



# SEPHAKU

HOLDINGS LTD

**NOTICE OF ANNUAL GENERAL MEETING  
AND SUMMARISED ANNUAL REPORT  
2012**



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# Letter from the chairman

## Dear shareholder

I have great pleasure in inviting you to attend the annual general meeting of Sephaku Holdings Limited to be held at the Old Trafford Room, Centurion Lake Hotel, 1001 Lenchen Avenue North, Centurion on 11 January 2013 at 10:00.

You will find in this booklet:

- The notice of meeting setting out the resolutions to be proposed, explanatory notes and guidance notes for shareholders who wish to attend the meeting, vote by proxy or participate electronically.
- Summarised audited financial results for the year ended 30 June 2012. These and the full financial statements have been audited by Sephaku Holdings' external auditor, PKF (Gauteng) Inc. in compliance with the applicable requirements of the Companies Act and were prepared under the supervision of NR Crafford-Lazarus, CA (SA). The auditors' report does not necessarily cover all of the information contained in this notice of meeting and abridged annual report. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's work they should obtain a copy of the independent auditors' report together with the accompanying annual financial statements as included in the Integrated Report 2012 from the registered office of the Company or refer to the Company website: [www.sephakuholdings.co.za](http://www.sephakuholdings.co.za).
- Additional information as required by the JSE Listings Requirements.
- Proxy form for use by certificated shareholders and dematerialised shareholders whose shares are registered in their own names.

Should you be unable to attend the annual general meeting in person, you are able to exercise your right as a shareholder to vote for the resolutions to be proposed at the meeting as well as take part in the governance of the Company by completing, signing and returning the proxy form to the transfer secretaries at the address included in the corporate information to this notice by no later than 10:00 on 9 January 2013.

Alternatively, the Company also offers certificated shareholders and dematerialised shareholders whose shares are registered in their own names reasonable access to electronically participate in the annual general meeting. Shareholders wishing to participate electronically in the annual general meeting should follow the instructions set out on page 2 of this notice.

The directors and I look forward to seeing as many of you as possible at the annual general meeting and thank you for your continued support.



**Brent Williams**  
Executive Chairman

# Notice of the 2012 annual general meeting

## Sephaku Holdings Limited

Incorporated in the Republic of South Africa

Registration number: 2005/003306/06

JSE share code: SEP

ISIN code: ZAE000138459

## Notice of meeting

Notice is hereby given that the AGM of the shareholders of Sephaku Holdings will be held at the Old Trafford room, Centurion Lake Hotel, 1001 Lenchen Avenue North, Centurion on 11 January 2013 at 10:00 to consider, and if deemed fit, approve the resolutions referred to below, with or without modification.

## Purpose of the meeting

The purpose of this meeting is to transact the business set out in the agenda below. For the avoidance of doubt, the memorandum and MOI of Sephaku Holdings are now referred to as the memorandum of incorporation (MOI), in accordance with the terminology used in the Companies Act, which became effective on 1 May 2011.

## 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 Friday, 28 December 2012 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, 4 January 2013. (Note: the record date must be a Friday and at least five business days before the AGM, and the last day to trade will be the Friday before the record date i.e. one week before the record date to allow for settlement.) Accordingly, only shareholders who are registered in the register of Sephaku Holdings on Friday, 4 January 2013 will be entitled to participate in and vote at the AGM.

## Electronic participation in the AGM

To the extent applicable in terms of section 61(10) of the Companies Act and the requirements (if applicable) of Sephaku Holdings' MOI, every shareholders' meeting of a public Company must be reasonably accessible within South Africa for electronic participation by shareholders. Accordingly, shareholders or their proxies may participate in a meeting by way of a teleconference call provided that, if they wish to do so they must deliver written notice to Sephaku Holdings at Southdowns Office Park, Block A, corner Karee and John Vorster Streets, Irene x54, Pretoria (marked for the attention of Jennifer Bennette) by no later than 10:00 on 9 January 2013 that they wish to participate via electronic communication at the AGM (electronic notice) in order to obtain a pin number and dial-in details for that conference call.

In order for the electronic notice to be valid it must contain the following:

- (a) if the shareholder is an individual, a certified copy of his 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 e-mail address and/or facsimile number.

It must be noted that the shareholders will be billed separately by their own telephone service providers for the telephone call to participate in the AGM.

Sephaku Holdings shall use its reasonable endeavours to notify a shareholder, at their contact address/number, who has delivered a valid electronic notice of the relevant details through which the shareholder can participate by way of a teleconference call by no later than 24 hours before the commencement of the AGM.

The Companies Act requires that any person who wishes to attend or participate in a shareholders meeting, must present reasonably satisfactory identification at the meeting. Any shareholder or proxy who intends to attend or participate at the AGM must be able to present reasonably satisfactory identification at the meeting for such shareholder or proxy to attend and participate at the meeting. A green bar-coded identification document issued by the South African Department of Home Affairs, a driver's license or a valid passport will be accepted as sufficient identification.

## Agenda

### Ordinary business

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

**Note:** For any of the ordinary resolutions contained below more than 50% of the voting rights exercised on each individual resolution must be exercised in favour thereof.

#### 1. Adoption of the annual financial statements

##### Ordinary resolution number 1

To receive and consider the audited annual financial statements for the year ended 30 June 2012, together with the directors' report, the report of the independent auditors and the audit committee report of Sephaku Holdings.

#### 2. Election and re-election of directors

##### Ordinary resolution number 2

Dr L Mohuba, RR Matjui and CRDW de Bruin retire in accordance with Sephaku Holdings' MOI and, being eligible, offer themselves for re-election and B Williams and Dr D Twist offer themselves for appointment as directors. (Refer to pages 14 to 16 for brief biographies in respect of each director offering himself/herself for re-election.)

Accordingly, 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 Dr L Mohuba 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 RR Matjui 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 CRDW De Bruin be and is hereby re-elected as a director of Sephaku Holdings."

*The reason for the re-election of the above-mentioned directors is that 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.*

##### 2.4 Ordinary resolution number 2.4

"Resolved as an ordinary resolution that the appointment of B Williams as an Independent non-executive director of Sephaku Holdings on 3 May 2012 and as approved by the board, is hereby approved."

##### 2.5 Ordinary resolution number 2.5

"Resolved as an ordinary resolution that the appointment of Dr D Twist as a non-executive director of Sephaku Holdings on 29 March 2011 and as approved by the board, is hereby approved."

##### 2.6 Ordinary resolution number 2.6

"Resolved as an ordinary resolution that PM Makwana be appointed as an independent non-executive director of Sephaku Holdings."

*The reason for the appointment of the above-mentioned directors is that the MOI of Sephaku Holdings and, to the extent applicable, the Companies Act, require shareholder approval for the appointment.*

#### 3. Re-appointment of external auditor

##### Ordinary resolution number 3

"Resolved that PKF (Gauteng) Inc. is re-appointed, upon the recommendation of the current audit and risk committee, as independent registered auditors of Sephaku Holdings, and to note that the individual registered auditor who will undertake the audit during the financial year ending 30 June 2013 is R. Huiskamp."

At Sephaku Holdings' audit and risk committee meeting held on 19 September 2012 the committee considered the independence of PKF (Gauteng) Inc. and has satisfied itself of their independence.

*The reason for the reappointment of the auditors of Sephaku Holdings, being a public company, must have its financial results audited and such auditor must be appointed or reappointed each year at the AGM of Sephaku Holdings as required by the Companies Act.*

# Notice of the 2012 annual general meeting continued

## Agenda continued

### Ordinary business continued

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

##### Ordinary resolution number 4

Shareholders elect, subject to ordinary resolution number 2 being approved, by way of a separate vote, each of the following independent non-executive directors, as members of Sephaku Holdings' audit and risk committee, with effect from the end of this AGM:

##### 4.1 Ordinary resolution number 4.1

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

*The reason for this ordinary resolution is that Sephaku Holdings, being a public company, must appoint an audit committee as the Companies Act, requires that the members of such audit committee be appointed, or reappointed as the case may be, at each AGM of Sephaku Holdings.*

#### 5. Auditors remuneration

##### Ordinary resolution number 5

"Resolved as an ordinary resolution that the authority of Sephaku Holdings' audit and risk committee to determine the remuneration of the auditors be and is hereby confirmed."

For the avoidance of any doubt and in terms of the MOI of Sephaku Holdings, the audit and risk committee has the necessary authority to determine the remuneration of the auditors.

*The reason for this ordinary resolution follows from the fact that although the Companies Act, specifies that the audit committee is required to determine the remuneration of the auditors, the MOI of Sephaku Holdings requires that the remuneration of the auditors be dealt with at the 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.

**Note:** For any of the ordinary resolutions contained below, save for ordinary resolution number 7, more than 50% of the voting rights exercised on each individual resolution must be exercised in favour thereof. For ordinary resolution number 7 to be adopted more than 75% of the voting rights exercised must be exercised in favour thereof.

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

##### Ordinary resolution number 6

"Resolved as an ordinary resolution that, as required by and subject to the MOI of Sephaku Holdings, the requirements of the Companies Act and the JSE Listing Requirements, 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 30 June 2012."

*The reason for this ordinary resolution is that the board requires authority from shareholders in terms of its MOI to issue shares in Sephaku Holdings. This general authority, once granted, allows the board from time to time, when it is appropriate to do so, to issue ordinary shares as may be required, inter alia, in terms of capital-raising exercises, and to maintain a healthy capital adequacy ratio.*

## **7. General authority to issue shares for cash**

### **Ordinary resolution number 7**

“Resolved as an ordinary resolution that, subject to the passing of ordinary resolution number 6 above and the Listing Requirements of the JSE Ltd, that as required by and subject to the MOI of Sephaku Holdings and the requirements of the Companies Act, 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 30 June 2012.”

For the avoidance of doubt, it is recorded that this resolution and the restrictions contained herein do not apply to any *pro rata* rights offer to shareholders.

At least 75% of the shareholders present in person or by proxy and entitled to vote at the AGM must cast their vote in favour of this resolution.

*The reason for this ordinary resolution is that the board requires authority to issue ordinary shares for cash as may be required as part of Sephaku Holdings’ normal fund-raising exercises and the JSE listing requirements.*

## **8. Sephaku Holdings’ remuneration policy**

### **Ordinary resolution number 8**

“Resolved that Sephaku Holdings’ remuneration policy and payment of the remuneration for the services as directors of Sephaku Holdings be endorsed, by way of a non-binding advisory vote, for the period 1 July 2011 to 30 June 2012, 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.”

Ordinary resolution number 8 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing arrangements. However the board will take the outcome of the vote into consideration when considering Sephaku Holdings’ remuneration policy.

*The reason for this ordinary resolution is that Chapter 2 of King III dealing with boards and directors requires companies to table their remuneration policy every year to shareholders for a non-binding advisory vote at the AGM.*

## **9. Ratification of appointment of social and ethics committee**

### **Ordinary resolution number 9**

“Resolved to approve that the appointment of the social and ethics committee by the board of Sephaku Holdings in accordance with Regulation 43(3)(a)(i) of the Act, with effect from 28 March 2012, be and is hereby ratified.”

## **10. Change of year end**

### **Ordinary resolution number 10**

“Resolved to approve that the financial year end of Sephaku Holdings and its subsidiaries be changed from 30 June to 31 March, effective from 31 March 2013.

*The reason for the change of year-end of Sephaku Holdings is to enable Sephaku Holdings to include the audited financial results of Sephaku Cement, year end December, in its annual financial statements.*

## **11. Signing authority**

### **Ordinary resolution number 11**

“Resolved that 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.”

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

**Note:** For any of the special resolutions contained below, more than 75% of the voting rights exercised on each individual resolution must be exercised in favour thereof.

# Notice of the 2012 annual general meeting continued

## Agenda continued

### Ordinary business continued

#### 12. General authority to acquire (repurchase) issued shares

##### Special resolution number 1

“Resolved as a special resolution 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 Listing Requirements.”

##### Solvency and liquidity statement

In accordance with the Listings Requirements of the JSE, the directors record that:

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 Annual General Meeting:

- 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 Listings Requirements of the JSE for purposes of this general authority:

- Directorate — pages 14 to 16.
- Major shareholders — page 19.
- Directors' interests in securities — page 20.
- Stated capital of Sephaku Holdings — page 19.

##### Litigation statement

Save as stated above and/or the annual financial statements for the year ended 30 June 2012, the directors, whose names appear on pages 14 to 16 of this notice of meeting, are not aware of any other 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 twelve months) a material effect on Sephaku Holdings' financial position.

##### Directors' responsibility statement

Directors, whose names appear on pages 14 to 16 of this notice of meeting, 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 Listings Requirements of the JSE.

### Material changes

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 financial year ended 30 June 2012 and up to the date of this notice.

*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.*

## 13. Remuneration of directors

### Special resolution number 2

“Resolved, as a special resolution, to the extent applicable in terms of section 66(9) of the Companies Act, that Sephaku Holdings pay remuneration to its directors for their services rendered as directors of Sephaku Holdings during the financial year ending 30 June 2013, as disclosed in the audited annual financial statements for the year ended 30 June 2012.”

The Companies Act, requires the directors’ fees to be authorised by shareholders by way of special resolution.

*The reason for this special resolution number 2 is for Sephaku Holdings to obtain the approval of shareholders for the payment of remuneration to its directors for their service as directors in accordance with the requirements of the Companies Act. The passing of this special resolution will have the effect of approving the remuneration of the directors of Sephaku Holdings for the year ending 30 June 2013 in accordance with section 66(9) of the Companies Act.*

## 14. Remuneration payable to Independent non-executive directors and non-executive directors participating in board committees

### Special resolution number 3

“Resolved, as a special resolution, to the extent applicable in terms of section 66(9) of the Companies Act, that Sephaku Holdings pay remuneration to its directors for their services as directors of Sephaku Holdings during the financial year ending 30 June 2013.” The scale of remuneration is set out below:

### Proposed fee structure 2013

	Non-executive	Independent
Director 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 chairman	8 250	24 000
Social and ethics committee member	5 500	16 000
Social and ethics committee chairman	8 250	24 000

The Companies Act, requires the directors’ fees to be authorised by shareholders by way of special resolution.

*The reason for this special resolution number 3 is for Sephaku Holdings to obtain the approval of shareholders for the payment of remuneration to its directors for their service as directors in accordance with the requirements of the Companies Act. 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 30 June 2012 in accordance with section 66(9) of the Companies Act.*

# Notice of the 2012 annual general meeting continued

## Agenda continued

### Ordinary business continued

#### 15. Financial assistance to directors, prescribed officers, employee share scheme beneficiaries and related or inter-related companies and corporations

##### Special resolution number 4

“Resolved as a special resolution to the extent required by and subject to sections 44 and 45 of the Companies Act, and the requirements (if applicable) of Sephaku Holdings’ MOI and the JSE Listing Requirements, the shareholders hereby approve of Sephaku Holdings providing any direct or indirect financial assistance, as contemplated in such sections of the Companies Act, to directors or prescribed officers of Sephaku Holdings or of a related or inter-related company; or to a related or inter-related company or corporation; or to a member of a related or inter-related corporation; or to any beneficiary participating in any Sephaku Holdings group share incentive scheme; or to a person related to any such company, corporation, director, prescribed officer, beneficiary or member; 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 this special resolution 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 45 and 46 of the Companies Act which it is required to meet in order to authorise Sephaku Holdings to provide such financial assistance; and
- (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.

The main purpose for this authority is to grant the board the authority to provide inter-group loans and other financial assistance for purposes of funding the activities of the group.”

*Section 45 of the new Companies Act provides that the board may authorise Sephaku Holdings to provide direct or indirect financial assistance to a related or inter-related company or corporation provided that the particular provision of financial assistance is pursuant to a special resolution of the shareholders. Such authority was not required under the previous Companies Act. The reason for and the effect of the special resolution is to grant the directors of Sephaku Holdings the authority to provide financial assistance to any company or corporation that is related or inter-related to Sephaku Holdings. This means that Sephaku Holdings is authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.*

#### 16. Approval for the replacement of the existing Memorandum of Association and MOI

##### Special resolution number 5

“Resolved that the existing Memorandum of Association and MOI of Sephaku Holdings be and are hereby substituted in their entirety by the MOI (the salient terms of which are distributed as Annexure 5 with this notice\*), in accordance with the provisions of section 16(1)(c) of the Companies Act, with effect from the date of filing of the notice of amendment with the Companies and Intellectual Property Commission.”

*The reason and effect of this special resolution number 5 is for Sephaku Holdings to obtain the approval of shareholders for the replacement of the existing Memorandum of Association and MOI with the MOI in accordance with the requirements of the Companies Act.*

\* A full copy of the new MOI can be viewed on our website ([www.sephakuholdings.co.za](http://www.sephakuholdings.co.za)) and will be available for inspection at our offices until the day of the meeting.

#### 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.

## Voting

The date on which shareholders must be recorded as such in the register maintained by the transfer secretaries of Sephaku Holdings for purposes of being entitled to attend and vote at this AGM is 4 January 2013, with the last day to trade being 28 December 2012.

AGM participants may be required to provide identification to the reasonable satisfaction of the chairman of the AGM.

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, in which are set out the relevant 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.

The instrument appointing a proxy and the authority (if any) under which it is signed must reach the transfer secretaries of Sephaku Holdings at the address given below by no later than 48 hours before the time of the AGM.

On a poll, ordinary shareholders will have one vote in respect of each share held.

Shareholders who have any doubt as to the action they should take should consult their accountant, attorney, banker or other professional advisor immediately.

By order of the board

**Sephaku Holdings Ltd**



**J Bennette**

Company Secretary

30 June 2012

## Annexure 1 – summarised audited financial results

for the year ended 30 June 2012

### Condensed consolidated statement of financial position

	2012	2011
	Audited R'000	Audited R'000
<b>Assets</b>		
Non-current assets	644 424	691 771
Current assets	29 181	38 773
Non-current assets held for sale	–	21 164
<b>Total assets</b>	<b>673 605</b>	<b>751 708</b>
<b>Equity and liabilities</b>		
Equity attributable to equity holders of the parent	672 623	746 784
Current liabilities	982	4 924
<b>Total equity and liabilities</b>	<b>673 605</b>	<b>751 708</b>
Net asset value per share (cents)	391,54	441,13
Tangible net asset value per share (cents)	391,54	406,16
Ordinary shares in issue	171 790 732	169 290 732

## Condensed consolidated statement of comprehensive income

	2012	2011
	Audited R'000	Audited R'000
Operating loss	(15 694)	(18 990)
(Loss)/profit on disposal of companies	(5 629)	2 289
Profit on dilution of interest in companies	–	407 709
Investment revenue	127	1 089
Loss from equity accounted investments	(107)	(8 859)
<b>(Loss)/profit before taxation</b>	<b>(21 303)</b>	<b>383 238</b>
Taxation	–	(1 558)
(Loss)/profit from continuing operations	(21 303)	381 680
Profit/(loss) for the year from discontinued operations	22 296	(37 981)
<b>Profit for the year</b>	<b>993</b>	<b>343 699</b>
<b>Other comprehensive income/(loss) for the year</b>	<b>12 683</b>	<b>(46 921)</b>
<b>Total comprehensive income for the year</b>	<b>13 676</b>	<b>296 778</b>
<b>Total comprehensive income/(loss) attributable to:</b>		
Equity holders of the parent	13 676	303 550
Non-controlling interest	–	(6 772)
Ordinary shares:		
– basic weighted average number of shares	171 080 349	161 305 112
– diluted weighted average number of shares	186 503 819	176 788 582
<b>Basic (loss)/earnings per share from total operations (cents):</b>	<b>0,58</b>	<b>213,07</b>
– Continuing operations	(12,45)	236,62
– Discontinued operations	13,03	(23,55)
<b>Diluted (loss)/earnings per share from total operations (cents):</b>	<b>0,53</b>	<b>194,41</b>
– Continuing operations	(11,42)	215,89
– Discontinued operations	11,95	(21,48)
Headline loss (cents)	(13,27)	(39,63)
Diluted headline loss (cents)	(12,17)	(36,16)
<b>Reconciliation of basic earnings to diluted earnings and headline loss:</b>		
Basic earnings and diluted earnings from total operations attributable to equity holders of the parent	993	343 699
Loss/(profit) on sale of non-current assets	5 629	(409 997)
Profit on unbundling of Sephaku Fluoride Limited	(30 445)	–
Impairments	1 119	2 366
Headline loss attributable to equity holders of the parent	(22 704)	(63 932)
<b>Reconciliation of weighted average number of shares:</b>		
Basic weighted average number of shares	171 080 349	161 305 112
Dilutive effect of share options	15 423 470	15 483 470
Diluted weighted average number of shares	186 503 819	176 788 582

## Annexure 1 – summarised audited financial results continued

for the year ended 30 June 2012

### Condensed consolidated statement of changes in equity

	Stated capital	Total reserves	Retained earnings	Total attributable to equity holders of the parent	Non-controlling interest	Total equity
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Balance at 1 July 2010 – Audited</b>	225 215	31 991	149 209	406 415	71 674	478 089
Total comprehensive (loss)/income for the year	–	(40 149)	343 699	303 550	(6 772)	296 778
Issue of shares	47 054	–	–	47 054	–	47 054
Dilution of control in Sephaku Cement	319 859	–	(319 859)	–	(64 902)	(64 902)
Employees share option scheme	–	1 548	1 782	3 330	–	3 330
Dividend <i>in specie</i>	–	–	(13 565)	(13 565)	–	(13 565)
<b>Balance at 30 June 2011 – Audited</b>	592 128	(6 610)	161 266	746 784	–	746 784
Total comprehensive income for the year	–	12 683	993	13 676	–	13 676
Issue of shares	9 000	–	–	9 000	–	9 000
Employees share option scheme	–	4 22	234	4 256	–	4 256
Dividend <i>in specie</i>	(101 093)	–	–	(101 093)	–	(101 093)
<b>Balance at 30 June 2012 – Audited</b>	<b>500 035</b>	<b>10 295</b>	<b>162 293</b>	<b>672 623</b>	<b>–</b>	<b>672 623</b>

Dividend *in specie* per share R0,59 (2011: R0,09)

2012: Unbundling of Sephaku Fluoride Limited

2011: Unbundling of Incubex Minerals Limited

### Condensed consolidated statement of cash flows

	2012	2011
	Audited R'000	Audited R'000
Cash flows from operating activities	(19 776)	(51 780)
Cash flows from investing activities	(34 712)	(3 927)
Cash flows from financing activities	73 282	46 644
<b>Total cash movement for the year</b>	<b>18 794</b>	<b>(9 063)</b>
<b>Cash at beginning of the year</b>	<b>5 835</b>	<b>14 898</b>
<b>Cash at end of the year</b>	<b>24 629</b>	<b>5 835</b>

### Notes to the condensed consolidated provisional financial results

#### Segment information

Due to the dilution of Sephaku Holdings' interest in Sephaku Cement (Pty) Limited (Sephaku Cement) and the unbundling of Sephaku Fluoride Limited (Sephaku Fluoride) and the Incubex Mineral Limited subsidiaries' assets and liabilities, the only reportable segment in 2011 was Fluorspar. No segment reporting has therefore been presented in the current or prior reporting period.

#### Basis of preparation

The condensed consolidated provisional financial results for the year ended 30 June 2012 (annual reporting period) have been prepared in accordance with IAS 34: Interim Financial Reporting, as well as the AC 500 series of interpretations as issued by the Accounting Practices Board, on a historical cost basis, except for the measurement of property at revalued amounts and conform to International Financial Reporting Standards (IFRS).

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 2011.

The annual reporting period results have been prepared in accordance with the disclosure requirements of the JSE Limited Listings Requirements and the Companies Act of South Africa, 2008 (as amended).

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 audit report is available for inspection at the Company's registered office.

### **Statement on going concern**

The financial statements for the annual reporting period have been prepared on the going-concern basis as the directors have every reason to believe that the Company has adequate resources in place to continue in operation for the foreseeable future.

### **Significant events and transactions**

#### **Sephaku Fluoride unbundling**

Sephaku Holdings subscribed for an additional 177 064 202 shares in Sephaku Fluoride at R0,58875 per share, of which 5 373 470 Sephaku Fluoride shares were sold to Cross Company Management (Pty) Limited (Cross Company Management) at R0,58875 a share, to be held for the benefit of the holders of certain vested options over Sephaku Holdings shares, which options were issued in terms of a share scheme prior to the listing of the Company.

Shareholder approval was obtained on 7 March 2012 for the distribution of all the remaining Sephaku Fluoride shares held by Sephaku Holdings to Sephaku Holdings shareholders by way of a dividend *in specie* (out of contributed tax capital) of R101 092 918, as a *pro rata* payment to shareholders on 26 March 2012 in the ration of 1 Sephaku Fluoride share, valued at R0,58875, for every 1 Sephaku Holdings share held on the Sephaku Fluoride distribution record date.

Sephaku Fluoride and its subsidiaries' assets and liabilities have been deconsolidated from Sephaku Holdings and the total profit for the Sephaku Fluoride group for the period up to the unbundling end of March 2012, is included in the statement of comprehensive income as a R22 million profit from discontinued operations.

#### **Disposal of African Nickel Holdings**

Sephaku Holdings disposed its 26% interest in African Nickel Holdings (Pty) Limited (African Nickel Holdings) for a cash consideration of R15,7 million on 8 May 2012.

The total historical cost of the investment was R3,0 million. The total profit on the disposal of the investment amounted to R12,6 million of which a profit of R18,2 million was recognised on the initial sale to the Wu Group and a loss of R5,6 million was recognised during the current financial year as the difference between the fair value less cost to sell of the asset held for disposal of R21,3 million and the selling price of R15,7 million. It was also agreed that the loan to African Nickel Holdings of R8,3 million will be repaid and R4,7 million was received as a first payment during the year.

#### **Events after the annual reporting period**

Sephaku Holdings is pleased to announce that it has entered into negotiations, which negotiations are at an advanced stage, regarding the potential acquisition of a company that operates in the construction and building material supplies industry. The acquisition, if successful, is expected to have synergistic benefits for Sephaku Holdings and its associate, Sephaku Cement.

The acquisition is in line with Sephaku Holdings stated strategy of focusing on cement and cement-related products.

The directors are not aware of any other matters or circumstances arising since the end of the financial period that could materially affect the financial results.

#### **Changes to the board**

On 3 May 2012, Mr Brent Williams was appointed as the Independent Non-Executive Chairman of the Company. Dr Lelau Mohuba was subsequently appointed as Chief Executive Officer and Mr Neil Crafford-Lazarus as the Financial Director of the Company. Dr Gilimamba Mahlati resigned as Non-Executive Director on 2 July 2012.

On behalf of the board

**Neil Crafford-Lazarus**

Financial Director

**Lelau Mohuba**

Chief Executive Officer

Pretoria

27 September 2012

## Annexure 2 – directorate

### **Brent Williams**

#### **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. He is a partner in Cliffe Dekker Hofmeyr's corporate and commercial department as a commercial and mergers and acquisitions practitioner. Significant recent roles include being the lead partner advising the Public Investment Commission in its acquisition (together with Growthpoint Properties Ltd) of the V&A Waterfront (value: R9,7bn) and the lead partner advising Lonmin Plc regarding the acquisition by Shanduka Resources of an 18% stake in Lonplats (value: R2 317bn). He is listed in the mergers and acquisitions categories of these legal directories: Legal 500 EMEA and Best Lawyers International 2010 and 2011, South Africa. He is currently the CEO of Cliffe Dekker Hofmeyr, a leading business law firm and one of South Africa's largest, with 120 partners and approximately 260 professionals.

### **Dr Lelau Mohuba**

#### **CEO – executive director**

*MB ChB (University of Natal, now Nelson Mandela School  
of Medicine)*

Lelau retired as a medical practitioner after a 22-year career. He obtained his MBChB degree in 1980 from the former University of Natal and spent 18 of his 22 years in private practice, in the township of Mankweng, in Limpopo province. His commercial experience began in 2002 with the formation of Shikisha & Tyre (Pty) Ltd, a joint venture company with Goodyear Holdings, in which he served as both CEO and chairman. He was the founding chairman and CEO of Lekgotla Investments (Pty) Ltd in 2003, a platinum exploration company. In the same year he became business development director for Boynton Platinum (Pty) Ltd, a subsidiary of the Toronto Stock Exchange (TSX)-, Alternative Investment Market (AIM)- and JSE-listed Platmin Ltd, and played a significant role in that listing. Lelau is the co-founder of Sephaku Holdings and was also the founding chairman. He now serves as its CEO.

### **Neil Robus Crafford-Lazarus**

#### **FD – executive director**

*Chartered Accountant (South Africa), BCompt (Hons) (UNISA)*

Neil started his career in mining finance when he joined the Anglo American Corporation as a tax advisor in 1988. In 1990, he joined Gencor and held senior management positions in taxation, business development and corporate finance through the Gencor unbundling and listing of Billiton on the London Stock Exchange. In 1998, he joined Xstrata SA (Pty) Limited as CFO and was appointed financial director in 1999. In October 2005, Neil joined Platmin as CFO in anticipation of the Company's simultaneous listing on the TSX and AIM, a position that he held until May 2007. He joined Sephaku Holdings on 1 June 2007 and was the CEO through its listing on the JSE. He now serves as the financial director.

### **Rose Raisibe Matjiu**

#### **ISD executive director**

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

Rose has extensive experience as a professional community and social worker in both government and the private sector. She was previously a director of Boynton, the managing director of SM2 Social and Training Consultants, where she was involved in training on government developmental projects, and a provincial director for the Limpopo province for the Deaf Federation of South Africa. She worked on the establishment of Disability Desks in the Office of the Deputy President, to address the needs of the disabled in South Africa. She is also a member of South African Women in Mining and the Business Women Association.

## **Modilati Gustav Mahlare**

### **Independent non-executive director**

#### **Chairman of the audit committee**

*BCom (Accounting), BCompt (Hons)*

Modilati joined National Sorghum Breweries in July 1992 as a financial controller and internal auditor and was later promoted to the position of financial manager. He was employed by PricewaterhouseCoopers from July 1995 to April 2007. He later joined SEMA Integrated Risk Solutions in May 2007 as a director where he specialises in internal audit, corporate governance, risk management as well as management consulting.

## **Pieter Frederick Fourie**

### **Non-executive director**

#### **CEO: Sephaku Cement**

*BCom (Accounting), Executive Development Program (PRISM) for Global Leaders (Switzerland)*

Pieter has extensive experience in the cement industry, having been the Marketing Director of Blue Circle (subsequently acquired by Lafarge SA), the Managing Director of the cement business unit of Lafarge SA and Strategic Development Director for Africa based at Lafarge head office in France. Pieter's role at Blue Circle included sales, distribution and marketing and he was primarily responsible for leading Blue Circle from a legal cartel into a competitive environment. He was promoted to Managing Director of the cement business unit at Lafarge SA, at that time a company producing 1,7Mt of cement per annum. Pieter subsequently accepted an assignment at Lafarge's head office, in a strategic development role aimed at integrating newly acquired business in Africa into Lafarge's portfolio and identifying new business opportunities. Pieter assumed the position of CEO of Sephaku Cement in May 2007 and was appointed a director of Sephaku Holdings in November 2009.

## **Christiaan Rudolph de Wet de Bruin**

### **Non-executive director**

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

Rudolph practised as an advocate at the Pretoria Bar from 1977 to 1989. Since then he has concentrated on finding, acquiring and developing mineral exploration and mining projects in various African countries. He was a founding member of the Platmin group and focused, during his time with the Company, on building Platmin into a credible platinum explorer and producer. With the advent of the new MPRDA in 2004, Rudolph supervised the conversion of Platmin's rights to new order rights and the application for new order prospecting rights. He was also involved in the various fund raisings carried out by the group in the United Kingdom and North American markets. Rudolph left Platmin in 2006 and co-founded the Sephaku group. He subsequently established the Sephaku group's flagship projects as well as the companies for which members of the Sephaku group are currently the Broad Based Black Economic Empowerment (BBBEE) partners.

## **Moses Modidima Ngoasheng**

### **Non-executive director**

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

Moses holds an MPhil in Development Studies from the University of Sussex, as well as a number of other degrees. He was instrumental in developing the industrial policy of the African National Congress (ANC) and was the economic advisor to President Thabo Mbeki from 1995 to 2000. Moses is the co-founder and CEO of Safika Holdings, one of the pre-eminent investment holding companies to emerge in the post-1994 era. He also serves on numerous boards, including SA Breweries Ltd (the local unit of SABMiller), Dimension Data (Middle East and Africa), Business Leadership South Africa, Safika Oosthuizen Transport, and Safika Highbury Media. Moses also chairs the board of The Kelly Group.

## Annexure 2 – directorate continued

### Dr David Twist

#### Non-executive director

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

David studied in the UK completing his PhD in geology in 1980, then joining Impala Platinum Holdings Limited as a geologist. In 1981, David became a research officer in the Bushveld Research at the University of Pretoria. In 1990, he teamed up with Rudolph de Bruin, and together they concentrated on mineral exploration in Africa. He was a founding member and CEO of Platmin until 2006, as well as a co-founder of Sephaku Holdings. David is a member of the Geological Society of London and a member of the American-based Society of Economic Geologists.

### P. Mpho Makwana

#### Independent non-executive director

*Bachelor of Administration (University of Zululand), Bachelor of Administration (Honours) (University of Pretoria), Post Graduate Diploma: Retailing Management (University of Stirling's Institute of Retail Studies), Executive Development Programme (EDP) Kellogg*

Mpho is currently chairman of the board of trustees at The New LoveLife Trust; chairman of global design agency The Brand Union (Pty) Ltd (SA & Africa) – a division of WPP Inc., as well as chairman of ITNA, a newly established IT company (51% owned by Epitome Investments). He is a trustee of The Business Trust, the Vumelana Transaction Advisory Fund and World Wildlife Fund South Africa. He has experience across a wide range of businesses in both the private and public sectors. He was chairman of Eskom Holdings until his term concluded on 27 June 2011, having served on the board for almost nine years. He served the utility as interim CEO and chairman between November 2009 and June 2010 and was appointed chairman of the board of directors on 11 June 2010. Prior to his full-time role as chairman of Eskom, Mpho was a member of the group exco at Edcon (SA's largest CFTA retailer) as the executive responsible for transformation and corporate affairs, between 2006 and 2009. He is also an independent non-executive director on the boards of companies listed on the JSE, namely; Adcock Ingram Holdings Ltd (AIHLF.PK), Nedbank Group Ltd (NDBKF.PK) and Nedbank Ltd. He is a non-executive director and co-shareholder of Biotherm Energy (Pty) Ltd. He is also a non-executive director of LR Management Group (Pty) Ltd, associate partner with the strategic communications advisory firm, Bairds Renaissance (Pty) Ltd, and non-executive partner at the executive search firm, Heidrick & Struggles.

### Johannes Wilhelm Wessels

#### Alternate director to Christiaan Rudolph de Wet de Bruin

*BJuris (North West University), LLB (University of South Africa)*

Johannes joined the Sephaku group in early 2007. He serves as a director of various companies in the group including, among others, Sephaku Cement, Sephaku Fluoride, African Nickel Limited, Taung Gold Ltd and Cross Company Management (Pty) Ltd (previously Sephaku Management (Pty) Ltd). He is part of the executive teams in a number of companies in the group and is, *inter alia*, responsible for legal advice, negotiations and deal making, and contractual arrangements. After the completion of his studies, Johannes undertook his articles with Adams & Adams and was in private practice until he joined the Sephaku group. He was a founding partner of the Truter & Wessels firm where he was a senior partner from 1987 until the firm's amalgamation with Couzyn, Hertzog & Horak Incorporated in 2000, after which he became head of the commercial department of the new Couzyn, Hertzog, Horak & Wessels Incorporated. Johannes still serves the firm as a consultant.

### Jennifer Bennette

#### Company secretary

#### Alternate director to Rose Raisibe Matjju

Jennifer matriculated in 1980 at Cambridge High, East London. From 1980 till 1999 she was employed by several firms of attorneys as a para-legal. From 1999 to 2007 she was the company secretary for the Platmin group, which listed on the TSX and AIM in 2006. Since 2008 she has been the company secretary for Sephaku Holdings, which listed on the JSE in August 2009, and company secretary of Sephaku Cement from 2010. Jennifer is responsible for all company secretarial work and has attended several courses on the role of the company secretariat.

## Annexure 3 – directors' remuneration

Executive							
2012	Remuneration	Fees for services as director	Performance bonuses	Allowances and other	Committees fees	Remuneration for services as directors' of subsidiaries	Total
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
	<b>2 528 249</b>	<b>–</b>	<b>483 682</b>	<b>220 000</b>	<b>–</b>	<b>3 092 957</b>	<b>6 324 888</b>

Executive							
2011	Remuneration	Fees for services as director	Performance bonuses	Allowances and other	Committees fees	Remuneration for services as directors' of subsidiaries	Total
Dr L Mohuba	748 577	–	320 054	–	–	120 092	1 188 723
NR Crafford-Lazarus	1 765 163	–	603 965	144 000	–	–	2 513 128
ME Smit	770 926	–	–	–	–	105 750	876 676
RR Matjiu	567 181	–	64 152	120 000	–	108 304	859 637
JW Wessels	253 300	–	311 905	–	–	326 825	892 030
J Bennette	20 270	–	–	–	–	20 270	40 540
	<b>4 125 417</b>	<b>–</b>	<b>1 300 076</b>	<b>264 000</b>	<b>–</b>	<b>681 241</b>	<b>6 370 734</b>

Non-executive							
2012	Remuneration	Fees for services as director	Performance bonuses	Allowances and other	Committees fees	Consulting fees	Total
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
	<b>–</b>	<b>200 000</b>	<b>–</b>	<b>–</b>	<b>133 000</b>	<b>1 356 161</b>	<b>1 689 161</b>

## Annexure 3 – directors' remuneration continued

Non-executive							
2011	Remuneration	Fees for services as director	Performance bonuses	Allowances and other	Committees fees	Consulting fees	Total
CRDW de Bruin	–	–	–	–	–	749 128	749 128
PF Fourie	599 875	–	1 000 000	155 841	–	–	1 755 716
MG Mahlare	–	96 000	–	–	72 000	–	168 000
Dr GS Mahlali	–	45 000	–	–	–	–	45 000
MM Ngoaheng	–	20 000	–	–	6 000	–	26 000
Dr D Twist	–	–	–	–	–	573 091	573 091
	<b>599 875</b>	<b>161 000</b>	<b>1 000 000</b>	<b>155 841</b>	<b>78 000</b>	<b>1 322 219</b>	<b>3 316 935</b>

Sephaku Holdings has nine employees. A management fee is paid to Cross Company Management who employ directors and staff. The fees are calculated on the basis of time spent on company activities. The amount included as directors' emoluments is the amount paid to Cross Company Management for the services of directors to the Company and its subsidiaries (for the period the entities were subsidiaries).

Directors emoluments paid by the Sephaku Fluoride group are only included until the end of March 2012 due to the unbundling of the Sephaku Fluoride group.

As Sephaku Cement is treated as an equity accounted associate, the remuneration of J Bennette and PF Fourie does not form part of Sephaku Holdings' Statement of Comprehensive income and the emoluments for 2012 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 MOI.

## Annexure 4 – share capital, shareholding and directors' interests

### Stated capital

	Group		Company	
	2012	2011	2012	2011
<b>Authorised</b>				
1 000 000 000 Ordinary shares with no par value				
<b>Reconciliation of number of shares issued:</b>				
Number of shares at beginning of period	169 290 732	155 805 362	169 290 732	155 805 362
Number of ordinary shares issued during the year	2 500 000	13 485 370	2 500 000	13 485 370
<b>Number of ordinary shares at end of period</b>	<b>171 790 732</b>	<b>169 290 732</b>	<b>171 790 732</b>	<b>169 290 732</b>
The unissued ordinary shares are under the control of the directors				
<b>Issued</b>				
Ordinary shares with no par value	601 127 979	592 127 979	601 127 979	592 127 979
Dividend <i>in specie</i> declared out of contributed tax capital	(101 092 918)	–	(101 092 918)	–
	<b>500 035 061</b>	<b>592 127 979</b>	<b>500 035 061</b>	<b>592 127 979</b>

### Major shareholders

Shareholders holding more than 5% of the issued stated capital	Number of shares	% holding
Credit Suisse AG Zurich	22 699 874	13,21
Safika Resources (Pty) Limited	15 580 823	9,07
CRDW de Bruin	11 993 908	6,98
Lelau Mohuba Trust	10 463 767	6,09
Bank of New York	9 924 962	5,78

### Public and non-public shareholders

	Shares held	%	Number of shareholders	%
<b>Public</b>	114 181 883	66,5	792	98,0
<b>Non-Public</b>	57 608 849	33,5	16	2,0
– Directors' direct holdings	36 109 889	21,0	9	1,1
– Directors' indirect holdings	16 966 826	9,9	2	0,2
– Directors' associates	4 532 134	2,6	5	0,6
	<b>171 790 732</b>	<b>100</b>	<b>808</b>	<b>100</b>

### Shareholder spread

	Shares held	%	Number of shareholders	%
1 – 1 000	34 316	0,02	62	7,67
1 001 – 10 000	1 436 501	0,84	239	29,58
10 001 – 50 000	7 200 415	4,19	312	38,61
50 001 – 100 000	5 417 871	3,15	78	9,65
100 001 – 500 000	18 832 955	10,96	72	8,91
500 001 – 1 000 000	9 549 888	5,56	14	1,73
1 000 001 shares and over	129 318 786	75,28	31	3,84
	<b>171 790 732</b>	<b>100</b>	<b>808</b>	<b>100</b>

## Annexure 4 – share capital, shareholding and directors' interests continued

### Beneficial shareholdings of directors (and associates):

Director	2012			2011		
	Direct	Indirect	Associates	Direct	Indirect	Associates
Dr L Mohuba	1 637 202	10 463 767	390 000	1 917 202	10 463 767	390 000
NR Crafford-Lazarus	1 512 728	–	–	1 512 728	–	–
ME Smit	–	–	–	1 208 663	–	2 600 276
RR Matjiu	3 585 923	–	–	3 585 923	–	–
CRDW de Bruin	12 993 908	–	1 427 134	13 069 188	–	1 620 600
MM Ngoasheng	–	–	720 000	–	–	720 000
Dr GS Mahlali	1 298 653	–	100 000	1 298 653	–	1 266 880
PF Fourie	–	6 503 059	–	–	6 645 159	–
JW Wessels	1 265 048	–	–	1 265 048	–	–
Dr D Twist	–	13 154 333	1 895 000	13 154 333	–	1 895 000
J Bennette	650 000	–	–	700 000	–	–
MG Mahlare	12 094	–	–	–	–	–
	<b>22 955 556</b>	<b>30 121 159</b>	<b>4 532 134</b>	<b>37 723 832</b>	<b>17 108 926</b>	<b>8 492 756</b>

There have been no changes in the beneficial interests of the directors in the stated capital between the end of the financial year 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	Number of share options at exercise price of R3,50	Number of share options at exercise price of R1,90
	Granted 31 March 2008	Granted 15 October 2010	Granted 29 June 2012
Dr L Mohuba	1 000 000	715 000	750 000
NR Crafford-Lazarus	750 000	715 000	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
	<b>3 125 000</b>	<b>3 910 000</b>	<b>2 800 000</b>

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

### Summarised report as at 29 June 2012

#### Breakdown of issued capital

Type of shares	Number of shareholders	% of shareholders	Number of shares	% of issued capital
Certificated Shares	211	26,11	44 668 168	26,00
Dematerialised Shares	597	73,89	127 122 564	74,00
Issued capital	808	100,00	171 790 732	100,00

# **Annexure 5 – summary of salient terms of the new Memorandum of Incorporation to be adopted by Sephaku Holdings Limited (the Company)**

## **1. Introduction**

The Companies Act, 2008 (the Act) abolishes the distinction between a company's memorandum of association and articles of association and provides that in future there will only be one founding document, namely the memorandum of incorporation. Certain salient terms of the new memorandum of incorporation of the Company (MOI) are set out below. The MOI incorporates changes necessitated by the coming into force of the Act and the Companies Regulations, 2011 and to ensure compliance with the Listings Requirements of the JSE Limited (Listings Requirements).

## **2. Incorporation of company**

The Act creates a distinction between “alterable” and “unalterable” provisions, giving each individual company the right in certain instances to “tailor make” its own constitution. The MOI records that the Company is governed by:

- 2.1. the unalterable provisions of the Act, save to the extent that the MOI imposes a higher standard, greater restriction, longer period of time or similarly more onerous requirement;
- 2.2. the alterable provisions of the Act, subject to the limitations, extensions, variations or substitutions set out in the MOI; and
- 2.3. the other provisions of the MOI.

The Listings Requirements impose a particular choice on listed companies and their subsidiaries in relation to some alterable provisions and requires listed companies to identify opposite each individual provision of the MOI which specific paragraph of the Listings Requirements applies to the relevant provision of the MOI (see all references to LR throughout the MOI).

## **3. Powers of the Company**

The Act has abolished the need for a profit company to have a stated object. The new MOI clarifies that the Company has all the legal powers and capacity of an individual, except to the extent that a juristic person is incapable of exercising any such power or the MOI provides otherwise.

## **4. Restrictive conditions**

The MOI does not contain any restrictive conditions applicable to the Company as contemplated in section 15(2)(b) (restrictive conditions and requirements for the amendment of any such condition in addition to section 16 requirements) or (c) (prohibiting the amendment of any provision in the MOI) of the Act.

## **5. MOI and rules**

- 5.1. The procedures for the amendment of the MOI are set out, the main requirements being approval from the JSE, a special resolution passed by the shareholders of the Company and the filing of the amendment with the Companies and Intellectual Properties Commission (CIPC).
- 5.2. As required by the Listings Requirements, the board of the Company does not have the authority to make any necessary or incidental rules relating to the governance of the Company in respect of matters not addressed in the MOI or the Act.

## **6. Shares**

The MOI authorises the Company to issue 1 000 000 000 ordinary shares with no par value.

## **7. Issue of shares and variation of rights**

- 7.1. The board of the Company does not have the power contemplated in section 36(3) of the Act to, amongst others, adjust the number of shares in the authorised share capital of the Company or to vary the rights attaching to such shares. The MOI makes the ability to engage in certain transactions involving the share capital of the Company subject to the approval of shareholders by way of a special resolution.
- 7.2. The MOI incorporates provisions relating to a right of pre-emption of shareholders on the issue of shares and regulates the issue of shares and the granting of options by the Company in accordance with the Act and the Listings Requirements.
- 7.3. In terms of the MOI, any issue of shares, securities convertible into shares or a grant of options or any other rights exercisable for securities to a:
  - 7.3.1. director, future director, prescribed officer or future prescribed officer of the Company; or
  - 7.3.2. person related or inter-related to the Company, or to a director or prescribed officer of the Company, require the approval of shareholders by way of special resolution pursuant to sections 41(1) and (2) of the Act.

## **Annexure 5 – summary of salient terms of the new Memorandum of Incorporation to be adopted by Sephaku Holdings Limited (the Company) continued**

### **8. Debt instruments**

The board may authorise the issue of secured or unsecured debt instruments contemplated in section 43 of the Act, but no special privileges associated with such debt instruments, including the attending and voting at shareholders' meetings and the appointment of directors, may be granted.

### **9. Capitalisation shares**

Subject to the Listings Requirements, the board of the Company is authorised to issue capitalisation shares in accordance with section 47 of the Act.

### **10. Beneficial interests in securities**

The MOI does not restrict the authority of the board of the Company to allow the Company's issued securities to be held by and registered in the name of one person for the beneficial interest of another person as set out in section 56 of the Act (i.e. it recognises the existence of nominee shareholders and affords express rights to the holders of beneficial interests).

### **11. Financial assistance**

11.1. Subject to compliance with the requirements of section 44 of the Act (the passing of a special resolution by shareholders; the board satisfying itself that the Company would meet the solvency and liquidity test after the assistance and that the terms of the financial assistance are fair and reasonable to the Company), the board of directors of the Company may authorise the Company to provide financial assistance for the purpose of or in connection with the subscription or purchase of securities as contemplated in section 44 of the Act.

11.2. Subject to the compliance with the requirements of section 45 of the Act (the passing of a special resolution by shareholders; the board satisfying itself that the Company would meet the solvency and liquidity test after the assistance and that the terms of the financial assistance are fair and reasonable to the Company), the board of directors of the Company may authorise the Company to provide financial assistance to directors, related companies, directors of related companies and other persons contemplated in section 45 of the Act. This limitation also applies to loans between related companies.

### **12. Odd-lot offers**

The MOI includes provisions in accordance with the Listings Requirements relating to the right of the Company to implement odd-lot offers.

### **13. Shareholders' meeting**

13.1. The MOI incorporates provisions that regulate the calling and conduct of shareholders' meetings and shareholders' interactions with the Company, which aim to ensure compliance with the Act. As required by the Act and the Listings Requirements, the MOI provides that all meetings (whether called for the passing of special or ordinary resolutions) shall be called on not less than 15 business days' notice. Shareholders are advised to consult the MOI in respect of their rights to participate in and vote at shareholders' meetings, including their right to participate in shareholders' meetings by way of electronic communication as well as the determination of record dates in respect thereof.

13.2. The MOI makes provision, subject to section 60 of the Act and the Listings Requirements, for shareholders to act other than at shareholders' meetings by being provided with copies of proposed resolutions, voting in writing and submitting such votes to the board within 20 days of receiving the proposed resolutions.

#### **14. Board of directors**

The MOI includes provisions regarding the composition, appointment and power of the board of directors, as well as the conduct of directors' meetings. The MOI also provides for the appointment of executive directors and the conferral of powers on such executive director(s).

#### **15. Committees**

The MOI regulates the establishment of various committees of the board as contemplated in the Act. The MOI also includes provisions regulating the mandatory committees that must be established by the Company pursuant to the Act, such as the audit committee and the social and ethics committee.

#### **16. Indemnification and directors' insurance**

The MOI authorises and regulates the indemnification and purchase of insurance in relation to the conduct of directors in accordance with the provisions of the Act.

#### **17. Annual financial statements**

The MOI provides for the preparation of the annual financial statements of the Company in accordance with the provisions of the Act and the appointment of an auditor to audit such financial statements.

#### **18. Distributions**

18.1. The MOI regulates the declaration and/or payment of distributions (including dividends) by the Company to shareholders. In this regard, all distributions must comply with section 46 of the Act and the Listings Requirements (i.e. they must be made pursuant to an existing obligation or court order or the board must have authorised it; the Company must meet the solvency and liquidity test after the distribution and the board must be satisfied that the solvency and liquidity test is met after the completion of the distribution).

18.2. Distributions are made by the board of directors of the Company.

#### **19. Access to company records**

The MOI includes provisions relating to access to specific company records by shareholders as contemplated in section 26 of the Act.

#### **20. Notices**

The MOI contains provisions relating to the manner of giving notices to shareholders for meetings or otherwise in accordance with the provisions of the Act and the Listings Requirements.







# Form of proxy

Sephaku Holdings Limited  
 Incorporated in the Republic of South Africa  
 Registration number: 2005/003306/06

## Form of proxy for the AGM

I/We (please print)

of (address)

being the registered holder(s) of ordinary shares in the capital of Sephaku Holdings do hereby appoint:

1. \_\_\_\_\_ or failing him/her;

2. \_\_\_\_\_ or failing him/her;

the chairman of the AGM as my/our proxy to act for me/us and on my/our behalf at the AGM which will be held at the Old Trafford room, Centurion Lake Hotel, 1001 Lenchen Avenue North, Centurion on 11 January 2013 at 10:00 for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name/s, in accordance with the following instructions:

	Number of ordinary shares		
	For	Against	Abstain
<b>Ordinary resolutions</b>			
1. Adoption of the annual financial statements			
2. Election and re-election of directors			
2.1 Dr L Mohuba			
2.2 RR Matjiu			
2.3 CRDW De Bruin			
2.4 B Williams			
2.5 Dr D Twist			
2.6 PM Makwana			
3. Re-appointment of external auditor			
4. Election of independent non-executive directors to the audit and risk committee			
4.1 B Williams			
4.2 PM Makwana			
4.3 MG Mahlare			
5. Auditors remuneration			
6. General authority to directors to allot and issue authorised but unissued shares			
7. General authority to issue shares for cash			
8. Sephaku Holdings remuneration policy			
9. Ratification of appointment of the social and ethics committee			
10. Change of year end			
11. Signing authority			
<b>Special resolutions</b>			
1. General authority to acquire (repurchase) issued shares			
2. Remuneration of directors			
3. Remuneration payable to Independent non-executive directors and non-executive directors participating in board committees			
4. Financial assistance to directors, prescribed officers, employee share scheme beneficiaries and related or inter-related companies and corporations			
5. Replacement of the existing Memorandum of Association and MOI with the MOI.			

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2011

Signature \_\_\_\_\_ Assisted by me (where applicable) \_\_\_\_\_

## Form of proxy continued

### Notes to the form of proxy

Each Sephaku Holdings shareholder is entitled to appoint one or more proxy(ies) (who need not be a shareholder(s) of Sephaku Holdings) to attend, speak and vote in his stead at the AGM.

1. A Sephaku Holdings shareholder may insert the name of a proxy or the names of two alternative proxies of the ordinary shareholder's choice in the space provided, with or without deleting "the chairman of the AGM". The person whose name appears first on the form of proxy and who is present at the meeting will be entitled to the exclusion of those whose names follow.
2. A Sephaku Holdings shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the chairman of the AGM, if he/she is the authorised proxy, to vote in favour of the resolutions at the meeting, or any other proxy to vote or to abstain from voting at the meeting as he/she deems fit, in respect of all the shares concerned. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the shareholder or his/her proxy.
3. The chairman of the meeting may reject or accept any form of proxy, which is completed and/or received, other than in compliance with these notes.
4. When there are joint registered holders of any shares, any one of such persons may vote at the meeting in respect of such shares as if he/she was solely entitled thereto, but, if more than one of such joint holders be present or represented at any meeting, that one of the said persons whose name stands first in the register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member, in whose name any shares stand, shall be deemed joint holders thereof.
5. Forms of proxy must be completed and returned to the company secretary at Southdowns Office Park, Block A, corner Karee and John Vorster Streets, Irene x54, Pretoria by no later than 48 hours before the time of the AGM; or be lodged with the chairperson of the AGM prior to the AGM so as to reach him by no later than immediately prior to the commencement of voting on the resolutions at the AGM.
6. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
7. Documentary evidence establishing the authority of a person signing the proxy form in a representative capacity must be attached to this form, unless previously recorded by Sephaku Holdings or waived by the chairman of the AGM.
8. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM, and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.

### 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

## Country of incorporation and domicile

South Africa

## Nature of business and principal activities

A holding company for investment in mineral assets

## Directors

B Williams	Independent non-executive chairman
Dr L Mohuba	Chief executive officer - Executive director
NR Crafford-Lazarus	Financial director – Executive director
RR Matjju	ISD executive director
MG Mahlare	Independent non-executive director
PF Fourie	Non-executive director
CRDW de Bruin	Non-executive director
MM Ngoasheng	Non-executive director
Dr D Twist	Non-executive director
JW Wessels	Alternate director to CRDW de Bruin
J Bennette	Alternate director to RR Matjju

## Registered office

1<sup>ST</sup> Floor  
Hennops House  
Riverside Office Park  
1303 Heuwel Avenue  
Centurion  
0157

## Postal address

PO Box 68149  
Highveld  
Centurion  
0169

## Bankers

ABSA Bank

## Auditors

PKF (Gauteng) Inc.  
Chartered Accountants (S.A.)  
Registered Auditors

## Secretary

Jennifer Bennette

## Company registration number

2005/003306/06

## Website

[www.sephakuholdings.co.za](http://www.sephakuholdings.co.za)

## JSE sponsor

QuestCo

## Share registrar

Computershare Investor Services

## Forward-looking statement for the cement project

*The ultimate strategy for Sephaku Holdings is to develop into a diversified building materials group. Sephaku Holdings has already identified various vertical integration opportunities in aggregates and, ready-mix concrete which we will seek to pursue in due course. In addition, Sephaku Cement also holds limestone exploration assets in the northern part of the Western Cape, Mpumalanga and the Limpopo provinces.*

*Sephaku Holdings is ideally placed in terms of its track record of milestones achieved to date, including the development of the fluorspar project which was unbundled from Sephaku Holdings on 23 March 2012, the progress made on Sephaku Cement's cement projects, Sephaku Holdings and Sephaku Cement's exceptional management team, Sephaku Holdings and Sephaku Cement's access to other cement related opportunities and the timing of Sephaku Cement's entry into the South African cement market to become an exciting new entrant in the market and a significant player in the sector.*

## Information security

*Management of information security mainly relates to the companies associated with Sephaku Cement. In the current development stage of the business, information security has been identified as a low risk area.*

*New systems are currently being developed by Sephaku Cement, in collaboration with Dangote Cement, in order to insure the necessary security and control levels once Sephaku Cement commences with cement production.*



SEPHAKU  
HOLDINGS LTD

[www.sephakuholdings.co.za](http://www.sephakuholdings.co.za)