by co-option on 23 November 2017 retire in terms of Article 104 of the Company's Articles of Association. All these retiring Directors offer themselves for re-election.			
3. Approval of Directors' fees Approval of Directors' fees for the year ended 31 March 2018.			
4. Auditors To approve the remuneration of the auditors for the past audit and re-appoint Ernst & Young, Chartered Accountants (Zimbabwe) as auditors for the current year.			
5. Dividend To ratify the dividend of 4.43 cents per share payable in cash.			

SPECIAL BUSINESS RESOLUTIONS	For	Against	Abstain
1. Dividend-in-specie distribution of 242,313,440 ordinary shares in Seed Co International Limited "That in terms of Article 130 of the Company's Articles of Association and subject to approval by the respective stock exchanges for the primary and secondary listings contemplated in resolution 3 below, the Directors be and are hereby authorized to distribute to Shareholders registered as such on the Seed Co International Distribution Record Date, being 17 August 2018, by way of a dividend-in-specie, 242,313,440 (two hundred and forty two million three hundred and thirteen thousand four hundred and forty) Seed Co International Limited ordinary shares on the basis of one (1) Seed Co International Limited share for every one (1) Seed Co Limited share held. The Directors are authorized to transfer from such amounts from the Company's non-distributable reserves to distributable reserves as may be necessary to give effect to the dividend-in-specie distribution of Seed Co International Limited shares."			
2. Placement of 37,920,648 Seed Co International Limited ordinary shares for cash "That the Directors be and are hereby authorized to issue and allot 37,920,648 (thirty seven million nine hundred and twenty thousand six hundred and forty eight) ordinary shares, representing approximately 10% of Seed Co International Limited post the proposed placement, to Vilmorin & Cie at a cash subscription price of US\$0.5069 per share to enable Seed Co International to raise hard currency equity capital of approximately US\$19.2 million and Members hereby authorize the waiving by Seed Co Limited of its pre-emptive rights in Seed Co International Limited."			
3. Listing of Seed Co International Limited shares on the BSE and ZSE "That, subject to the passing of Resolution 1 (above) and approval by the Botswana Stock Exchange Listings Committee and the Zimbabwe Stock Exchange Listings Committee, the Directors of the Company be and are hereby authorized to facilitate the primary and secondary listing of Seed Co International Limited's shares on the Botswana Stock Exchange and the Zimbabwe Stock Exchange respectively."			
4. Maximum number of Directors Paragraph 79 of the Company's Articles of Association be amended to increase the maximum number of directors from twelve (12) to thirteen (13) as follows: <i>"UNTIL otherwise decided by the Company in general meeting the number of Directors shall be not less than four (4) not more than thirteen (13) and no Director shall be over the age of seventy (70) years."</i>			
5. Director's authority to give effect to the above resolutions "That the Directors' of the Company be and are hereby authorized to do all such things as may generally be necessary to give effect to the above Resolutions."			

Every person present and entitled to vote at the AGM shall, on a show of hands, have one vote only, but in the event of a poll, every share shall have one vote.

Signed at _____ on _____ 2018

Signature(s) _____

Assisted by me _____

Full name(s) of signatory/ies if signing in a representative capacity (see note 2). (PLEASE USE BLOCK LETTERS).

NOTES TO THE FORM OF PROXY

INSTRUCTIONS FOR SIGNING AND LODGING THIS FORM OF PROXY

1. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space provided, with or without deleting "the Chairman of the AGM", but any such deletion must be initialed by the Shareholder. The person whose name appears first on the form of proxy will, unless his/her name has been deleted, be entitled to act as proxy to the exclusion of those whose names follow.
2. A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that Shareholder in the appropriate space/s provided as well as by means of a cross whether the Shareholder wishes to vote, for, against or abstain from the resolutions. Failure to comply with the above will be deemed to authorize the proxy to vote or abstain from voting at the AGM as he/she deems fit in respect of the entire Shareholder's votes exercisable thereat. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/her proxy, or cast them in the same way.
3. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialed. Any alteration or correction must be initialed by the signatory/ies.
4. The Chairman shall be entitled to decline to accept the authority of a person signing the proxy form:
 - i. under a power of attorney
 - ii. on behalf of a company
unless that person's power of attorney or authority is deposited at the offices of the Company's transfer secretaries, or the registered office of the Company by 1100 hours on Tuesday, 7 August 2018.
5. If two or more proxies attend the meeting then that person attending the meeting whose name appears first on the proxy form and whose name is not deleted, shall be regarded as the validly appointed proxy.
6. When there are joint holders of shares, any one holder may sign the form of proxy. In the case of joint holders, the senior who tenders a vote will be accepted to the exclusion of other joint holders. Seniority will be determined by the order in which names stand in the register of members.
7. The completion and lodging of this form of proxy will not preclude the member who grants this proxy form from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such member wish to do so.
8. In order to be effective, completed proxy forms must reach the Company's transfer secretaries or the registered office of the Company by 1100 hours on Tuesday, 7 August 2018.
9. Please ensure that name(s) of the member(s) on the form of proxy and the voting form are exactly the same as those on the share register.
10. Please be advised that the number of votes a member is entitled to will be determined by the number of shares recorded on the Share Register by 1600 hours on Tuesday, 7 August 2018.

OFFICE OF THE TRANSFER SECRETARIES	REGISTERED OFFICE OF THE COMPANY
Corpserve Registrars Zimbabwe (Private) Limited 2 nd Floor, ZB Centre Corner First Street/ Kwame Nkrumah Avenue Harare, Zimbabwe Tel: +263-4-750 711 / 2 Email: corpserve@escrowgroup.org	Company Secretary Seed Co Limited No. 1 Shamwari Road Stapleford P.O. Box 64 Westgate Harare, Zimbabwe

