THIS PRE-LISTING STATEMENT IS IMPORTANT AND REQUIRES YOUR ATTENTION

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD IMMEDIATELY SEEK ADVICE FROM YOUR LEGAL ADVISER, ACCOUNTANT OR OTHER PROFESSIONAL ADVISOR.

SEED CO

The African Seed Company

COMPANIES & INTELLECTUAL PROPERTY AUTHORITY
REVENUE
27 SEP 2018
SIGN:
P.O.BOX 102
GABORONE, BOTSWANA

SEED CO INTERNATIONAL LIMITED

(Incorporated in Botswana on 07 July 2000 under company registration number 2000/3152)

("Seed Co International" or "the Company")

PRE-LISTING STATEMENT

REGARDING

the Primary Listing, by way of an introduction, of the issued share capital of Seed Co International Limited, comprising 379,331,127 (three hundred and seventy nine million three hundred and thirty one thousand one hundred and twenty seven) ordinary shares (each with equal rights with regard to voting, participation in profit and distribution of capital) on the Main Board of the Botswana Stock Exchange ("BSE").

Financial Advisors

CorporateExcellence
FINANCIAL ADVISORY SERVICES

BSE Sponsoring Brokers

IMARA
INVESTING IN AFRICA

Imara Capital Securities

ZSE Sponsoring Brokers

ABC Stockbrokers part of imara

(Member of the ZSE)

Legal Advisors fin Botswana

Collins Newman & Co.

Legal Advisors in Zimbabwe

Atherstone & Cook Legal Practitioners

Reporting Accountants

EY

Transfer Secretaries

Corpserve Botswana

Receiving Bankers in Botswana

Stanbic Bank
A member of Standard Bank Group

Date of Registration with CIPA: 27 September 2018

Advisor and Expert Consents

The Bankers, Financial Advisors, Legal Advisors, Sponsoring Brokers, Transfer Secretaries and Reporting Accountants, whose names are included in this Pre-Listing Statement, have given, and had not at the date of this Pre-Listing Statement withdrawn their written consents to the inclusion of their names in the capacities as stated.

IMPORTANT NOTICE

This Pre-Listing Statement ("PLS") is not an invitation to the public to subscribe for securities, but is issued in terms of the Listing Requirements of the Botswana Stock Exchange for the purpose of providing information about Seed Co International Limited ("Seed Co International" or "the Company") to potential investors.

The Directors, whose names are given on page 5 and details of which appear in the corporate information section of this document collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no other facts the omission of which would make any statement false or misleading, that they have made all reasonable enquiries to ascertain such facts and that the PLS contains all information required by law.

The Directors confirm that the PLS includes all such information within their knowledge as investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer and of the rights attaching to the securities to which the PLS relates.

Applications have been made to the Listings Committees of the BSE and the ZSE, which have respectively agreed to grant approval for a listing of the Company's shares on the Main Boards of the BSE and the ZSE. Dealings in the Company's shares will commence from 5 October 2018. The listing will be on the Main Boards of the BSE and the ZSE, under the abbreviated name SCIL and share code Seed Co International.

BSE and ZSE Disclaimer

Prospective investors in the equity of the Company, as with any other listed company should ensure that they fully understand the nature of the Company's operations, its valuation and the extent of their exposure to risks, and that they consider the suitability of the Company's shares as an investment in light of their own circumstances and financial position. The BSE and ZSE's approval of the listing of the Company's issued shares should not be taken as an indication of the merits of the Company. The BSE and ZSE have not verified the accuracy and truth of the contents of the documentation submitted to it and, the BSE and ZSE accept no liability of whatever nature for any loss, liability, damage or expense resulting directly or indirectly from the investment in the equity of the Company.

This Pre-Listing Statement has been registered with the Companies and Intellectual Property Authority of Botswana ("CIPA"). CIPA has scrutinized the information disclosed in this Pre-Listing Statement to ensure that it complies with statutory provisions and regulations of the

Companies Act of Botswana. CIPA does not express any view on the risk for investors or whatever nature for any loss, liability, damage or expense resulting directly or indirectly from investment in the Company's securities.

ADVISORS DISCLAIMER

The Financial Advisor and the Legal Advisors have not separately verified the information contained in this Pre-Listing Statement. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted, by these advisors as to the accuracy or completeness of the information contained in the Pre-Listing Statement or any other information provided by the Company.

Copies of the PLS (in English Only) and documents referred to under "Documents available for inspection", are available for inspection at the Registered Offices of Seed Co International Limited, Plot 70713, Phakalane, Gaborone in Botswana,or at No. 1 Shamwari Road Stapleford, Harare in Zimbabwe for 14 days from date of publication in Botswana on XNews of the Pre-Listing Statement.

CORPORATE INFORMATION

Seed Co International Limited

Directors

Morgan Nzwere*
John Matorofa*
Samson Ruwisi*
David Edward Beaumont Long
Neill Armstrong
Chance Kabaghe
Fermín Azanza
Michael Shongwe Ndoro
Frédéric Savin
Antoine Colombo
Pearson Gowero
Daniel Paul Francis Jacquemond
Remina Charity Davidzo Chitengu
Andrew Graeme Barron

*Executive

Company Secretary and Registered Office
Mr. E. Kalaote
Seed Co International Limited
Plot 70713, Phakalane
Gaborone, Botswana

Financial Advisors Corporate Excellence 3 Drummond Chaplin Street Milton Park, **Harare, Zimbabwe**	**Reporting Accountants** Ernst & Young Botswana Plot 22 2nd Floor UN Place Khama Crescent **Gaborone, Botswana**
Transfer Secretaries in Botswana Transaction Management Services (Pty) Ltd T/A Corpserve Botswana Unit 206, 2nd Floor, Plot 64516 Showgrounds Close, Fairgrounds P.O. Box 1583, AAD **Gaborone, Botswana**	**Transfer Secretaries in Zimbabwe** Corpserve Registrars Zimbabwe 2nd Floor ZB Centre Corner 1st & Kwame Nkrumah Avenue **Harare, Zimbabwe**
Legal Advisors in Botswana Collins Newman & Company Dinatla Court Plot 4863 PO Box 882 **Gaborone, Botswana**	**Legal Advisors in Zimbabwe** Atherstone & Cook Legal Practitioners Praetor House 119 Josiah Chinamano Avenue **Harare, Zimbabwe**
Sponsoring Brokers in Botswana Imara Capital Securities	**Sponsoring Brokers in Zimbabwe** BancABC Stockbrokers

Unit 6, 2nd Floor, Morojwa Mews Plot 74770, Western Commercial Road New CBD **Gaborone, Botswana**	Heritage House 67 Samora Machel Avenue **Harare, Zimbabwe**
Receiving Bankers Stanbic Bank Botswana Plot 50672 Off Machel Drive Fairgrounds Office Park **Gaborone, Botswana**	

Seed Co Limited

Company Secretary & Registered Office Mr. J. Matorofa Seed Co Limited No. 1 Shamwari Road Stapleford **Harare, Zimbabwe**	**Reporting Accountants and Auditors** Ernst & Young Zimbabwe Angwa City Cnr Julius Nyerere / Kwame Nkrumah Avenue **Harare, Zimbabwe**
Financial Advisors Corporate Excellence 3 Drummond Chaplin Street Milton Park **Harare, Zimbabwe**	**Sponsoring Brokers** BancABC Securities Heritage House 67 Samora Machel Avenue **Harare, Zimbabwe**
Legal Advisors Atherstone & Cook 7th Floor, Mercury House **Harare, Zimbabwe**	**Transfer Secretaries** Corpserve Registrars 2nd Floor, ZB Centre 56 Kwame Nkrumah Avenue **Harare, Zimbabwe**

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FORWARD-LOOKING STATEMENTS

This PLS includes forward-looking statements regarding Seed Co International. All statements, other than statements of historical facts, included in this PLS, including, without limitation, those regarding Seed Co International's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to Seed Co International's products and services), any statements preceded by, followed by or including the words "believes", "expects", "aims", "estimates", "anticipates", "may", "will", "should", "could", "intends", "plans", "seeks" or similar expressions, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause Seed Co International's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are inherently based on numerous assumptions regarding Seed Co International's present and future business strategies and the environment in which Seed Co International will operate in the future. The important factors that could cause Seed Co International's actual results, performance or achievements to differ materially from those in forward-looking statements include, but are not limited to, those discussed under "Key business risks". These forward-looking statements speak only as at the date of this Pre-Listing Statement. The Directors of Seed Co International expressly disclaim any obligation or undertaking to disseminate after distributing this Document any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any such forward-looking statement is based, unless required to do so by any legal obligation.

DEFINITIONS

In this Pre-Listing Statement 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.

'Constitution'	The Constitution of Seed Co International Limited adopted by special resolution on 31 August 2018 and registered with CIPA on 11 September 2018.
'Board' or 'Directors'	The Board of Directors of Seed Co International Limited.
'Botswana Stock Exchange' or 'BSE' or 'Bourse'	Botswana Stock Exchange.
CIPA	The Companies and Intellectual Property Authority of Botswana.
'Companies Act'	The Companies Act of Botswana (Chapter 42:01) as amended.
'Collins Newman & Co.' or 'Legal Advisors'	Collins Newman & Company, the Legal Advisors to Seed Co International in respect of the proposed Listing.
'Corporate Excellence'	The Financial Advisors to Seed Co International in respect of the proposed Listing.
'Corpserve Botswana' or 'Transfer Secretaries'	Transaction Management Services (Pty) Ltd, T/A Corpserve Botswana, Transfer Secretaries to Seed Co International.
'CSDB'	The central securities depository for Botswana operated by the Central Securities Depository of Botswana (Pty) Ltd under the auspices of the BSE.
'Ernst & Young Botswana' or 'the Reporting Accountants'	Ernst & Young Botswana, Auditors and Reporting Accountants to Seed Co International.
'IFSC'	The International Financial Services Centre of Botswana.
'Imara Capital Securities' or 'the Stockbrokers'	Imara Capital Securities, the Sponsoring Brokers to the proposed Listing of Seed Co International on the BSE.
'Limagrain'	Groupe Limagrain Holding S.A., a company controlled by Société Coopérative Agricole Limagrain, a French agricultural co-operative, which is a controlling and reference shareholder of Vilmorin & Cie SA which in turn is a 30% shareholder in Seed Co Limited.
'Listing' or 'Transaction'	The proposed listing of Seed Co International on the BSE by way of introduction.
'NAV'	Net Asset Value.
'Pre-Listing Statement' or 'PLS'	This Pre-Listing Statement.
'R & D'	Research and development.
'Seed Co Limited'	Seed Co Limited, a public company incorporated in Zimbabwe whose ordinary shares are listed on the Zimbabwe Stock Exchange and the current holding company of Seed Co International.
'Seed Co International' or 'the Company'	Seed Co International, a Botswana holding company with interests in seed breeding and marketing companies in a number of African countries, which is accredited as an International Financial Services Centre (IFSC) in terms of Section 138 of the Income Tax Act Cap 52:01 for Botswana which is the subject of this Pre-Listing Statement.
'Shareholders' or 'Members'	Holders of ordinary shares of Seed Co International.
'Special Resolution'	A resolution passed at a meeting of shareholders and approved by 75% in number and in value (seventy five percent) of the shareholders, present in person or by proxy and voting on the issue.
'Subsidiaries'	The subsidiaries of Seed Co International details of which are set out in Appendix 1.
'Vilmorin & Cie'	Vilmorin and Cie SA, an international seed business, controlled by Limagrain and listed on Euronext, that is also the single largest shareholder in Seed Co

	Limited and Seed Co International
'XNews'	The electronic communications platform of the BSE.
'Zimbabwe Non-Resident Shareholders'	Non-Zimbabwean holder(s) of Seed Co International shares, following the dividend-in-specie distribution of Seed Co International shares by Seed Co Limited, who is/are designated as "non-resident" in terms of the Zimbabwean Exchange Control Regulations.
'Zimbabwe Resident Shareholders'	Zimbabwean holder(s) of Seed Co International shares, following the dividend-in-specie distribution of Seed Co International shares by Seed Co Limited, who is/are designated as "resident" in terms of the Zimbabwean Exchange Control Regulations.
'ZSE'	The Zimbabwe Stock Exchange Limited, where Seed Co International shares will have a Secondary Listing.

SALIENT INFORMATION

This summary presents the salient information in relation to the proposed Listing of Seed Co International. The detailed information on the Company together with the terms and conditions of the proposed Listing are fully set out in this Pre-Listing Statement. Accordingly, this Pre-Listing Statement should be read in its entirety for a full appreciation of the proposed Listing by Introduction of Seed Co International on the BSE.

Rationale for the listing

The principal reasons for listing Seed Co International include:

- unlocking shareholder value following the partial unbundling of the Company out of Seed Co Limited by way of a dividend-in-specie distribution;
- enhancing capacity to raise capital to finance R & D, growth and expansion opportunities in the seed business in Africa and beyond;
- strengthening and enhancing the visibility of the Company's brand and regional operations to the investing community; and
- unlocking, growing and preserving shareholder value by creating liquidity for the trading and valuation of the Company's shares.

Financial highlights

The following are abridged consolidated financial statements of Seed Co International for the years ended 31 March 2016, 2017 and 2018:

Abridged consolidated statements of profit or loss

Seed Co International	Audited		
Abridged consolidated statements of profit or loss	2018 US$'000	2017 US$'000	2016 US$'000
Revenue	**64 380**	**75 347**	**68,650**
Cost of goods sold	(31 697)	(35 542)	(35,323)
Gross profit	**32,683**	**39,805**	**33,327**
other income	1 602	741	3,510
Impairment of associate investment	(2,478)	(5,481)	-
Operating expenses	(21,978)	(21,806)	(20,159)
EBITDA	**9,829**	**13,259**	**16,678**
Depreciation	(2,464)	(2,242)	(1,688)
EBIT	**7,365**	**11,017**	**14,990**
Net finance costs	(2,077)	(2,947)	(935)
Share of loss from an associate	(1)	(323)	(308)
share of loss from a joint venture	(11)	-	-
Profit before income tax	**5,276**	**7,747**	**13,747**
Income tax	(784)	(2,031)	(1,528)
Profit for the year	**4,492**	**5,716**	**12,219**

Abridged consolidated statements of financial position

Seed Co International	Audited		
Abridged consolidated statements of financial position	31-Mar-18 US$'000	31-Mar-17 US$'000	31-Mar-16 US$'000
ASSETS			
Non-current assets	43,982	35,056	35,047
Current assets	76,586	85,601	69,963
Total assets	**120,568**	**120,657**	**105,010**
EQUITY & LIABILITIES			
Total equity	**80,272**	**70,820**	**61,674**
Non-current liabilities	2,040	1,304	4,075
Current liabilities	38,256	48,533	39,261
Total liabilities	**40,296**	**49,837**	**43,336**
Total equity & liabilities	**120,568**	**120,657**	**105,010**

Listing on BSE

The BSE has agreed to the Listing of the entire issued share capital of Seed Co International comprising 379,331,127 ordinary shares of no par value on the Main Board of the BSE under the abbreviated name "Seed Co International". It is anticipated the Listing will take place with effect from the commencement of trade on 5 October 2018.

Other listings

The issued shares of the Company will have a Secondary Listing on the Zimbabwe Stock Exchange.

Details of Listing

The BSE has granted approval to the Company for the Primary Listing of all of the issued shares of the Company, on the Main Board of the BSE as follows:

Abbreviated name:	SCIL
Share code:	Seed Co International
ISIN:	BW 000000 2005
Issued shares:	The issued shares of the Company shall comprise 379,331,127 (three hundred and seventy nine million three hundred and thirty one thousand one hundred and twenty seven) ordinary shares of no par value each, which are of the same class and rank *pari passu* in every respect.

Fungibility:

There shall be cross movement of Seed Co International ordinary shares between the BSE and the ZSE subject to the unbundling and dual-listing approval conditions for Seed Co International as stipulated by the Reserve Bank of Zimbabwe.

Whilst some restrictions will apply in respect of the movement of Seed Co International ordinary shares by Zimbabwean Resident Shareholders from the ZSE to the BSE, Seed Co International ordinary shares shall move freely from the BSE to the ZSE. The restrictions on the movement of Seed Co International ordinary shares from the ZSE to the BSE shall be monitored by the Zimbabwean Transfer Secretaries in liaison with Stock Brokers in Zimbabwe. Accordingly, Zimbabwean Resident Shareholders are advised to consult their Stock Brokers and the Company's Zimbabwe Transfer Secretaries for permissibility and conditions each time they consider moving their Seed Co International Shares from the ZSE for trading on the BSE.

Important dates

Event	**Date**
Seed Co International Abridged Pre-Listing Statement published	Thursday, 4 October, 2018
Seed Co International Primary Listing on the BSE	Friday, 5 October, 2018
Seed Co International Secondary Listing on the ZSE	Friday, 5 October, 2018

PART A: SEED CO INTERNATIONAL HISTORY AND BACKGROUND

1. Background information

Seed Co International was incorporated on 7 July 2000 in Botswana under the International Financial Services Centre. It is registered under company registration number 2000/3152. The Company was a wholly-owned subsidiary of Seed Co Limited, a company incorporated and domiciled in Zimbabwe, until 9 August 2018 when the shareholders of Seed Co Limited approved the unbundling and separate listing of Seed Co International. Seed Co International was partially-unbundled through a dividend-in-specie of its shares to Seed Co Limited shareholders. Seed Co Limited retained a 26% shareholding in Seed Co International.

Seed Co International is a holding company of seed businesses in various countries falling under the "Seed Co" brand in Africa, excluding Zimbabwe.

2. Overview of operations

2.1 Nature of business

Seed Co International is one of the leading certified seed companies authorized to market seed varieties developed by itself, government and other associated seed breeders in its markets. From years of intensive investment in R&D, the Company is involved in the breeding, multiplication and distribution of mainly hybrid seed varieties for the following crops:

- maize;
- wheat;
- soya beans;
- sugar beans;
- cowpeas;
- sorghum;
- groundnuts; and
- vegetables.

The Company's seed products are the end result of long-term scientific breeding programs. They are designed to add value to every farming operation where they apply, since they bring with them appropriate immunity, resistance or tolerance to diseases and reliable high yield performance. All Seed Co International's hybrids and seed varieties are protected under the Plant Breeders Rights legislation in the various jurisdictions where the Company operates.

2.2 Operations in Africa

The main business of Seed Co International is the production and marketing of certified cereal and vegetable seeds. The Company has registered operations in the following countries:

i. Botswana;
ii. Ghana;
iii. Kenya;
iv. Malawi;
v. Nigeria;
vi. Rwanda;
vii. South Africa;
viii. Tanzania; and
ix. Zambia.

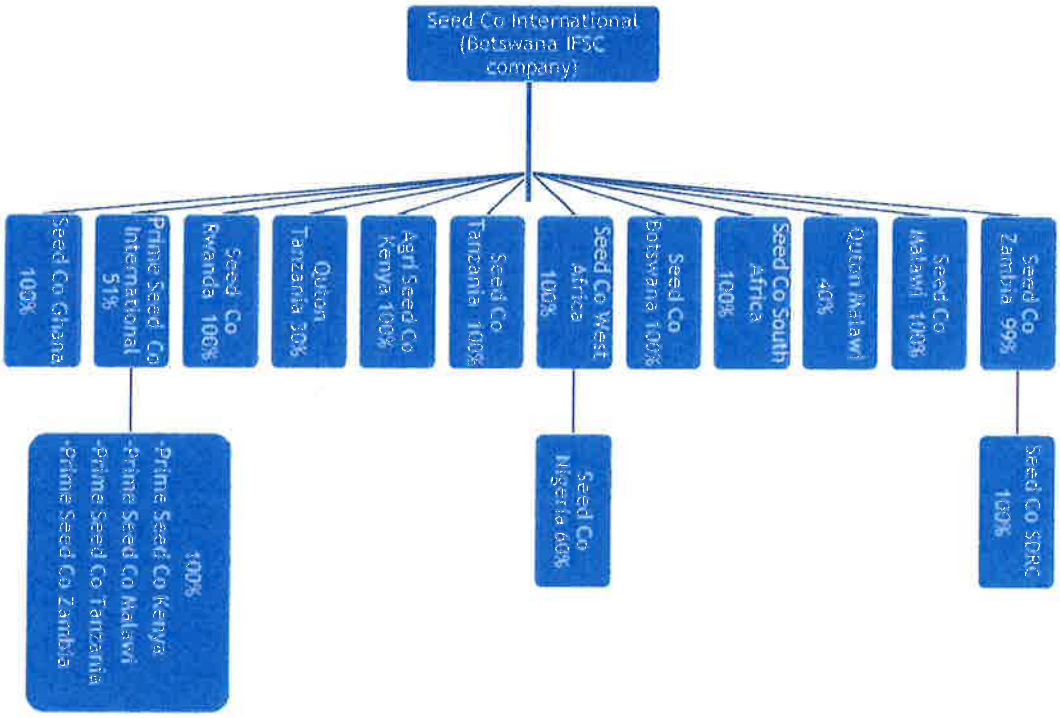
In addition, the Company's products are also currently being distributed in the following countries:

i. Democratic Republic of Congo (DRC);
ii. Ethiopia;
iii. Lesotho;
iv. Swaziland; and
v. Uganda.

Seed Co International runs the largest single out-grower scheme in the seed business in Africa and has the most extensive network of farmers, infrastructure, resources, geographical reach and know-how.

2.3 Corporate structure

The corporate structure of Seed Co International is as illustrated in the chart below:



2.4 Overview of country operations

Seed Co International has managed to grow its presence in its market segment across Africa leveraging its brand equity and superior seed products with multi-geography adaptability characteristics. The Company, in partnership with Limagrain's affiliate, HM. Clause, is also venturing into the breeding and distribution of vegetable seed business on the African continent.

Below is an overview of the key markets where Seed Co International has a presence:

2.4.1 Seed Co Zambia

Seed Co Zambia is the leading operation of Seed Co International, contributing approximately 40% of consolidated annual revenue to Seed Co International. It is one of Zambia's leading players in the agricultural sector and it is involved in crop seed research, production, processing, distribution and marketing. Seed Co Zambia's flagship seed products include hybrid seed maize, wheat and soya bean. The business unit also markets sorghum, sugar beans, groundnuts and vegetables seeds.

Taking advantage of the unique location of Zambia in the region and Zambia's diverse agro-ecological environments, Seed Co International has invested in 2 research stations to maximise germplasm screening and development of varieties with diverse adaptability to suit Zambia and other countries in the region with similar environments. One research station is located in Mpongwe district on the Copperbelt where disease pressure and rain are very high while the other station is located in Lusaka, which is the most productive agro-region of Zambia. This placement gives Seed Co International a competitive edge not only in Zambia but the region as well.

The company operates a centralised processing factory in Lusaka with a packing capacity of over 300 metric tons per day. This gives the business unit great efficiency in meeting big seed orders within a short period to serve Zambia and other regional markets. With the distribution network anchored around the 8 depots that are strategically located across the country seed has been taken closer to the farmers. The depots are supplemented by a network of appointed stockists in almost every district.

Seed Co Zambia exports seed to most of the countries in the COMESA and SADC regions such as Tanzania, Malawi, Rwanda, Zimbabwe, Botswana and the Democratic Republic of Congo. Others include Kenya, Uganda, Angola, Swaziland and South Africa.

Seed industry in Zambia

Seed provision in Zambia is governed by the Plant Variety and Seeds Act (CAP 236). The legislation empowers the Seed Control and Certification Institute (SCCI), a department under the Ministry of Agriculture and Cooperatives (MACO), to enforce it. SCCI is also the administrator of the Plant Breeder's Rights Act (no. 18 of 2007) which aims at promoting development of new plant varieties. The duties of SCCI are implemented through the following activities of the Institute:

a) variety testing, registration and protection;
b) seed systems and inspections; and
c) laboratory seed testing.

SCCI has an adequate establishment of qualified personnel to professionally carry out these activities.

Seed Co Zambia faces direct and indirect competition from global seed giants, regional and local seed companies as well as covert competition from fake, recycled and smuggled seed.

2.4.2 Agri-Seed Co Kenya

Agri–Seed Co Kenya is one of the key business units of Seed Co International, which contributes approximately 17% of consolidated annual revenue of Seed Co International. The business unit is involved in crop seed research, production, processing, distribution and marketing. Its flagship seed products include hybrid seed maize, sorghum and vegetable seeds.

Agri–Seed Co recently commissioned a seed drying and processing plant in Kitale. The plant will enable the business to meet the increasing demand of the Seed Co varieties popular in the Kenyan highlands and also in demand in Uganda and Rwanda.
Seed Co Kenya seeks to leverage on information and technology and the R&D resources at its disposal to provide MLND and Striga resistant varieties for the Kenyan highlands, whilst continuing to develop the product depth and range.

Seed industry in Kenya

The Kenyan seed industry can be split into two, the formal and the informal categories. The formal sector focuses on the breeding, producing, distribution and marketing of certified seed. The seed is certified by the Kenyan Plant Health Inspectorate Services (KEPHIS), whilst the government is responsible for regulation amongst other services. The informal sector produces non-certified seeds by and for the farmer.
In Kenya there are 22 active crop seed companies. The seed market is dominated by the government-owned Kenya Seed Company which has an estimated 69% of the market share. The remainder is shared amongst private sector competitors.

Formal seed producers also face the indirect competition of fake seeds, illegal repackaging of seeds and the selling of expired seeds.

2.4.3 Seed Co Malawi

Seed Co Malawi produces and markets various cereal and legume crop seeds to the farming communities in Malawi. The business unit is involved in crop seed research, production, processing, distribution and marketing. Its flagship seed products include hybrid seed maize, soya beans, groundnuts and vegetable seeds. Seed Co Malawi currently commands 19% of the formal market share in Malawi.

Seed Co Malawi has a production plant in Lilongwe with adequate capacity to provide seed to customers timeously. Seed Co Malawi is positioned to take advantage of the key role played by agriculture in Malawi. Agriculture is the main determinant of economic performance in Malawi contributing around 30% of Gross Domestic Product ("GDP"). It also drives growth in the other sectors, particularly manufacturing.

Seed industry in Malawi

Similar to most seed industries in Africa the seed industry in Malawi is characterized by the presence of national and multinational seed companies. This private seed sector is supported by an enabling environment, in which the Seed Services Unit (SSU) of the Department of Agricultural Research Services (DARS) is responsible for quality control and certification.

The seed sector of Malawi is further characterized by the strong promotion of hybrid maize seed that is distributed to small-scale farmers, through agro-input dealers. The industry comprises of 20 seed companies including Seed Co Malawi. Formal players also face indirect and covert competition from non-certified seeds as well as fake and illegal seeds.

2.4.4 Seed Co Tanzania

Seed Co Tanzania is of one of Tanzania's prominent players in the seed industry. It is involved in crop seed research, production, processing, distribution and marketing. Its flagship seed products include hybrid seed maize, wheat and soya beans.

Seed Co Tanzania has 2 (two) processing plants in the northern and southern regions of Tanzania which service the distribution depots across the country. The Northern plant produces 300S; 400S; 500S and 600S varieties which are distributed in the western, northern and southern regions of Tanzania. Whilst the processing plant in the south produces 6-800s varieties and services the north and south regions.

Seed industry in Tanzania

The seed Industry is governed by 3 (three) pieces of legislation which include Plant Breeders' Rights Act, Tanzanian Seeds Act of 2003 and the Seeds Regulations of 2007. The last 2 are under review to accommodate related legislation such as the Plant Breeders' Rights Act of 2012, regional and international instruments and recommended areas of the review of the legal and institutional framework of the seed industry in Tanzania.

The industry is split into formal and informal seed industry. The majority of the small scale farmers use seed from the informal sector. The formal sector is made up of 6 main players and Seed Co Tanzania commands a large share of the formal market. The dominance of the informal sector presents immense scope for adoption of certified seeds through increased awareness and promotion activities.

2.4.5 Botswana, South Africa and Swaziland (Common Customs Union)

These 3 country operations form the 'CCU' business segment of Seed Co International. The CCU through Seed Co South Africa has 2 (two) research stations, in Potchefstroom South Africa and Malalane in Mpumalanga South Africa.

For the CCU market, R&D efforts have been channelled towards the introduction of drought and disease resistant dry beans, wheat and soya hybrids.

Overview of the Seed sector in 'CCU'

There are 3 (three) main suppliers of seed in Botswana and these are Seed Co International, Cross-corn and Zambia Seed Company. Seed Co Botswana has the lion's share of the Botswana seed market with 54% market share.

The South African seed market, unlike most African countries, mostly serves the commercial farmers and does not cater much for the small scale farmers. There are 72 (seventy two) registered seed companies that are full members of the South African National Seed Organisation ("SANSOR"). 37 (Thirty-seven) companies deal in all the 4 (four) focal crops i.e. maize, soya beans, sunflower and wheat; 17 (seventeen) sell maize seed, 11 (eleven) soya beans, 9 (nine) sunflowers and 7 (seven) wheat. The other 28 (twenty-eight) companies work with other crops, including vegetables. South Africa is a fairly new market for Seed Co International and it is still working on establishing the operations, with promising prospects.

There are 5 (five) seed companies in Swaziland and Seed Co's main competitor is Pannar. The seed sector in Swaziland is governed by the 1981 Plant Control Act, the 1993 National Seed Policy and Plan, the Seed and Plant Varieties Act, 2000 (Act No. 7 of 2000) and the Seed and Plant Varieties Regulations, 2002.

2.5 Three-year consolidated financial information summary

Set out below is a summary of Seed Co International's consolidated financial statements for the years ended 31 March 2018, 2017 and 2016. The summary financial information has been extracted from the annual historical financial statements of Seed Co International audited by Goel & Associates and reviewed by Ernst and Young (Botswana), firm of Chartered Accountants, as Reporting Accountants for the purposes of this Pre-listing Statement.

Seed Co International Statements of profit or loss	Audited Group		
	2018 US$'000	2017 US$'000	2016 US$'000
Revenue	**64 380**	**75 347**	**68,650**
Cost of goods sold	(31 697)	(35 542)	(35,323)
Gross profit	**32,683**	**39,805**	**33,327**
other income	1 602	742	3,510
Operating expenses	**(26,921)**	**(29,529)**	**(21,847)**
Selling &distribution costs	(8 731)	(8 285)	(7,650)
Administrative cost	(12 235)	(12 013)	(10,768)
Research costs	(3 477)	(3 750)	(3,429)
Impairment	(2,478)	(5 481)	-
Operating profit before interest & tax	**7,364**	**11,018**	**14,990**
Finance costs	(2,631)	(3,653)	(2,485)
Finance income	554	706	1,550
Share of loss from an associate	(1)	(323)	(308)
Share of loss from a joint venture	(11)	-	-
Profit before income tax	**5,275**	**7,748**	**13,747**
Income tax	(784)	(2,031)	(1,528)
Profit for the year	**4,491**	**5,717**	**12,219**
Other comprehensive income net of tax			
Items that will not be reclassified subsequently to profit & loss net of tax:			
Gain on revaluation of property, plant & equipment	-	-	6,729
Items that may be reclassified subsequently to profit & loss net of tax:			
Exchange differences on translating foreign operations	1,144	12,661	(20,512)
Share of other comprehensive loss of joint venture	(10)	-	-
Other comprehensive income for the year net of tax	1,134	12,661	(13,783)
Total comprehensive income for the period	**5,625**	**18,378**	**(1,564)**
Attributable to:			
Equity holders of the parent	5,633	18,378	(1,564)
Non-controlling interest	(8)	-	-
	5,625	**18,378**	**(1,564)**

Seed Co International Statements of financial position	Audited Group		
	31-Mar-18 US$'000	31-Mar-17 US$'000	31-Mar-16 US$'000
ASSETS			
Non-current assets	**43,982**	**35,056**	**34,919**
Property, plant & equipment	41,851	34,961	32,438
Investments in associates	-	1	324
Investment in a joint venture	1,144	-	-
Deferred tax assets	987	94	2,157
Current assets	**76,586**	**85,600**	**70,091**
Inventory	12,636	12,978	15,809
Biological assets	689	213	128
Current tax asset	1,007	124	-
Dues from group companies	11,696	9,285	-
Trade & other receivables	34,144	41,690	34,405
Cash & cash equivalents	16,414	21,310	19,749
TOTAL ASSETS	**120,568**	**120,656**	**105,010**
EQUITY & LIABILITIES			
Stated capital	18,585	18,585	18,585
Revaluation reserve	13,792	10,820	19,052
Foreign currency translation reserve	(22,588)	(23,732)	(36,393)
Accumulated profit	70,418	65,146	60,430
Equity attributable to equity owners of the parent	**80,207**	**70,819**	**61,674**
Non-controlling interest	65	-	-
Total equity	**80,272**	**70,819**	**61,674**
Non-current liabilities	**2,040**	**1,304**	**4,075**
Deferred tax liability	2,040	1,033	2,840
Long-term loans	-	271	1,235
Current liabilities	**38,256**	**48,533**	**39,261**
Amounts owed to group companies	3,381	3,307	5,127
Provisions	1,207	1,311	4,280
Trade & other payables	4,719	6,417	4,003
Short-term loans	28,940	36,890	25,411
Current tax liability	9	608	440
Total liabilities	**40,296**	**49,837**	**43,336**
TOTAL EQUITY & LIABILITIES	**120,568**	**120,656**	**105,010**

Seed Co International Statements of cash flows	Audited Group		
	2018 US$'000	2017 US$'000	2016 US$'000
Cash flows from operating activities			
Profit before tax	5,275	7,748	13,747
Non-cash adjustments to reconcile profit before tax to net cash flows:			
Finance income	(554)	(706)	(105)
Finance cost	2,631	3,653	2,485
Depreciation	2,464	2,241	1,688
Share of loss from associates	1	323	308
Share of loss from joint venture	21	-	-
Profit on disposal on non-current assets	(20)	(123)	(52)
Impairment of investment in associate	2,478	5,481	-
Unrealised exchange gains	(279)	(13,312)	(179)
Surplus before working capital changes	**12,017**	**5,305**	**17,892**
Working capital adjustments:			
(Increase)/decrease in inventories	342	2,831	(2,777)
Increase in biological assets	(476)	(85)	(128)
Increase in other current financial assets	(883)	(124)	(4,503)
Decrease in trade & other receivables	7,295	6,924	1,882
Decrease in trade & other payables	(2,074)	(451)	(1,676)
Increase in current tax liability	(599)	-	176
Cash generated from operations	**15,622**	**14,400**	**10,866**
Interest received	554	706	105
Interest paid	(2,631)	(3,653)	(2,485)
Income tax paid	(1,686)	(2,072)	(1,411)
Net cash flows from operating activities	**11,859**	**9,381**	**7,075**
Investing activities			
Purchase of property plant & equipment	(5,578)	(4,369)	(4,224)
Proceeds from disposal property plant & equipment	270	182	253
Investment in joint venture	(1,165)	-	-
Introduction of non-controlling interest equity	697	-	-
Exchange differences on foreign conversions	-	-	(3,255)
Net cash flows from investing activities	**(5,776)**	**(4,187)**	**(7,226)**
Cash flows from financing activities			
Loans to Group companies	(3,288)	(7,752)	-
Dividend paid to equity holders of the parent	-	(1,000)	-
Net loans (repaid) / raised	(8,221)	10,515	(7,731)
Net cash flows used in financing activities	**(11,509)**	**1,763**	**(7,731)**
Net (decrease)/ increase in cash & cash equivalents	(5,426)	6,957	(7,882)
Effects of exchange rate changes on cash & cash equivalents	530	434	-
Cash & cash equivalents at the beginning of the period	21,310	13,919	3,101
Cash & cash equivalents at end of period	**16,414**	**21,310**	**(4,781)**

Seed Co International Group statement of changes in equity	Attributable to the owners of the parent					Non-controlling interest	Total equity
	Share capital	Revaluation reserve	Foreign currency translation reserve	Retained earnings	Total		
	US$	US$	US$	US$	US$	US$	US$
As at 31 March 2015	**18,585**	**12,607**	**(15,881)**	**49,182**	**64,493**	-	**64,493**
Profit for the year	-	-	-	12,219	12,219	-	12,219
Other comprehensive income	-	(284)	(20,512)	-	(20,796)	-	(20,796)
Total comprehensive income	-	(284)	(20,512)	12,219	(8,577)	-	(8,577)
Realisation of revaluation reserve through use	-	6,730	-	-	6,730	-	6,730
Share based payments					-		-
As at 31 March 2016	**18,585**	**19,053**	**(36,393)**	**61,401**	**62,646**	-	**62,646**
Restatement due to prior period error	-	-	-	(970)	(970)		(970)
Restated at 31 March 2016	**18,585**	**19,053**	**(36,393)**	**60,431**	**61,676**	-	**61,676**
Revaluation during the period	-	(8,233)	-	-	(8,233)	-	(8,233)
Profit for the year	-	-	-	5,716	5,716	-	5,716
Dividend	-	-	-	(1,000)	(1,000)	-	(1,000)
Exchange differences on translating foreign operations	-	-	12,661	-	12,661	-	12,661
As at 31 March 2017	**18,585**	**10,820**	**(23,732)**	**65,147**	**70,820**	-	**70,820**
Profit for the year	-	-	-	4,488	4,488	(7)	4,481
Other comprehensive income	-	-	1,144	-	1,144	-	1,144
Total comprehensive income	-	-	1,144	4,488	5,632	(7)	5,625
Transferred to non-controlling interest	-	-	-	625	625	(625)	-
Non-controlling equity interest	-	-	-	-	-	697	697
Realisation of revaluation reserve through use	-	(158)	-	158	-	-	-
Revaluation during the period	-	3,478	-	-	3,478	-	3,478
Deferred tax on revaluation	-	(348)	-	-	(348)	-	(348)
As at 31 March 2018	**18,585**	**13,792**	**(22,588)**	**70,418**	**80,207**	**65**	**80,272**

PART B: OVERVIEW OF THE AGRICULTURE SECTOR AND SEED INDUSTRY IN AFRICA

3. Agriculture in Africa

Agriculture is the largest economic sector in Africa projected to become a US $1 trillion industry in Sub-Sahara Africa by 2030 (Spintelligent, 2014). Africa's economy is inherently dependent on agriculture as more than 60% of its 1.166 billion people live in rural areas. Africa has the land, water and people needed to be an efficient agricultural producer – and to feed an expanding urban population. Sub-Saharan Africa is home to nearly half of the world's uncultivated land that can be brought into production. Whilst, according to World Bank statistics, more than 32% of the continent's GDP comes from the agricultural sector, the potential of agriculture is far from being fully explored as the continent is yet to fully adopt hybrid seeds, yield improving and weed fighting agrochemicals, farm mechanisation, all-year cropping using irrigation. Agriculture in Africa also experiences basic infrastructural problems such as access to markets and financing.

3.1 Key drivers in the Agriculture sector in Africa

- Agricultural growth in Africa is driven by the rapidly expanding population which is forecasted to increase to 2.1 billion by 2050 (22% of the world). Africa's population is currently estimated at around 950 million people which translates to about 13% of the world's population.
- The agricultural sector provides most of the employment in Africa with smallholder farmers constituting 80% of the farmers in Sub-Saharan Africa.
- Land availability, favourable weather conditions, government and donor support have been the core drivers of performance of the agricultural value chain in Africa.
- Land is a finite resource globally. It is estimated that only 1.6 billion hectares out of the available 13 billion hectares of land is under farmland production. Some 18% of the global farmland is in Africa.
- Improvements in infrastructure and mechanisation continue to grow the vast agricultural opportunities available in Africa.
- Africa's agricultural industry has immense potential for growth. Growth is supported by the exploitation of undeveloped arable land and the increase in the adoption of high-yielding, disease tolerant and drought resistant hybrid seeds which Seed Co International is positioned to take advantage of through quality products backed by robust R&D.

3.2 Global and African seed market overview

- The growth of the global seed market is driven by technological advancements in agriculture, requirement to increase food production, and upsurge in investments in irrigation. In addition, increasingly accommodative regulatory stances are anticipated to supplement market growth.
- The global seed market is projected to witness a compounded annual growth rate (CAGR) of 7.82% during the forecast period to reach a total market size of US$99.04 billion by 2022, increasing from US$67.97 billion in 2017 according to Research and Markets.
- The African seed market is expected to grow the fastest going forward, owing to surge in population, rise in disposable income, growing adoption of certified hybrid seeds, and increased and efficient utilisation of idle land through mechanisation and irrigation as well as the general improvement of the Continent's agricultural sector.
- The uptake of certified seed is still low in most African markets and this presents significant opportunities for formal seed players to grow their businesses through increasing awareness of the benefits of certified hybrids.
- However, lower acceptance of genetically modified crops in most African countries and trade barriers hinder market growth.

3.3 African seed market dynamics/developments

The table below summarises the key dynamics and developments in the African seed industry:

Seed system changes	• The sub-Saharan seed systems is mainly dominated by the informal seed production. This brings a major challenge in terms of consistency in the quality of seed; • There are efforts being taken to formalise the regulation of the seed industry; and • The market is witnessing the shift from farmer managed systems and rise in the adoption of certified seeds.
Local market capability	• Seed companies have entered into partnerships with international companies to enhance breeding

	capabilities.
Seed industry regulations	• Stakeholders are working together in order to identify policy gaps and promote adoption of harmonised seed standards, regulations, procedures and intellectual property rights regimes; and • The African Seed Access Index has been tasked to monitor Africa's seed sector and its stakeholders across Sub-Saharan Africa.
Government input subsidies	• Subsidies serve as a distribution channel for hybrid seeds; and • Input subsidy schemes contribute a significant portion of seed company revenues. Therefore any change in subsidy schemes will have a significant impact of revenues and profitability
Consolidation in global agro-inputs markets	• Industry playing fields have changed as large companies are consolidating market share through mergers.
Entry of multinationals (MNC)	• International agro-input companies have taken up significant stakes in African seed companies as a means of penetrating the African seed market; and • MNCs strong research capabilities and understanding of the unique characteristics of the markets they are in will play a pivotal role in their success.
Access to Africa and agriculture	• Bureaucratic difficulties and competition in the region is rendering companies to seek entry via acquisitions rather than starting up new operations; • Regulatory and competitive reforms aimed at improving the ease of business; and • Industry attracting and set to continue significant investments.

4. Prospects for Seed Co International

This separate Listing is part of the strategy to achieve the "African Seed Company" vision by setting Seed Co International on the path for exponential growth as a result of being better equipped and capacitated to:

- report independently and transparently to its stakeholders for ease of independent market valuation;
- attract focused capital to recapitalize the business whenever necessary;
- 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 weather pattern changes;
- replicate the vegetable seed business already established in Zimbabwe in the region;
- acquire 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
- unlock shareholder value.

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

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

5. Key business risks faced by Seed Co International

Seed Co International is in the agricultural industry as it is a producer and marketer of certified crop seeds. It also has operations in several countries in Africa. Due to its business model and line of business it faces a myriad of risks, mainly financial, political, climatic and industry-related risks.

The risks have been summarised below:

Risk	Risk description	Mitigation
Political, Economic, Exchange Rate and Regulatory Changes	• SCI operates in several markets that all have varying amounts of risk; • Market volatility in inflation, interest and exchange rates in one or more markets has a significant bearing on revenue and profitability; and • susceptibility to regulatory and tax regime changes applicable in countries and trading blocs.	• Geographic and product diversification of the company assists in absorbing such shocks
Weather and Diseases	• climate change effects on crop production (area, intensity and yield), which affects sales and profitability; • risk of natural disasters; and • Maize lethal Necrosis disease (MLN) in East Africa.	• Seed Co brands are resistant to MLN; and • Mitigation also includes diversification and marketing in other unaffected areas.
Market, pricing and competition risk	• Price changes in the international market can impact local markets due to stocks held, leading to margins fluctuations; • Inadequate testing of products by suppliers can lead to the introduction of inferior products; • competition from foreign seed and chemical companies which have greater financial, research and development and marketing capacity; and • industry changes through mergers and acquisitions, and increase in adoption of agro-tech.	• Seed Co has built strong brands and the significant cost and time required in certification reduce competition risk; and • Increase marketing, breeding capabilities with germplasm and enhanced research and development will be used to keep a competitive and leading edge.
Receivables risk	• Risk emanates from management of cash and trade receivables; and • Governments and agro-vets distributors are the main sources of such risks.	• Adoption of stringent credit risk management frameworks; and offer discount incentives and sales staff incentives to push for early payment.

6. **Corporate governance**

The Company through its directors is committed to the principles of good corporate governance and best practices guided by the BSE Code of Corporate Governance. The board is responsible to the shareholders for the governance of the entity. The Company is committed to acting with utmost good faith in all its dealing with all stakeholders. Guided by a corporate governance manual that has been but in place which sets out in detail, the elementary corporate governance principles which will be diligently followed by Seed Co International.

The Board currently comprises three (3) Executive Directors and eleven (11) Non-Executive Directors. The Board is responsible for giving direction to the Company through setting the overall strategy, key policies and risk and compliance parameters.

In line with principles of good corporate governance enshrined in the BSE Code of Corporate Governance, the Company will after Listing co-opt new Directors as necessary.

The Directors will be assisted by four (4) Board Committees that will meet regularly to execute their mandates. These committees will include the:

a) **Audit and Finance Committee** which 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.
b) **Remuneration Committee** which is responsible for setting the remuneration of executive directors and senior management including granting of share options; and
c) **Nominations Committee** which is responsible for identification and recommendation of potential directors of the Company.
d) **Strategic Committee** which is responsible for strategy formulation, implementation oversight and monitoring.

7. Board constitution

The full names, ages, nationalities, addresses, and occupations of the Directors of the Company are:

Director	Age	Nationality	Residential address	Position:
David Edward Beaumont Long	67	Zimbabwean	31 Nigel's Lane, Chisipite, Harare, Zimbabwe	Non-Executive Chairman
Morgan Nzwere*	52	Zimbabwean	145 North Road, Sandton, Johannesburg, South Africa	Group Chief Executive Officer
John Matorofa*	50	Zimbabwean	54 Pringle Road, Mandara, Harare, Zimbabwe	Group Finance Director
Samson Ruwisi*		Zimbabwean [Botswana Resident]	Plot 53188 Semarule Close, Phakalane, Gaborone, Botswana	Executive Director
Neill Armstrong	68	Irish [Botswana Resident]	Plot 10299 Eland Road, Maruapula, Gaborone, Botswana	Non-Executive Director
Fermín Azanza	53	Spanish	38 Allee Charles de Gaulle, 31340 Villemur sur Tarn, France	Non-Executive Director
Chance Kabaghe	64	Zambian	26A Kabulonga, Lusaka, Zambia	Non-Executive Director
Antoine Colombo	52	French	15 Rue Pierre Mazuer, 63200 Riom, France	Non-Executive Director
Michael Shongwe Ndoro	53	Zimbabwean	19B Wayhill Lane East Umwinsdale, Harare, Zimbabwe	Non-Executive Director
Frédéric Savin	57	French	12 Rue Du Paradis, Aubiere, France	Non-Executive Director
Pearson Gowero	60	Zimbabwean	2343 Enterprise Road, Glen Lorne, Harare, Zimbabwe	Non-Executive Director
Daniel Paul Francis Jacquemond	61	French	16 Hameau De Bellevue, Rue Adrien Cavy,03700 Bellerive Sur Allier, France	Non-Executive Director
Remina Charity Davidzo Chitengu	47	Zimbabwean	209 Janseen Close, Mount Pleasant, Harare, Zimbabwe	Non-Executive Director
Andrew Graeme Barron	59	British	Mbadzi Estate, P.O Box 50, Lilongwe, Malawi	Non-Executive Director
*Executive				

Details of other companies of which the Directors are directors appear in Appendix 2.

8. Directors' profiles:

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

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 is qualified as 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 of organisations that include the Lonrho Group, Zimbabwe Newspapers and PG Industries.

Samson Ruwisi – Group Treasurer & CCU General Manager
A holder of a Masters Degree in Banking from the University of London, Sam is a highly accomplished and results driven agriculture and financial management executive with over 18 years of broad and diversified experience in commodity financing, trade and project financing, and international trade. Sam joined the Seed Co Group in 2012, and is currently responsible for the Common Customs Union markets for the Group, as well as handling the Group Treasury Functions. Sam has previously held senior corporate positions in the banking sector in Southern Africa, as well as the agriculture industry.

Neill Armstrong – Non-Executive Director
Neil Armstrong has been the Chairman of Seed Co Botswana since 2000 and is currently a Partner at a law firm, Collins Newman & Co. He is a corporate lawyer with over 35 years' experience. He served as an independent consultant since 2010 as well as being senior partner at Armstrongs Attorneys. He also served as a Convener and Chairman of the Disciplinary Committee of the Botswana Law Society and the Appeals Tribunal of the Botswana National Sports Council for seven years. He holds BA and LLB from the University of Stellenbosch in South Africa.

He has served as Counsel to the majority of listings on the BSE and to institutions and corporates, listed and unlisted in Botswana. He has served as director on the board of a listed company.

Michael S. Ndoro - Non-Executive Director
Michael is currently the Chief Executive Officer/Owner of Interfruit (Private) Limited in Zimbabwe as well as the Managing Director 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 an 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. 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.

Fermín Azanza –Non-Executive Director

Fermín Azanza is currently the Head of Research of the Field Seeds Division at GROUPE LIMAGRAIN. He is a senior research executive with more than twenty-five years of experience in research and strategic management of Trait research and plant breeding in the biotechnology, seed and agribusiness industries. Fermin has a solid experience leading research programs and linking these with commercial opportunities. He also gained relevant international experience across Europe, US, South America and Asia throughout his career, including JV's and stakeholder management. Excellent verbal and written communication skills in English, Spanish and French. He holds a PhD in Plant Breeding and Genetics (University of Illinois), a Masters in Plant Breeding (Mediterranean Agronomic Institute) and a Bachelor of Science Degree in Biology (University of Navarra).

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 Managing Director Limagrain Europe since September 2018 and before the recent appointment he was 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.

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 became 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 MBL (Unisa).

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).

Remina C. 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.

Andrew G. Barron - Non Executive Director

Andrew 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 a Director of 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.

9. Appointment of Directors

There is no shareholding qualification for a Director. In terms clause 21.9 of the Constitution, Directors, save Executive Directors, once appointed are subject to rotation and re-election at each annual general meeting where a third of the Directors shall retire and if willing and eligible present themselves for re-election.

Subject to the listings requirements, the Board may at any time appoint additional Directors to fill a casual vacancy or as an addition to existing Directors which appointment shall be confirmed at the next annual general meeting.

10. Remuneration of Non-Executive Directors

The Non-Executive Directors received the following aggregate remuneration in the 3 years preceding the date of this Pre-Listing Statement:

Year-ended	Non-Executive Directors	Aggregate remuneration
31 March 2016	Sir Ketumile Masire; and Neill W. Armstrong	US$3,000
31 March 2017	Sir Ketumile Masire; and Neill Armstrong	US$4,632
31 March 2018	Neill Armstrong	US$2,010
Total		**US$9,642**

As of date hereof there are an additional 10 Non-Executive Directors, and it is intended that an aggregate of US$250,000 be paid to all of the 11 Non-Executive Directors in remuneration in respect of the year ending 31 March 2019.

11. Remuneration of Executive Directors

The Executive Directors received and are set to receive the following aggregate remuneration in 2018 and 2019 financial years respectively:

Category	Group		Company	
	2019	2018	2019	2018
	Aggregate US$		Aggregate US$	
Directors' fees	70,000	66,325	70,000	66,325
Salaries, bonuses and other short-term benefits	832,370	832,370	604,578	604,578
Total	**902,370**	**898,695**	**674,578**	**670,903**

12. Loans to Directors or managers

As of 31 March 2018, loans extended by the Company to Executive Directors, as part of their conditions of service, amounted to US$287,277 and these loans are repayable within 5 years.

13. Directors' interests in the Company's share capital

As at the time of issuing this Pre-Listing Statement, save for Remina Charity Davidzo Chitengu with 422 shares, none of the rest of the Directors or any of their associates have any direct or indirect beneficial interest in Seed Co International shares or any transactions which are or were unusual in their nature or conditions or material to the business of the Company.

14. Senior management abridged profiles

Set out in the table below is the executive management team of Seed Co International in its various markets:

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)
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 -CCU Markets & Group Treasury	MBA (UK), CAIB (SA)
Willie Ranby	MD -Prime Seed Co International	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)

15. Share capital structure

- The stated capital of Seed Co International is US$21,512,874 divided into 379,331,127 shares of no par value each.
- The issued shares in Seed Co International are 379,331,127 ordinary shares.
- The Directors are in terms of Section 50 of the Companies Act authorised to issue ordinary shares without approval of Shareholders by ordinary resolution. In terms of the Constitution, new shares are to be issued to existing Shareholders pro-rata their shareholding unless the new shares are issued for the acquisition of a specific property or a specific business or if the Shareholders by ordinary resolution otherwise determine.
- Shareholders in a general meeting may by ordinary resolution authorise the Directors to increase stated capital and issue shares and/or give options to subscribe for unissued shares.

16. Preferential rights in respect of shares

There are no shares issued with any preferred rights. Preferred shares may be issued by Seed Co International with the approval by Ordinary Resolution of the Shareholders.

17. Voting rights

All existing ordinary shares are of the same class and rank *pari passu* in respect of voting, participation in profit and capital.

18. Alteration or variation of rights

Rights attaching to any class of shares may be altered or varied only with the approval by special resolution or with the consent in writing of the holders of 75% of the shares of that class.

19. Current shareholding of Seed Co International

Following the partial unbundling of and capital raise by Seed Co International out of Seed Co Limited, the shareholding of the Company is as set out in the table below:

Seed Co International top 15 shareholders' list

Shareholder	Shares	% holding	❖ Status
1. Vilmorin & Cie	109,150,544	28.77%	Non-public
2. Seed Co Limited	99,009,039	26.10%	Non-public
3. Stanbic Nominees NNR	42,136,339	11.11%	Public
4. Old Mutual Life Assurance	37,831,267	9.97%	Public
5. NSSA	24,531,763	6.47%	Public
6. SCB Nominees NNR	10,692,547	2.82%	Public

7. Mining Industry Pension Fund	6,825,932	1.80%	Public
8. Dividend-in-Specie WHT shares C/O Seed Co Limited	4,883,883	1.29%	Non-public
9. Burket Associates Ltd	4,189,002	1.10%	Public
10. Caperal Ltd	2,745,583	0.72%	Public
11. Local Authorities Pension Fund	2,136,051	0.56%	Public
12. Dekalb Genetics Corporation	1,490,625	0.39%	Public
13. Seed Co Employees Trust Company	1,630,793	0.43%	Non-public
14. Delta Beverages Pension Fund	1,136,060	0.30%	Public
15. ZESA Pension Fund	1,133,230	0.30%	Public
Sub-total	**349,522,658**	**92.14%**	
Others	29,808,469	7.86%	Public
Total	**379,331,127**	**100.00%**	

Source: Transfer Secretaries

- The top 2 non-public shareholders are classified as such in terms of the BSE Listing Requirements as they own more than 10% of the issued share capital of the Company and are both represented by their nominees on the Company's Board.
- The 3rd non-public shareholder is an employee share ownership trust company while the 4th is a director with only 422 shares in the Company.
- Non-public shareholders control 56.59% of the Company's issued share capital and 43.41% of the shares are in the hands of public shareholders.

20. Summary of share issues, offers and repurchases

During the last 3 years the following share issues were made by Seed Co International:

Period	**Details of issues**	**Outstanding shares**
Issued shares as at 1 April 2015		**1,524**
FY16	Nil	**1,524**
FY17	Nil	**1,524**
FY18	Nil	**1,524**
01 April 2018 to date	• Effective 1 April 2018 in order to eliminate the cross-shareholding ahead of the unbundling and separate listing, <u>334 (Three Hundred and Thirty Four) Seed Co International shares</u> of no par value each were repurchased from SCZ International Limited, a subsidiary, at their total original issuance cost of US$7 million.	**1,190**

	• The shares were repurchased and cancelled by resolution of the then shareholders, Seed Co Limited and SCZ International Limited, and the Directors of Seed Co International; and • The repurchase and cancelation of the 334 shares decreased the stated capital of the Company to the BWP equivalent of US$1,801,671.	
	• Effective 4 September 2018, the stated capital of Seed Co International was increased by resolution of the shareholder, and Directors to the BWP equivalent of US$2,825,897 divided into 341,410,479 (Three Hundred and Forty One Million Four Hundred and Ten Thousand Four Hundred and Seventy Nine) ordinary shares of no par value which shares were:- a) alloted on 4 September 2018 to Seed Co Limit as to 341,285,011 shares at a price of US$0.003 per share, by way of a capitalisation of the Company's reserves; and b) distributed immediately prior to the Prima Listing to the shareholders of the parent company, Seed Co Limited, on a *pro rata* basis by way of a dividend-in-specie as to 242,401,440 ordinary shares.	**341,410,479**
	• Effective 5 September 2018, the stated capital of Seed Co International was further increased by resolution of the shareholders and directors of Seed Co International to the BWP equivalent of US$21,512,874 divided into 379,331,127 (three hundred and seventy nine million three hundred and thirty one thousand one hundred and twenty seven) ordinary shares of no par value; and • The 37,920,648 additional ordinary shares were	**379,331,127**

	issued and allotted with the authorisation of the parent company's shareholders to Vilmorin & Cie SA at a negotiated and independently ascertained fair price of US$0.5069 per share by of way of a cash subscription.	

21. Summary of share consolidations and sub-divisions

The Company's shares were neither consolidated nor sub-divided in the last the 3 years.

22. 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 Share Appreciations Rights Plan rules approved by the BSE Listings Committee are available for inspection by interested members. A Seed Co International Shareholders' resolution is also at hand. In terms of the rules of the Share Appreciations Rights Plan, Seed Co Internationals' 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.

23. Adequacy of capital

The Directors are of the opinion that the Company's share capital and working capital are adequate for the foreseeable future.

24. Working capital and cash flow

The Directors are of the opinion that the available working capital is sufficient to cover the cash flow requirements of the Company.

25. Dividend policy

Generally the Directors may from time to time declare and pay to the Members final and interim dividends as appear to the Directors to be justified by the profits of the Company within 3 months of the end of the half-year and six months of the end of the financial year.

Dividends shall be declared in respect of each financial period based on the operating results of the period, financial position of the Company, investment strategy, future capital requirements and other factors that the Directors may consider.

Dividends which remain unclaimed by any Shareholder for 3 years shall become the property of the Company.

There are currently no arrangements between any of the Shareholders and the Company to waive rights to any dividends declared by the Company.

No dividends shall bear interest against the Company.

At the date of issuing this Pre-Listing Statement no divided had been recommended or declared but yet to be paid.

26. Borrowing Powers

The Directors of the Company are entitled to exercise the Company's borrowing powers in terms of the Constitution. The Directors may raise or borrow for the purposes of the business of the Company and its subsidiaries, such sum or sums of money as in aggregate at any time does not exceed any limit as the Shareholders may, by ordinary resolution, in a general meeting have determined.

At no time, in the last 3 (three years) preceding date of this Prelisting Statement have the borrowing powers been exceeded.

27. Borrowings and Liabilities

Appendix 3 to this Pre-Listing Statement sets out the material borrowings of the Company and its Subsidiaries.

Appendix 4 sets out details of the borrowings and liabilities of subsidiaries from and to the Company.

28. Financing off balance sheet

The Company nor any of its Subsidiaries has not undertaken any off balance sheet financing.

29. Material contracts

Save for the Share Subscription Agreement with Vilmorin & Cie and the Shareholders' Agreement signed by Vilmorin & Cie, Seed Co Limited and Seed Co International dated 7 August 2018 at the time of publishing of this Pre-Listing Statement there were no material contracts save for those in the ordinary course of the Company's business.

The Share Subscription Agreement gave effect to the cash subscription of 37,920,648 Seed Co International ordinary shares by Vilmorin & Cie at a price of US$0.5069 per share. The Shareholders' Agreement governs the co-shareholder relationship between Seed Co Limited and Vilmorin & Cie as the major shareholders of Seed Co International, in particular as to representation on the Board, and approval of certain material decisions by directors appointed by those shareholders and such shareholders.

30. Property

The Company currently occupies office and warehouse space at Plot 70713, Phakalane, Gaborone, Botswana under terms of a lease which runs for 3 years at a fixed rental of US$4,900 for the entire lease period. Seed Co International also owns and self-occupies a developed residential property at Lot 53188, Phakalane, Gaborone, Botswana The Company has acquired 4.2 hectare of land at Mmamashia in Gaborone, Botswana for BWP1.95 million (US$195,000) on which it intends to develop head office depot and warehouse facilities.

31. Litigation statement

Seed Co International 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 Pre-Listing Statement, a significant effect on the financial position of Seed Co International, nor is Seed Co aware that any such material litigation, dispute or arbitration proceedings are pending or threatened.

32. Regulatory

The Company is accredited as an International Financial Services Centre, in Botswana, by the Minister for Finance and Economic Development, ("the Minister") under Section 138 of the Income Tax Act.

In terms of Section 138 (5) (e) of the Income Tax Act, the prior consent of the said Minister is required for a change of ownership, where twenty five percent (25%) of the shares or voting rights in such an accredited company changes hands. The term "change of ownership" is not defined. Whilst Directors believe that substantive control of the Company has not changed, as a result of the changes in equity set forth herein and the distribution of shares in the Company to shareholders of Seed Co Limited to facilitate the separate listing of Seed Co International, an application for the consent contemplated as aforementioned in terms of the Income Tax Act, was submitted to the Certification Committee at the Botswana Investment and Trade Centre ("BITC"). The BITC has recommended approval to the Minister. The Directors anticipate approval however, if it is not given the recommendations of the Certification Committee consequent the lack of approval could alter the IFSC accreditation status of the Company.

33. Material changes

There has been no material change in the financial or trading position of the Company since the end of the year 31 March 2018, the subject of the latest audited annual financial statements of the Company.

34. Preliminary expenses

The expenses estimated to be incurred in respect of the application for, the introduction and the listing, contemplated in this Prelisting Statement excluding VAT are:-

Service provider	**Estimated fee US$**
BSE perusal fee	4,000
BSE listing fee	20,000
Sponsoring Broker	10,000
Corporate Finance Advisors	50,000
Legal Advisors	80,000
Reporting Accountants	25,000
Transfer Secretaries	10,000
Central Securities Depository of Botswana (CSDB) fee	5,000
Printing	10,000
Publication	10,000
Contingency	10,000
Total	**234,000**

35. Documents available for inspection

The following documents are available at the registered office of the Company at Plot 70713, Phakalane, Gaborone in Botswana or at No. 1 Shamwari Road Stapleford, Harare in Zimbabwe for 14 days from date of publication in Botswana on XNews of the Pre-Listing Statement:

a) Certificate of Incorporation of Seed Co International;
b) Constitution of Seed Co International;
c) the Shareholders' Agreement between Seed Co Limited and Vilmorin & Cie;
d) the audited financial statements of Seed Co International for the years ended-31 March 2016, 2017 and 2018;
e) the original signed copy of the Accountants' Reports on the historical financial statements of Seed Co International;
f) the original signed copy of this Pre-Listing Statement;
g) the BSE approval for the issuance of this Pre-Listing Statement;
h) the Reserve Bank of Zimbabwe Exchange Control Authority in respect of the partial-unbundling, capital raise and dual-listing of Seed Co International; and
i) the rules of the Seed Co International Share Appreciation Rights Plan;
j) the Advisors/ Expert Consents.

36. Form of shares

36.1 Overview

- It is mandatory for all BSE listed company securities to be held in dematerialized form in depository accounts with the Central Securities Depository of Botswana ("CSDB"). The CSDB depository accounts can be opened through any Stockbroker in Botswana or with the facilitation of Corpserve Registrars Zimbabwe.
- Shareholders are advised to update their records with Corpserve 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.

36.2 Botswana register

The shares to be introduced for primary listing on the BSE shall be issued in uncertificated dematerialised form. Record of all shares issued and the transfer of any shares through the BSE will be kept on the Botswana Share Register held in the electronic system of the CSDB.

Entry of the name of a person on the Botswana Share Register, as the holder of shares in the Company shall be prima facie evidence of the ownership and title of that person in those shares and the rights accruing thereto.

Any transfer of shares in Botswana shall be effected only pursuant to the rules and procedures of the CSDB, as the case may be, as extant from time to time and the rules of trading in equities, stipulated by the BSE from time to time.

36.3 Zimbabwe register

The shares to be introduced for secondary listing on the ZSE shall be issued in either physical certificated form or uncertificated dematerialised form. Record of all shares issued and the transfer of any shares through the ZSE will be kept on the Zimbabwean Share Register maintained by the Zimbabwean Transfer Secretaries and uncertificated dematerialised shares will be deposited with Chengetedzai Depository Company Limited of Zimbabwe.

Entry of the name of a person on the Zimbabwe Share Register, as the holder of shares in the Company shall be prima facie evidence of the ownership and title of that person in those shares and the rights accruing thereto.

Any transfer of shares in Zimbabwe shall be effected only pursuant to the rules and procedures of the ZSE as extant from time to time.

37. Directors' responsibility statement

The Directors of Seed Co International, whose names are set out in section below of this Pre-Listing Statement, collectively and individually accept full responsibility for the accuracy of the information provided in this Pre-Listing Statement 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 Pre-Listing Statement false or misleading, that they have made all reasonable enquiries to ascertain such facts (where applicable), and that this Pre-Listing Statement contains all information required by law.

Signed on Thursday, 27 September 2018 by duly nominated representatives of the Board of Directors:

Signatory's name	Position	Signature
Morgan Nzwere	Group Chief Executive Officer	
John Matorofa	Group Finance Director	JMatorofa

PART F: APPENDICES

Appendix 1: Details of subsidiaries, associates and joint ventures

Subsidiaries:

Name	Country of Incorporation	Country of Operation	% issued shares held	Names of Directors
1.SCZ International Ltd	Zambia	Zambia	99%	C. Kabaghe; G.T. Bwanali; D.L. Clements, J. Matorofa; M. Nzwere; E. Rupende; P. Francis; F. Banda; and D. Long.
2.Seed Co (Malawi) Limited	Malawi	Malawi	100%	A. Barron; D. Long; S. Malata; C.S. Chilingulo; D. Zaranyika; D. Phiri, R. Chirwa and S. Mbanda
3.Agri Seed Co Ltd	Kenya	Kenya	100%	M. Ndoro; J. Matorofa; K. Owino C. Kedera; M. Nzwere; and D.L. Clements
4.Seed Co Tanzania Limited	Tanzania	Tanzania	75%	M Ndoro; C Mugadza; J. Kabissa; M. Nzwere; J. Matorofa; E. Mudzimba; K. Sibuga; and S. Mbanda
5.Seed Co (Pty) Ltd	Botswana	Botswana	100%	N.W.A Armstrong; M. Nzwere; J. Matorofa; S. Ruwisi; and G. Bwanali
6.Seed Co SA (Pty) Limited	South Africa	South Africa	100%	Prof. J. Derera; J. Matorofa; M. Nzwere; and S. Ruwisi
7.Seed Co West Africa Limited	Nigeria	Nigeria	100%	M. Nzwere; R. Sarumi; C. Fambisayi; and L. Anyawu
8.Seed Co International Rwanda	Rwanda	Rwanda	100%	M. Ndoro; M. Nzwere, D.L. Clements; N.S. Martin; and K.P. Banage
9.Seed Co DRC*	DRC	DRC	100%	G. Bwanali; C. Kabaghe; and M. Nzwere
10. Seed Co Nigeria Limited	Nigeria	Nigeria	100%	M. Nzwere; C. Fambisai; R. Sarumi; and L. Anyanwu
11. African Seed Company Ghana Limited	Ghana	Ghana	100%	M. Nzwere; J. Matorofa; Prof J. Derera; Dr. E. Tembo; R. Mahama; and C. Fambisayi

** Wholly-owned subsidiary of SCZ International Ltd.*

Cotton seed trading associates accounted for under the equity method:

Name	Country of Incorporation	Country of Operation	% issued shares held	Names of Directors
1. Quton Limited	Malawi	Malawi	40%	S. Barwale; E. Mhandu; M. Nzwere; T. Sankaranarayanan; J. Lungu; J. Matorofa; P. Rath; and R. Chirwa
2.Quton Tanzania Limited	Tanzania	Tanzania	30%	S. Barwale; E. Mhandu; M. Nzwere; T. Sankaranarayanan; A. Taib; J. Matorofa; and P. Rath

Vegetable seed trade joint venture accounted for under the equity method:

Name	Country of Incorporation	Country of Operation	% issued shares held	Names of Directors
1. Prime Seed Co International Limited	Botswana	Botswana	51%	M. Nzwere; S. Ruwisi; F. Savin; D. Zaranyika; P. Devisme; and R. Bastien

Appendix 2: Details of other Directorships of Directors

Director	Name of company	Country of incorporation and operations	Nature of business
David Edward Beaumont Long	Seed Co Limited, Seed Co Malawi, Seed Co Zambia, Limited, CABS Building Society, Colcom Holdings Limited and Tsebo Servcor (Private) Limited.	Zimbabwe, Zambia and Malawi.	Agriculture, Banking, FMCG and Hospitality.
Morgan Nzwere*	TSL Limited, FBC Bank Limited, Initiative for Global Development and Seed Co Limited and its various subsidiaries and associates	Zimbabwe, Zambia, Malawi, Botswana, South Africa, Kenya, Tanzania, Ghana, Nigeria and Rwanda	Agriculture, Banking, Logistics and Development
John Matorofa*	Seed Co Limited and its various subsidiaries and associates	Zimbabwe, Zambia, Malawi, Botswana, South Africa, Kenya, Tanzania, Ghana, Nigeria and Rwanda	Agriculture
Samson Ruwisi*	Prime Seed Co Limited and Prime Seed Co International Limited	Zimbabwe and Botswana	Agriculture
Neill Armstrong	Health Care Holdings (Pty) Ltd, Clinic Developments (Pty) Ltd, Barclays House (Pty) Ltd, Development and Management Investments (Pty) Ltd, Seedco International (Pty) Ltd, Seedco Botswana (Pty) Ltd, Bonas & Co Botswana (Pty) Ltd, Leo Schachter Botswana (Pty) Ltd, Teemane Manufacturing Co (Pty) Ltd, Major Drilling Botswana (Pty) Ltd and Santhata Ranches (Pty) Ltd	Botswana, Botswana, Botswana, Botswana, Botswana, Botswana, Botswana, Botswana, Botswana, Botswana, Botswana, Botswana	Gaborone Private hospital property owing company, investor in healthcare holdings, owner of Barclays House, investment and consultancy, IFSC holding company, seed producer and marketer, representative of diamantaires, diamond manufacturing, diamond manufacturing, drilling contractor, land owning company.
Fermín Azanza	AgReliant Genetics LLC, Genective, Soltis and Biogemma	France, USA	Agriculture
Chance Kabaghe	Seed Co Limited, SCZ International Limited, Choice Nuts Limited, Choice Insurance, Ace Limited, Multi Agricultural International, Harmonious Haven and Freshpikt Limited	Zimbabwe and Zambia	Agriculture, Insurance and FMCG
Antoine Colombo	Seed Co Limited, AgReliant and Canterra Seeds	Zimbabwe, Canada and USA	Agriculture
Michael Shongwe Ndoro	Interfruit (Private) Limited, Utopia Fresh Exporters (Private) Limited, Utopia Power Company Limited, Seed Co Limited, Seed Co Zimbabwe, Seed Co Tanzania, Imara Asset Management and Imara Capital Zimbabwe (Private) Limited.	Zimbabwe and Tanzania	Agriculture, FMCG, Power and Financial Services

Frédéric Savin	Seed Co Limited, Prime Seed Co Limited and Link Seed (Pty) Limited	Zimbabwe and South Africa	Agriculture
Pearson Gowero	Seed Co Limited, Delta Corporation Limited and various boards of the Delta Group subsidiary and associate companies	Zimbabwe and Zambia	Agriculture, packaging manufacturing and FMCG
Daniel Paul Francis Jacquemond	Seed Co Limited , Limagrain SCA, Vilmorin & Cie and Vilmorin USA	Zimbabwe, USA, and France	Agriculture and Corporate Governance
Remina Charity Davidzo Chitengu	Anglo American Zimbabwe Limited and related entities, including Unki Mines (Private) Limited, Seed Co Limited, Generation Medical Aid Fund, CABS Building Society and Bishopslea Preparatory School for Girls	Zimbabwe	Mining, Agriculture, Health insurance, Banking and Education
Andrew Graeme Barron	Mbadzi Estates, Press Corporation PLC, Mpico PLC, Seed Co Malawi, Mpico Malls Limited, Team Planet Limited and Plantation House Investments	Zimbabwe and Malawi	Agriculture and Property

Appendix 3: Details of material borrowings of Seed Co International

Borrowings

Bank/Lender	Amount US$
a) Barclays Bank Botswana	17,180,025
b) Barclays Bank Botswana –additional facility	260,167
c) Stanbic Bank Botswana	11,500,000
Total	**28,940,192**

a) The facility from Barclays Bank Botswana Limited ("Barclays") is a Revolving Credit Line Facility up to a limit of US$19 million to finance the Group and Company's working capital requirements plus an additional facility of US$5million to finance the Kenyan subsidiary's land and buildings. The facility bears interest at the rate of 3months' LIBOR + 4.5 % p.a. The facility, together with the additional facility as stated in (b) below, is secured by the following assets:

Seed Co International Limited
- Debenture over movable assets (including stocks and debtors) for US$25 million in favour of Barclays.
- Pledge and cession of accounts held with Barclays for an unlimited amount.

Seed Co Zimbabwe Limited
- A guarantee limited to US$25 million in favour of Barclays.

SCZ International Limited, Zambia
- A guarantee limited to US$ 25 million in favour of Barclays.
- Debenture for US$19 million over the movable assets of Seed Co Zambia in favour of Barclays.

Seed Co Tanzania Limited
- A guarantee limited to US$25 million in favour of Barclays.
- Debenture for US$5 million over the movable assets of Seed Co Tanzania in favour of Barclays.

Seed Co (Malawi) Limited
- A guarantee limited to US$25 million in favour of Barclays.
- Debenture for US$15 million over the movable assets of Seed Co Malawi in favour of Barclays.

Agri-Seed Co Limited, Kenya

- A guarantee limited to US$25 million in favour of Barclays.
- Debenture for US$10 million over the movable assets of Agri-Seed Co Kenya in favour of Barclays.

Seed Co (Pty) Ltd, Botswana

- A guarantee limited to US$ 25 million in favour of Barclays.

Others

- Letter of comfort from Limagrain Group.

Barclays Bank negative pledge

The Company and the Guarantors will require the prior written consent of Barclays Bank, which shall not be unreasonably withheld, to create other encumbrances having a similar effect on the whole or any part of its undertaking, property, assets, or revenues, present or future.

b) The additional facility from Barclays is an Overdraft Facility up to a limit of US$1 million to support Staff lending finance for the Group and Company's senior executives. The facility bears interest at the rate of 3 months' LIBOR + 4.5 % p.a. The facility is secured as stated in (a) above.

c) The facility from Stanbic Bank Botswana Limited ("Stanbic") is a General Short-Term Banking Facility (GSTBF) up to a limit of US$16.5 million to finance the Group and Company's working capital requirements, US$750,000 as a bank guarantee to enable it to meet its performance obligations to third-parties, US$5 million Spot Foreign Currency Dealing Facility and a further US$530,000 credit card facility to cater for Directors' business expenses. The GSTBF facility bears interest at the rate of 3 months' LIBOR+4.25% p.a. ruling payable monthly in arrears compounded monthly, the bank guarantee commission is 1.1% p.a., or part thereof, payable quarterly in advance and the Credit Card facility bears interest at 32% p.a. on the outstanding balance. The facility, due for review on 10 September 2018, is secured by the following assets:

Seed Co International Limited

- Deed of hypothecation for BWP26.6million, which approximates US$2.78 million, generally binding all movable assets, which include seed stocks and book debts.
- Unrestricted cession of stocks and book debts and contract monies due (notes 12 and 14 respectively).

- Unrestricted cession of bills of exchange, promissory notes, post-dated cheques and contract monies.
- Unrestricted cession and pledge of US$ call account held with Stanbic.
- First continuing mortgage bond for BWP 640,000, which approximates US$65,000, over Lot 53188, Gaborone.
- Cession of insurance over stock with Stanbic's interest noted on the Policy.
- Cession of material damage policy over Lot 53188, Gaborone with Stanbic's interest noted on the Policy.

Seed Co Limited
- Unlimited suretyship from Seed Co Limited in favour of Stanbic.

Seed Co Zimbabwe Limited
- Unlimited suretyship from Seed Co Zimbabwe Limited in favour of Stanbic.
- Unrestricted pledge and cession of contract monies and book debts in favour of Stanbic.
- Unrestricted pledge and cession of US$ deposit account held by any Standard Bank entity.

SCZ International Limited, Zambia
- Unlimited suretyship from Seed Co Limited in favour of Stanbic.
- Unrestricted pledge and cession of contract monies and book debts in favour of Stanbic.
- Unrestricted pledge and cession of US$ Deposit account held by any Standard Bank entity.

Seed Co Tanzania Limited
- Unlimited suretyship from Seed Co Tanzania Limited in favour of Stanbic.
- Unrestricted pledge and cession of contract monies and book debts in favour of Stanbic.
- Unrestricted pledge and cession of US$ deposit account held by any Standard Bank entity.

Seed Co (Malawi) Limited
- Unlimited suretyship from Seed Co (Malawi) Limited in favour of Stanbic.
- Unrestricted pledge and cession of contract monies and book debts in favour of Stanbic.

- Unrestricted pledge and cession of US$ deposit account held by any Standard Bank entity.

Seed Co SA (Pty) Ltd, South Africa

- Unlimited suretyship from Seed Co SA (Pty) Ltd in favour of Stanbic

Agri Seed Co Limited, Kenya

- Unlimited suretyship from Agri Seed Co Ltd in favour of Stanbic.
- Unrestricted pledge and cession of contract monies and book debts in favour of Stanbic.
- Unrestricted pledge and cession of US$ deposit account held by any Standard Bank entity.

Seed Co (Pty) Ltd, Botswana

- Unlimited suretyship from Seed Co (Pty) Ltd in favour of Stanbic.
- Unrestricted pledge and cession of contract monies and book debts in favour of Stanbic.
- Unrestricted pledge and cession of US$ deposit account held by any Standard Bank entity.

Seed Co West Africa Limited

- Unlimited suretyship from Seed Co West Africa Ltd in favour of Stanbic.
- Unrestricted cession of shareholders' loans, negative pledge by all group entities in favour of Stanbic.

Appendix 4: Details of borrowings / liabilities of subsidiaries to Seed Co International

Subsidiary	Nature of Borrowing or Liability	Amount US$	Interest Rate	Terms of payment
Seed Co Zambia	Loans, management fees and dividends	773,556	4.75% - 5.25%	Cash repayment
Seed Co Malawi	Loans, and management fees	6,597,375	6%	Cash repayment
Seed Co Tanzania	Loans, management fees and dividends	1,724,846	5.25%	Cash repayment
Seed Co Kenya	Loans, management fees and dividends	2,551,468	4.75%	Cash repayment
Seed Co South Africa	Loans, management fees and dividends	3,545,958	N/A	Cash repayment
Seed Co Botswana	Loans, management fees and dividends	385,411	N/A	Cash repayment
Seed Co West Africa	Loans and management fees	2,505,860	N/A	Cash repayment
Seed Co Rwanda	Loan advanced	83,584	N/A	Cash repayment
Associate				
Quton Tanzania Limited	Loan advanced	353,079	N/A	Cash repayment
Total		**18,521,137**		

**Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.*

Appendix 5: Independent Reporting Accountant's Report on historical financial information

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Firm of Chartered Accountants
2nd Floor
Plot 22, Khama Crescent
PO Box 41015
Gaborone, Botswana

Tel: +267 397 4078 / 365 4000
Fax: +267 397 4079
Email: eybotswana@za.ey.com
Partnership registered in Botswana
Registration No: 10829
VAT No: P03625401112
www.ey.com

27 September 2018

The Directors
Seed Co International Limited
Plot 43173, Carramba Business Park
Phakalane
Gaborone

Independent Reporting Accountant's Report on the Historical Financial Information of Seed Co International Limited

The definitions commencing on page 8 of the Pre-listing Statement/Circular to which this letter is attached apply mutatis mutandis to this report.

Introduction
The Directors of Seed Co International Limited are proposing the separate primary and secondary listing of Seed Co International Limited on the Botswana Stock Exchange (BSE) and the Zimbabwe Stock Exchange (ZSE) respectively.

At your request, we present our Independent Reporting Accountant's Report on the Historical Financial Information of Seed Co International Limited for the three years ended 31 March 2016, 31 March 2017, and 31 March 2018, (the "Historical Financial Information") for inclusion in the pre-listing statement/circular to be dated on or about 27 September 2018. This report is required for the purposes of complying with the Listing Requirements of the Botswana Stock Exchange ("BSE") (the "BSE Listings Requirements") and is given for the purpose of complying with those requirements and for no other purpose. We are the Independent Reporting Accountants of Seed Co International Limited.

To the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the BSE Listings Requirements and consenting to its inclusion in the Pre-listing Statement/Circular.

Review Conclusion
We have reviewed the Historical Financial Information, which comprises the group and company statements of financial position as at 31 March 2018, the group and company statements of profit or loss and other comprehensive income, group and company statements of changes in equity and group and company statements of cash flows for the year ended 31 March 2018, including a summary of significant accounting policies and the notes thereto which forms part of the Historical Financial Information as presented in Appendix 6 to the Pre-listing Statement/Circular, as well as the Historical Financial Information for the years ended 31 March 2016 and 31 March 2017, made available for inspection by investors,(collectively the "Historical Financial Information for the years ended 31 March 2016, 31 March 2017, and 31 March 2018").

Based on our reviews, nothing has come to our attention that causes us to believe that the Historical Financial Information for the year ended 31 March 2018, as set out in Appendix 6 to the Pre-listing Statement/Circular, as well as the Historical Financial Information for the years ended 31 March 2016 and 31 March 2017, made available for inspection by investors, is not prepared, in all material respects, in accordance with the requirements of ISRE 2400 (Revised) and the BSE Listings Requirements.

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Basis of Conclusion

We conducted our review of the Historical Financial Information in accordance with the International Standards on Review Engagements ISRE 2400 (Revised), which applies to a review of historical financial information. Our responsibilities under those standards are further described in the Responsibilities of the Independent Reporting Accountants for the Review of the Financial Information section of our report. We are independent of Seed Co International Limited in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA code) and other independence requirements applicable to the performance of our review, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing our review. We believe that the review evidence we have obtained is sufficient and appropriate to provide a basis for our review conclusion.

Other Information

The directors of Seed Co International Limited ("Directors") are responsible for the other information contained in this Pre-listing Statement/Circular.

Our reporting accountants review report on the Historical Financial Information does not cover the other information contained in this Pre-listing Statement/Circular and we do not express any form of assurance conclusion thereon.

In connection with our review of the Historical Financial Information, our responsibility is to read the other information contained in this Pre-listing Statement/Circular and, in doing so, consider whether the other information is materially inconsistent with the Historical Financial Information or our knowledge obtained in the review or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Directors

The Directors are responsible for the compilation, contents and preparation of the Pre-listing Statement/Circular in accordance with the BSE Listings Requirements. The Directors are also responsible for the fair presentation, in accordance with IFRS and the BSE Listings Requirements, of the Historical Financial Information for the years ended 31 March 2016, 31 March 2017, and 31 March 2018 contained therein to which this Independent Reporting Accountant's Report relates, and for such internal control as the Directors determine is necessary to enable the preparation of the Historical Financial Information for the years ended 31 March 2016, 31 March 2017, and 31 March 2018 that is free from material misstatements, whether due to fraud or error.

Those charged with governance at Seed Co International Limited are responsible for overseeing the process to compile the Historical Financial Information.

Responsibility of the Independent Reporting Accountant's on the Historical Financial Information for the years ended 31 March 2016, 31 March 2017, and 31 March 2018

Our responsibility is to express review conclusions on the Historical Financial Information for the years ended 31 March 2016, 31 March 2017, and 31 March 2018 based on our reviews in accordance with International Standard on Review Engagements ISRE 2400 (Revised), which applies to a review of historical financial information. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the Historical Financial Information for the years ended 31 March 2016, 31 March 2017, and 31 March 2018, taken as a whole, is not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

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A review of the Historical Financial Information in accordance with ISRE 2400 (Revised) is a limited assurance engagement in terms of which we perform procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly we do not express an audit opinion on the Historical Financial Information.

Ernst & Young
Practicing Member: Thomas Chitambo
Partner
Membership Number: 20030022
Certified Auditor
Gaborone

27 September 2018

Appendix 6: Audited financial statements for the year ended 31 March 2018

SEED CO INTERNATIONAL LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 March 2018

Contents

General information

BUSINESS
The Company is registered under the Income Tax Act of Botswana as an International Finance Services Centre Company (IFSC Tax Certificate No: 03 w.e.f. 13 July 2000) to conduct the following activities:

- *(a)* The control of the Seed Co group's inter-territorial seed trading activities
- *(b)* The provision of a central treasury service for the Seed Co group's business activities
- *(c)* The operation of a holding company function for Seed Co group's business activities
- *(d)* The ownership and control of the Seed Co group's intellectual property rights related to the production of seeds.

DIRECTORS
NWA Armstrong - Non-Executive Chairman
Morgan Nzwere - Group CEO
John Matorofa - Group Finance Director
Samson Ruwisi - General Manager
Grace KT Bwanali - Company Director
Late HE Sir QKJ Masire (deceased 22 June 2017)

COMPANY SECRETARY
EM Kalaote

INCORPORATION DETAILS
Incorporated in the Republic of Botswana as a limited company under the Companies Act (Cap 42:01)
Company number - Co. 2000/3152
Date of registration - 13 December 2000

REGISTERED OFFICE
Plot 70713, Phakalane Industrial, Gaborone, Botswana

PRINCIPAL PLACE OF BUSINESS
Plot 70713, Phakalane Industrial, Gaborone, Botswana

BANKERS
Stanbic Bank Botswana
Barclays Bank Botswana
Banc ABC Botswana

PARENT COMPANY
Wholly owned by Seed Co Limited, a company incorporated in Zimbabwe and listed on the Zimbabwe Stock Exchange

PRESENTATION CURRENCY
The Group's presentation currency is the United States Dollars (US$), which is also the Company's functional currency.

Directors' statement of responsibility and approval of the Consolidated and Separate financial statements

Statement of responsibility
The Board of Directors ("the Board" or "the Directors") of Seedco International Limited ("the Company") is responsible for the preparation and fair presentation of the consolidated and separate financial statements of the Company and its subsidiaries ("the Group") in accordance with IFRSs. This responsibility includes the maintenance of true and fair financial records.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. This responsibility includes the design, implementation, maintenance and monitoring of these systems of internal controls. The Group and the Company maintain such systems which are designed to provide reasonable assurance that the records accurately reflect its transactions and to provide protection against serious misuse or loss of the Group's and the Company's assets. Nothing has come to the attention of the Directors to indicate any significant breakdown in the functioning of these systems during the period under review.

In preparing the consolidated and separate financial statements, the management is responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so. Having performed such assessment, the management believes that the Group and/or the Company has adequate resources in place to continue in operation for at least up to the end of the next financial year.

The Directors are responsible for overseeing the Group's and Company's financial reporting process.

The consolidated and separate financial statements have been audited by an independent audit firm who reports to the members of the Company, was given unrestricted access to all financial records and related data including minutes of meetings of the Directors and members. The Board believes that all representations made to the independent auditors during their audit were valid and appropriate.

Approval of Group and Company financial statements
Against this background, the Board of Directors accepts responsibility for the Group and Company financial statements on pages 5 to 60, which were approved by the Board, signed on its behalf by the signatories below and simultaneously authorized for issue on 31 May 2018 under a specific authority of the Board.

____
Director

____
Director

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SEEDCO INTERNATIONAL LIMITED

Opinion

We have audited the consolidated and separate financial statements of Seedco International Limited set out on pages 5 to 60, which comprise the Group and Company statement of financial position as at 31 March 2018, and the Group and Company statement of profit or loss and other comprehensive income, the Group and Company statement of changes in equity and the Group and Company statement of cash flows for the year then ended, respectively, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Seedco International Limited as at 31 March 2018, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Botswana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not have a separate opinion on these matters.

We summaries below the key audit matters in arriving at our audit opinion above, together with our key audit procedures to address those matters and our results from those procedures.

Continued...

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td>GROUP
1 Trade debtors and seed and growers advances
The Group carries a material balance of trade receivables and seed and growers' advances on its financial statements and these are significant to the Group. These receivables amounted to US$26.9 million as at 31 March 2018 (2017: US$36.8 million) and comprise the following categories: trade debtors (comprising of government debtors and private customers) and seed and growers' advances.
Government debtors
These debtors mainly comprise of seed sales to Governments in Malawi, Zambia, Botswana and other countries. The total amount owed by various Governments to all Group companies amounted to US$7.2 million at 31 March 2018 (US$14.1 million at 31 March 2017).
Due the significance of the balances, the allowance for credit losses is considered to be a matter of most significance as it requires then application of judgment and use of subjective assumptions by management.
The assessment of the aging profiles to determine recoverability of trade and other receivables which are past due but not impaired involves a significant element of judgment. Refer to note 15 to the consolidated annual financial statements.
Seed and growers advances
As at year end seed and growers balances are represented by advances given to professional seed growers for input costs, that are not yet delivered to the Group. These advances carry a risk of failed outputs with no security on such balances. Management judgment is required in determining the recoverability of these balances.
The recoverability of trade debtors and seed and growers' advances is therefore considered as a key audit matter.</td><td>We performed audit procedures for these categories of receivables which included:
* Updated our understanding of the estimation risk management processes relating to management of receivables and related provision for credit losses.
* Where trade receivables are past due and management have not impaired these balances on the basis of customer commitments to payment plans we reviewed adherence to the payment plans and post year end movements in balances.
* Re-compute the allowances for credit losses based on the group wide model and taking account of specific circumstances unique to some of the customers.
* Obtain and reviewed lawyer's confirmations for matters handled during the year in relation to customers' accounts.
For Seed and growers' advances we perform audit procedures on the existence of recoverability of seed grower advances and these included the following:
* Requesting confirmations from growers.
* Challenging the assumptions used by the management in assessing impairment amounts, through analysis of inspectorate yield rates report, ageing of seed grower advances and performance history.
* We also inspected post-year end delivery of goods.
* Reviewed grower's contracts for the underlying terms and conditions.</td></tr>
<tr><td>COMPANY
2 Recoverability of Company's Investments in Subsidiaries and advances to Subsidiaries
The carrying value of the Company's investment in subsidiaries represents 43 per cent of the Company's total assets. In addition, advances to such subsidiaries represents an additional 37 percent of the Company's total assets. Recoverability of the investments in or advances to subsidiaries is not considered a high risk of significant misstatement or subject to significant judgment. However, due to the materiality of the investments and advances in the context of the separate financial statements, this is considered to be the area that had the greatest focus of our overall parent company audit.</td><td>Our procedures included:
* Tests of detail: Comparing the carrying amount of all Investments in Subsidiaries with the relevant subsidiaries' audited balance sheets to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries have historically been profit-making. Where such subsidiaries are new subsidiaries, assessing whether the cash flow projections prepared by management support the RoI expectations of the Seedco Group in the medium to long term.
We assessed the work performed by the subsidiary audit teams on the subsidiaries and critically assessed management's assumptions on the cash flows for new subsidiaries.
* Our results: We considered the management's assessment of the recoverability of the investment in subsidiaries to be acceptable.</td></tr>
</table>

Continued...

Responsibilities of Management and the Directors for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and/or the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's and Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

* Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
* Obtain an understanding of internal control relevant to the audit 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 Group's and Company's internal control.
* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
* Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
* Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
* Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Continued...

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Goel & Associates
Audit Firm of Public Interest Entity (FAP 009 2018)
Practicing member: Shekhar Goel
Certified Auditor of Public Interest Entity
BAOA Certificate Number: CAP 0027 2018

Gaborone, 31 May 2018

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 March 2018

	Note	GROUP 2018 US$	GROUP 2017 US$	COMPANY 2018 US$	COMPANY 2017 US$
Revenue - Sale of goods		64 380 146	75 347 411	1 748 419	2 103 874
Costs of goods sold	12.1	31 697 439	35 542 609	1 303 853	1 659 953
Gross profit		32 682 707	39 804 802	444 566	443 921
Other operating income	5.1	1 602 608	741 501	6 930 135	5 053 431
		34 285 315	40 546 303	7 374 701	5 497 352
Operating expenses					
Selling and distribution costs		8 731 246	8 285 005	25 485	32 315
Administrative costs		12 234 825	12 012 570	4 351 913	2 963 014
Research costs		3 476 374	3 749 866	115 646	196 309
Impairment	5.5	2 478 307	5 481 271	1 204 558	4 888 770
		26 920 752	29 528 712	5 697 602	8 080 408
Operating profit		7 364 563	11 017 591	1 677 099	(2 583 056)
Finance costs	6.1	(2 631 459)	(3 653 173)	(1 451 996)	(1 164 310)
Finance income	6.2	554 190	706 177	883 681	1 111 060
Share of loss from an associate	10.5, 10.8	(1 000)	(323 000)	-	-
Share of loss from a joint venture	11.4	(10 874)	-	-	-
Profit before tax from continuing operations		5 275 420	7 747 595	1 108 784	(2 636 306)
Income tax	7	784 131	2 031 225	-	-
Profit for the year, attributable to equity holders of the parent		4 491 289	5 716 370	1 108 784	(2 636 306)
Earnings per share:	29				
Basic, profit for the year attributable to ordinary equity holders of the parent		2 947	3 751	-	-
Diluted, profit for the year attributable to ordinary equity holders of the parent		2 947	3 751	-	-
Other comprehensive income net of income tax					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		1 144 081	12 660 766	-	-
Share of other comprehensive loss of a joint venture	11.4	(10 321)	-	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		1 133 760	12 660 766	-	-
Other comprehensive income for the year, net of tax		1 133 760	12 660 766	-	-
Total comprehensive income for the year, net of tax		5 625 049	18 377 136	1 108 784	(2 636 306)
Attributable to:					
Equity holders of the parent		5 632 527	18 377 136	1 108 784	(2 636 306)
Non-controlling interests		(7 478)	-	-	-
		5 625 049	18 377 136	1 108 784	(2 636 306)

Statements of Financial Position as at 31 March 2018

	Note	GROUP 2018 US$	GROUP 2017 US$	COMPANY 2018 US$	COMPANY 2017 US$
ASSETS					
Non-Current Assets					
Property, plant and equipment	8.1 & 8.2	41 850 963	34 960 706	935 374	355 696
Investments in subsidiaries	9	-	-	28 624 031	23 118 031
Investments in associates	10	-	1 000	-	1 000
Investment in a joint venture	11.9	1 143 828	-	1 165 023	-
Dues from Group companies	18.2	-	-	6 051 818	4 052 144
Deferred tax asset	7.3	987 774	93 973	-	-
		43 982 565	35 055 679	36 776 246	27 526 871
Current Assets					
Inventories	12	12 636 140	12 978 374	218 149	364 418
Biological assets	13	688 770	212 674	-	-
Current tax asset		1 007 202	123 982	-	-
Dues from Group companies	18.2	11 695 982	9 285 485	22 272 720	33 142 138
Trade and other receivables	14	34 144 227	41 690 475	3 227 990	3 777 476
Cash and cash equivalents	15	16 413 398	21 309 515	3 560 398	1 068 260
		76 585 719	85 600 505	29 279 257	38 352 292
TOTAL ASSETS		120 568 284	120 656 184	66 055 503	65 879 163
EQUITY					
EQUITY AND LIABILITIES					
Stated capital	16	18 584 875	18 584 875	25 584 875	25 584 875
Asset revaluation reserve	17	13 792 135	10 819 759	129 902	129 902
Foreign currency translation reserve		(22 588 105)	(23 732 186)	-	-
Retained earnings		70 417 753	65 146 807	1 918 527	809 743
Equity attributable to equity holders of the parent		80 206 658	70 819 255	27 633 304	26 524 520
Non-controlling interests		65 057	-	-	-
TOTAL EQUITY		80 271 715	70 819 255	27 633 304	26 524 520
LIABILITIES					
Non-Current Liabilities					
Deferred tax liability	7.2	2 040 148	1 032 665	19 358	19 358
AECF loan	20.3	-	270 950	-	-
		2 040 148	1 303 615	19 358	19 358
Current Liabilities					
Dues to Group companies	18.3	3 381 282	3 306 731	9 172 159	6 421 285
Provision for employee benefits	19	1 207 151	1 311 581	126 296	127 763
Trade and other payables	20	4 718 807	6 417 369	164 194	218 170
Short term bank borrowings	21	28 940 192	36 890 059	28 940 192	32 568 067
Current tax liability		8 989	607 574	-	-
		38 256 421	48 533 314	38 402 841	39 335 285
TOTAL LIABILITIES		40 296 569	49 836 929	38 422 199	39 354 643
TOTAL EQUITY AND LIABILITIES		120 568 284	120 656 184	66 055 503	65 879 163

Statements of changes in equity for the year ended 31 March 2018

	Equity attributable to equity holders of the parent						
	Stated capital [1]	Asset Revaluation reserve	Foreign currency translation reserve	Retained Earnings	Total	Non-Controlling interest	Total
	US$	US$	US$	US$	US$	US$	US$
GROUP							
Balance at 1 April 2016	18 584 875	19 052 981	(36 392 952)	60 430 437	64 493	-	64 493
Revaluation arising during the year	-	(8 233 222)	-	-	(8 233 222)	-	(8 233 222)
Profit for the year	-	-	-	5 716 370	5 716 370	-	5 716 370
Dividend paid (note 18.1)	-	-	-	(1 000 000)	(1 000 000)		(1 000 000)
Exchange differences on translating foreign operations	-	-	12 660 766	-	12 660 766	-	12 660 766
Balance at 31 March 2017	18 584 875	10 819 759	(23 732 186)	65 146 807	70 819 255	-	70 819 255
Changes in 2017/18							
Profit for the year	-	-	-	4 488 446	4 488 446	(7 478)	4 480 968
Exchange differences on translating foreign operations	-	-	1 144 081	-	1 144 081	-	1 144 081
Total comprehensive income	-	-	1 144 081	4 488 446	5 632 527	(7 478)	5 625 049
Transferred to non-controlling interest	-	-	-	624 471	624 471	(624 471)	-
Non-controlling equity interest	-	-	-	-	-	697 006	697 006
Transferred to retained earnings	-	(158 029)	-	158 029	-	-	-
Revaluation during the period	-	3 478 228	-	-	3 478 228	-	3 478 228
Deferred tax on revaluation - note 7.3		(347 823)	-	-	(347 823)	-	(347 823)
Balance at 31 March 2018	18 584 875	13 792 135	(22 588 105)	70 417 753	80 206 658	65 057	80 271 715
COMPANY							
Balance at 1 April 2016	25 584 875	124 220	-	4 446 049	30 155 144		
Revaluation during the year	-	5 682	-	-	5 682		
Dividend paid				(1 000 000)	(1 000 000)		
Profit for the year	-	-	-	(2 636 306)	(2 636 306)		
Balance at 31 March 2017	25 584 875	129 902	-	809 743	26 524 520		
Changes in 2017/18							
Profit for the year	-	-	-	1 108 784	1 108 784		
Balance at 31 March 2018	25 584 875	129 902	-	1 918 527	27 633 304		

[1] The amount of dividend recognized as distribution to owners of the parent was $ Nil (2017: $ 0.04) per share.

Statements of cash flows for the year ended 31 March 2018

	Note	GROUP 2018 US$	GROUP 2017 US$	COMPANY 2018 US$	COMPANY 2017 US$
Cash flows from continuing operations					
Profit / (loss) before tax from operating activities (page 5)		5 275 420	7 747 595	1 108 784	(2 636 306)
Adjustments to reconcile profit before tax to net cash flows:					
Finance income	6.2	(554 190)	(706 177)	(883 681)	(1 111 060)
Finance costs	6.1	2 631 459	3 653 173	1 451 996	1 164 310
Depreciation	5.3	2 463 716	2 241 565	101 684	68 624
Share of loss from associates	10	1 000	323 000	-	-
Share of loss from joint venture	11.4	21 195	-	-	-
Profit on disposal of non-current assets	5.1	(42 108)	(122 923)	-	-
Loss on disposal of non-current assets	5.4	20 811	-	1 391	956
Impairment of investment in associate	5.5	2 478 307	5 481 271	1 204 558	4 888 770
Net foreign exchange differences		(278 701)	(13 312 468)	(17 136)	(10 142)
Working capital adjustments:					
Decrease in inventories		342 234	2 830 903	146 269	436 529
Increase in biological assets		(476 096)	(85 268)	-	-
Increase in current tax assets		(883 220)	(123 982)	-	-
Decrease/(increase) in trade & other receivables		7 295 769	6 924 623	299 007	(2 450 766)
Decrease/(increase) in payables and provisions		(2 073 942)	(451 358)	(55 443)	30 041
Increase in current tax liability		(598 585)	-	-	-
Interest received		554 190	706 177	883 681	1 111 060
Interest paid		(2 631 459)	(3 653 173)	(1 451 996)	(1 164 310)
Income tax	7.1	(1 686 206)	(2 072 086)	-	-
Net cash flows from operating activities		11 859 594	9 380 872	2 789 114	327 706
Investing activities					
Purchase of property, plant and equipment	8.1, 8.2	(5 578 018)	(4 369 461)	(667 904)	(2 071)
Proceeds on sale of property, plant and equipment		269 950	181 886	2 287	37 178
Investments in subsidiaries	9	-	-	(5 506 000)	-
Investments in joint venture	11	(1 165 023)	-	(1 165 023)	-
Introduction of equity by non-controlling party (page 7)		697 006	-	-	-
Net cash flows (used in)/from investing activities		(5 776 085)	(4 187 575)	(7 336 640)	35 107
Financing activities					
Proceeds from borrowings		27 500 000	34 216 426	27 500 000	32 568 068
Repayment of borrowings		(35 720 817)	(23 700 807)	(31 127 875)	(16 025 645)
Loans from or repaid by group companies		121 771	-	29 083 244	-
Loans advanced or repaid to group companies		(3 410 796)	(7 752 049)	(18 415 705)	(20 726 634)
Dividend paid to equity holders of the parent	18.1.2	-	(1 000 000)	-	(1 000 000)
Net cash flows from/(used in) financing activities		(11 509 842)	1 763 570	7 039 664	(5 184 211)
Net (decrease) / increase in cash & cash equivalents		(5 426 333)	6 956 867	2 492 138	(4 821 398)
Cash & cash equivalents at 1 April as reported		21 309 515	13 919 110	1 068 260	5 889 658
Net foreign exchange difference on opening cash & cash equivalents		530 216	433 538	-	-
Cash and cash equivalents at the end of year	15	16 413 398	21 309 515	3 560 398	1 068 260

Notes to the consolidated and separate financial statements

Corporate information
Seedco International Limited ("the Company") is a limited company incorporated in Botswana and is registered as an International Financial Services Centre company under the Income Tax Act. The addresses of its registered office and principal place of business are disclosed in the general information page of these financial statements.

The consolidated financial statements for the year ended 31 March 2018 comprise the Company and its subsidiaries (together referred to as the "Group"). The separate financial statements comprise of the Company's financial results only. The Group is principally engaged in the seed trade business, information on the Group structure is provided in note 4.

1 Changes in accounting policies and disclosures

1.1 New and amended standards and interpretations
The following revised IFRSs issued by the IASB have been applied in the current period, which are mandatorily effective for an accounting period that begins on or after 1 January 2017. The Group and / or the Company have not early adopted any of these standards, interpretations or amendments. The nature and effect of these changes are disclosed below.

Standard	Amendment	Impact on the these financial statements
Amendments to IAS 7 *Disclosure Initiative*	The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Group and Company have provided the information for both the current and the comparative period in these financial statements.	The application of this amendment has had some effect on the consolidated and separate financial statements.
Amendments to IAS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*	The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of deductible temporary difference related to unrealized losses. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.	The Group and Company applied amendments retrospectively. However, their application has had no significant effect on the Group's or Company's financial position and performance as the Group or Company do not have any significant deductible temporary differences or assets that are in the scope of the amendments.
Amendments to IFRS 12 *Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12 from Annual Improvements Cycle - 2014-2016*	Clarification of the scope of the standard. IFRS 12 states that an entity need not provide summarised financial information for interests in subsidiaries, associates or joint ventures that are classified (or included in a disposal group that is classified) as held for sale. The amendments clarify that there is only one concession from the disclosure requirements of IFRS 12 for such interests.	The amendment is applied with no impact on these financial statements.

Other standards, amendments and interpretations which are effective for the financial year beginning on or after 1 January 2017 are not applicable to the Group and have therefore not been included in the table above.

1.2 Standards, Amendments and Interpretations to existing standards in issue not yet effective and have not been early adopted by the Group

Below is a list of new standards, amendments to existing standards and interpretations that are not yet mandatorily effective (but allow early application) for the year ended 31 March 2018. The Directors anticipate that all of the above Standards and Interpretations will be adopted in the Group's financial statements for the period commencing 1 April 2018 or later as and when these Standards and Interpretations become applicable. The scope, effective dates and the impact on the financial statements upon their adoption of the above Standards and Interpretations are discussed below:

Standard/Amendment/ Interpretation	Scope	Applicable for annual periods beginning on or after
IFRS 9 *Financial Instruments (as revised in 2014)*	In July 2014, the IASB finalised the reform of Financial Instruments accounting and issued IFRS 9 (as revised in 2014), which contains the requirements for a) the classification and measurement of financial assets and liabilities, b) the impairment methodology and c) general hedge accounting. IFRS 9 (as revised in 2014) will supersede IAS 39 Financial Instruments: *Recognition and Measurement* upon its effective date. During the year the Group and Company performed a preliminary assessment of IFRS 9, which is subject to changes arising from a more detailed ongoing analysis. The Group and Company anticipate some changes in its accounting of financial assets and liabilities. The impact of such change is being studied and it is not possible to specify such impact until the study has been completed.	1 January 2018
IFRS 15 Revenue from contracts with customers	IFRS 15 Revenue from Contracts with Customers replaces all existing revenue requirements. The core principle of IFRS 15 is that revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgements and estimates. The standard is effective for annual periods beginning on or after 1 January 2018, but early adoption is permitted. The Group is still assessing the impact of the standard on its contracts with customers.	1 January 2018
Amendments to IFRS 2 *Classification and Measurement of Share-based Payment Transactions*	The amendments clarify the following: In estimating the fair value of a cash-settled share based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments. Where tax law or regulation requires an entity to withhold a specified number of equity instruments to equal to the monetary value of employee's tax obligation to meet the employee's tax liability which is then remitted to the tax	1 January 2018 with earlier application permitted. Specific transition provisions apply.

	authority, i.e. the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled had it not included the net settlement feature. A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows: i) the original liability is derecognised; ii) the equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services has been rendered up to the modification date; and iii) any difference between the carrying amount of the liability at the modification date and the amount recognised in profit or loss immediately. The Directors of the Company do not anticipate that the application of the amendments in the future will have a significant impact on the Group's or the Company's financial statements as the Group and / or the Company does not have any cash-settled share-based payment arrangements or any withholding tax arrangements with tax authorities in relation to share-based payments.	
IFRS 16 *Leases*	IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 *Leases* and the related interpretations when it becomes effective. IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases of low value assets. The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any re-measurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating as cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively. In contrast to lessee's accounting, IFRS 16 substantially carries forward the lessor's accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease. Furthermore, extensive disclosures are required by IFRS 16. The Directors do not anticipate that the application of the new standard will have a significant impact on the Group's and Company's financial statements as neither the Group nor the Company have any material lease arrangements. The impact of such change is being studied and it is not possible to specify such impact until the study has been completed.	1 January 2019 with earlier application permitted

Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The Directors anticipate that the application of these amendments may have some impact on the Group's consolidated financial statements in future periods should such transactions arise.	Effective for annual periods beginning on or after a date to be determined.
IFRIC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*	The Interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration. Entities may apply the amendments on a fully retrospective basis. Alternatively, an entity may apply the Interpretation prospectively to all assets, expenses and income in its scope that are initially recognised on or after: (i) The beginning of the reporting period in which the entity first applies the interpretation; or (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation. However, since the Group's and the Company's current practice is in line with the Interpretation, the Group and / or the Company do not expect any effect on their respective financial statements.	Effective for annual periods beginning on or after 1 January 2018
IFRIC Interpretation 23 Uncertainty over Income Tax Treatment	The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associate with uncertain tax treatments. The Interpretation specifically addresses the following: • Whether an entity considers uncertain tax treatments separately; • The assumptions an entity makes about the examination of tax treatments by taxation authorities; • How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; • How an entity considers changes in facts and circumstances.	Effective for annual periods beginning on or after 1 January 2019 but certain transitional reliefs are available.

	An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The Group and Company will apply interpretation from its effective date. Since the group operates in a complex multinational tax environment, applying the Interpretation may affect its consolidated financial statements and the required disclosures. In addition, the Group and Company may need to establish processes and procedures to obtain information that is necessary to apply the Interpretation on a timely basis.

There are other amendments to IFRSs that are not yet effective but are not likely to have any material impact on the Group and have therefore not been included in the table above.

2. Accounting policies

Index to Accounting Policies

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB) which comprise IFRSs, International Accounting Standards (IAS) and Interpretations originated by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC).

Basis of preparation and presentation

a) *Cost or fair value*

These financial statements have been prepared on a historical cost basis, except for property, plant and equipment, biological assets and derivative financial instruments that have been measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Further information on fair value measurement is available under note B below.

b) *Functional and presentation currency*

Group - The consolidated financial statements are presented in United States Dollars (USD or US$ or $). For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Company - The separate financial statements are presented in United States Dollars, which is also the Company's functional currency.

c) *Basis of consolidation*

Control is the basis for consolidation. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the above three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

d) Judgments and estimates and assumptions

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Group's and Company's accounting policies.

Although the estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 (Critical accounting judgments and key sources of estimation uncertainty).

e) Other information

Balance sheet items are classified as current if receipt or payment is due within twelve months. Otherwise, they are presented as non-current. The consolidated and separate financial statements provide comparative information in respect of the previous period.

The financial statements, which assume a going concern basis, have been prepared using the accrual basis of accounting, except for cash flow information.

The financial statements incorporate the following significant accounting, which have been consistently applied in all material aspects to all the years presented.

A Investments in associates and joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but, is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Unless an investment, or a portion of an investment, in an associate or a joint venture, is classified as held for sale, the investment, or any retained interest in the investment not classified as held for sale, is classified as a non-current asset.

<u>Group's consolidated financial statements -</u>

The financial statements of the associate and joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The considerations made in determining significant influence or joint control, are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associates and joint venture are accounted for using the equity method from the date on which the investment becomes an associate or a joint venture.

Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate, if any, is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or a joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At the end of each reporting period, the Company determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss as an impairment loss in the statement of profit or loss.

If the Group's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture, the Group discontinues recognizing its share of further losses. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of the losses not recognized.

The Group discontinues the use of the equity method from the date when its investment ceases to be an associate or a joint venture. The Group then measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Company's separate financial statements -

Investments in joint ventures and associates are accounted for on a cost basis in the Company's separate financial statements. Dividends from a subsidiary, a joint venture or an associate are recognized in the Company's separate financial statements when the Company's right to receive the dividend is established. The divided in recognized in profit or loss. Tests of impairment are carried out in the Company's separate financial statements in the same manner as described under the Group's consolidated financial statements.

B Fair value measurement

The Group and Company measures financial instruments such as derivatives, and non-financial assets such as land and buildings, plant and machinery and biological assets at fair value at each balance sheet date. Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed in this note. Aside from this note, additional fair value related disclosures, including the valuation methods, significant estimates and assumptions are also provided in:

- Property, plant and equipment under revaluation model - note 8
- Biological assets - note 13
- Financial instruments (including those carried at amortized cost) - note 22

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Group or the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In estimating the fair value of an asset or a liability, the Group and Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value in use in IAS 36.

Valuation techniques

The Group and Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 – Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group and Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Board determines the policies and procedures for both recurring fair value measurements, such as land and buildings, plant and machinery and biological assets and unquoted AFS financial assets, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and AFS financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Group Board after discussion with and approval by the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The Group Board decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Group Board analyses the movements in the values of assets and liabilities which are acquired to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group Board, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the Group Board and the Group's external valuers present the valuation results to the Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

The Company's Board follows the instructions from the Group Board and applies the determined policies and procedures in the Company's separate financial statements.

For the purpose of fair value disclosures, the Group and Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

C **Biological assets**

Biological assets comprise of growers crops. At initial recognition, biological assets are valued at fair value. Fair value of the biological assets is determined by reference to the average theoretical life span of crops and the prevailing market prices. The stock is evaluated in terms of its respective life span at the reporting date and consideration given to the crops that will germinate and pass the purity test. On that basis, an indicative value is established using the prevailing local and international market prices for the respective products. Fair value movements of the biological assets are recognized in profit or loss. Refer to note 13 for the carrying amount of biological assets and the assumptions and estimates used to determine the fair value.

D **Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. Cash and cash equivalents consist of cash on hand, deposits held at call with banks and other short-term highly liquid deposits with original maturities no more than three months. Cash and cash equivalents are carried in the statement of financial position at fair value.

E **Foreign currency translation**

Functional and presentation currency

This has been discussed under the *Basis of preparation and presentation* paragraph above.

Foreign currency translation

At each reporting date, monetary assets and liabilities denominated in foreign currencies are converted using year-end spot foreign exchange rates. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are converted using foreign exchange rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not converted.

Exchange differences on foreign currency translations are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in United States Dollars (US$), using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and recognised in the Group's foreign currency translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed off. Goodwill and / or fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

F **Financial instruments**

i) Financial assets

The Group classifies its non-derivative financial assets in the following categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments, and
- Available-for-sale financial assets.

The classification depends on the purpose for which the financial assets were acquired. The management determines the classification of its investments at initial recognition and re-evaluate this designation at each reporting date.

Financial instruments are recognised on the statement of financial position on the trade date, the date on which the Group and the Company becomes a party to the contractual provisions of the financial instrument.

All financial instruments are required to be classified and measured at fair value on initial recognition. Measurement in subsequent periods is dependent upon the classification of the financial instrument.

During the year, the Group and / or the Company did not hold any investments in the following categories:

- Financial assets at fair value through profit or loss
- Held-to-maturity investments, and
- Available-for-sale financial assets.

Loans and receivables

Loans and receivables include financial assets that have fixed or determinable payments that are not quoted in an active market. The Group's and Company's loans and receivables comprise trade receivables and other receivables and related party receivables.

Loans and receivables are measured at fair value on initial recognition, and are subsequently measured at amortised cost using the effective interest rate method, less any impairment. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate computed at initial recognition.

Impairment of financial assets

The Group and Company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment (an incurred loss event) and that the loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicates that there is a measureable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

De-recognition of financial assets

A financial asset (or where applicable a part of a financial asset or a part of a group of similar financial assets) is de-recognised when:

a) The right to receive cash flows from the asset have expired or
b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.

ii) Financial liabilities

All financial liabilities are recognised initially at fair value plus directly attributable transactions costs. The Group's and the Company's financial liabilities include trade and other payables, related party payables and bank borrowings. Subsequent measurement of these instruments is as per criteria below:

Bank borrowings and related party payables

All bank borrowings are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the income statement. Gains or losses are recognised in the income statement when the liabilities are derecognised as well as though the EIR amortization process.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

<u>Trade and other payables</u>
Trade and other payables are stated at cost adjusted for payments made to reflect the value of anticipated economic outflow of resources.

De-recognition of financial liability
A financial liability is de-cognised when the obligation under the liability is discharged or cancelled or expires.

iii) Off-setting of financial instruments
If a legally enforceable right exists to set-off recognised amounts of financial assets and liabilities and the Group and / or the Company intends to settle on a net basis, or to realise the assets and settle the liabilities simultaneously, the relevant assets and liabilities are offset.

G **Property, plant and equipment**
Property, plant and equipment is stated at cost or valuation net of accumulated depreciation and impairment losses if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets include cost of materials, direct labour and other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

Items of property, plant and equipment are re-valued by external independent valuers at least once every five years or earlier if it becomes apparent that their carrying amounts no longer reflect the fair value of such assets. At each financial year end where professional value are not involved, property, plant and equipment items are revalued by the management to re-state these items to fair values.

Gains or losses arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

Revaluation surplus of property, plant and equipment
Increase in the carrying amount arising from revaluation is recognized in other comprehensive income and accumulated in equity in the revaluation reserves, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the income statement, in which case the increase is recognized in the income statement. Decreases that offset previous increases on the same assets are charged in other comprehensive income and set off against the revaluation reserve. All other decreases are charged to the income statement. An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

H **Depreciation policy**
Depreciation is calculated using the straight-line method to allocate the cost or valuation of each asset (whether owned or held under a finance lease) to its residual value over its estimated useful life at the following annual rates:

Freehold land and buildings	2%
Plant	20%
Motor vehicles	20%
Other assets	20%

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner. The estimated useful lives, residual values and depreciation method are reviewed at each balance sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

For assets held under finance leases, if there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, such assets are depreciated over the shorter of the lease term and their useful lives. The Group or the Company did not have any finance leases during the year or in the previous year.

I Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell.

Cost is determined on a first-in and first-out (FIFO) basis.

The cost of packaged parent and commercial seed comprises costs of purchase of raw materials, transport inwards, costs of treatment (direct labour, other direct costs and an appropriate allocation of fixed indirect production costs based on normal operating capacity), packaging costs and other costs incurred in bringing the inventories to their present location and condition. The cost of spares and general consumables comprises costs of purchase and transport inwards. Borrowing costs are excluded.

Net realisable value is the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and variable costs necessary to make the sale.

At each reporting date, the Group and the Company assesses whether any inventories are impaired in accordance with the policy below on impairment of non-financial assets. At each subsequent reporting date, the Company makes a new assessment of selling price less costs to complete and sell. When the circumstances that previously caused inventories to be impaired no longer exist or when there is clear evidence of an increase in selling price less costs to complete and sell because of changed economic circumstances, the amount of impairment loss is reversed (reversal being limited to the original impairment loss), so that the new carrying amount is the lower of cost and the revised selling price less costs to complete and sell.

When inventories are sold, the Company recognizes the carrying amount of those inventories as an expense in the period in which the related revenue is recognized.

J Impairment of non-financial assets

The Group and the Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If there is any such indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined. The recoverable amount of an asset is the higher of its fair value less costs of disposal and value in use. If the recoverable amount of an asset is less than the carrying amount, the asset is reduced to its recoverable amount. That reduction is an impairment loss. The reversal of an impairment loss of assets carried at costs less accumulated depreciation or amortisation is recognised immediately in profit or loss. Any reversal of an impairment loss on a revalued asset is treated as a revaluation increase. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

K Leases

Operating leases

Leases where the lessor retains substantially all the risks and rewards of ownership of the leased asset, are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

L Provisions

Provisions are recognised when the Group and the Company has a present obligation (legal or constructive) as a results of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using the current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

M Research and development

Research expenditure is recognised as an expense as incurred. Costs incurred on seed development (relating to the design and testing of new or improved seeds) are recognised as intangible assets when it is probable that the project will be a success, considering its commercial and technological feasibility and costs can be measured reliably. Other development expenditures are recognised as an expense as incurred.

N Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profits for the year. The Group's and Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. The tax rates applied relate to taxes payable by the company and its subsidiaries in the respective jurisdictions in which they operate in.

Taxable profit differs from profits as reported in the consolidated and separate income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group and Company is able to control the reversal of the temporary difference and it is probable that temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset is realised or the liability settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the access of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination.

O Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be easily measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and other similar allowances).

Revenue from the sale of goods is recognised when the Group and the Company have transferred the significant risks and rewards of ownership of the goods to the buyer, usually on delivery of the goods.

Rendering of services

Company - Revenue from rendering of Head Office services is recognised at the contractual rates as management hours are delivered and direct expenses are incurred.

Dividend income

Company - Revenue is recognised when the Company's right to receive the payment is established.

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as AFS, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

Rental income

Rental income arising from operating leases on the Group's land and buildings is accounted for on a straight-line basis over the lease terms.

P Value added tax (VAT)

Revenue, expenses and assets are recognised net of the amount of VAT, except where the amount of VAT incurred is not recoverable from the revenue authorities in various jurisdictions. In these circumstances VAT is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of VAT. VAT receivable or payable at the end of the reporting period is disclosed under other receivables or other payables respectively.

Q Financial instruments risk management objectives and policies

The Group's and Company's financial assets comprise of trade receivables, related party receivables, government promissory notes and cash and short-term deposits that arrive directly from its operations.

The Group's and Company's financial liabilities comprise of bank borrowings, trade payables and related party payables. The main purpose of these financial liabilities is to finance the Group's and Company's operations and to provide guarantees to support its operations.

It is and has been throughout the year under review, the Group's and Company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's and Company's financial instruments are cash flow credit risk, interest rate risk, liquidity risk and foreign currency risk. The Board reviews and agrees policies for managing each of these risks, which are summarized below.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group and Company are exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's / Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits that are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance. The requirement for impairment is analysed at each reporting date on an individual basis for major clients. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables as disclosed in the statement of financial position.

Excessive risk concentration - The Group and Company evaluate the concentration of risk with respect to trade receivables as high. Though its customers are located in several jurisdictions and largely independent markets, a significant portion of the receivables is owed mainly by the Governments of Zambia, Tanzania, Malawi and Rwanda representing 27% (2017: Zambia, Botswana and Malawi 38%) of the total receivables. The Company's receivables are owed by a distributor in Swaziland representing 100% of the total receivables (2017: 100%).

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in the statement of financial position.

There has been no significant change in the Group's and / or Company's exposure to credit risk or its management objectives from the previous year.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash-flows of a financial instrument will fluctuate because of changes in the market interest rates. The Group's and Company's exposure to the risk of changes in the market interest rates relates primarily to the Group's long term debt obligation with floating interest rates. The Group manages its interest rate by having most of its borrowings in short term US Dollar based LIBOR linked rate of interest.

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's and Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

		GROUP		COMPANY	
		2018 US$	2017 US$	2018 US$	2017 US$
Decrease in basis points	+.50	(328 932)	(456 647)	(181 500)	(145 539)
Increase in basis points	-.50	328 932	456 647	181 500	145 539

Liquidity risk
Liquidity risk is the risk that the Group or the Company will encounter in meeting commitments associated with financial liabilities because of the possibility that the Group or the Company will be required to pay its liabilities earlier than expected. The liquidity risk arises if the Group or the Company defaults in its loan commitments or in meeting other conditions of the financial liabilities.

The Group and Company ensures timely payments of all its loan commitments, which is mainly in the form of bank overdrafts to finance pre and post shipment finance, and is reviewed every 6-12 months. Timely arrangements are made with the banks to review the facility before it expires, to avoid default.

The Group and Company is principally funded through centrally arranged facilities through the Company, Seed Co International Limited. As part of its treasury functions, Seed Co International Limited has arranged short term financing from Stanbic Bank Botswana and Barclays Bank Botswana. The Group and Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 6 months can be rolled over with existing lenders. At 31 March 2018, the Group and Company had available US$ 12.5 million (2017: US$ 17 million) of undrawn committed borrowing facilities.

The table below summarises the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted payments:

There has been no significant change in the Group's or the Company's change in exposure to credit risk or its management objectives from the previous period.

GROUP 31 March 2018	On demand US $	< 3 months US $	3-12 months US $	1-5 years US $	Total US $
Short term bank borrowings	28 940 192	-	-	-	28 940 192
Dues to Group companies	-	-	3 381 282	-	3 381 282
Trade and other payables	-	4 718 807	-	-	3 631 183
	28 940 192	4 718 807	3 381 282	-	35 952 657

31 March 2017					
Short term bank borrowings	36 890 059	-	-	-	36 890 059
Dues to Group companies	-	-	3 306 731	-	3 306 731
Trade and other payables	-	6 688 319	-	-	5 869 334
	36 890 059	6 688 319	3 306 731	-	46 066 124
COMPANY					
31 March 2018					
Short term bank borrowings	28 940 192	-	-	-	28 940 192
Dues to Group companies	-	-	9 172 159	-	9 172 159
Trade and other payables	-	164 194	-	-	164 194
	28 940 192	164 194	9 172 159	-	38 276 545
31 March 2017					
Short term bank borrowings	32 568 067	-	-	-	32 568 067
Dues to Group companies	-	-	6 421 285	-	6 421 285
Trade and other payables	-	218 170	-	-	218 170
	32 568 067	218 170	6 421 285	-	39 207 522

Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's or the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's or the Company's operating activities (when revenues or expenses are denominated in a different currency), and the Group's net investments in foreign subsidiaries.

The Group and Company's risk management objective is to manage cash flow risk related to foreign denominated cash flows. The Group and Company operates continentally in Africa and is exposed to foreign exchange risk arising from various currencies, primarily with respect to the US Dollar, which is the Company's functional currency.

The currency profiles of the Group and the Company are presented in note 27. It also demonstrates the sensitivity to a reasonably possible change in US dollar exchange rate against the respective currencies, with all other variables held constant, on the Group's and Company's profit before tax and equity. A 10% change is considered as a reasonably possible change in US dollar exchange rate against the respective currencies by the Group Board. The impact on the Group's / Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Group's / Company's pre-tax equity is due to changes in the foreign currency translation reserve because of its net investments in foreign subsidiaries.

R Fair values of financial instruments

The management assessed that the fair values of cash and short-term deposits, trade receivables, dues to group companies, trade and other payables, bank overdrafts and dues to group companies approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Long-term fixed rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, creditworthiness of the individual customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.
- The fair values of the unquoted ordinary shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- The fair values of the Group's interest-bearing borrowings and loans are determined by using the DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2018 was assessed to be insignificant (2017: insignificant).

S **Capital risk management**

The primary objective of the Group's and Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group and Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. Planning, annual budgeting and controls over major investment decisions are the primary tools used to manage the Group's and Company's capital. Updates are made as necessary to both capital expenditure and operational budgets in order to adapt to changes in risk factors of proposed expenditure programs and market conditions within the industry in which the Group and Company operates. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the periods ended 31 March 2017 and 31 March 2018. The Group and Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's and Company's policy is to keep the gearing ratio below 50%. The Group and Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discounted operations. Capital is equity attributable to the equity holders of the parent.

		GROUP		COMPANY	
		2018 US$	2017 US$	2018 US$	2017 US$
Short term bank borrowings	21	28 940 192	36 890 059	28 940 192	32 568 067
Dues to Group companies	18.3	3 381 282	3 306 731	9 172 159	6 421 285
Trade and other payables	20	4 718 807	6 688 319	164 194	218 170
Less: Cash and short term deposits	15	(16 413 398)	(21 309 515)	(3 560 398)	(1 068 260)
Net debt		20 626 883	25 575 594	34 716 147	38 139 262
Equity		80 206 657	70 819 255	27 633 304	26 524 520
Equity + Net debt		100 833 540	96 394 849	62 349 451	64 663 782
Gearing ratio [Net debt / (Equity + Net debt)]		**0.20**	**0.27**	**0.56**	**0.59**

T **Operating segments**

The operating businesses are managed separately according to the country that they operate in, with each segment representing a strategic business unit that operates in the same geographical area. For reporting purposes, the Group has aggregated some insignificant business units with common economic circumstances as operating segments. The total number of reportable segments is identified as six, based on geographical locations. Refer to note 28 for more information.

3 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's and Company's accounting policies, which are described in Note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 *Judgements*

The following was the most critical judgments, apart from those involving estimations (see 3.2 below), that the Directors have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Group's taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and obtaining independent professional advice. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group's domicile. As the Group assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, contingent liabilities as disclosed in note 25 have not been taken into account for future cash flows. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

3.2 *Estimates and assumptions*

The following are key assumption concerning the future and other key source of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Group and Company based its assumptions and estimates on parameters available when these financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group and the Company. Such changes are reflected in the assumptions when they occur.

a) Allowances for credit losses

Group and Company - The Group and Company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment (an incurred loss event) and that the loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicates that there is a measureable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

b) Investments in and dues from Subsidiaries, Associates and Joint Venture

Company - The Company has Investments in certain subsidiaries which are yet to yield returns. Investments are in the form of capital, loans advanced and guarantees provided. Because of its nature of business, it may typically take 3-5 years, or in some jurisdictions, even up to 6-7 years for the subsidiaries to yield returns. Activities during this period include research and development, trials, patenting, market development and a host of other pre-operating activities. Impairment tests on these investments are carried out annually which is based on projected cash flows of the subsidiaries. The assumptions supporting the cash flows may be subject to certain management bias. The total investments in such subsidiaries amounted to US$ 7.3 million at 31 March 2018 (2017: US $ 4.4 million). There is no impact on the Group's financial statements as all such investments are eliminated in consolidation.

Group and Company - In addition to the above, the Company has similar investments in associates and in a joint venture which are yet to yield returns. The Company's exposure to such receivables is US $ 1,518,102 at 31 March 2018 and US $ 1,306,158 at 31 March 2017. The Group's exposure in this regard is US $ 2 568 914 at 31 March 2018 and US $ 1 307 158 at 31 March 2017.

4 Group information

4.1 Information about subsidiaries

The consolidated financial statements of the Group include the results of the following investments in subsidiaries, accounted for under the equity method:

Name	Principal activities	Country of incorporation	% equity interest	
			At 31/3/2018	At 31/3/2017
SCZ International Ltd	Seed trade	Zambia	100%	100%
Seed Co (Malawi) Limited	Seed trade	Malawi	100%	100%
Agri Seed Co Ltd	Seed trade	Kenya	100%	100%
Seedco Tanzania Limited	Seed trade	Tanzania	100%	100%
Seedco (Pty) Ltd	Seed trade	Botswana	100%	100%
Seed Co SA (Pty) Ltd	Seed trade	South Africa	100%	100%
Seed Co International Rwanda Limited	Seed trade	Rwanda	100%	100%
Seed Co DRC*	Seed trade	DRC	100%	100%
Seedco West Africa Limited	Seed trade	Nigeria	100%	100%
African Seed Company Ghana Limited	Seed trade	Ghana	100%	-
Seed Co Nigeria Limited	Seed trade	Nigeria	70%	-

** Wholly owned subsidiary of SCZ International Ltd.*

4.2 Information about associates

The consolidated financial statements of the Group include the results of the following investments in associates, accounted for under the equity method. The investments are accounted for on a cost basis in the Company's separate financial statements.

Name	Principal activities	Principal place of business and Country of Incorporation	% equity interest	
			At 31/3/2018	At 31/3/2017
Quton Ltd (Malawi)	Cotton trade	Malawi	40%	40%
Quton Tanzania Ltd	Cotton trade	Tanzania	30%	30%

4.2 Information about Joint Venture

The consolidated financial statements of the Group include the results of the following joint arrangement in which the Group is a joint venturer, accounted for under the equity method:

Name	Principal activities	Principal place of business and Country of Incorporation	Group's equity interest %	
			At 31/3/2018	At 31/3/2017
Prime Seed Co International (Pty) Ltd	Vegetable seed trade	Botswana	51%	-
Its wholly owned subsidiaries are:				
African Seed Zambia Ltd	Vegetable seed trade	Zambia	51%	-
Prime Seed Company Limited	Vegetable seed trade	Malawi	51%	-
Prime Seed Co (Pvt) Ltd	Vegetable seed trade	Tanzania	51%	-
Seedco Horticulture Kenya Ltd	Vegetable seed trade	Kenya	51%	-

4.3 The Holding Company

The next senior and holding company of Seedco International Limited is Seed Co Limited which is based and listed in Zimbabwe.

4.4 Related parties

Related parties comprise the following, whether there have been transactions or not:

4.4.1 Related entities

Related entities	Country of incorporation	Nature of relationship
Seed Co Limited	Zimbabwe	Holding company
National Seed Co of Zimbabwe	Zimbabwe	Fellow subsidiary
Niculata Investments (Pvt Ltd – t/a Prime Seeds	Zimbabwe	Fellow subsidiary
Seed Co Zimbabwe (Pvt) Ltd	Zimbabwe	Fellow subsidiary
Quton Zimbabwe (Pvt) Ltd	Zimbabwe	Holding company Associate
All subsidiaries as above	As in 4.1 above	Subsidiaries
All associates as above	As in 4.2 above	Associates

4.4.2 Related persons

Name of person	Nature of relationship
M. Nzwere	Group Chief Executive
Dr D Garwe	Non - Executive Director
D Jacquemond	Non - Executive Director
B Carette	Non - Executive Director
P Gowero	Non - Executive Director
D.E.B. Long	Non - Executive Director
J. Matorofa	Group Finance Director
M S Ndoro	Non – Executive Director
C Kabaghe	Non – Executive Director
A G Barron	Non – Executive Director
F Ruwende	Non – Executive Director
R C D Chitengu	Non – Executive Director
M Debrand	Non – Executive Director

Notes to the consolidated and separate financial statements

		Note	GROUP 2018 US$	GROUP 2017 US$	COMPANY 2018 US$	COMPANY 2017 US$
5	**Operating profit** - *Operating income is arrived after taking into account:*					
5.1	**Other operating income**					
	Dividend received	18.1.5	-	-	4 470 257	2 795 063
	Management fees received	18.1.6	-	-	2 240 701	2 064 190
	Net exchange gains		1 406 400	236 012	219 177	151 558
	Profit on disposal of non-current assets		42 108	122 923	-	-
	Other income		154 100	382 566	-	42 620
			1 602 608	741 501	6 930 135	5 053 431
5.2	**Employee benefits**					
	Short-term employee benefits		7 217 447	7 376 842	911 388	822 471
	Directors' sitting fees		287 658	211 836	66 325	54 632
	Other long-term employee benefits		462 188	480 665	36 232	15 353
			7 967 293	8 069 343	1 013 945	892 456
	Employee benefits include directors' emoluments summarised in note 18.1.8.					
5.3	**Depreciation and amortization**					
	Depreciation	8, 8.1	2 463 716	2 241 565	101 684	68 624
5.4	**Operating expenses**					
	including the following:					
	Auditor's remuneration - current year		335 988	321 551	74 458	67 141
	Loss on disposal of non-current assets		20 811	-	1 391	956
	Management fees paid	18.1.2	2 193 944	2 084 253	2 193 944	2 084 253
5.5	**Impairment**					
	Quton Tanzania Ltd - loan account	18.10	953 079	1 500 000	953 079	1 500 000
	Quton Tanzania Ltd - Investment in Associate	10.5	-	-	1 000	323 000
	Quton Malawi Ltd - loan account		-	2 298 463	-	2 298 463
	Trade receivables	14.3	1 274 749	1 218 666	-	303 165
	Other non-recoverable debts		250 479	464 142	250 479	464 142
			2 478 307	5 481 271	1 204 558	4 888 770
6	**Finance costs/income**					
6.1	**Finance costs**					
	Interest on short-term borrowings		2 631 459	3 653 173	1 451 996	1 164 310
6.2	**Finance income**					
	Interest income		554 190	706 177	883 681	1 111 060

		Note	GROUP 2018 US$	GROUP 2017 US$	COMPANY 2018 US$	COMPANY 2017 US$
7	**Income tax**					
7.1	**Income tax expense**					
	Current tax expense					
	- Company tax		1 686 206	2 072 086	-	-
	Deferred tax expense / (income)					
	- Deferred tax income due to temporary differences	7.1, 7.2	(20 209)	(170 518)	-	-
	- Deferred tax utilized	7.3	-	146 024	-	-
	- Deferred tax income arising out of tax losses	7.3	(881 866)	(16 367)	-	-
			784 131	2 031 225	-	-
7.2	**Deferred tax liability**					
	Balance at beginning of the year		1 032 665	2 840 331	19 358	19 358
	Exchange differences		558 040	193 539	-	-
	Deferred tax on revaluation	Page 7	347 823	-	-	-
	Set-off against deferred tax asset by a subsidiary	7.3	-	(1 830 687)	-	-
	Movement due to temporary differences	7.1	101 620	(170 518)	-	-
	Balance at end of the year		2 040 148	1 032 665	19 358	19 358
7.3	**Deferred tax asset**					
	Balance at beginning of the year	7.4	93 973	2 157 377	-	-
	Exchange differences		(109 894)	(103 060)	-	-
	Set-off against deferred tax asset by a subsidiary	7.2	-	(1 830 687)	-	-
	Deferred tax utilized	7.1	-	(146 024)	-	-
	Deferred tax arising during the year:					
	Due to temporary differences	7.1	121 829	-	-	-
	Due to origination of tax losses	7.1, 7.3.1	881 866	16 367	-	-
	Balance at end of the year		987 774	93 973	-	-

7.3.1 **Company**

Because of the nature of the business of the Company and its status as an International Financial Services Centre (IFSC) Company, its main income which is dividend from its investments does not form part of its taxable income as per IFSC legislation in Botswana. Accordingly the Company has not been making a taxable profit for the last few years and hence the management has ceased to account for a deferred tax asset in respect of such losses as taxable profits may not be generated over the next 1-5 years between which the losses expire. Tax losses amounted to US$ 5 897 043 as at 31 March 2018 (2017: US$ 3 841 354).

Group

Deferred tax assets relate to assessable losses in Seed Co SA (Pty) Ltd and Seedco Tanzania Limited. Deferred tax assets have been recognized in respect of these losses as they will be used to offset taxable profits in future. The current year losses were due to once off research costs and restructuring expenses respectively which will not recur. Both companies have been tax paying in the past. Seedco Tanzania registered a book profit in the current year also. The Directors are of the opinion that these companies will make taxable profits in the immediate future.

8 Property, plant and equipment

8.1 GROUP

	Land & buildings US$	Plant US$	Motor vehicles US$	Other assets (f) US$	Total US$
Year ended 31 March 2017					
Balance at 1 April 2016					
At cost	24 403 858	6 709 831	4 784 434	1 165 859	37 063 982
Accumulated depreciation	(407 243)	(1 556 974)	(2 005 422)	(656 109)	(4 625 748)
Net book value	23 996 615	5 152 857	2 779 012	509 750	32 438 234
Exchange differences - 8.1 (d)	624 878	67 380	(247 749)	9 030	453 539
Additions	1 936 873	1 174 913	953 858	280 160	4 345 804
Capital work-in-progress	23 657	-	-	-	23 657
Disposals at cost	-	(225 117)	(173 611)	(7 767)	(406 495)
Depreciation on disposals	-	173 346	170 728	3 458	347 532
Depreciation	(682 249)	(506 539)	(858 394)	(194 383)	(2 241 565)
Balance at 31 March 2017	25 899 774	5 836 840	2 623 844	600 248	34 960 706
At 31 March 2017					
At cost	26 989 266	7 727 007	5 316 932	1 447 282	41 480 487
Accumulated depreciation	(1 089 492)	(1 890 167)	(2 693 088)	(847 034)	(6 519 781)
	25 899 774	5 836 840	2 623 844	600 248	34 960 706
Year ended 31 March 2018					
Balance at 1 April 2017					
At cost	26 989 266	7 727 007	5 316 932	1 447 282	41 480 487
Accumulated depreciation	(1 089 492)	(1 890 167)	(2 693 088)	(847 034)	(6 519 781)
Net book value	25 899 774	5 836 840	2 623 844	600 248	34 960 706
Exchange differences - 8.1 (d)	1 475 781	(1 228 219)	243 844	54 974	546 380
Additions	1 996 727	925 881	2 000 172	655 238	5 578 018
Revaluation	3 478 228	-	-	-	3 478 228
Disposals at cost - 8.1 (e)	-	(18 680)	(519 930)	(29 464)	(568 074)
Depreciation on disposals - 8.1 (e)	-	12 016	288 336	19 069	319 421
Depreciation	(522 457)	(648 727)	(1 002 290)	(290 242)	(2 463 716)
Balance at 31 March 2018	32 328 053	4 879 111	3 633 976	1 009 823	41 850 963
At 31 March 2018					
At cost	33 940 002	7 405 989	7 041 018	2 128 030	50 515 039
Accumulated depreciation	(1 611 949)	(2 526 878)	(3 407 042)	(1 118 207)	(8 664 076)
	32 328 053	4 879 111	3 633 976	1 009 823	41 850 963

8.1

a) **Assets pledged as security**
All of the above assets are pledged as security to various financial institutions for banking facilities obtained from them, details of which are available in note 21.

b) As at 31 March 2018, the Directors assessed the carrying amounts of all property, plant and equipment. They are of the opinion that no impairment write down is necessary. In 2017, there were no impairment on property, plant and equipment.

c) **Fair value**
Fair value of property was determined using market comparable methods. In determining the fair value of land and buildings, the Directors considered the highest and best use of the land and buildings. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property, plant and equipment item.

Significant increases/(decreases) in estimated price per square metre in isolation would result in significantly higher (lower) fair values for the Properties. The fair value hierarchy is disclosed in note 8.2.4.

d) The exchange differences arise on the conversion of property, plant and equipment of subsidiaries and is included in the exchange differences on translating foreign operations in OCI.

e) Certain movable assets at a net book value of US$ 138 420 were transferred to the joint venture during the year (note 18.1.19) and are included in the disposals at cost / depreciation on disposals.

f) Other assets comprise computers, office equipment, leasehold improvements.

Contd.

8.2 Property, plant and equipment *continued*

COMPANY

	Land & buildings US$	Plant US$	Motor vehicles US$	Other assets (d) US$	Total US$
Year ended 31 March 2017					
Balance at 1 April 2016					
At cost	286 500	112 130	283 448	54 783	736 861
Accumulated depreciation	(6 094)	(88 915)	(151 241)	(40 728)	(286 978)
Net book value	280 406	23 215	132 207	14 055	449 883
Additions	-	-	-	2 071	2 071
Exchange gain	10 500	-	-	-	10 500
Disposals at cost	-	-	(42 088)	(1 082)	(43 170)
Depreciation on disposals	-	-	4 910	126	5 036
Depreciation	(5 730)	(22 427)	(35 975)	(4 492)	(68 624)
Balance at 31 March 2017	285 176	788	59 054	10 678	355 696
At 31 March 2017					
At cost	297 000	112 130	241 360	55 772	706 262
Accumulated depreciation	(11 824)	(111 342)	(182 306)	(45 094)	(350 566)
	285 176	788	59 054	10 678	355 696
Year ended 31 March 2018					
Balance at 1 April 2017					
At cost	297 000	112 130	241 360	55 772	706 262
Accumulated depreciation	(11 824)	(111 342)	(182 306)	(45 094)	(350 566)
Net book value	285 176	788	59 054	10 678	355 696
Exchange gain	17 136	-	-	-	17 136
Additions	-	16 623	335 417	315 864	667 904
Disposals at cost	-	-	(18 389)	-	(18 389)
Depreciation on disposals	-	-	14 711	-	14 711
Depreciation	(5 940)	(689)	(55 074)	(39 981)	(101 684)
Balance at 31 March 2018	296 372	16 722	335 719	286 561	935 374
At 31 March 2018					
At cost	314 136	128 753	558 388	371 636	1 372 913
Accumulated depreciation	(17 764)	(112 031)	(222 669)	(85 075)	(437 539)
	296 372	16 722	335 719	286 561	935 374

8.2

(a) Land and buildings

The Company's property is held under freehold interests. The property comprises of a developed residential property at Lot 53188, Phakalane, an up-market suburb of Gaborone and is self-occupied. The property is bonded to Stanbic as stated in note 21.3

(b) Assets pledged as security

All the assets of the Company are pledged as security for the banking facilities from Barclays Bank Botswana and Stanbic Bank Botswana, further details of which are available in note 21.

c) Fair value

The fair value hierarchy is disclosed in note 8.2.4.

d) Other assets

Other assets comprise computers, office equipment, leasehold improvements.

Contd.

Notes to the consolidated and separate financial statements *continued*

8.3 Property, plant and equipment *continued*

8.2.1 Impairment

As at 31 March 2018, the management assessed the carrying amounts of all property, plant and equipment. They are of the opinion that no impairment write down is necessary. In 2017, there was no impairment on property, plant and equipment.

8.2.2 Measurement of fair values - valuation process

The Group and Company engages independent valuers who are registered, qualified and experienced for the purpose of determining fair values of the property, plant and equipment and are also independent of the Group and the Company.

Land and buildings

Type	Valuation technique	Significant unobservable inputs	Range (2018)	Range (2017)	Narrative sensitivity
Land and buildings - Commercial properties	Market approach	Price per square metre	$ 450 - $1000	$ 450 - $1000	Increase / decrease in prime yield results in decrease / increase in fair value.
		Rentals per square metre	$ 10 - $12	$ 10 - $12	
		Prime yield	8-12%	8-12%	Increase / decrease in prime yield results in decrease / increase in fair value.

Motor vehicles, plant and equipment

Type	Valuation technique	Significant unobservable inputs	Range (2018)	Range (2017)	Narrative sensitivity
Plant and machinery	Cost approach	Adjustments for obsolescence	-	-	Increase/ decrease in the cost of replacing the asset results in an increase/ decrease in fair value.
		Cost of replacing the asset	-	-	
		Estimated remaining life	5 - 20 years	5 - 20 years	
Motor vehicles	Cost approach	Adjustments for obsolescence	-	-	
		Cost of replacing the asset	-	-	
		Estimated remaining life	1 - 5 years	1 - 5 years	

8.2.4 **Fair value hierarchy** - All of the above assets stated at fair value are classified as Level 3 category. There were no transfers between Levels 1, 2 and 3 during the year.

Notes to the consolidated and separate financial statements *continued*

9 Investments in subsidiaries

Details of the Company's subsidiaries are available in note 4.1. The investments are as follows:

	COMPANY 2018 US$	COMPANY 2017 US$
Unquoted shares at cost		
Seed Co Zambia International Ltd	9 394 287	9 394 287
Seed Co (Malawi) Limited	13 293 737	8 293 737
Seedco Tanzania Limited	1 300 000	1 300 000
Agri Seed Co Ltd, Kenya	3 777 000	3 777 000
Seed Co SA (Pty) Ltd	1 127	1 127
Seedco West Africa Ltd	351 880	351 880
African Seed Company Ghana Limited	506 000	-
Seed Co (Pty) Ltd	-	-
Seed Co Nigeria Limited	-	-
Seed Co International Rwanda Ltd	-	-
Total investments in subsidiaries	28 624 031	23 118 031

9.1 The subsidiaries operate in an environment where there are presently no restrictions on remittance of dividends. Fair value is established on the basis of net cash flows to be received by the parent company over the medium term, as there is no active market for the asset.

9.2 Details of financial support given to subsidiaries is available at notes 18.1.10 and 25.1(d).

9.3 All subsidiaries have a financial year end of 31 March and follow uniform accounting policies as that of the Group for like transactions and events in similar circumstances.

9.4 During the year the Company made the following investments in subsidiaries:

	2018 US$	2017 US$
Seed Co (Malawi) Limited - note 18.1.10	5 000 000	-
African Seed Company Ghana Limited	506 000	-
	5 506 000	-

10 Investments in associates

10.1 The Group has interests in associates, as described in note 4.2. These associates are involved in the cotton seed trade business in Tanzania and Malawi.

	Quton Malawi Ltd	Quton Tanzania Ltd
	2018 US$	2018 US$
Group's equity interest	40%	30%
Non-current assets	10 098	530 986
Current assets	414 903	2 615 662
Current Liabilities	(4 374 295)	(6 092 958)
Equity	(3 949 294)	(2 946 310)
Group's share of equity - for information only	(1 579 718)	(883 893)
Continuing operations		
Revenues	151 836	1 553 264
Cost of goods sold	(161 183)	(954 589)
Other income	105 786	10 208
Expenses	(218 815)	(368 359)
Tax	-	-
(Loss) / Profit for the year	(122 376)	240 524
Group's share of (loss) / profit for the year**	(48 950)	72 157
10.2 Loans to associates - note 18.2.2.	214 583	411 706

10.3 The associates had no capital commitments or contingent liabilities as at 31 March 2018 or 2017.

10.4 The Associates are accounted for using the equity method of accounting in the Group's financial statements and using the cost method in the Company's separate financial statements.

10.5 Reconciliation of the investments in associates.

	GROUP		COMPANY	
	Quton Malawi Ltd	Quton Tanzania Ltd	Quton Malawi Ltd	Quton Tanzania Ltd
	2018 US$	2018 US$	2018 US$	2018 US$
Balance at the beginning of the year	-	1 000	-	1 000
Impairment of Investment - note 5.5	-	-	-	(1 000)
** Share of loss of associate - restricted to carrying amount	-	(1 000)	-	-
Balance at end of the year	-	-	-	-

10.6 All associates have a financial year end of 31 March and follow uniform accounting policies as that of the Group for like transactions and events in similar circumstances.

10.7 Summarized financial information in respect of each of the Group's associates is set out in note 10.1. The summarized financial information represents amounts shown in the associates' financial statements prepared in accordance with IFRSs, adjusted for equity accounting purposes.

10.8 An amount of US$ 323 000 was written off in respective of the investment in the associate, Quton Tanzania Ltd, at Group level in 2017.

11 Investment in a joint venture

11.1 The Group has an interest in a Joint Venture, as described in note 4.2, which is involved in the vegetable seed trade business in Tanzania, Malawi, Zambia and Kenya, with its holding company in Botswana.

11.2 The Joint Venture is accounted for using the equity method of accounting in the Group's financial statements and using the cost method in the Company's separate financial statements.

11.3 The Joint Venture has a financial year end of 31 March 2018 and follows uniform accounting policies as that of the Group for like transactions and events in similar circumstances.

11.4 Summarized financial information in respect of the Group's Joint Venture is set out below. This summarized financial information represents amounts shown in the Joint Venture's financial statements prepared in accordance with IFRSs, adjusted for equity accounting purposes.

Prime Seed Co International (Pty) Ltd: **Group's equity interest - 51%**		0
	JV's results	Group's share (51%)
Summarized statement of financial position of Prime Seed Co International (Pty) Limited		
Non-current assets	303 365	
Current assets	3 096 659	
Non-current liabilities	(8 953)	
Current Liabilities	(1 148 271)	
Equity	2 242 800	1 143 828
Goodwill		-
Group's carrying amount of the investment		1 143 828
Summarized statement of profit or loss of Prime Seed Co International (Pty) Limited		
Revenues	738 707	
Cost of goods sold	(480 609)	
Other income	15 098	
Expenses	(278 233)	
Tax	(16 285)	
Loss for the year (continuing operations)	(21 322)	(10 874)
Other comprehensive loss net of income tax		
Items that may be reclassified subsequently to profit or loss	(20 238)	(10 321)
Total comprehensive loss for the year (continuing operations)	(41 560)	(21 195)

11.5 The Joint Venture had no capital commitments as at 31 March 2018.

11.6 The Joint Venture had no contingent liabilities as at 31 March 2018.

11.7 Prime Seed Co International Limited cannot distribute its profits without the consent from the other venture partner.

11.8 Loans to Joint Venture - note 18.2.	798 797
11.9 ***Reconciliation between carrying amount in Company's financial statements with Group's financial statements***	
Carrying amount of the joint venture at cost in Company's financial statements	1 165 023
Share of loss of joint venture as above	(21 195)
Carrying amount of the joint venture at cost in the Group's financial statements	1 143 828

	GROUP 2018 US$	GROUP 2017 US$	COMPANY 2018 US$	COMPANY 2017 US$
12 Inventories				
Parent and commercial seed	9 341 506	10 272 520	218 149	364 418
Spares and general consumables	3 294 634	2 705 854	-	-
Total inventory at lower of cost and net realizable	12 636 140	12 978 374	218 149	364 418
12.1 Inventory recognized as an expense during the year				
Opening balance of inventory	12 978 374	15 809 277	364 418	800 947
Add: Purchases/value-addition	32 584 132	32 711 706	1 157 584	1 223 424
	45 562 506	48 520 983	1 522 002	2 024 371
Less: Inventory transferred at cost	-	-	-	-
to Prime Seed Co - 12.2	(1 228 927)	-	-	-
Less: Closing balance of inventory	(12 636 140)	(12 978 374)	(218 149)	(364 418)
	31 697 439	35 542 609	1 303 853	1 659 953
13 Biological assets				
Balance at beginning of the year	212 674	-	-	-
Increases due to new plantings	688 770	212 674	-	-
Harvested plants transferred to inventories	(212 674)	-	-	-
Fair value adjustment	-	-	-	-
Balance at end of the year	688 770	212 674	-	-

12.2 Inventory transferred
Following the setting up of the vegetable seed business under Prime Seed Co, various group companies transferred their vegetable seeds at cost to the Joint Venture - note 18.1.9.

12.3 Carrying amount of inventories pledged as security for liabilities
All of the Group and Company's inventories are pledged as security for liabilities as stated in note 21.

13.1 Crops - The Group's biological assets comprise of plants not yet harvested that are used to produce parent seeds. The parent seeds are used to produce hybrid seeds which are sold to the market. The biological assets have a short life cycle of less than one year and hence are classified as current. The fair value was determined but it approximated to cost hence no fair value adjustment was recorded in the current year.

13.2 **Measurement of fair values**
The group engages independent consultants (agronomists) to determine the estimated yield of seed crops in the field. The finance department then determine the fair value of the biological assets by applying the market price per tonne to the estimated yield. The Group Finance Director reviews the fair value calculated for reasonableness.

Type	Valuation technique	Significant unobservable inputs	Range (2018)	Range (2017)
Crops - Comprising of foundation seed and certified seeds	Market comparison technique; the valuation model is based on the price per tonne of seed multiplied by expected yield.	Price per tonne	US$ 783 - $2 031	US$ 783 - $2 031
		Germination and purity probability	95% - 100%	95% - 100%
		Expected yield	90% - 100%	90% - 100%

13.3 **Fair value hierarchy** - All of the above biological assets are classified as Level 3 category. There were no transfers between Levels 1, 2 and 3 during the year.

13.4 **Sensitivity** - Significant increase/(decrease) in price per tonne in isolation would result in a significantly higher or lower fair value measurement. Significant increase/(decrease) in expected yield in isolation would result in a significantly higher or lower fair value measurement.

13.5 **Commitments** - The Group or the Company did not have any commitments to acquire biological assets as at 31 March 2018 (31 March 2017: Nil).

13.6 **Carrying amount pledged as security for liabilities** - All of the Group and Company's biological assets are pledged as security as stated in note 21.

		Note	GROUP 2018 US$	GROUP 2017 US$	COMPANY 2018 US$	COMPANY 2017 US$
14	**Trade and other receivables**					
	Trade receivables		28 302 307	37 871 185	2 014 840	1 992 395
	Allowance for doubtful debts	14.3	(3 087 246)	(1 995 608)	(523 874)	(523 874)
	Net receivables	14.8	25 215 061	35 875 577	1 490 966	1 468 521
	Seed and growers advances		1 736 214	937 028	-	-
	Prepayments		2 858 828	1 190 014	286 788	81 698
	Other receivables -					
	Promissory notes	14.9	1 304 954	-	-	-
	Dividend receivable from subsidiaries		-	-	-	245 102
	Loans to Directors	18.1.7	287 277	531 146	287 277	531 146
	Loans to other executives		395 144	673 412	395 144	673 413
	VAT recoverable		358 198	545 590	358 198	545 590
	Other receivables		1 988 551	1 937 708	409 617	232 006
			34 144 227	41 690 475	3 227 990	3 777 476
14.1	**Analysis of trade receivables past due but not impaired**					
	Overdue 30 days - 60 days		6 193 130	1 607 940	658 970	40 547
	Overdue 60 days - 90 days		2 208 563	6 828 031	222 821	825 046
	Overdue above 90 days		16 778 450	20 353 732	609 175	602 928
			25 180 143	28 789 703	1 490 966	1 468 521
14.2	**Analysis of trade receivables neither past due nor impaired**		34 915	7 085 874	-	-
	Total trade receivables		25 215 058	35 875 577	1 490 966	1 468 521
14.3	**Allowance for doubtful debts**					
	Balance at the beginning of the period		1 995 608	865 677	523 874	220 709
	Recovered/(reversals) during the year		(183 111)	(88 735)	-	-
	Increase in allowance		1 274 749	1 218 666	-	303 165
	Balance at the end of the period		3 087 246	1 995 608	523 874	523 874
14.4	**Carrying amount of trade receivables pledged as security for liabilities** - note 21		25 215 061	35 875 577	1 490 966	1 468 521

14.5 The average credit period on sales is 30-45 days. No interest is charged on the trade receivables for the first 45 days from the date of the invoice. Thereafter, interest is charged at 2% per month on the outstanding balance. Trade receivables are provided for based on estimated irrecoverable amounts from the sale of goods determined by reference to past default experience.

14.6 The Group and Company's exposure to credit risks, related to trade receivables is disclosed in note 2Q under accounting policies.

14.7 Included in the Group's accounts receivable is an amount of approximately TZS 1 billion (US$ 444,000; 2017- US$ 450,000) due from a customer against whom the Tanzanian subsidiary, Seedco Tanzania Limited, has lodged a legal claim for settlement. See also note 25.1(c).

14.8 Prepayments and seed grower advances relate to amounts paid or advanced for which the contracted goods will be received within three months.

14.9 Promissory notes were received as a settlement for amounts owed by Government of Republic of Malawi in respect of seed sales and are redeemable in October 2018.

15 Cash and cash equivalents

	GROUP		COMPANY	
	2018 US$	2017 US$	2018 US$	2017 US$
Cash in hand and at bank	12 895 554	15 107 965	3 560 398	1 068 260
Short-term deposits	3 517 844	6 201 550	-	-
	16 413 398	21 309 515	3 560 398	1 068 260

15.1 For the purpose of statements of cash flows, cash and cash equivalents comprise cash in hand, at bank and short-term/call deposits.

15.2 At 31 March 2018, the Group and Company had available US$ 12.5 million (2017: US$ 17 million) of undrawn committed borrowing facilities.

15.2 The Group and Company's cash at bank to the extent of US$ 2 566 223 (2017: US$ 106 997) are pledged as security for the borrowing facilities as described in notes 21.1 and 21.3.

15.3 Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and the Company, and earn interest at the respective short-term deposit rates, which bear interest ranging between 0.5% - 1.5%.

16 Stated capital

Issued and fully paid:

	GROUP		COMPANY	
	2018 US$	2017 US$	2018 US$	2017 US$
1 524 (2017: 1 524 shares) issued ordinary shares of No Par Value	25 584 875	25 584 875	25 584 875	25 584 875
Less: Value of shares held within the Group	(7 000 000)	(7 000 000)	-	-
Balance at end of year	18 584 875	18 584 875	25 584 875	25 584 875

Refer to note 26 for details of the share capital following the proposed private placement.

17 Asset revaluation reserve

	GROUP		COMPANY	
	2018 US$	2017 US$	2018 US$	2017 US$
Balance at beginning of the period	10 819 759	19 052 981	129 902	129 902
Reversals during the year	-	(8 233 222)	-	-
Transferred to retained earnings	(158 029)	-	-	-
Revaluation during the period	3 478 228	-	-	-
Deferred tax on revaluation	(347 823)	-	-	-
Balance at end of the period	13 792 135	10 819 759	129 902	129 902

The asset revaluation reserve is used to record increases in the fair value of property, plant and equipment and decreases to the extent that such decreases relates to an increase on the same asset previously recognized in equity.

17.1 **Restrictions on the distribution of the balance to shareholders**

Distribution from the asset revaluation reserve can be made when they are in accordance with the requirements of the company laws within various jurisdictions. Amounts may also be effectively distributed out of the asset revaluation reserve as part of a share buy-back. Generally there is no restriction on the payment of bonus shares out of the asset revaluation reserve.

Payment of cash distributions (i.e. dividend) out of the asset revaluation reserve is restricted by the Company's constitution. These restrictions do not apply to any amounts transferred to retained profits. The Directors do not currently intend to make any distribution from the asset revaluation reserve.

18 Related parties

The Group's and Company's related parties are described in note 4.4. During the reporting period, the Group and/or the Company entered into transactions with some of these parties. These transactions and period-end balances are summarized below:

18.1 Related party transactions

The following transactions took place with related parties during the year:

		GROUP		COMPANY	
		2018 US$	2017 US$	2018 US$	2017 US$
18.1.1	**Management fees paid**				
	Seed Co Zimbabwe (Pvt) Ltd	2 193 944	2 084 253	2 193 944	2 084 253
18.1.2	**Dividend paid**				
	Seedco Ltd	-	1 000 000	-	1 000 000
18.1.3	**Purchase of goods**				
	SCZ International Limited - Zambia	-	-	1 094 056	1 198 471
18.1.4	**Interest received** - *Included in interest income (note 6.2)*				
	Seed Co Zimbabwe (Pvt) Limited	154 899	212 197	-	212 197
	Niculata Investments (Pvt Ltd – t/a Prime Seeds	17 268	-	-	-
	SCZ International Limited - Zambia	-	-	485 933	443 656
	Agri Seed Co Limited - Kenya	-	-	88 472	78 242
	Seed Co (Malawi) Limited	-	-	238 800	337 926
	Seedco Tanzania Limited	-	-	22 727	25 209
	Key management personnel	20 744	4 000	20 744	4 000
		192 911	216 197	856 676	1 101 230
18.1.5	**Dividend received**				
	SCZ International Limited - Zambia	-	-	2 400 200	2 342 061
	Seedco Tanzania Limited	-	-	564 972	228 047
	Seed Co SA (Pty) Ltd	-	-	266 610	-
	Seed Co (Pty) Ltd - Botswana	-	-	968 475	-
	Agri Seed Co Limited - Kenya	-	-	270 000	224 955
		-	-	4 470 257	2 795 063
18.1.6	**Management fees received**				
	SCZ International Limited - Zambia	-	-	815 289	797 520
	Agri Seed Co Limited - Kenya	-	-	217 066	86 100
	Seed Co (Malawi) Limited	-	-	581 405	565 700
	Seedco Tanzania Limited	-	-	325 567	352 650
	Seed Co (Pty) Limited	-	-	181 781	123 900
	Seed Co SA (Pty) Ltd	-	-	57 405	69 160
	Seedco West Africa Ltd	-	-	62 188	69 160
		-	-	2 240 701	2 064 190

Contd.

Notes to the consolidated and separate financial statements *continued*

18 Related parties *continued*

18.1 Related party transactions *continued*

18.1.7 Loans to and significant transactions with Directors being key management personnel

	Balance at beginning of the year	Loans made during the year	Interest charged during the year	Repayments during the year	Balance at end of the year
31 March 2017	134 426	463 307	17 756	(84 343)	531 146
31 March 2018	531 146	92 054	20 744	(356 667)	287 277

	GROUP		COMPANY	
	2018 US$	2017 US$	2018 US$	2017 US$
18.1.8 Directors' emoluments being key management personnel compensation				
Short term benefits	832 370	362 378	604 578	134 586
Directors fees	66 325	54 632	66 325	54 632
18.1.9 Transfer of goods to Joint venture				
Inventories at cost - note 12.2	1 228 927	-	-	-
Property, plant and equipment at net book value - note 8.1(e).	138 420	-	-	-

18.1.10. Loans to and significant transactions with related entities - Company

31 March 2018	Balance at beginning of the year	Loans made during the year	Management fees (recd)/paid during the year	Interest charged during the year	Dividend paid during the year	Purchases during the year	Settlement during the year	Other transactions during the year	Balance at end of the year
Fellow subsidiaries									
Seed Co Zimbabwe - Debtor a/c	2 434 081	1 505 880	-	-	-	-	(1 068 420)	-	2 871 541
Seed Co Zimbabwe - Creditor a/c	-	-	(2 193 944)	-	-	-	-	(8 316)	(2 202 260)
Associate of Group									
Niculata Investments	73 688	-	-	-	-	-	(65 722)	(46 005)	(38 039)
Subsidiaries									
SCZ International Limited	8 129 829	6 500 000	815 289	485 933	2 400 200	(2 207 865)	(13 820 000)	(1 529 830)	773 556
Seed Co (Malawi) Limited	5 554 302	6 400 000	581 405	238 800	-	(803 090)	(1 250 000)	(4 124 042) *	6 597 375
Seedco Tanzania Limited	904 381	1 039 795	325 567	22 727	564 972	-	(1 164 972)	32 376	1 724 846
Agri Seed Co Limited - Kenya	3 957 175	500 000	217 066	88 472	270 000	-	(2 200 000)	(281 245)	2 551 468
Seed Co SA (Pty) Ltd	2 224 841	1 853 661	57 405	-	266 610	-	(856 559)	-	3 545 958
Seed Co (Pty) Limited	4 278 651	-	181 781	-	968 475	-	(5 043 496)	-	385 411
Seedco West Africa Ltd	1 827 303	616 369	62 188	-	-	-	-	-	2 505 860
Seed Co International Rwanda	82 588	-	-	-	-	-	-	996	83 584
Associate									
Quton Tanzania Limited	1 306 158	-	-	-	-	-	-	(953 079) @	353 079
	30 772 997	18 415 705	46 757	835 932	4 470 257	(3 010 955)	(25 469 169)	(6 909 145)	19 152 379

* Includes P5 million transferred to the Investment in subsidiaries account - see note 9.

@ Being amount written off - see note 5.5.

Contd.

18 Related parties *continued*

18.2 Dues from Group companies

		Note	GROUP 2018 US$	GROUP 2017 US$	COMPANY 2018 US$	COMPANY 2017 US$
18.2.1	Long term					
	Seed Co SA (Proprietary) Limited		-	-	3 545 958	2 224 841
	Seedco West Africa Limited		-	-	2 505 860	1 827 303
	Total		-	-	6 051 818	4 052 144
18.2.2	Short term					
	Seed Co Zimbabwe (Pvt) Limited		9 919 231	7 803 149	2 871 541	2 434 081
	Quton Zimbabwe (Pvt) Limited		59 310	-	-	-
	Niculata Investments (Pvt Ltd – t/a Prime Seeds		292 355	176 178	7 966	73 688
	SCZ International Limited, Zambia		-	-	7 404 574	14 239 891
	Agri Seed Co Limited, Kenya		-	-	2 551 468	3 957 175
	Seed Co (Malawi) Limited		-	-	6 890 251	5 865 525
	Seedco Tanzania Limited		-	-	1 724 846	904 381
	Seed Co (Pty) Limited		-	-	385 411	4 278 651
	Seed Co International Rwanda Ltd		-	-	83 584	82 588
	Prime Seed Co International (Pty) Ltd	11.8	798 797	-	-	-
	Quton Malawi Limited	10.2	214 583	-	-	-
	Quton Tanzania Limited	10.2	411 706	1 306 158	353 079	1 306 158
	Total		11 695 982	9 285 485	22 272 720	33 142 138
	Total dues from Group companies		11 695 982	9 285 485	28 324 538	37 194 282

18.3 Dues to Group companies

	Note	GROUP 2018 US$	GROUP 2017 US$	COMPANY 2018 US$	COMPANY 2017 US$
Short term					
SCZ International Limited, Zambia		-	-	6 631 018	6 110 062
Seed Co (Malawi) Limited		-	-	292 876	311 223
Niculata Investments (Pvt) Ltd – t/a Prime Seeds		108 181	68 019	46 005	-
Prime Seed Co International (Pty) Ltd		81 609	-	-	-
Seed Co Zimbabwe (Pvt) Limited		3 191 492	3 238 712	2 202 260	-
Total dues to Group companies		3 381 282	3 306 731	9 172 159	6 421 285

18.4 Dues from Directors being key management personnel - see note 14.

18.5 **Terms and conditions of transactions with related parties:**

The sales to and purchases from related parties are made at normal business terms. Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

19 Provisions for employee benefits

31 March 2018

	GROUP				COMPANY			
	Provision for terminal pay [1]	Provision for leave pay [2]	Provision for bonus pay [3]	TOTAL	Provision for terminal pay [1]	Provision for leave pay [2]	Provision for bonus pay [3]	TOTAL
	US$	US$	US$	US$	US$	US$	US$	US$
Obligations at beginning of the year	196 803	276 848	837 930	1 311 581	2 389	46 771	78 603	127 763
Add: Provision made during the year	328 639	269 908	648 861	1 247 408	28 087	-	77 035	105 122
Less: Reversals/payments made during the year	(306 744)	(304 906)	(740 188)	(1 351 838)		(2 031)	(104 558)	(106 589)
	218 698	241 850	746 603	1 207 151	30 476	44 740	51 080	126 296

[1] The provision is in respect of severence pay or other terminal benefits up to the end of the reporting period in accordance with the conditions of employment or governing laws.

[2] The provision is in respect of leave accrued up to the end of the reporting period in accordance with the conditions of employment.

[3] The provision is in respect of performance bonus payable to the staff of the Group/Company and is subject to approval by the Board of Directors.

19.1 Terms and conditions of the above financial liabilities:

a) Trade payables are non-interest bearing and are normally settled on 60-day terms.

b) Other payables are non-interest bearing and have an average term of six months.

20 Trade and other payables

	GROUP		COMPANY	
	2018 US$	2017 US$	2018 US$	2017 US$
Trade payables	2 677 360	4 383 693	-	92 667
AECF Tanzania loan - note 20.1	250 949	270 950	-	-
Other payables	1 790 498	2 033 676	164 194	125 503
	4 718 807	6 688 319	164 194	218 170

20.1 AECF Tanzania Loan - The subsidiary Seedco Tanzania Ltd won an African Enterprise Challenge Fund (AECF) grant which is split 50% repayable term loan and 50% non repayable grant and received when matching funds have been spent. The term loan is interest free and is repayable in 2019.

20.2 The carrying amounts of trade and other payables is a reasonable approximation of their fair values as at the end of the reporting period.

20.3 Trade and other payables are classified as:

Non-current liability	-	270 950	-	-
Current liability	4 718 807	6 417 369	164 194	218 170
	4 718 807	6 688 319	164 194	218 170

21 Short term bank borrowings

	Note	GROUP 2018 US$	GROUP 2017 US$	COMPANY 2018 US$	COMPANY 2017 US$
Barclays Bank Botswana	21.1	17 180 025	19 000 000	17 180 025	19 000 000
Barclays Bank Botswana - additional facility	21.2	260 167	794 937	260 167	794 937
Stanbic Bank Botswana	21.3	11 500 000	12 773 130	11 500 000	12 773 130
Standard Bank Malawi	21.4	-	4 321 992	-	-
		28 940 192	36 890 059	28 940 192	32 568 067

21.1 The facility from Barclays Bank Botswana Limited ("Barclays") is a Revolving Credit Line Facility up to a limit of US$ 19 000 000 (2017: US$ 19 000 000) to finance the Group and Company's working capital requirements plus an additional facility of US$ 5 million (2017 - Nil) to finance the development of the Kenyan subsidiary's land and buildings which is to be paid over 5 years. The facilities bears interest at the rate of 3 months' LIBOR + 4,5 % p.a. (2017: 3 months' LIBOR + 3,5% p.a.), and together with the additional facility as stated in note 21.2, is secured by the following assets:

Seed Co International Limited

* Debenture over movable assets (including stocks and debtors) for US$ 20 million (2017: US$ 25 million) in favour of Barclays.
* Pledge and cession of accounts held with Barclays for US$ 2.5 million (2017: Unlimited).

Seed Co Zimbabwe (Pvt) Limited

* A guarantee limited to US$ 25 million in favour of Barclays.

SCZ International Limited, Zambia

* A corporate guarantee limited to US$ 25 million (2017: US$ 25 million) in favour of Barclays.
* Debenture for US$ 20 million (2017: US$ 19 million) over the movable assets of Seed Co Zambia in favour of Barclays.

Seedco Tanzania Limited

* A guarantee limited to US$ 25 million (2017: US$ 25 million) in favour of Barclays.
* Debenture for US$ 5 million (2017: US$ 5 million) over the movable assets of Seed Co Tanzania in favour of Barclays.

Seedco (Malawi) Limited

* A guarantee limited to US$ 25 million (2017: US$ 25 million) in favour of Barclays.
* Debenture for US$ 15 million (2017: US$ 15 million) over the movable assets of Seed Co Malawi in favour of Barclays.

Contd.

Agri Seed Co Limited, Kenya

* A guarantee limited to US$ 25 million (2017: US$ 25 million) in favour of Barclays.
* First Surety mortgage bond over Plot L.R.Kiminini/Matunda Block 8/Sango No 134, Kitale, Kenya in favour of Barclays.
* Debenture for US$ 10 million (2017: US$ 10 million) over the movable assets of Agri Seedco Kenya in favour of Barclays.

Seed Co (Pty) Ltd, Botswana

* A guarantee limited to US$ 25 million in favour of Barclays.

Others

* Letter of comfort from Limagrain Group.

Negative pledge

The Company and the above Guarantors shall not, without the prior written consent of the Bank, create or permit to subsist (other than in favour of the Bank) any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect on the whole or any part of its undertaking, property, assets, or revenues, present or future other than with the prior written consent of Barclays.

21.2 The additional facility from Barclays is an Overdraft Facility up to a limit of US$ 1 000 000 (2017: US$ 1 000 000) to support staff lending finance for the Group and Company's senior executives. The facility bears interest at the rate of 3 months' LIBOR + 4,5 % p.a. (2017: 3 months' LIBOR + 3,5 % p.a.). The facility is secured as stated in 21.1 above.

21 Short term bank loans *continued*

21.3 The facility from Stanbic Bank Botswana ("Stanbic") is a General Short Term Banking Facility (GSTBF) up to a limit of US$ 16 500 000 (2017: US$ 30 000 000) to finance the Group and Company's working capital requirements, US$ 750 000 (2017: US$ 750 000) as a bank guarantee to enable it to meet its performance obligations to third parties (GBB facility), US$ 5 000 000 (2017: US $ 5 000 000) Spot Foreign Currency Dealing Facility (FEC facility) to enable the Company to hedge against foreign exchange risks on its daily foreign exchange dealings, and a further US$ 530 000 (2017: US$ 530 000) credit card facility to cater for Directors' business expenses. The GSTBF facility bears interest at the rate of 3 months' LIBOR + 4,25% p.a. (2017: 3 months' LIBOR + 4,5% p.a.) ruling payable monthly in arrears compounded monthly, the bank guarantee commission is 1,1% (2017: 1,1%) per annum, or part thereof, payable quarterly in advance and the Credit Card facility bears interest at 32% p.a. (2017: 32% p.a.) on the outstanding balance. The GSTBF facility and the credit card facility are repayable on demand, while each guarantee issued by the Bank under the GBB facility is reviewed annually. Each contract executed under the FEC facility is executed for periods not exceeding 60 days, and the price on the contract is based on exchange rates/market conditions prevailing at that time. The total facility, due for review on 31 August 2018, is secured by the following

Seed Co International Limited

* Deed of hypothecation for BWP 26,6 million (2017: BWP 26,6 million), which approximates US$ 2,78 million (2017: US$ 2,6 million), generally binding all movable assets, which include seed stocks and book debts.
* Unrestricted cession and pledge of stocks and book debts and contract monies due (notes 12 and 14 respectively).
* Unrestricted cession and pledge of bills of exchange, promissory notes, post dated cheques and contract monies.
* Unrestricted cession and pledge of US$ call account held with Stanbic (note 15).
* First continuing mortgage bond for BWP 640 000 (2017: BWP640 000), which approximates US$ 67 000 (2017: US$ 63 000), over Lot 53188, Gaborone - see note 8.1.
* Cession of insurance over stock with Stanbic's interest noted on the Policy.
* Cession of material damage policy over Lot 53188, Gaborone with Stanbic's interest noted on the Policy.

Seed Co Limited

* Unlimited suretyship from Seed Co Limited in favour of Stanbic.

Seed Co Zimbabwe (Pvt) Limited

* Unlimited suretyship from Seed Co Zimbabwe Limited in favour of Stanbic.
* Unrestricted pledge and cession of contract monies and book debts in favour of Stanbic.
* Unrestricted pledge and cession of US$ Deposit account held by any Standard Bank entity.

SCZ International Limited, Zambia

* Corporate guarantee by SCZ International Ltd for USD 16.5 million (2017: Unlimited).
* Unrestricted pledge and cession of contract monies and book debts in favour of Stanbic.
* Unrestricted pledge and cession of US$ Deposit account held by any Standard Bank entity.
* Assignment of inter company loan granted by the Company to SCZ International Ltd with a limit of US$ 16.5 million (2017: none).

Seedco Tanzania Limited

* Limited guarantee by Seedco Tanzania Ltd for USD 4.0 million (2017: Unlimited).
* Unrestricted pledge and cession of contract monies and book debts in favour of Stanbic.
* Unrestricted pledge and cession of US$ Deposit account held by any Standard Bank entity.
* Assignment of inter company loan granted by the Company to Seedco Tanzania Ltd for US$ 4 million (2017: none).

Seedco (Malawi) Limited

* Unlimited suretyship from Seedco (Malawi) Limited in favour of Stanbic.
* Unrestricted pledge and cession of contract monies and book debts in favour of Stanbic.
* Unrestricted pledge and cession of US$ Deposit account held by any Standard Bank entity.

Seed Co SA (Pty) Ltd, South Africa

* Unlimited suretyship from Seed Co SA (Pty) Ltd in favour of Stanbic.

Agri Seed Co Limited, Kenya

* Unrestricted all asset debenture limited to US$ 16.5 million passed by Agri Seed Co Ltd Kenya in favour of Stanbic.
* Corporate guarantee by Agri Seed Co Ltd for US$ 16.5 million (2017: Unlimited).
* Unrestricted pledge and cession of contract monies and book debts in favour of Stanbic.
* Unrestricted pledge and cession of US $ Deposit account held by any Standard Bank entity.
* Novation of inter company loan granted by the Company toAgri Seed Co Ltd for US$ 16.5 million (2017: none).

Seed Co (Pty) Ltd, Botswana

* Corporate guarantee by Seed Co (Pty) Ltd for USD 16.5 million (2017: Unlimited).
* Unrestricted pledge and cession of contract monies and book debts in favour of Stanbic.
* Unrestricted pledge and cession of US$ Deposit account held by any Standard Bank entity.
* Assignment of inter company loan granted by the Company to Seedco (Pty) Ltd for US$ 16.5 million (2017: none).

Seed Co West Africa Limited

* Unlimited suretyship from Seed Co West Africa Ltd in favour of Stanbic.

Unrestricted cession of shareholders' loans, negative pledge

* By all group entities in favour of Stanbic.

21.4 ***Standard Bank Malawi*** - The subsidiary in Malawi had overdrafts and short term borrowings which were repaid during the year.

22 Financial instruments

	Note	GROUP 2018 US$	GROUP 2017 US$	COMPANY 2018 US$	COMPANY 2017 US$
22.1 Financial assets					
Financial assets at amortized cost					
Trade and other receivables	14	34 144 227	41 690 475	3 227 990	3 777 476
Dues from Group companies	18.2	11 695 982	9 285 485	28 324 538	37 194 282
Cash and cash equivalents	15	16 413 398	21 309 515	3 560 398	1 068 260
Total financial assets		62 253 607	72 285 475	35 112 926	42 040 018
Total current		62 253 607	72 285 475	29 061 108	37 987 874
Total non-current		-	-	6 051 818	4 052 144
22.2 Financial liabilities					
Financial liabilities at amortized cost					
AECF Loan	20.1	-	270 950	-	-
Short term bank borrowings	21	28 940 192	36 890 059	28 940 192	32 568 067
Dues to Group companies	18.3	3 381 282	3 306 731	9 172 159	6 421 285
Trade and other payables	20	4 718 807	6 417 369	164 194	218 170
Total financial liabilities		37 040 281	46 885 109	38 276 545	39 207 522
Total current		37 040 281	46 614 159	38 276 545	39 207 522
Total non-current		-	270 950	-	-
Total interest-bearing loans and borrowings included in the financial liabilities		28 940 192	36 890 059	28 940 192	32 568 067

22.3 The carrying amount of the financial assets and financial liabilities approximated their fair values as at 31 March 2018 and 31 March 2017.

Contd.

22 Financial instruments *continued*

22.4 Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Fair value measurement hierarchy for assets as at 31 March 2018

		GROUP				COMPANY			
			Fair value measurement using				Fair value measurement using		
	Date of valuation	Total	Quoted in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total	Quoted in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		US$	US$	US$	US$	US$	US$	US$	US$
Assets measured at fair value:									
Unquoted equity shares									
Maize seed trade	31 Mar 18	-	-	-	-	28 624 031	-	-	28 624 031
Vegetable seed trade	31 Mar 18	1 143 828	-	-	1 143 828	1 165 023	-	-	1 165 023
Revalued property, plant & equipment									
Properties in Africa	31 Mar 18	32 328 053	-	-	32 328 053	296 372	-	-	296 372
Plant & equipment	31 Mar 18	9 522 910	-	-	9 522 910	639 002	-	-	639 002
Assets for which fair value are disclosed:									
Loans and receivables									
Dues from Group companies	31 Mar 18	11 695 982	-	-	11 695 982	28 324 538	-	-	28 324 538
Loans to Directors and other Executives	31 Mar 18	682 421	-	-	682 421	682 421	-	-	682 421
Fair value measurement hierarchy for liabilities as at 31 March 2018									
Liabilities for which fair value are disclosed:									
Loans and receivables									
Short term bank borrowings (floating rate)	31 Mar 18	28 940 192	-	-	28 940 192	28 940 192	-	-	28 940 192
Dues to Group companies	31 Mar 18	3 381 282	-	-	3 381 282	9 172 159	-	-	9 172 159

There were no transfers between the above levels during 2017/18.

Contd.

22 Financial instruments *continued*

22.5 Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Fair value measurement hierarchy for assets as at 31 March 2017

		GROUP				COMPANY			
			Fair value measurement using				Fair value measurement using		
	Date of valuation	Total	Quoted in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total	Quoted in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		US$	US$	US$	US$	US$	US$	US$	US$
Assets measured at fair value:									
Unquoted equity shares									
Maize seed trade	31 Mar 17					23 118 031	-	-	23 118 031
Cotton seed trade	31 Mar 17	-	-	-	-	1 000	-	-	1 000
Revalued property, plant & equipment									
Properties in Africa	31 Mar 17	25 899 774	-	-	25 899 774	285 176	-	-	285 176
Plant & equipment	31 Mar 17	9 060 932	-	-	9 060 932	70 520	-	-	70 520
Assets for which fair value are disclosed:									
Loans and receivables									
Dues from Group companies	31 Mar 17	9 285 485	-	-	9 285 485	37 194 282	-	-	37 194 282
Loans to Directors and other Executives	31 Mar 17	1 204 559	-	-	1 204 559	1 204 559	-	-	1 204 559
Fair value measurement hierarchy for liabilities as at 31 March 2017									
Liabilities for which fair value are disclosed:									
Loans and receivables									
Short term bank borrowings (floating rate)	31 Mar 17	36 890 059	-	-	36 890 059	32 568 067	-	-	32 568 067
Dues to Group companies	31 Mar 17	3 306 731	-	-	3 306 731	6 421 285	-	-	6 421 285

There were no transfers between the above levels during 2017/18.

22.6 Financial instruments risk management objectives and policies

The above is discussed under accounting policies (note 2Q).

23 Commitments

23.1 Operating lease commitments

Group and Company as a Lessee and a Lessor

The Group and Company did not have any significant commitments under operating leases as it self-occupies its properties in most jurisdictions. However where such leases exist, they are for a period of 2-5 years, with rentals escalating by 5-10% per annum. The Group and Company do not have the option to purchase the leased premises at the end of the lease period where the Group or Company are a Lessee. Similarly where the Group is a Lessor, it does not give the lessee the option to purchase the leased premises.

23.2 Capital commitments

GROUP

A subsidiary, SCZ International Limited, has entered into various agreements with seed producing partners at the reporting date amounting to approximately US$ 1,701,224 (2017: US$ 1,227,434). This is to be financed by the subsidiary's internal cash resources.

24 Guarantees issued

	GROUP		COMPANY	
	2018 US$	2017 US$	2018 US$	2017 US$
Stanbic Bank Botswana has provided financial guarantees to Botswana Unified Revenue Service (BURS) for VAT deferral accounts.	47 120	44 554	10 471	9 901

The liability to BURS at end of the year was US$ Nil (2017: US$ Nil).

25 Contingencies

GROUP

25.1 Contingent liabilities

(a) Following an audit carried out by the Malawi Revenue Authority (MRA) at Seedco (Malawi) Ltd in 2016/17, a contingent liability of MK39 million (approx US$54 000) has risen in the form of tax penalties. The subsidiary has applied for a waiver from MRA. The total amount of MRA claim was MK108 million (approx US$ 150 000) of which the principal amount of MK69 million (approx US$ 96 000) was paid by off-setting amounts receivable by the subsidiary from MRA. The management is of the view that they will succeed in obtaining a waiver of penalties as they have succeeded in the past. No provision is required at this stage for the amount of MK39 million. The mater is still pending at the MRA.

(b) As at 31 March 2018 and 31 March 2017, Seedco Tanzania had unresolved tax assessment on Corporate tax, Withholding tax and Skills and Development Levy (SDL), with possible loss of TZS 1.074 billion (US$ 477,000). The subsidiary objected to the assessments and paid the required one third of the assessed amounts as required. The subsidiary has submitted detailed documentation to the revenue authority to support the objections. The 1/3 deposit made in line with the law is reflected in the statement of financial position and classified under trade and other receivables as a prepayment.

(c) As at 31 March 2018 and 31 March 2017, Seedco Tanzania Limited, has instituted legal proceedings against a former distributor in Tanzania for an amount of approximately TZS 1 billion (about US$ 444,000; 2017: US$ 450,000) being the amount outstanding and remaining unpaid in respect of supply of goods. In the opinion of the Directors, supported by independent opinion from professional attorneys handling the matter, it is most likely that the subsidiary will be able to recover moneys from the customer and accordingly no provision has been made against this amount as at 31 March 2018 and 31 March 2017. See also note 14.7.

Contd.

25 Contingencies *continued*

25.1 Contingent liabilities *continued*

COMPANY

(d) **Undertaking provided to subsidiaries**

The financial statements of Seed Co SA (Pty) Ltd, Seed Co DRC, Seed Co International Rwanda Limited and Seed Co Nigeria Limited have been prepared on a going concern basis as Seed Co International Limited has pledged financial support that may be required to enable the subsidiaries to pay their liabilities as they fall due, but only to the extent that money is not otherwise available to meet such liabilities. However as the reporting date, the total assets of the subsidiaries exceeded the total liabilities of above subsidiaries (excluding the debts due to Seed Co International Limited itself) by approximately US$ 3.4 million, and hence no external contingency arises. Since all the above subsidiaries are in their gestation period or are developing their markets in their regions, which usually takes 3-5 years, they are most likely to turn around and make profits in the forthcoming years.

26 Events after the reporting period

Seedco International Limited is considering primary and secondary listing on the Botswana Stock Exchange ("BSE") and the Zimbabwe Stock Exchange (ZSE") respectively, between 1-6 months from the reporting date. Other saliant features of the listing process are as under:

a) Partial Unbundling of Seedco International Limited out of the Seed Co Ltd Group by way of a pro rata dividend-in-specie distribution of 71% of Seedco International Limited's equity amounting to 241,854,840 ordinary shares currently held by Seed Co Limited;

b) The raising of US$19.22 million hard currency equity capital through the placement of 37,848,958 Seed Co International Limited ordinary shares with Vilmorin & Cie at a cash subscription price of US$0.5079 per share.

c) The share capital structure of the company pre and post placement:

Authorised ordinary shares	Pre & post Unbundling Issued ordinary shares	Placement of ordinary shares	Post private placement issued ordinary shares
500,000,000	340,640,620	37,848,958	378,489,578

27 Currency profile

The following exchange rates were used for conversions-

		Year end rate for assets and liabilities		Average rates for events and transactions during the year	
		31 Mar 2018	31 Mar 2017	2018	2017
US Dollars	US $	1.00	1.00	1.00	1.00
Botswana Pula	BWP	9.55	10.10	9.80	10.12
South African Rand	ZAR	11.81	13.41	12.55	13.41
Zambian Kwacha	ZWK	9.48	9.68	9.54	9.84
Malawian Kwacha	MWK	724.10	724.10	724.10	716.20
Tanzanian Shilling	TZS	2,250	2,224	2,242	2,201
Kenyan Shilling	KES	101	103	103	102
Rwandan Franc	RF	850	830	838	804
Nigerian Naira	NG₦	305.20	305.00	305.15	300.00
Congolese Franc	CDF	1,570	N/a	1,562.00	N/a

Contd.

Notes to the consolidated and separate financial statements *continued*

27 Currency profile *continued*

27.1 Group: The following is the net foreign currency exposure of the Group:

Denominated in (currency)	US$	ZWK	MWK	TZS	KES	ZAR	BWP	Others	Total
Amounts converted to	US$	US$	US$	US$	US$	US$	US$	US$	US$
31 March 2018									
Total assets	20 909 047	40 321 792	21 616 014	10 737 869	11 103 443	5 085 814	4 522 873	5 183 806	119 480 659
Total liabilities	33 504 510	2 775 292	902 828	994 901	1 094 063	578 652	140 159	(781 460)	39 208 945
Net foreign currency exposure of total equity	(12 595 463)	37 546 500	20 713 186	9 742 968	10 009 379	4 507 162	4 382 714	5 965 266	80 271 714
Foreign currency sensitivity									
Weakening of US$ against the currency		-10%	-10%	-10%	-10%	-10%	-10%	-10%	
Impact on the following (with all other variables held constant)									
Profit before tax (US$)		(1 106 340)	(689 400)	(713 711)	(388 649)	(325 753)	(353 398)	(447 790)	
Pre-tax equity (US$)		(3 754 650)	(2 071 319)	(974 297)	(1 000 938)	(450 716)	(438 271)	(596 527)	
Strengthening of US$ against the currency		10%	10%	10%	10%	10%	10%	10%	
Impact on the following (with all other variables held constant)									
Profit before tax (US$)		1 106 340	689 400	713 711	388 649	325 753	353 398	447 790	
Pre-tax equity (US$)		3 754 650	2 071 319	974 297	1 000 938	450 716	438 271	596 527	
31 March 2017									
Total assets	20 780 319	42 949 750	20 848 070	8 383 405	12 622 434	4 243 074	9 659 698	1 169 433	120 656 183
Total liabilities	36 486 182	3 338 516	4 702 305	1 479 713	1 904 723	464 957	1 106 507	354 026	49 836 928
Net foreign currency exposure of total equity	(15 705 863)	39 611 234	16 145 765	6 903 692	10 717 711	3 778 117	8 553 191	815 407	70 819 255
Foreign currency sensitivity									
Weakening of US$ against the currency		-10%	-10%	-10%	-10%	-10%	-10%	-10%	
Impact on the following (with all other variables held constant)									
Profit before tax (US$)		(2 403 205)	(616 890)	(540 215)	(405 682)	(304 644)	(812 860)	4 000	
Pre-tax equity (US$)		(3 961 123)	(1 614 577)	(690 369)	(1 071 771)	(377 812)	(855 319)	(81 541)	
Strengthening of US$ against the currency		10%	10%	10%	10%	10%	10%	10%	
Impact on the following (with all other variables held constant)									
Profit before tax (US$)		2 403 205	616 890	540 215	405 682	304 644	812 860	(4 000)	
Pre-tax equity (US$)		3 961 123	1 614 577	690 369	1 071 771	377 812	855 319	81 541	

27 Currency profile *continued*

27.2 **Company:** The following is the net foreign currency exposure of the Company:

Denominated in (currency)	US$	ZAR	BWP	Total
Amounts converted to	US$	US$	US$	US$
31 March 2018				
Assets				
Property, plant and equipment	935 374	-	-	935 374
Investments in subsidiaries and a joint venture	29 789 054	-	-	29 789 054
Dues from Group companies	28 324 538	-	-	28 324 538
Inventories	218 149	-	-	218 149
Trade and other receivables	1 248 110	1 593 436	386 444	3 227 990
Cash and cash equivalents	3 451 485	76 188	32 725	3 560 398
Total assets	63 966 710	1 669 624	419 169	66 055 503
Liabilities				
Deferred tax liability	-	-	19 358	19 358
Dues to Group companies	9 172 159	-	-	9 172 159
Short term bank borrowings	28 940 192	-	-	28 940 192
Trade and other payables, provisions	280 546	-	9 944	290 490
Total liabilities	38 392 897	-	29 302	38 422 199
Net foreign currency exposure	25 573 813	1 669 624	389 867	27 633 304
31 March 2017	**US$**	**ZAR**	**BWP**	**Total**
Assets				
Property, plant and equipment	355 696	-	-	355 696
Investments in subsidiaries and associates	23 119 031	-	-	23 119 031
Dues from Group companies	37 194 282	-	-	37 194 282
Inventories	364 418	-	-	364 418
Trade and other receivables	1 701 251	1 523 221	553 004	3 777 476
Cash and cash equivalents	989 426	48 847	29 987	1 068 260
Total assets	63 724 104	1 572 068	582 991	65 879 163
Liabilities				
Deferred tax liability	-	-	19 358	19 358
Dues to Group companies	6 421 285	-	-	6 421 285
Short term bank borrowings	32 568 067	-	-	32 568 067
Trade and other payables, provisions	253 265	92 668	-	345 933
Total liabilities	39 242 617	92 668	19 358	39 354 643
Net foreign currency exposure	24 481 487	1 479 400	563 633	26 524 520

27.1 As noted above, the Company is exposed to the fluctuation of the ZAR and BWP against the US$. A 10% strengthening of the ZAR and / or BWP against the US$ will negatively effect the Company's profitability by approximately US$ 206,000 (2017: US$ 204,000). For a 10% weakening of the ZAR and / or BWP against the US$, there would be a corresponding positive impact on the Company's profitability. The sensitivity rate used when reporting foreign currency risk internally is 10% and it represents Directors' assessment of the reasonably possible change in foreign exchange rates.

28 Segmental information

28.1 General information

For management purposes, the Group is organized into business units based on its geographical areas and has six reportable segments, as follows:

	Reportable segments	Countries aggregated	Main types of products and services (external customers and inter-segmental)
a)	Zambia & DRC	Zambia & DRC	Maize seed sales
b)	Malawi		Maize seed sales
c)	Tanzania		Maize seed sales
d)	Kenya		Maize seed sales
e)	SACU	South Africa, Botswana, Swaziland	Maize seed sales, income from management fees, dividend, interest
f)	West Africa	Rwanda, Nigeria and Ghana	Maize seed sales

The Group Executive Committee headed by the Group Finance Director is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss after tax and is measured consistently with profit or loss after tax in the consolidated financial statements. Finance costs and finance income and income taxes are managed at segmental levels and are therefore included in the profit or loss after tax.

Certain operating segments as stated above have been aggregated to form the above reportable operating segments. The aggregation criteria used assists the CODM to evaluate the nature and financial effects of the business activities and the economic environments in which it operates. The aggregated operating segments have similar products to offer, have a similar class of customers and are based in areas of the African continent which have similar economic environments.

The reporting segments follow uniform accounting policies and have the same year end, 31 March. Transactions between reported segments follow the same basis of accounting as those followed within the Group. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss. There are no asymmetrical allocations to reported segments.

Inter-segment revenues, other inter-segmental transactions and unrealized profits between segments are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column in notes 28.2 and 28.3.

During the year the Group segregated its vegetable seed business from the business of the operating segments above in to a joint venture as further described in note 4. The vegetable seed business is currently insignificant to the Group's operations.

Non-current assets noted in 28.2 and 28.3 consist of property, plant and equipment.

Information about products and services - The Group has not disclosed revenues from external customers for each product as the cost of compiling the information would be excessive. Majority of the revenues are from maize seed sales, which has several varieties depending on geographical conditions. Other seeds and fertilizers are also sold to external customers.

Information about geographical areas- The reports presented in notes 28.2 and 28.3 represent reports about geographical areas. Any further detailed information not presented herewith is generally not provided to the CODM for periodic reviews and the cost of compiling them would be excessive.

Information about major customers - Though its customers are located in several jurisdictions and largely independent markets, a significant portion of the receivables is owed by the Governments of Zambia, Tanzania, Malawi and Botswana representing 27% (2017: 53%) of the total receivables. The sales to Government comprise mainly of maize seed sales. The Government falls under the respective operating segments as described in the report.

The reports presented in 28.2 and 28.3 demonstrate the profit or loss for each reportable segment and its assets and liabilities, further reconciled to the Group's amounts. These are based on reports regularly provided to the CODM and no further reports have been prepared for this purpose specifically.

Contd.

Notes to the consolidated and separate financial statements *continued*

28 Operating segments

28.2 31 March 2018

	Zambia & DRC	Malawi	Tanzania	Kenya	SACU	West Africa	Total segments	Adjustments & eliminations	Consolidated
	US$	US$	US$	US$	US$	US$	US$	US$	US$
Revenue									
External customers	24 141 066	9 595 339	11 872 041	9 635 732	7 445 947	1 690 021	64 380 146	-	64 380 146
Inter-segmental	7 927 468	1 101 557	1 135 651	61 482	-	-	10 226 158	(10 226 158)	-
Total revenue	32 068 534	10 696 896	13 007 692	9 697 214	7 445 947	1 690 021	74 606 304	(10 226 158)	64 380 146
Other income	1 169 051	211 170	32 545	104 383	8 077 615	34 808	9 629 571	(8 026 963)	1 602 608
Cost of inventories expensed	(17 522 508)	(5 526 989)	(6 725 290)	(6 399 313)	(4 334 344)	(944 914)	(41 453 358)	9 755 918	(31 697 440)
Employee benefits	(3 203 208)	(1 247 949)	(824 224)	(1 012 503)	(1 345 741)	(333 667)	(7 967 292)	-	(7 967 292)
Depreciation & amortization	(1 093 619)	(361 652)	(260 541)	(434 957)	(266 686)	(46 261)	(2 463 716)	-	(2 463 716)
Other expenses	(5 712 436)	(1 850 710)	(2 476 331)	(1 278 303)	(6 315 944)	(1 079 312)	(18 713 036)	2 222 292	(16 490 744)
Finance income	-	-	34 119	19 187	-	-	53 306	500 884	554 190
Finance costs	(707 046)	(961 918)	(23 401)	(86 821)	(1 464 477)	-	(3 243 663)	612 205	(2 631 458)
Tax expense	(374 680)	(1 457)	(265 886)	(208 752)	(56 768)	1 583	(905 960)	121 828	(784 132)
	4 624 088	957 391	2 498 683	400 135	1 739 602	(677 742)	9 542 156	(5 039 994)	4 502 162
Share of loss from a joint venture									(10 874)
Profit for the year									4 491 288
Other disclosures									
Non-current assets - note 8.1	20 146 761	13 589 965	971 640	4 441 665	2 285 455	415 477	41 850 963	-	41 850 963
Capital expenditure - note 8.1	2 491 284	241 517	374 580	935 103	1 383 451	152 083	5 578 018	-	5 578 018
Investment in a JV - note 11	-	-	-	-	1 165 023	-	1 165 023	-	1 165 023

28.3 31 March 2017

	Zambia & DRC	Malawi	Tanzania	Kenya	SACU	West Africa	Total segments	Adjustments & eliminations	Consolidated
Revenue									
External customers	26 516 440	9 827 823	11 989 930	10 412 481	13 974 961	2 625 776	75 347 411	-	75 347 411
Inter-segmental	7 355 163	358 740	945 433	710 760	-	-	9 370 096	(9 370 096)	-
Total revenue	33 871 603	10 186 563	12 935 363	11 123 241	13 974 961	2 625 776	84 717 507	(9 370 096)	75 347 411
Other income	183 037	122 678	67 280	22 187	5 077 141	105 391	5 577 714	(4 836 213)	741 501
Cost of inventories expensed	(14 696 647)	(5 684 283)	(7 082 437)	(6 723 039)	(7 971 262)	(2 367 152)	(44 524 820)	8 982 211	(35 542 609)
Employee benefits	(3 241 646)	(1 262 924)	(834 115)	(1 024 653)	(1 361 890)	(337 671)	(8 062 900)	-	(8 062 900)
Depreciation & amortization	(1 312 489)	(344 535)	(126 276)	(276 845)	(111 968)	(69 452)	(2 241 565)	-	(2 241 565)
Other expenses	(6 159 760)	(2 213 247)	(2 553 732)	(1 852 010)	(9 460 324)	(557 359)	(22 796 431)	3 249 184	(19 547 247)
Finance income	441 467	2 380	5 525	-	1 141 838	-	1 591 210	(885 033)	706 177
Finance costs	(952 208)	(1 413 931)	(26 011)	(78 506)	(1 182 517)	-	(3 653 173)	-	(3 653 173)
Tax expense	(588 265)	(220 805)	(466 801)	(88 577)	(604 940)	(61 837)	(2 031 225)		(2 031 225)
	7 545 092	(828 104)	1 918 796	1 101 798	(498 961)	(662 304)	8 576 317	(2 859 947)	5 716 370
Other disclosures									
Non-current assets - note 8.1	14 972 616	13 760 388	925 850	3 922 956	1 072 903	305 993	34 960 706	-	34 960 706
Capital expenditure - note 8.1	1 491 839	342 861	226 750	1 491 179	651 473	165 358	4 369 461	-	4 369 461

Notes to the consolidated and separate financial statements *continued*

29 Earnings per share (EPS)

Details of the Company's subsidiaries are available in note 4.1. The investments are as follows:

	GROUP	
	2018 US$	2017 US$
Profit for the year, attributable to ordinary equity holders of the parent:		
Continuing operations	4 491 289	5 716 370
Discontinued operations	-	-
Profit attributable to ordinary equity holders of the parent for basic earnings	4 491 289	5 716 370
Effects of dilution	-	-
Profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	4 491 289	5 716 370
	2018	2017
Weighted average number of ordinary shares for basic EPS:	1 524	1 524
Effects of dilution	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	1 524	1 524
	2018 US$	2017 US$
Earnings per share:		
Basic, profit for the year attributable to ordinary equity holders of the parent	2 947	3 751
Diluted, profit for the year attributable to ordinary equity holders of the parent	2 947	3 751

29.1 There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

29.2 The Group did not have any preference shares.

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Firm of Chartered Accountants
2nd Floor
Plot 22, Khama Crescent
PO Box 41015
Gaborone, Botswana

Tel: +267 397 4078 / 365 4000
Fax: +267 397 4079
Email: eybotswana@za.ey.com
Partnership registered in Botswana
Registration No: 10829
VAT No: P03625401112
www.ey.com

27 September 2018

The Directors
Seed Co International Limited
Plot 43173, Carramba Business Park
Phakalane
Gaborone

Independent Reporting Accountant's Report on the Historical Financial Information of Seed Co International Limited

The definitions commencing on page 8 of the Pre-listing Statement/Circular to which this letter is attached apply mutatis mutandis to this report.

Introduction

The Directors of Seed Co International Limited are proposing the separate primary and secondary listing of Seed Co International Limited on the Botswana Stock Exchange (BSE) and the Zimbabwe Stock Exchange (ZSE) respectively.

At your request, we present our Independent Reporting Accountant's Report on the Historical Financial Information of Seed Co International Limited for the three years ended 31 March 2016, 31 March 2017, and 31 March 2018, (the "Historical Financial Information") for inclusion in the pre-listing statement/circular to be dated on or about 27 September 2018. This report is required for the purposes of complying with the Listing Requirements of the Botswana Stock Exchange ("BSE") (the "BSE Listings Requirements") and is given for the purpose of complying with those requirements and for no other purpose. We are the Independent Reporting Accountants of Seed Co International Limited.

To the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the BSE Listings Requirements and consenting to its inclusion in the Pre-listing Statement/Circular.

Review Conclusion

We have reviewed the Historical Financial Information, which comprises the group and company statements of financial position as at 31 March 2018, the group and company statements of profit or loss and other comprehensive income, group and company statements of changes in equity and group and company statements of cash flows for the year ended 31 March 2018, including a summary of significant accounting policies and the notes thereto which forms part of the Historical Financial Information as presented in Appendix 6 to the Pre-listing Statement/Circular, as well as the Historical Financial Information for the years ended 31 March 2016 and 31 March 2017, made available for inspection by investors,(collectively the "Historical Financial Information for the years ended 31 March 2016, 31 March 2017, and 31 March 2018").

Based on our reviews, nothing has come to our attention that causes us to believe that the Historical Financial Information for the year ended 31 March 2018, as set out in Appendix 6 to the Pre-listing Statement/Circular, as well as the Historical Financial Information for the years ended 31 March 2016 and 31 March 2017, made available for inspection by investors, is not prepared, in all material respects, in accordance with the requirements of ISRE 2400 (Revised) and the BSE Listings Requirements.

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Basis of Conclusion

We conducted our review of the Historical Financial Information in accordance with the International Standards on Review Engagements ISRE 2400 (Revised), which applies to a review of historical financial information. Our responsibilities under those standards are further described in the Responsibilities of the Independent Reporting Accountants for the Review of the Financial Information section of our report. We are independent of Seed Co International Limited in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA code) and other independence requirements applicable to the performance of our review, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing our review. We believe that the review evidence we have obtained is sufficient and appropriate to provide a basis for our review conclusion.

Other Information

The directors of Seed Co International Limited ("Directors") are responsible for the other information contained in this Pre-listing Statement/Circular.

Our reporting accountants review report on the Historical Financial Information does not cover the other information contained in this Pre-listing Statement/Circular and we do not express any form of assurance conclusion thereon.

In connection with our review of the Historical Financial Information, our responsibility is to read the other information contained in this Pre-listing Statement/Circular and, in doing so, consider whether the other information is materially inconsistent with the Historical Financial Information or our knowledge obtained in the review or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Directors

The Directors are responsible for the compilation, contents and preparation of the Pre-listing Statement/Circular in accordance with the BSE Listings Requirements. The Directors are also responsible for the fair presentation, in accordance with IFRS and the BSE Listings Requirements, of the Historical Financial Information for the years ended 31 March 2016, 31 March 2017, and 31 March 2018 contained therein to which this Independent Reporting Accountant's Report relates, and for such internal control as the Directors determine is necessary to enable the preparation of the Historical Financial Information for the years ended 31 March 2016, 31 March 2017, and 31 March 2018 that is free from material misstatements, whether due to fraud or error.

Those charged with governance at Seed Co International Limited are responsible for overseeing the process to compile the Historical Financial Information.

Responsibility of the Independent Reporting Accountant's on the Historical Financial Information for the years ended 31 March 2016, 31 March 2017, and 31 March 2018

Our responsibility is to express review conclusions on the Historical Financial Information for the years ended 31 March 2016, 31 March 2017, and 31 March 2018 based on our reviews in accordance with International Standard on Review Engagements ISRE 2400 (Revised), which applies to a review of historical financial information. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the Historical Financial Information for the years ended 31 March 2016, 31 March 2017, and 31 March 2018, taken as a whole, is not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

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A review of the Historical Financial Information in accordance with ISRE 2400 (Revised) is a limited assurance engagement in terms of which we perform procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly we do not express an audit opinion on the Historical Financial Information.

Ernst & Young
Practicing Member: Thomas Chitambo
Partner
Membership Number: 20030022
Certified Auditor
Gaborone

27 September 2018