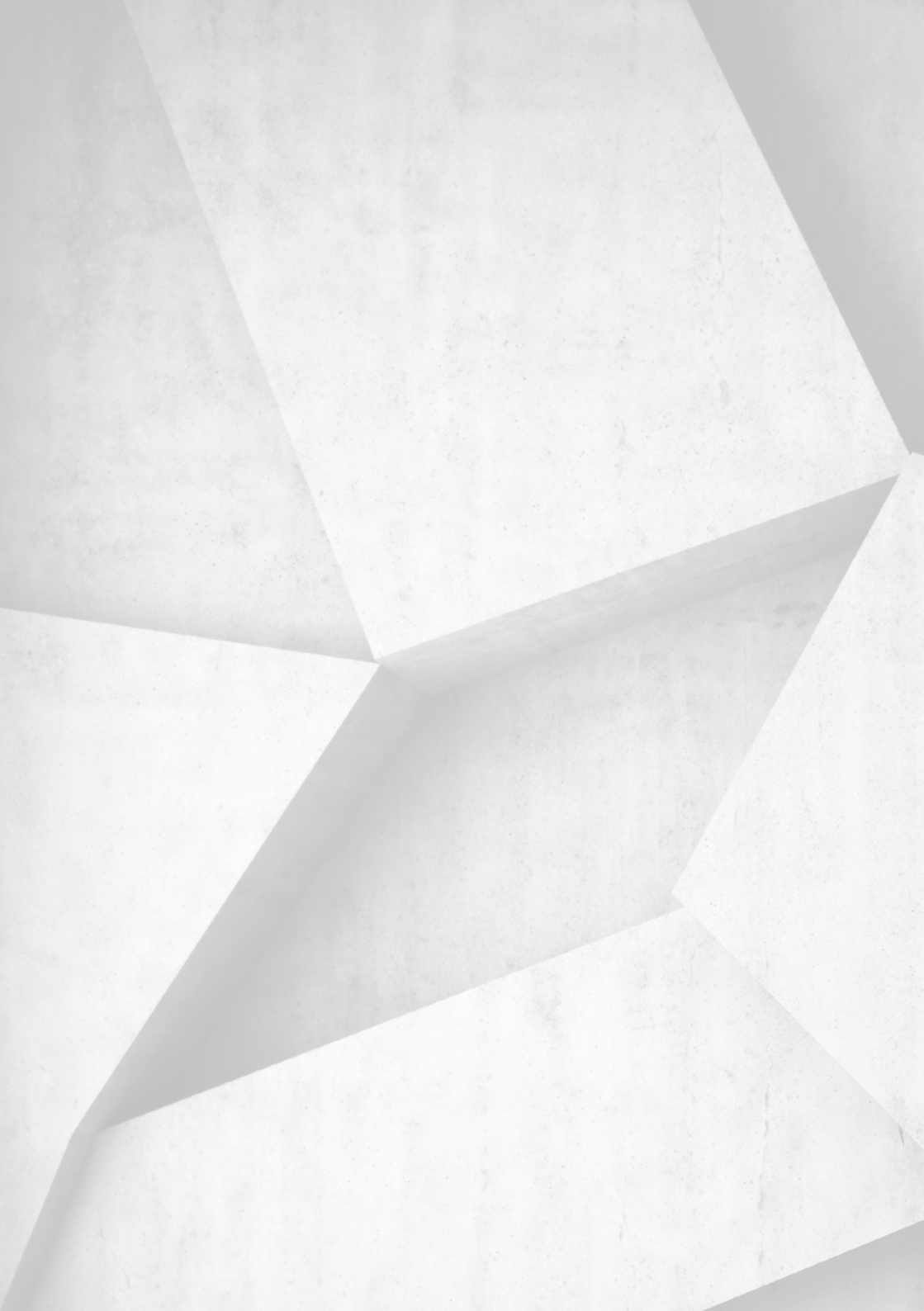




SEPHAKU
HOLDINGS LTD

**NOTICE AND PROXY OF ANNUAL GENERAL
MEETING AND SUMMARISED AUDITED
CONSOLIDATED FINANCIAL RESULTS**

for the nine months ended 31 March 2013



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Letter to shareholders

Dear shareholder

We invite you to attend Sephaku Holdings' annual general meeting (AGM), which will be held at the Old Trafford room, Centurion Lake Hotel, 1001 Lenchen Avenue North, Centurion on 4 October 2013 at 10:00. For the summary of shareholders' rights in respect of proxy appointments as contained in section 58 of the Companies Act, refer to Annexure 7 on page 23.

We encourage you to attend and vote at the AGM as this is your opportunity to meet and question members of the company regarding the group's performance for the nine months ended 31 March 2013.

The integrated annual report will not be mailed to all shareholders as part of our strategy to contain costs. However, all the information that you may need to vote at the AGM is included in this booklet including the detailed notice of the AGM, the summarised audited consolidated financial statements and other supporting documentation.

If you are not able to attend the AGM, you may vote by proxy according to the instructions in the AGM notice and form of proxy.

The full integrated annual report is available on the group's website at www.sephakuholdings.co.za. If you would prefer a printed copy, please contact Jennifer Bennette, group company secretary at JBennette@sepcem.co.za or +27 12 684 6300.

Yours sincerely



Jennifer Bennette

Group company secretary

27 June 2013

Notice of annual general meeting



Sephaku Holdings Ltd

Incorporated in the Republic of South Africa

Registration number: 2005/003306/06

JSE share code: SEP

ISIN: ZAE000138459

Notice of annual general meeting

In terms of section 59(1) of the Companies Act, notice is hereby given of the AGM of the shareholders of Sephaku Holdings to be held at the Old Trafford room, Centurion Lake Hotel, 1001 Lenchen Avenue North, Centurion on 4 October 2013 at 10:00 to consider and, if deemed fit, approve the resolutions referred to below, with or without modification.

Record date

The board of directors of Sephaku Holdings has determined that the last day to trade to be eligible to participate in and vote at the AGM is Thursday, 19 September 2013, and the record date for purposes of determining which shareholders of Sephaku Holdings are entitled to participate in and vote at the AGM is Friday, 27 September 2013. Only shareholders who are registered in the register on 27 September 2013 will be entitled to participate in and vote at the AGM.

Attendance and identification

Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a member of Sephaku Holdings. A form of proxy which provides instructions for its completion is enclosed. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the AGM.

Proxy forms must reach the company's transfer secretaries, Computershare Investor Services (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001, South Africa or be posted to PO Box 61051, Marshalltown, 2107, South Africa, to be received by them by no later than 10:00 on 2 October 2013.

AGM participants may be required to provide identification to the reasonable satisfaction of the chairman of the AGM. A green barcoded identification document issued by the South African Department of Home Affairs, a driver's licence or a valid passport will be accepted as sufficient identification.

Shareholders who have any doubt as to the action they should take should consult their accountant, attorney, banker or other professional advisor immediately. On a poll, ordinary shareholders will have one vote in respect of each share held.

Electronic participation

In terms of section 61(10) of the Companies Act every shareholders' meeting of a public company must be reasonably accessible within South Africa for electronic participation by shareholders. Therefore, shareholders or their proxies may participate in a meeting by way of a teleconference call if they wish to do so. In this event:

- written notice to participate via electronic communication must be sent to the group company secretary, Jennifer Bennette at Sephaku Holdings, Southdowns Office Park, Block A, corner Karee and John Vorster Streets, Irene X54, Pretoria to be received by no later than 10:00 on 2 October 2013;
- a pin number and dial-in details for the conference call will be provided;
- shareholders will be billed separately by their own telephone service providers for the teleconference call to participate in the AGM; and
- valid identification will be required:
 - (a) if the shareholder is an individual, a certified copy of their identity document and/or passport;
 - (b) if the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution, specifying the name of the individual that is authorised to represent the relevant entity at the AGM by way of teleconference call; and
 - (c) a valid email address and/or facsimile number.

Notice of annual general meeting *continued*

AGENDA

ORDINARY RESOLUTIONS

To consider and, if deemed fit, to pass with or without modification, all the ordinary resolutions relating to business set out below. More than 50% of the voting rights exercised on each individual resolution must be exercised in favour of those resolutions.

1. Adoption of the annual financial statements

Ordinary resolution number 1

To receive and consider the audited annual financial statements for the nine months ended 31 March 2013, the directors' report, the independent auditors' report and the audit and risk committee report of Sephaku Holdings. (Refer to Annexure 1.)

2. Election and re-election of directors

Ordinary resolution number 2

MM Ngoasheng, MG Mahlare and PF Fourie retire in accordance with Sephaku Holdings' memorandum of incorporation (MOI) and, being eligible, offer themselves for re-election. KJ Capes offers himself for appointment as director. (Refer to Annexure 2 for brief biographies of each of the directors.)

To consider and, if deemed fit, to elect those directors being eligible for re-election or appointment by way of passing the ordinary resolutions set out below:

2.1 Ordinary resolution number 2.1

"Resolved as an ordinary resolution that MM Ngoasheng be and is hereby re-elected as a director of Sephaku Holdings."

2.2 Ordinary resolution number 2.2

"Resolved as an ordinary resolution that MG Mahlare be and is hereby re-elected as a director of Sephaku Holdings."

2.3 Ordinary resolution number 2.3

"Resolved as an ordinary resolution that PF Fourie be and is hereby re-elected as a director of Sephaku Holdings."

2.4 Ordinary resolution number 2.4

"Resolved as an ordinary resolution that the appointment of KJ Capes as an executive director of Sephaku Holdings as approved by the board on 27 June 2013, is hereby approved."

Rationale: The MOI of Sephaku Holdings, and to the extent applicable, the Companies Act, require that one-third of Sephaku Holdings directors rotate at the AGM and can be eligible for re-election (as per sections 2.1 to 2.3 above). The MOI of Sephaku Holdings, and to the extent applicable, the Companies Act, require shareholder approval for the appointment of KJ Capes as director (as per section 2.4 above).

3. Reappointment of external auditor

Ordinary resolution number 3

"Resolved that Grant Thornton Johannesburg be appointed, upon the recommendation of the current audit and risk committee, as independent registered auditors of Sephaku Holdings, replacing PKF (Gauteng) Inc. following the merger of PKF and Grant Thornton Johannesburg audit practices on 1 July 2013. The individual registered auditor who will undertake the audit during the financial year ending 31 March 2014 is R Huiskamp."

At the Sephaku Holdings' audit and risk committee meeting held on 12 June 2013, the committee considered the independence of both PKF (Gauteng) Inc. and Grant Thornton Johannesburg and has satisfied itself of their independence.

Rationale: In terms of the Companies Act, Sephaku Holdings as a public company must have its financial results audited and such an auditor must be appointed or reappointed each year at the AGM of Sephaku Holdings.

4. Election of independent non-executive directors to the audit and risk committee

Ordinary resolution number 4

To consider and, if deemed fit, to elect the following independent non-executive directors as members of Sephaku Holdings' audit and risk committee, with effect from the end of this AGM. Subject to ordinary resolution number 2 being approved, shareholders elect by way of a separate vote, each of the following:

4.1 Ordinary resolution number 4.1

"Resolved that B Williams be and is hereby elected as a member of Sephaku Holdings' audit and risk committee."

4.2 Ordinary resolution number 4.2

"Resolved that PM Makwana be and is hereby elected as a member of Sephaku Holdings' audit and risk committee."

4.3 Ordinary resolution number 4.3

"Resolved that MG Mahlare be and is hereby elected as a member and chairman of Sephaku Holdings' audit and risk committee."

Rationale: In terms of the Companies Act, Sephaku Holdings as a public company must appoint an audit committee and the members of such audit committee must be appointed, or reappointed as the case may be, at each AGM of Sephaku Holdings.

SPECIAL BUSINESS

To consider and, if deemed fit, to pass with or without modification, all the ordinary resolutions relating to special business set out below.

5. General authority to directors to allot and issue authorised but unissued ordinary shares

Ordinary resolution number 5

"Resolved that the directors be authorised, as they in their discretion think fit, to allot and issue the unissued ordinary shares of Sephaku Holdings, subject to the following:

- the authority shall be valid until the date of the next AGM of Sephaku Holdings, provided it shall not extend beyond 15 months from the date of this AGM; and
- issues in terms of this authority will not, in any financial year, in aggregate, exceed 15% of the number of ordinary shares in Sephaku Holdings' issued share capital as at 31 March 2013."

Rationale: Subject to the MOI of Sephaku Holdings, the requirements of the Companies Act and the JSE Listings Requirements, the board requires authority from shareholders to issue shares in Sephaku Holdings. Once granted, this general authority allows the board from time to time and when appropriate; to issue ordinary shares as may be required, inter alia, in terms of capital-raising exercises, and to maintain a healthy capital adequacy ratio.

6. General authority to issue shares for cash

Ordinary resolution number 6

"Resolved that subject to the passing of ordinary resolution number 5 above, the board be and is hereby given a general authority to allot and issue the unissued ordinary shares in the capital of Sephaku Holdings (or options to subscribe for, or securities that are convertible into such ordinary shares) as an issue for cash as and when suitable situations arise and on such terms and conditions as they deem fit, subject to the following:

- the authority shall be valid until the date of the next AGM of Sephaku Holdings, provided it shall not extend beyond 15 months from the date of this AGM; and
- issues in terms of this authority will not, in any financial year, in aggregate, exceed 15% of the number of ordinary shares in Sephaku Holdings' issued share capital as at 31 March 2013."

This resolution and the restrictions contained herein do not apply to any *pro rata* rights offer to shareholders.

This resolution requires more than 75% of the voting rights in favour thereof to be adopted.

Rationale: Subject to the MOI of Sephaku Holdings, the requirements of the Companies Act and the JSE Listings Requirements, the board requires authority from shareholders to issue ordinary shares in Sephaku Holdings. Once granted, the general authority allows the board from time to time and when appropriate, to issue ordinary shares as may be required, inter alia, in terms of capital-raising exercises, and to maintain a healthy capital adequacy ratio.

Notice of annual general meeting *continued*

7. Sephaku Holdings' remuneration policy (as reflected in the remuneration policy in the Integrated report)

Ordinary resolution number 7

"Resolved that Sephaku Holdings' remuneration policy and payment of the remuneration for the services as directors of Sephaku Holdings (as reflected in Annexure 3) be endorsed, by way of a non-binding advisory vote, for the period 1 July 2012 to 31 March 2013, on the same basis as set out in the audited annual financial statements, escalated as determined as being reasonable by the remuneration and nomination committee of Sephaku Holdings and Sephaku Holdings' remuneration policy."

Note: Failure to pass this resolution will not have any legal consequences relating to existing arrangements. However, the board will take the outcome of the vote into consideration when assessing Sephaku Holdings' remuneration policy.

Rationale: King III requires companies to table their remuneration policy each year to shareholders for a non-binding advisory vote at the AGM.

8. Signing authority

Ordinary resolution number 8

"Resolved to authorise any one director or the secretary of Sephaku Holdings to do all such things and sign all such documents as are deemed necessary to implement the resolutions set out in the notice convening the AGM at which this ordinary resolution is to be considered and approved."

SPECIAL RESOLUTIONS

To consider and, if deemed fit, to pass with or without modification, all the special resolutions relating to business set out below. More than 75% of the voting rights exercised on each individual resolution must be exercised in favour of those resolutions.

9. General authority to acquire/(repurchase) issued shares

Special resolution number 1

"Resolved that an acquisition by Sephaku Holdings, and/or any subsidiary of Sephaku Holdings is hereby authorised, by way of a general authority, from time to time, to repurchase any of the shares issued by Sephaku Holdings, or to repurchase any of the shares issued by any subsidiary of Sephaku Holdings, upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the MOI of Sephaku Holdings and/or subsidiary company and which may be amended from time to time, and provided that acquisitions by Sephaku Holdings and its subsidiaries of the shares in the capital of Sephaku Holdings may not, in the aggregate, exceed in any one financial year 20% of Sephaku Holdings' issued share capital of the class of shares acquired from the date of the grant of this general approval. The repurchase will also be in compliance with the JSE Listings Requirements."

Although there is no immediate intention to effect a repurchase of securities of Sephaku Holdings, the directors would utilise the general authority to repurchase securities as and when suitable opportunities present themselves, which opportunities may require expeditious and immediate action.

The directors undertake that, after considering the maximum number of securities which may be repurchased and the price at which the repurchases may take place pursuant to the buyback general authority, for a period of 12 months after the date of notice of this AGM:

- Sephaku Holdings will be able to pay their debts in the ordinary course of business;
- the consolidated assets of Sephaku Holdings fairly valued in accordance with IFRS, will exceed the consolidated liabilities of Sephaku Holdings; and
- the working capital, share capital and reserves of Sephaku Holdings will be adequate for the purposes of the business of Sephaku Holdings and its subsidiaries.

The following additional information is provided in terms of paragraph 11.26 of the JSE Listings Requirements for purposes of this general authority:

- Directorate – Annexure 2
- Major shareholders – Annexure 4
- Directors' interests in ordinary shares – Annexure 4
- Stated capital of Sephaku Holdings – Annexure 5
- Litigation statement – Annexure 6
- Directors' responsibility statement – Annexure 6
- Material changes statement – Annexure 6

Rationale: The reason and effect of this special resolution number 1 is to grant the directors of Sephaku Holdings and/or any subsidiary of Sephaku Holdings a general authority in terms of its MOI for the acquisition by Sephaku Holdings and/or its subsidiary companies of shares issued by it on the basis reflected in the special resolution.

10. Remuneration of directors

Special resolution number 2

"Resolved that to the extent applicable in terms of section 66(9) of the Companies Act that Sephaku Holdings pays remuneration to its directors for their services rendered as directors of Sephaku Holdings during the financial year ending 31 March 2014, as disclosed in the audited annual financial statements for the nine months ended 31 March 2013." (Refer to Annexure 3.)

Rationale: The Companies Act section 66(9) requires that directors' fees be approved by shareholders by way of special resolution. The passing of this special resolution will have the effect of approving the remuneration of the directors of Sephaku Holdings for the year ended 31 March 2013.

11. Remuneration payable to independent non-executive directors and non-executive directors participating in board committees

Special resolution number 3

"Resolved that to the extent applicable in terms of section 66(9) of the Companies Act that Sephaku Holdings pays remuneration to its directors for their services as directors of Sephaku Holdings during the financial year ending 31 March 2014." (The scale of remuneration is set out in Annexure 3.)

Rationale: The Companies Act requires that directors' fees be authorised by shareholders by way of special resolution. The passing of this special resolution will have the effect of approving the remuneration of each of the directors of Sephaku Holdings for the year ending 31 March 2014 in accordance with section 66(9) of the Companies Act.

12. Financial assistance for directors

Special resolution number 4

"Resolved that shareholders hereby approve of Sephaku Holdings providing any direct or indirect financial assistance, as contemplated in such sections of the Companies Act, to directors and prescribed officers of Sephaku Holdings or of a related or inter-related company or corporation."

13. Financial assistance for a related or inter-related corporation

Special resolution number 5

"Resolved that shareholders hereby approve of Sephaku Holdings providing any direct or indirect financial assistance, as contemplated in such sections of the Companies Act, to a member of a related or inter-related corporation or any person related to any such member."

14. Financial assistance for any beneficiary participating in any Sephaku Holdings group

Special resolution number 6

"Resolved that shareholders hereby approve of Sephaku Holdings providing any direct or indirect financial assistance, as contemplated in such sections of the Companies Act, to any beneficiary participating in any Sephaku Holdings group share incentive scheme or to a person related to any such beneficiary."

Notice of annual general meeting *continued*

15. Financial assistance for present or future subsidiaries

Special resolution number 7

"Resolved that shareholders hereby approve of Sephaku Holdings providing direct or indirect financial assistance to any of its present or future subsidiaries."

Special resolutions 4, 5, 6 and 7 are and be hereby approved provided that no such financial assistance may be provided at any time in terms of this authority after the expiry of two years from the date of the adoption of these special resolutions (*for avoidance of doubt, these special resolutions above will be voted on by the shareholders as separate special resolutions*) and provided that:

- (a) The recipient(s) of such financial assistance; the form, nature and extent of such financial assistance; and the terms and conditions under which such financial assistance is provided are determined by the board of directors of Sephaku Holdings from time to time.
- (b) The board of directors of Sephaku Holdings may not authorise Sephaku Holdings to provide any financial assistance pursuant to this special resolution unless the board meets all those requirements of sections 44, 45 and 46 of the Companies Act which it is required to meet in order to authorise Sephaku Holdings to provide such financial assistance.
- (c) Such financial assistance to a recipient thereof is, in the opinion of the board of directors of Sephaku Holdings, required for the purpose of meeting all or any of such recipient's operating expenses (including capital expenditure), and/or funding the growth, expansion, reorganisation or restructuring of the businesses or operations of such recipient, and/or funding such recipient for any other purpose which in the opinion of the board of directors of Sephaku Holdings is directly or indirectly in the interests of Sephaku Holdings.

Rationale: Section 44 of the Companies Act regulates the provision of financial assistance by the company to any person by way of a loan, guarantee, the provision of security or otherwise for the purpose of or in connection with, (i) the subscription of any option, or any securities, issued or to be issued by the company or related or inter-related company, or (ii) for the purchase of any securities of the company, or a related or inter-related company.

Section 45 of the Companies Act provides, inter alia, that any financial assistance to related or inter-related companies and corporations, including, inter alia, to subsidiaries of the company, must be provided only pursuant to a special resolution of the shareholders, adopted within the previous two years, which approved such assistance either for the specific recipient, or generally for a category of potential recipients, and the specific recipient falls within that category, and the board of directors must be satisfied that:

- (a) *immediately after providing the financial assistance, Sephaku Holdings would satisfy the solvency and liquidity test, as defined in section 4 of the Companies Act;*
- (b) *the terms under which the financial assistance is proposed to be given are fair and reasonable to the company; and*
- (c) *any conditions or restrictions in respect of the granting of financial assistance set out in Sephaku Holding's memorandum of incorporation have been satisfied.*

This will allow the board of the company, always subject to applicable law, in particular the solvency and liquidity requirements as set out in the Companies Act, to provide financial assistance to any person for the purposes envisaged in section 44(2) of the Companies Act.

16. Allocation of options

Special resolution number 8

"Resolved that 5 million more options be made available."

Rationale: At listing the company had 150 million shares in issue and shareholders approved 15 million options for distribution under the share option scheme. The company now has in excess of 188 million shares in issue and it is therefore requesting to increase the options available to 20 million. At this point, the 15 million options have been allocated over the last four years with the first tranche only vesting in October this year.

17. Other business

To transact such other business as may be transacted at an AGM or raised by shareholders with or without advance notice to Sephaku Holdings.

ANNEXURE 1

Summarised audited financial results for the nine months ended 31 March 2013

Condensed consolidated statement of financial position

	31 March 2013 Audited R'000	30 June 2012 Audited R'000
Assets		
Non-current assets	995 956	644 424
Current assets	98 594	29 181
Total assets	1 094 550	673 605
Equity and liabilities		
Equity attributable to equity holders of the parent	740 525	672 623
Non-current liabilities	260 379	–
Current liabilities	93 646	982
Total equity and liabilities	1 094 550	673 605
Net asset value per share (cents)	394,10	391,54
Tangible net asset value per share (cents)	267,37	391,54
Ordinary shares in issue	187 901 843	171 790 732

ANNEXURE 1 *continued*

Condensed consolidated statement of comprehensive income

	9 months ended 31 March 2013 Audited R'000	12 months ended 30 June 2012 Audited R'000
Revenue	37 195	-
Cost of sales	(21 574)	-
Gross profit	15 621	-
Other income	356	463
Operating expenses	(35 825)	(16 157)
Loss on disposal of interest in companies	-	(5 629)
Investment income	820	127
Profit/(loss) from equity accounted investment	6 191	(107)
Finance costs	(1 949)	-
Loss before taxation	(14 786)	(21 303)
Taxation	(1 141)	-
Loss from continuing operations	(15 927)	(21 303)
Profit for the period from discontinued operations	-	22 296
(Loss)/profit for the period	(15 927)	993
Other comprehensive (loss)/income for the period	(1 208)	12 683
Total comprehensive (loss)/income for the period	(17 135)	13 676
Total comprehensive (loss)/income attributable to:		
Equity holders of the parent	(17 135)	13 676
Basic (loss)/earnings per share from total operations (cents):	(9,17)	0,58
- Continuing operations	(9,17)	(12,45)
- Discontinued operations	-	13,03
Diluted (loss)/earnings per share from total operations (cents):	(8,93)	0,53
- Continuing operations	(8,93)	(11,42)
- Discontinued operations	-	11,95
Headline loss per share from total operations (cents):	(9,20)	(13,27)
- Continuing operations	(9,20)	(26,96)
- Discontinued operations	-	13,69
Diluted headline loss per share from total operations (cents):	(8,96)	(12,17)
- Continuing operations	(8,96)	(24,73)
- Discontinued operations	-	12,56
Reconciliation of basic earnings to diluted earnings and headline loss:	R'000	R'000
Basic (loss)/earnings and diluted (loss)/earnings from total operations attributable to equity holders of the parent	(15 927)	993
(Profit)/loss on sale of non-current assets	(50)	5 629
Profit on unbundling of Sephaku Fluoride Ltd	-	(30 445)
Impairments	-	1 119
Headline loss attributable to equity holders of the parent	(15 977)	(22 704)
Reconciliation of weighted average number of shares:		
Basic weighted average number of shares	173 613 522	171 080 349
Diluted effect of share options	4 646 656	15 423 470
Diluted weighted average number of shares	178 260 178	186 503 819

Condensed consolidated statement of cash flows

	9 months ended 31 March 2013 Audited R'000	12 months ended 30 June 2012 Audited R'000
Cash flows from operating activities	(22 089)	(19 776)
Cash flows from investing activities	(96 972)	(34 712)
Cash flows from financing activities	116 770	73 282
Total cash movement for the period	(2 291)	18 794
Cash at beginning of the period	24 629	5 835
Cash at end of the period	22 338	24 629

Condensed consolidated statement of changes in equity

	Stated capital R'000	Total reserves R'000	Retained earnings R'000	Total equity R'000
Balance at 30 June 2011 – Audited	592 128	(6 610)	161 266	746 784
Total comprehensive income for the year	-	12 683	993	13 676
Issue of shares	9 000	-	-	9 000
Employees share option scheme	-	4 222	34	4 256
Dividend <i>in specie</i>	(101 093)	-	-	(101 093)
Balance at 30 June 2012 – Audited	500 035	10 295	162 293	672 623
Total comprehensive loss for the period	-	(1 208)	(15 927)	(17 135)
Issue of shares	80 556	-	-	80 556
Employees share option scheme	-	4 481	-	4 481
Balance at 31 March 2013 – Audited	580 591	13 568	146 366	740 525

Notes to the condensed consolidated financial results

Basis of preparation

The condensed consolidated financial results for the nine months ended 31 March 2013 (“annual reporting period”) have been prepared in accordance with IAS 34: Interim Financial Reporting, the disclosure requirements of the JSE Ltd Listings Requirements, the Companies Act No 71 of 2008 (as amended), the SAICA financial reporting guides as issued by the Accounting Practices Board and conform to International Financial Reporting Standards (“IFRS”).

The results have been prepared on a historical cost basis, except for the measurement of property at revalued amounts.

The accounting policies adopted for the annual reporting period are consistent with those applied in the annual financial statements for the group for the year ended 30 June 2012.

The preparation of the financial statements have been supervised by NR Crafford-Lazarus CA(SA).

Audit opinion

The financial results have been audited by the group’s external auditors, PKF (Gauteng) Inc. A copy of their unqualified report is available for inspection at the company’s registered office.

ANNEXURE 1 *continued*

Notes to the condensed consolidated financial results *continued*

Segment information	Ready mix concrete R'000	Head office R'000	Group totals R'000
Segment revenue – external revenue	37 195	-	37 195
Segment expenses	(11 614)	(24 211)	(35 825)
Profit from equity accounted investment	-	6 191	6 191
Segment profit/(loss) after taxation	1 995	(17 922)	(15 927)
Taxation	(1 141)	-	(1 141)
Interest received	168	652	820
Interest paid	(1 394)	(555)	(1 949)
Depreciation	(1 691)	-	(1 691)
Segment assets	197 356	897 194	1 094 550
Capital expenditure included in segment assets	5 145	-	5 145
Segment liabilities	(248 232)	(105 793)	(354 025)

The only mineral or commodity actively managed by Métier Mixed Concrete (Pty) Ltd (“Métier”) is ready mixed concrete. Sephaku Cement (Pty) Ltd (“Sephaku Cement”) is an associate of Sephaku Holdings. No segment report has been presented for Cement as the amounts attributable to Cement have been included in the “Head office segment”.

Acquisition of subsidiary

Business combination	R'000
Property, plant and equipment	113 462
Other financial assets	4 756
Inventories	5 817
Trade and other receivables	53 643
Cash and cash equivalents	20 800
Other loans and payables	(67 529)
Deferred taxation	(9 681)
Current taxation payable	(10 410)
Trade and other payables	(52 421)
Deferred income	(1 308)
Net assets acquired at provisional fair values	57 129
Goodwill	238 138
	295 267

Consideration paid

Cash	110 000
Equity instruments at the listed share price of R5 per share as on 28 February 2013	80 556
Deferred vendor loan of R125 million discounted to net present value	104 711
	295 267

Net cash outflow on acquisition

Cash consideration paid	(110 000)
Cash acquired	20 800
	(89 200)

On 28 February 2013 the group acquired 100% of the issued share capital of Métier for a total nominal purchase consideration of R365 million in a combination of acquisition finance and Sephaku Holdings securities. The total fair value of the purchase consideration amounted to R295 267 125.

Goodwill

In terms of IFRS, goodwill acquired in a business combination should be allocated to the acquirer's cash-generating units that are expected to benefit from the synergies of the combination. This allocation of goodwill should be performed at acquisition date. If the initial allocation cannot be completed before the end of the annual period in which the business combination is effected, that initial allocation should be completed before the end of the first annual period beginning after acquisition date.

As the purchase price allocation has not yet been performed at the reporting date, the acquisition resulted in goodwill amounting to R238 137 854 based on the net asset value of Métier on 28 February 2013. Based on the results of an impairment test performed, no impairment of goodwill is required.

Group revenue and profit for full financial period

Revenue of R37 195 338 and profit before taxation of R3 135 986 for the month of March 2013 of Métier has been included in the current year results of Sephaku Holdings. Had the acquisition been effective at the beginning of the reporting nine months, management estimates that Métier would have contributed R292 215 435 to revenue and R38 322 894 to profit before taxation. This estimate is based on management accounts for the nine-month period. Métier earned revenue of R414 267 766 and profit before taxation of R63 356 713 for the 12 months ended 28 February 2013 based on their audited annual financial statements.

Impairment of related-party loan receivable

An impairment provision of R6 835 864 has been raised on the receivable from Cross Company Management (Pty) Ltd during the period.

Change of financial year-end

At a shareholders' meeting held on 11 January 2013 it was decided to change the financial year-end of the group from 30 June to 31 March.

The reason for the change of year-end is to enable Sephaku Holdings to include the audited financial results of Sephaku Cement (an associate with a year-end of December), in its annual financial statements.

Statement on going concern

The financial statements for the annual reporting period have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Events after the annual reporting period

The directors are not aware of any material fact or circumstance arising between the end of the financial period and the date of this report that would require adjustments to or disclosure in the financial results.

Changes to the board

On 2 July 2012, Dr GS Mahlati resigned as non-executive director and Mr PM Makwana was appointed as independent non-executive director on 11 January 2013.

On behalf of the board

Neil Crafford-Lazarus

Financial director

Pretoria

27 June 2013

Lelau Mohuba

Chief executive officer

Board of directors

Brent Williams (49)

Chairman – independent non-executive director

BA (UCT), BProc (UWC), LLM (Harvard University Law School), DLA Piper Harvard Leadership Programme (Harvard Business School)

Brent was admitted as an attorney in 1992 and has held a number of key positions. He is currently the CEO of Cliffe Dekker Hofmeyr.

Modilati Gustav Mahlare (58)

Independent non-executive director and chairman of the audit and risk committee

BCom (Accounting), BCompt (Hons)

Gustav has held a number of positions at companies such as PricewaterhouseCoopers. He is currently a director at SEMA Integrated Risk Solutions where he specialises in internal audit, corporate governance, risk management and management consulting.

Paul Mpho Makwana (43)

Independent non-executive director

BAdmin (University of Zululand), BAdmin (Hons) (University of Pretoria), Postgraduate Diploma: Retailing Management (University of Stirling Institute of Retail Studies), Kellogg Executive Development Programme

Mpho serves on a number of unlisted company and trustee boards. He is also the chairman of ArcelorMittal, an independent non-executive director of Adcock Ingram Holdings Ltd, Nedbank Group Ltd and Nedbank Ltd, among others.

Dr Lelau Mohuba (56)

CEO – executive director

MBChB (University of Natal, now Nelson Mandela School of Medicine)

Lelau retired as a medical practitioner in 2001 after a 22-year career. His commercial career began in 2002. Since then he has served in various capacities with a number of entrepreneurial endeavours. Lelau is the co-founder and founding chairman of Sephaku Holdings and now serves as CEO.

Neil Robus Crafford-Lazarus (53)

Financial director – executive director

BCompt (UFS), BCompt (Hons) (Unisa), CA(SA)

Neil started his career in mining finance in 1988. Since then he has held various senior positions in taxation, business development and corporate finance with companies such as Anglo American Corporation, Gencor and Billiton. He also served as financial director of Xstrata SA (Pty) Ltd between 1998 and 2005. Neil joined Sephaku Holdings on 1 June 2007 and now serves as the financial director.

Rose Raisibe Matjiu (52)

ISD executive director

Certification in Mining and Minerals (Wits), BA (Hons) (Social Work) (University of the North), MA (Medical Social Work) (University of Pretoria)

Shibe has extensive experience as a professional community and social worker in government and the private sector. She has served in a number of directorate positions and is also a member of the South African Women in Mining and the Business Women Association.

Pieter Frederick Fourie (57)

Non-executive director

CEO – Sephaku Cement

BCom (Accounting), Executive Development Programme (PRISM) for Global Leaders (IMD, Switzerland)

Pieter has extensive experience in the cement industry and assumed the position of CEO of Sephaku Cement in May 2007. He was appointed as a director of Sephaku Holdings in November 2009.

Christiaan Rudolph de Wet de Bruin (60)**Non-executive director**

BCom (University of the Free State), LLB (Rand Afrikaans University)

Rudolph practised as an advocate from 1977 to 1989. Since then he has concentrated on finding, acquiring and developing mineral exploration and mining projects in various African countries and was a founding member of the Platmin group. Rudolph left Platmin in 2006 and co-founded the Sephaku group with Dr Lelau Mohuba.

Moses Modidima Ngoasheng (56)**Non-executive director**

BA (Economics and International Politics) (Unisa), BSocSci (Hons) (University of Natal), MPhil (University of Sussex)

Moss was instrumental in developing the industrial policy of the ANC and was economic advisor to President Thabo Mbeki from 1995 to 2000. Moss serves on a number of boards including SA Breweries and Dimension Data, among others.

Dr David Twist (59)**Non-executive director**

BSc (Hons) (Geology), PhD (Geology)

David completed his PhD in geology in 1980 after which he joined Impala Platinum Holdings Ltd. He was a founding member of the Platmin group with Rudolph de Bruin, and one of the founders of Sephaku Holdings.

Kenneth Capes (45)**Non-executive director**

Kenneth has extensive experience in the ready-mixed concrete and aggregates industry. Kenneth spent 20 years at Lafarge South Africa holding various management positions and managing all aspects of the quarry and ready-mixed concrete operations. Kenneth established Métier in KwaZulu-Natal in 2007 before expanding operations into Gauteng.

Johannes Wilhelm Wessels (62)**Alternate director to Christiaan Rudolph de Wet de Bruin**

BJuris (North West University), LLB (Unisa)

Wes was a senior partner at Couzyn, Hertzog, Horak & Wessels Incorporated and joined the Sephaku group in 2007. He serves as director of various associated companies of the group and is responsible for legal advice, negotiations and deal making, and contractual arrangements for the group.

Jennifer Bennette (50)**Company secretary – alternate director to Rose Raisibe Matjui**

Jennifer has been employed by various legal practices as a paralegal. She was previously company secretary for the Platmin group and joined Sephaku Holdings in 2008 as company secretary.

ANNEXURE 3

Directors' emoluments

Executive 2013	Remuneration R	Performance bonuses R	Allowances and other R	Total R
Dr L Mohuba	479 205	189 637	-	668 842
NR Crafford-Lazarus	562 234	1 012 994	36 000	1 611 228
RR Matjiu	210 784	26 133	30 000	266 917
JW Wessels	272 938	760 378	-	1 033 316
J Bennette	-	33 984	-	33 984
	1 525 161	2 023 126	66 000	3 614 287

2012	Remuneration R	Performance bonuses R	Allowances and other R	Remuneration for services as directors of subsidiaries R	Total R
Dr L Mohuba	917 168	77 830	-	-	994 998
NR Crafford-Lazarus	871 638	171 055	120 000	754 130	1 916 823
RR Matjiu	582 377	71 273	100 000	45 670	799 320
JW Wessels	157 066	42 324	-	273 285	472 675
L van den Heever	-	121 200	-	1 104 154	1 225 354
A Smith	-	-	-	915 718	915 718
	2 528 249	483 682	220 000	3 092 957	6 324 888

Non-executive 2013	Fees for services as director R	Committees' fees R	Consulting fees R	Total R
B Williams	132 000	32 000	-	164 000
CRDW de Bruin	-	-	446 944	446 944
MM Ngoasheng	6 600	16 500	-	23 100
MG Mahlare	60 000	48 000	-	108 000
PM Makwana	20 000	16 000	-	36 000
	218 600	112 500	446 944	778 044

2012	Fees for services as director R	Committees' fees R	Consulting fees R	Total R
B Williams	30 000	22 000	-	52 000
CRDW de Bruin	-	-	819 239	819 239
Dr D Twist	-	-	536 922	536 922
MM Ngoasheng	24 000	15 000	-	39 000
MG Mahlare	60 000	66 000	-	126 000
Dr GS Mahlati	6 000	-	-	6 000
SD Steyn	80 000	30 000	-	110 000
	200 000	133 000	1 356 161	1 689 161

A management fee is paid to Cross Company Management (Pty) Ltd for the services of directors and staff. The fees are calculated on the basis of time spent on group activities. The amounts included as directors' emoluments are the amounts paid to Cross Company Management (Pty) Ltd for the services rendered by directors to the group. Apart from directors, no other employees are considered to be prescribed officers. The unbundling of the Sephaku Fluoride Ltd group during 2012 resulted in a decrease in directors' emoluments during 2013 compared to the 2012 financial year. As Sephaku Cement (Pty) Ltd is treated as an equity accounted associate, the remuneration of J Bennette and PF Fourie does not form part of Sephaku Holdings Ltd's statement of comprehensive income and the emoluments for 2013 disclosed above.

Service contracts

None of the directors of the company have written service contracts with the company. Directors are employed by the board and rotate in terms of the memorandum of incorporation.

Independent non-executive directors and non-executive directors' remuneration for board and board committee participation: proposed fee structure

Fee structure 2013	Non-executive R	Independent R
Directors' fee	6 600	20 000
Chairman of the board	9 900	33 000
Audit and risk committee member	5 500	16 000
Audit and risk committee chairman	8 250	24 000
Remuneration and nomination committee member	5 500	16 000
Remuneration and nomination committee chairman	8 250	24 000
Social and ethics committee member	5 500	16 000
Social and ethics committee chairman	8 250	24 000

Proposed fee structure 2014	Non-executive R	Independent R
Directors' fee	8 000	24 000
Chairman of the board	12 000	36 000
Audit and risk committee member	6 000	18 000
Audit and risk committee chairman	9 000	26 000
Remuneration and nomination committee member	6 000	18 000
Remuneration and nomination committee chairman	9 000	26 000
Social and ethics committee member	6 000	18 000
Social and ethics committee chairman	9 000	26 000

ANNEXURE 4

Shareholder analysis

Major shareholders

Top five shareholders	Number of shares	% holding
Credit Suisse AG Zurich Nominees	22 699 874	12,08
Safika Resources (Pty) Ltd Nominees	15 580 823	8,29
Lelau Mohuba Trust	9 263 767	4,93
CRDW de Bruin	8 999 908	4,79
Bank of New York Nominees	6 951 543	3,7

Public and non-public shareholders	Shares held	%	Number of shareholders	%
Public	138 481 181	73,7	1 006	98,5
Non-public	49 420 662	26,3	15	1,5
– Directors' direct holdings	29 346 202	15,6	9	0,9
– Directors' indirect holdings	15 797 326	8,4	2	0,2
– Directors' associates	4 277 134	2,3	4	0,4
	187 901 843	100	1 021	100

Shareholder spread	Shares held	%	Number of shareholders	%
1 – 1 000	91 980	0,05	168	16,45
1 001 – 10 000	2 072 344	1,10	432	42,31
10 001 – 50 000	5 423 781	2,89	216	21,16
50 001 – 100 000	4 750 618	2,53	68	6,66
100 001 – 500 000	21 659 413	11,53	85	8,33
500 001 – 1 000 000	13 059 852	6,95	17	1,67
1 000 001 shares and over	140 843 855	74,96	35	3,43
	187 901 843	100	1 021	100

Beneficial shareholdings of directors (and associates)

Director	2013 Direct	2013 Indirect	2013 Associates	2012 Direct	2012 Indirect	2012 Associates
Dr L Mohuba	487 202	9 263 767	390 000	1 637 202	10 463 767	390 000
NR Crafford-Lazarus	1 512 728	–	–	1 512 728	–	–
RR Matjiu	3 585 923	–	–	3 585 923	–	–
CRDW de Bruin	9 999 908	–	1 272 134	12 993 908	–	1 427 134
MM Ngoasheng	–	–	720 000	–	–	720 000
Dr GS Mahlali	1 198 653	–	–	1 298 653	–	100 000
PF Fourie	–	6 533 559	–	–	6 503 059	–
JW Wessels	1 265 048	–	–	1 265 048	–	–
Dr D Twist	10 654 333	–	1 895 000	13 154 333	–	1 895 000
J Bennette	600 000	–	–	650 000	–	–
MG Mhlare	42 407	–	–	12 094	–	–
	29 346 202	15 797 326	4 277 134	36 109 889	16 966 826	4 532 134

There have been no changes in the beneficial interests of the directors in the stated capital between the end of the financial period and the date of approval of these annual financial statements.

Directors' interest in share options

Director	Number of share options at exercise price of R2,50 Granted 31 March 2008	Number of share options at exercise price of R3,50 Granted 15 October 2010	Number of share options at exercise price of R1,90 Granted 29 June 2012	Number of share options at exercise price of R1,90 Granted 31 August 2012
Dr L Mohuba	1 000 000	715 000	750 000	-
NR Crafford-Lazarus	750 000	715 000	750 000	750 000
RR Matjiu	300 000	200 000	300 000	-
CRDW de Bruin	-	500 000	-	-
PF Fourie	-	715 000	-	-
MM Ngoasheng	500 000	200 000	-	-
J Bennette	175 000	150 000	250 000	-
Dr D Twist	150 000	-	-	-
JW Wessels	250 000	715 000	750 000	750 000
	3 125 000	3 910 000	2 800 000	1 500 000

None of the share options have been exercised by any of the directors as yet.

ANNEXURE 5

Share capital and related-party transactions

	GROUP		COMPANY	
Stated capital	2013 R	2012 R	2013 R	2012 R
Authorised				
1 000 000 000 ordinary shares with no par value				
Reconciliation of number of shares issued:				
Number of shares at beginning of period	171 790 732	169 290 732	171 790 732	169 290 732
Number of ordinary shares issued during the period	16 111 111	2 500 000	16 111 111	2 500 000
Number of ordinary shares at end of period	187 901 843	171 790 732	187 901 843	171 790 732
The unissued ordinary shares are under the control of the directors.				
Issued				
Ordinary shares with no par value	580 590 616	601 127 979	580 590 616	601 127 979
Dividend <i>in specie</i> declared out of contributed taxation capital	-	(101 092 918)	-	(101 092 918)
	580 590 616	500 035 061	580 590 616	500 035 061

Share option group 2013	Number	Weighted exercise price	Total value
Share options granted during 2008 year (30/06/2008 to 30/06/2011)	200 000	1,5	300 000
Share options granted on 31 March 2008	5 740 000	2,5	14 350 000
Share options granted on 15 October 2010	10 000 000	3,5	35 000 000
Share options granted on 29 June 2012	3 500 000	1,9	6 650 000
Share options granted on 31 August 2012	1 500 000	1,9	2 850 000
Exercised and expired during prior periods*	(516 530)	-	-
Outstanding at the end of the financial period	20 423 470	-	-
Exercisable at the end of the financial period	5 423 470	-	-

* relating to share options granted during 2008 year

Related parties

	GROUP		COMPANY	
	2013 R	2012 R	2013 R	2012 R
Related-party balances				
Loan accounts – Owning by related parties				
Sephaku Cement (Pty) Ltd	337 058	928 050	337 058	928 050
Cross Company Management (Pty) Ltd	17 129 647	18 434 461	17 129 647	18 434 461
Sephaku Cement Investment Holdings Ltd	-	-	4 149	4 149
African Nickel Holdings (Pty) Ltd	3 200 000	3 596 551	3 200 000	3 596 551
Amounts included in trade receivables/ (trade payables) regarding related parties				
Cross Company Management (Pty) Ltd	(4 699)	(247 337)	(4 699)	(247 337)
Métier Concrete Products (Pty) Ltd	142 838	-	-	-
Related-party transactions				
Sales to related parties				
Métier Concrete Products (Pty) Ltd	(142 838)	-	-	-
Purchases from related parties				
Métier Aggregates (Pty) Ltd	510 655	-	-	-
Rent paid to related parties				
Plazatique Corp 27 CC	59 950	-	-	-
Métier Aggregates (Pty) Ltd	27 216	-	-	-
Fees paid to related parties for management services				
Cross Company Management (Pty) Ltd	3 039 781	5 628 752	3 039 781	5 628 752
Utilities paid to related parties				
Plazatique Corp 27 CC	33 751	-	-	-

Comparative figures

The 2013 reporting period is for nine months with the inclusion of Métier Mixed Concrete (Pty) Ltd for one month. The comparative amounts are therefore not comparable to the current balances.

Litigation statement

The directors, whose names appear in Annexure 2 of this notice, are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or have had in the recent past (being at least the previous 12 (twelve) months) a material effect on Sephaku Holdings' financial position.

Directors' responsibility statement

Directors, whose names appear in Annexure 2 of this notice, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required in terms of the JSE Listings Requirements.

Material changes statement

Other than the facts and developments reported on in the integrated report, there have been no material changes in the affairs or financial position of Sephaku Holdings and its subsidiaries since the date of signature of the audit report for the nine months ended 31 March 2013 and up to the date of this notice.

Summary of shareholders' rights in respect of proxy appointments as contained in section 58 of the Companies Act

The shareholder may appoint an individual as a proxy, including an individual who is not a shareholder of Sephaku Holdings, to participate in, speak and vote at the shareholders' meeting on behalf of the shareholder.

- The shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.
- The proxy form must be dated and signed by the shareholder appointing the proxy.
- An appointed proxy may delegate his/her authority to act on the shareholder's behalf to another person, subject to any restrictions set out in the proxy form.
- The proxy form must be delivered to the transfer secretaries of Sephaku Holdings before the proxy exercises any of the shareholder's rights at the shareholders' meeting.
- Irrespective of the form of instrument used to appoint a proxy:
 - the appointment of the proxy is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
 - the appointment is revocable unless the proxy appointment expressly states otherwise; and
 - if the appointment of the proxy is revocable, a shareholder may revoke the proxy appointment by (1) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (2) delivering a copy of the revocation instrument to the proxy and to Sephaku Holdings.
- The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of:
 - the date stated in the revocation instrument, if any; or
 - the date on which the revocation instrument was delivered to Sephaku Holdings and the proxy as aforesaid.
- If the instrument appointing a proxy or proxies has been delivered to Sephaku Holdings, as long as that appointment remains in effect, any notice that is required by the Companies Act or Sephaku Holdings' MOI to be delivered by Sephaku Holdings to the shareholder must be delivered by Sephaku Holdings to:
 - the shareholder; or
 - the proxy or proxies (if the shareholder has in writing directed Sephaku Holdings to do so and has paid any reasonable fees charged by Sephaku Holdings for doing so).
- A proxy is entitled to exercise, or abstain from exercising, any voting rights of the shareholder without direction, except to the extent that the instrument appointing the proxy provides otherwise.
- The appointment of the proxy utilising the proxy form attached to the AGM notice remains valid only until the end of the AGM or any adjournment or postponement thereof.

Corporate information

Directors

B Williams
Dr L Mohuba*
NR Crafford-Lazarus*
RR Matju*
CRDW de Bruin
PF Fourie
Dr D Twist
MM Ngoasheng
MG Mahlare
PM Makwana
KJ Capes*
J Bennette#
JW Wessels#

**Executive #Alternate*

Company secretary

Jennifer Bennette

Registered office

1st Floor, Hennops House
Riverside Office Park
1303 Heuwel Avenue
Centurion
0157
Telephone: +27 12 684 6300.
Website: www.sephakuholdings.co.za.

Transfer secretaries

Computershare Investor Services (Pty) Ltd
70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107, South Africa
Telephone: +27 11 370 5000

JSE sponsor

QuestCo (Pty) Ltd

Auditors

PKF (Gauteng) Inc.
(merged with Grant Thornton Johannesburg
on 1 July 2013)
Chartered accountants (SA)
Registered auditors

Bankers

Absa Bank





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