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SEPHAKU
HOLDINGS LTD

NOTICE AND PROXY OF
ANNUAL GENERAL MEETING
AND CONDENSED CONSOLIDATED
FINANCIAL RESULTS
for the year ended 31 March 2014

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Letter to shareholders

We invite you to attend Sephaku Holdings' annual general meeting ("AGM"), which will be held at the Ovals room, Centurion Lake Hotel, 1001 Lenchen Avenue North, Centurion on 21 August 2014 at 11:00. For the summary of shareholders' rights in respect of proxy appointments as contained in section 58 of the Companies Act, 71 of 2008 ("Companies Act"), refer to Annexure 7 on page 28.

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 year ended 31 March 2014.

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 condensed 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 integrated annual review and annual financial statements are available on 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 2014

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 Ovals room, Centurion Lake Hotel, 1001 Lenchen Avenue North, Centurion on 21 August 2014 at 11:00 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 Friday, 8 August 2014, 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, 15 August 2014. Only shareholders who are registered by Friday, 15 August 2014, 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 hereby inserted. 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.

Forms of proxy must reach the company's transfer secretaries, Computershare Investor Services Proprietary Limited, 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 19 August 2014. Thereafter, forms of proxy may be delivered to the chairman of the AGM, at the AGM, before voting on a particular resolution commences.

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 must 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 19 August 2014;
- 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 year ended 31 March 2014, the directors' report, the independent auditor's report and the audit and risk committee's report of Sephaku Holdings. (Refer to Annexure 1.)

2. Election and re-election of directors

It is hereby brought to the attention of the shareholders that during the last financial year, JW Wessels passed away on 23 March 2014 and CRDW de Bruin resigned on 21 April 2014, having served on the board for eight years.

Ordinary resolution number 2

B Williams and D Twist retire in accordance with Sephaku Holdings' memorandum of incorporation ("MOI"). B Williams, being eligible, offers himself for re-election. David Twist, having been involved with the company since inception, and on the board since September 2006, decided not to make himself available for re-election in order to commit to the company's unbundled projects. (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 by way of passing the ordinary resolutions set out below:

Ordinary resolution number 2.1

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

Rationale: The MOI of Sephaku Holdings and, to the extent applicable, the Companies Act, require that one-third of Sephaku Holdings' non-executive directors rotate at the AGM and can be eligible for re-election (as per section 2.1 above).

Ordinary resolution number 3

"Resolved that J Pitt be and is hereby elected as an alternate director to Mr M Ngoasheng."

Rationale: The MOI states that each director may appoint and remove any person, including another director, to act as an alternate director in such director's place and during such director's absence. In terms of Section 66 of the Companies Act, at least 50% of any alternate directors must be elected by shareholders.

3. Reappointment of external auditor

Ordinary resolution number 4

"Resolved that Grant Thornton Johannesburg be re-appointed, upon the recommendation of the current audit and risk committee, as independent registered auditors of Sephaku Holdings. The individual registered auditor who will undertake the audit during the financial year ending 31 March 2015 is R Huiskamp."

At the Sephaku Holdings' audit and risk committee meeting held on 19 June 2014, the committee considered the independence of 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 5

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:

Ordinary resolution number 5.1

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

Ordinary resolution number 5.2

“Resolved that PM Makwana be and is hereby elected as a member of Sephaku Holdings’ audit and risk committee.”

Ordinary resolution number 5.3

“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.

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

Ordinary resolution number 6

“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.
- 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 2014.”

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.

General authority to issue shares for cash

Ordinary resolution number 7

“Resolved that, subject to the passing of ordinary resolution number 6 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.
- 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 2014.”

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.

Sephaku Holdings’ remuneration policy

Ordinary resolution number 8

“Resolved that Sephaku Holdings’ remuneration policy and payment of remuneration for services as directors of Sephaku Holdings (as reflected in Annexure 3) be endorsed, by way of a non-binding advisory vote, for the period 31 March 2014 to 31 March 2015, 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.”

Notice of annual general meeting *continued*

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.

Signing authority

Ordinary resolution number 9

"Resolved to authorise any one director or the company 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.

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 the 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, stated 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
- Shareholders holding greater than 5% of the issued stated capital – 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.

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

Special resolution number 2

“Resolved that, to the extent applicable in terms of section 66(9) of the Companies Act, Sephaku Holdings pays remuneration to its directors for their services as directors of Sephaku Holdings during the financial year ending 31 March 2015.” (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 2015 in accordance with section 66(9) of the Companies Act.

Financial assistance for any beneficiary participating in any Sephaku Holdings group share incentive scheme

Special resolution number 3

“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.”

Financial assistance for present or future subsidiaries

Special resolution number 4

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

Special resolutions 3 and 4 be and are 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:

- 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;
- the board of directors of Sephaku Holdings may not authorise Sephaku Holdings to provide any financial assistance pursuant to these special resolutions unless the board meets all those requirements of sections 44, 45, 46, 47 and 48 of the Companies Act which it is required to meet in order to authorise Sephaku Holdings to provide such financial assistance; and
- 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

It may be necessary for the company to provide financial assistance to directors and employees who participate in the group share incentive scheme. This assistance is only envisaged under the circumstances where options are exercised and an election is made to sell some or all of these shares to cover the issue price and the resulting income tax liability. On a strict interpretation financial assistance is provided from the time of exercise of the option until the proceeds of the sale are paid to the company. This is the only assistance envisaged to directors and employees under this section.

Notice of annual general meeting *continued*

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:

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

As part of the normal conduct of the business of the group, the company, where necessary, may provide guarantees and other support undertakings to third parties which enter into financial agreements with its subsidiaries and joint ventures in which the company or members of the group have an interest. In the circumstances and in order to, *inter alia*, ensure that the company and its subsidiaries and other related and inter-related companies and entities continue to have access to financing for purposes of refinancing existing facilities and funding their corporate and working capital requirements, it is necessary to obtain approval of the shareholders as set out in this special resolution.

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.

Allocation of options

Special resolution number 5

"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 five years with the first allocation only vesting in full in October 2015.

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 – CONDENSED CONSOLIDATED FINANCIAL RESULTS

for the year ended 31 March 2014

Statement of financial position

	GROUP	
	2014	2013
	audited	(restated)
	R	audited
		R
Assets		
Non-current assets		
Property, plant and equipment	129 180 045	116 878 108
Goodwill	223 421 981	223 421 981
Intangible asset	14 337 752	19 914 643
Investment in associate	616 388 706	631 134 362
Other financial assets	6 924 311	9 805 298
	990 252 795	1 001 154 392
Current assets		
Inventories	7 973 118	6 730 225
Loans to group companies	-	337 058
Other financial assets	6 648 582	8 588 729
Trade and other receivables	75 936 662	60 600 275
Cash and cash equivalents	26 001 268	22 337 824
	116 559 630	98 594 111
Total assets	1 106 812 425	1 099 748 503
Equity and liabilities		
Equity		
Stated capital	585 573 235	580 590 616
Reserves	17 624 536	13 568 918
Retained income	144 525 951	145 987 793
	747 723 722	740 147 327
Liabilities		
Non-current liabilities		
Other financial liabilities	142 576 783	249 390 922
Operating lease liability	1 640 263	-
Deferred income	1 577 232	1 102 738
Deferred taxation	13 555 933	15 461 556
	159 350 211	265 955 216
Current liabilities		
Other financial liabilities	140 907 240	39 583 332
Current taxation payable	1 192 809	11 402 043
Operating lease liability	336 348	-
Trade and other payables	56 994 212	42 471 544
Deferred income	307 883	189 041
	199 738 492	93 645 960
Total liabilities	359 088 703	359 601 176
Total equity and liabilities	1 106 812 425	1 099 748 503
Net asset value per share (cents)	393,80	393,90
Tangible net asset value per share (cents)	270,70	267,37
Ordinary shares in issue	189 872 979	187 901 843

ANNEXURE 1 – CONDENSED CONSOLIDATED FINANCIAL RESULTS *continued*

for the year ended 31 March 2014

Statement of comprehensive income

	GROUP	
	12 months ended 31 March 2014 audited R	9 months ended 31 March 2013 (restated) audited R
Revenue	571 544 796	37 195 338
Cost of sales	(319 156 121)	(21 574 848)
Gross profit	252 388 675	15 620 490
Other income	13 945 386	356 081
Operating expenses	(215 181 485)	(36 349 368)
Operating profit/(loss)	51 152 576	(20 372 797)
Investment income	2 693 264	820 287
(Loss)/profit from equity-accounted investment	(14 745 655)	6 191 410
Finance costs	(25 675 522)	(1 949 268)
Profit/(loss) before taxation	13 424 663	(15 310 368)
Taxation	(16 242 442)	(994 461)
Loss for the year/period	(2 817 779)	(16 304 829)
Other comprehensive income/(loss)		
Items that will not be reclassified to profit or loss:		
Share of other comprehensive loss of associate	-	(1 207 663)
Other comprehensive loss for the period net of taxation	-	(1 207 663)
Total comprehensive loss for the year/period	(2 817 779)	(17 512 492)
Basic loss per share (cents)	(1,49)	(9,39)
Diluted loss per share (cents)	(1,39)	(8,93)
Headline loss per share (cents)	(2,36)	(9,42)
Diluted headline loss per share (cents)	(2,20)	(8,96)
Reconciliation of basic earnings to diluted earnings and headline earnings:		
Basic loss and diluted loss attributable to equity holders of the parent	(2 817 779)	(16 304 829)
Profit on sale of non-current assets	(1 076 760)	(50 029)
Profit on disposal of other financial assets held for sale	(860 000)	-
Total taxation effect of adjustments	301 493	-
Headline loss and diluted headline loss attributable to equity holders of parent	(4 453 046)	(16 354 858)
Reconciliation of weighted average number of shares:		
Basic weighted average number of shares	188 987 697	173 613 522
Dilutive effect of share options	9 556 129	4 646 656
Contingent issuable shares	3 747 730	4 297 210
Diluted weighted average number of shares	202 291 556	182 557 388

Statement of changes in equity

	Stated capital R	Revaluation reserve (relating to land of associate) R	Equity-based share option reserve	Total reserves R	Retained income R	Total equity R
Group						
Balance at 1 July 2012						
- audited	500 035 061	-	10 295 477	10 295 477	162 292 622	672 623 160
Loss for the period (restated)	-	-	-	-	(16 304 829)	(16 304 829)
Other comprehensive loss for the period	-	(1 207 663)	-	(1 207 663)	-	(1 207 663)
Total comprehensive loss for the period	-	(1 207 663)	-	(1 207 663)	(16 304 829)	(17 512 492)
Issue of shares	80 555 555	-	-	-	-	80 555 555
Employees' share option scheme	-	-	4 481 104	4 481 104	-	4 481 104
Balance at 31 March 2013						
- audited	580 590 616	(1 207 663)	14 776 581	13 568 918	145 987 793	740 147 327
Loss for the year	-	-	-	-	(2 817 779)	(2 817 779)
Total comprehensive loss for the year	-	-	-	-	(2 817 779)	(2 817 779)
Issue of shares	4 982 619	-	-	-	-	4 982 619
Employees' share option scheme	-	-	4 055 618	4 055 618	1 355 937	5 411 555
Balance at 31 March 2014						
- audited	585 573 235	(1 207 663)	18 832 199	17 624 536	144 525 951	747 723 722

ANNEXURE 1 – CONDENSED CONSOLIDATED FINANCIAL RESULTS *continued*

for the year ended 31 March 2014

Statement of cash flows

	GROUP	
	12 months ended 31 March 2014 audited R	9 months ended 31 March 2013 audited R
Cash flows from operating activities		
Cash generated from/(utilised in) operations	84 437 984	(21 570 600)
Interest income	2 693 264	820 287
Finance costs	(17 939 091)	(1 394 506)
Taxation (paid)/received	(28 357 299)	55 518
Net cash from operating activities	40 834 858	(22 089 301)
Cash flows from investing activities		
Purchase of property, plant and equipment	(40 706 776)	(5 145 027)
Sale of property, plant and equipment	4 929 319	87 719
Acquisition of shares in wholly owned subsidiary	-	(89 200 006)
Acquisition costs	-	(4 110 902)
Proceeds on disposal of other financial assets	5 760 244	-
Net loans advanced	1 932 773	1 396 508
Government grant received	831 895	-
Net cash from investing activities	(27 252 545)	(96 971 708)
Cash flows from financing activities		
Proceeds on share issue	2 970 737	-
Proceeds from other financial liabilities	123 848 444	116 178 705
Repayment of other financial liabilities	(137 075 108)	-
Decrease in loans with group companies	337 058	590 992
Net cash from financing activities	(9 918 869)	116 769 697
Total cash and cash equivalents movement for the year/period	3 663 444	(2 291 312)
Cash and cash equivalents at the beginning of the year/period	22 337 824	24 629 136
Total cash and cash equivalents at the end of the year/period	26 001 268	22 337 824

Notes to the condensed consolidated financial results

Basis of preparation

The condensed consolidated financial results for the year ended 31 March 2014 ("annual reporting period") have been prepared in accordance with IAS 34: Interim Financial Reporting, the disclosure requirements of the JSE Limited Listings Requirements, the Companies Act No 71 of 2008, the SAICA financial reporting guides as issued by the Accounting Practices Committee and conform to International Financial Reporting Standards ("IFRS").

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

The accounting policies are consistent with those applied in the annual financial statements for the group for the year ended 31 March 2013, except where the group has adopted new or revised accounting standards and interpretations of those standards.

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

Audit opinion

The summarised financial information is extracted from audited information but is not itself audited. The directors take full responsibility for the preparation of the summarised financial information and that it has been correctly extracted from the underlying annual financial statements.

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

Segment information

	Ready-mixed concrete R	Head office R	Group totals R
2014			
Segment revenue – external revenue	571 544 796	-	571 544 796
Segment expenses	(190 867 146)	(24 314 339)	(215 181 485)
Loss from equity-accounted investment	-	(14 745 655)	(14 745 655)
Profit on sale of property, plant and equipment	1 076 760	-	1 076 760
Profit on disposal of other financial assets	860 000	-	860 000
Segment profit/(loss) after taxation	41 299 405	(44 117 184)	(2 817 779)
Taxation	(17 803 973)	1 561 531	(16 242 442)
Interest received	2 429 956	263 308	2 693 264
Interest paid	(18 784 598)	(6 890 924)	(25 675 522)
Depreciation and amortisation	(24 552 280)	(5 576 891)	(30 129 171)
Segment assets	231 791 330	875 021 095	1 106 812 425
Investment in associate included in the above total segment assets	-	616 388 706	616 388 706
Capital expenditure included in segment assets	36 655 641	4 051 135	40 706 776
Segment liabilities	(241 367 871)	(117 720 832)	(359 088 703)

The only commodity actively managed by Métier Mixed Concrete Proprietary Limited ("Métier") is ready-mixed concrete.

The group does not rely on any single external customer or group of entities under common control for 10% or more of the group's revenue as disclosed in the annual financial statements.

Sephaku Cement Proprietary Limited ("SepCem") is an associate of Sephaku Holdings Limited ("SepHold"). No segment report has been presented for Cement as the amounts attributable to Cement have been included in the "head office segment".

ANNEXURE 1 – CONDENSED CONSOLIDATED FINANCIAL RESULTS *continued*

for the year ended 31 March 2014

Notes to the condensed consolidated financial results *continued*

Acquisition of subsidiary

Goodwill

On 28 February 2013, the group acquired 100% of the issued share capital of Métier.

In terms of IFRS, goodwill acquired in a business combination should be allocated to each of the acquirer's cash-generating units, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units. 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.

The purchase price allocation was not completed during the prior financial year, which resulted in goodwill amounting to R238 137 854 as on 31 March 2013 based on the net asset value of Métier on 28 February 2013. The initial allocation has been completed during the current financial period and an amount of R20 438 713 has been allocated from goodwill to intangible assets retrospectively based on the fair value determined for the Vulindlela Development Association customer contract as on acquisition date. Deferred tax on the customer contract of R5 722 840 has also been adjusted retrospectively against the goodwill balance. Amortisation has been provided on the intangible asset balance retrospectively from the date of acquisition.

The fair value of the Vulindlela Development Association customer contract was determined based on estimated future cash flows over the contract period as on acquisition date. The remainder of the goodwill balance of R223 421 981 cannot be allocated to a specific asset as this relates to synergistic benefits such as the future revenue base Métier will provide, Métier management's expertise obtained and the possible vertical integration between Métier and SepCem. The remaining goodwill balance is tested annually for impairment.

Comparative figures

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

Certain comparative figures have been restated as a result of the purchase price allocation for the Métier acquisition being completed in the current financial year as permitted by IFRS 3.

	GROUP	
	2014	2013
	R	R
The effects of the restatement on the 2013 results are as follows:		
Statement of financial position		
Intangible assets	-	20 438 713
Goodwill	-	(14 715 873)
Deferred taxation liability	-	(5 576 100)
Accumulated amortisation of intangible assets	-	(524 070)
Net asset value per share as previously reported (cents)	-	394,10
Statement of comprehensive income		
Amortisation	-	524 070
Deferred taxation	-	(146 740)
Basic loss per share as previously reported (cents)	-	(9,17)
Diluted loss per share as previously reported (cents)	-	(8,93)
Headline loss per share as previously reported (cents)	-	(9,20)

Contingencies

SepHold has a possible obligation to issue additional shares to the sellers of Métier to settle the purchase consideration should the SepHold share price, based on a 60-day volume weighted average price be below R9 at 1 December 2014. To the extent that the issue of 11 111 111 SepHold shares multiplied by the future share price be less than R100 million, SepHold shall issue to the sellers a number of additional consideration shares, to be calculated by dividing the shortfall by the future share price.

Statement on going concern

We draw attention to the fact that the net loss of the group was R2 817 779 (2013: R16 304 829) and that the group's current liabilities exceed its current assets by R83 178 862.

The annual financial statements 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 year and the date of this report that would require adjustments to or disclosure in the financial results.

Changes to the board

Name	Position	Change
KJ Capes	Executive director	Appointed 29 July 2013
CRDW de Bruin	Non-executive director	Resigned 21 April 2014
J Bennette	Alternate director to RR Matjiu	Resigned as alternate director 21 August 2013
JW Wessels	Alternate director to CRDW de Bruin	Passed away 23 March 2014

On behalf of the board



Neil Crafford-Lazarus

Financial director
Pretoria

27 June 2014



Lelau Mohuba

Chief executive officer

ANNEXURE 2 – BOARD OF DIRECTORS

Brent Williams (50) Chairman – Independent non-executive director

BA (University of Cape Town), BProc (University of Western Cape), LLM (Harvard University Law School), DLA Piper Harvard Leadership Program (Harvard Business School)

Brent was appointed a director and chairman of SepHold on 3 March 2012. Brent was admitted as an attorney in 1992 and has held a number of key positions. He is currently the chief executive officer of Cliffe Dekker Hofmeyr.

Modilati Gustav Mahlare (58) Independent non-executive director and chairman of the audit committee and risk committee

BCom (Accounting) (University of Fort Hare), BCompt (Hons) (University of South Africa)

Gustav was appointed a director of SepHold on 29 January 2009. 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 was appointed a director of SepHold on 11 January 2013. Mpho is the chairman of ArcelorMittal, an independent non-executive director at Adcock Ingram Holdings Limited, Nedbank Group Limited and Nedbank Limited, among others. He also serves on a number of unlisted companies' and trustee boards.

Moses Modidima Ngoasheng (57) Independent non-executive director

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

Moss was appointed a director of SepHold on 1 February 2008. Moss was instrumental in developing the industrial policy of the African National Congress and was economic advisor to President Thabo Mbeki from 1995 to 2000. He serves on a number of boards including SA Breweries and Dimension Data.

Dr Lelau Mohuba (57) Chief executive officer – executive director

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

Lelau was appointed a director and founding chairman of SepHold on 3 February 2005 and became CEO on 28 March 2012. Lelau retired as a medical practitioner in 2001 after a 22-year career. His commercial career began in 2002 and since then, he has served in various capacities in several entrepreneurial endeavours.

Neil Robus Crafford-Lazarus (54) Financial director – executive director

BCompt (University of the Free State), BCompt (Hons) (University of South Africa), CA(SA)

Neil was appointed a director and CEO of SepHold on 1 June 2007 and became financial director on 28 March 2012. 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 BHP Billiton. He also served as financial director of Xstrata SA Proprietary Limited between 1998 and 2005.

Rose Raisibe Matjuu (53) Executive director, corporate and social development

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

Shibe was appointed a director of SepHold on 23 August 2005. 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 South African Women in Mining and the Business Women's Association.

Kenneth John Capes (45) Executive director, managing director – Métier

Kenneth was appointed a director of SepHold on 29 July 2013. Kenneth has extensive experience in the ready-mixed concrete and aggregates industry. Kenneth spent 20 years at Lafarge South Africa holding various management positions. He was in charge of all aspects of the quarry and ready-mixed concrete operations. Kenneth established Métier within KwaZulu-Natal in 2007, before expanding operations into Gauteng.

Pieter Frederick Fourie (58) Non-executive director, chief executive officer – Sephaku Cement
BCom (Accounting), Executive Development Programme (PRISM) for Global Leaders (IMD, Switzerland)

Pieter was appointed a director of SepHold on 20 November 2009. Pieter has extensive experience in the cement industry and assumed the position of chief executive officer of SepCem in May 2007.

Dr David Twist (60) Non-executive director

BSc (Hons) (Geology) (University of Reading), PhD (Geology) (University of Newcastle)

David was appointed a director of SepHold on 29 March 2011. David completed his PhD in geology in 1980, whereafter he joined Impala Platinum Holdings Limited. He was a founding member of Platmin with Rudolph de Bruin, and is one of the founders of SepHold.

Christiaan Rudolph de Wet de Bruin (61) Non-executive director
(Resigned 21 April 2014)

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

Rudolph was appointed a director of SepHold on 19 June 2006 and resigned on 21 April 2014. 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 is one of the founders of SepHold.

Remuneration policy

1. Introduction

The group’s remuneration practices will reflect the dynamics of the market and context in which it operates. Remuneration will play a critical role in attracting and retaining high-performing individuals. Remuneration will also be used to reinforce, encourage and promote superior performance and achievement of organisational goals. Remuneration will not be a stand-alone process, but will be fully integrated into other management processes.

2. Purpose

The purpose of this policy is to provide management with guidelines on which to base remuneration decisions.

3. Scope

The guiding principles cover all categories of employment. The policy applies to all employees who work for the group.

4. Objectives

- Reflects the dynamics of the market and the context in which it operates.
- Aligns with the strategic direction and value drivers of the organisation.
- Aims to attract, retain and motivate superior performance.

5. Definition of terms

The following terms are applicable to the group.

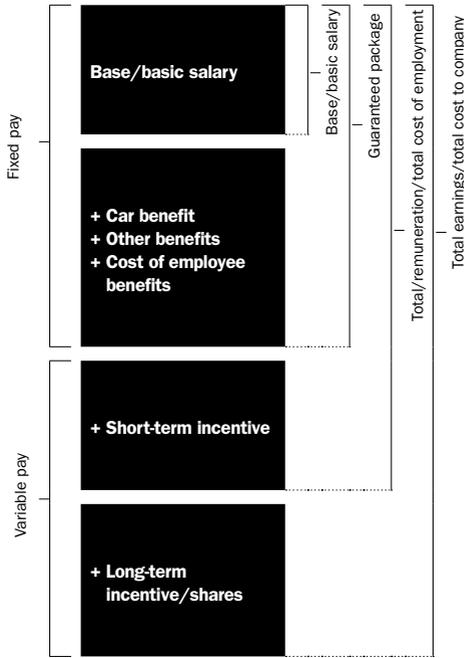
- 5.1 Total guaranteed package (referred to as “all-inclusive total package”) is the total annual guaranteed remuneration of employing an incumbent. The costs include the following:

base salary
+ benefits (car allowance)
= **basic cash package**
+ employer contributions (medical aid/retirement)
= **TOTAL GUARANTEED PACKAGE**
+ inconvenience pay (overtime/standby/shift)
+ short-term incentives (variable)
+ employer statutory contribution (Coida, UIF)
+ employer contributions (group life/funeral cover)
= **TOTAL COST OF EMPLOYMENT**

- 5.2 Variable pay is defined as a non-guaranteed pay that may relate to performance of an individual, team and the organisation.

- 5.3 Inconvenience pay, such as overtime, shift and standby allowances, falls outside the definition of total guaranteed package and is payable in addition thereto.

5.4 The remuneration structure for the group is illustrated in the diagram below.



5.5 Incentives are annual bonuses tied to the performance of the organisation, division and/or individual performance. Short-term incentives refer to incentives payable within a one-year review period.

5.6 Long-term incentives are schemes where a longer-term, sustained company performance is incentivised. These are awarded on management discretion.

6. Remuneration strategy

The group's remuneration strategy is: "To ensure that the company attracts and retains the right employees and that it motivates them to perform in alignment with its enterprise business plan. At the same time we aim to reward outstanding performance/achievement in the process and enforce consequences for non-delivery."

7. Guiding principles of remuneration

- Integration with other people management solutions and initiatives
- Flexible and adaptable
- Manages risk and liability
- Fair and equitable
- Reinforces teamwork and culture of belonging and high commitment
- Complies with legislation
- Reinforces an outcome-based reward with current and future focus

The group's remuneration management is market related. Market surveys and benchmarks will be applied to maintain the system.

7.1 Positioning

Positioning of the total guaranteed package will be based on the individual's/candidate's/employee's level of demonstrated competency, qualification, experience and performance. The total guaranteed package of individuals new to the position will normally be at the point of entry at the low end of the pay range. (See performance levels overleaf.) With increased experience, learning and performance, the total guaranteed package will be adjusted based on the outcomes performance reviews.

- Entry point: New to the job or building the skill
- Needs improvement: The skill needs enhancing to improve performance
- Effective: Meets expectations
- Excellent: Exceeds expectations
- World-class: Expert and fully competent

Scarce skill: Total remuneration package applied to this category of people will be targeted at the top end of the market range, or a non-pensionable temporary additional remuneration should be considered until such time as the market stabilises or the risk is mitigated.

7.2 Structuring of total guaranteed package

- Employees will be required to allocate 10%, 12% or 15% of their pensionable basic salary towards pension. This is a condition of employment.
- A maximum of no more than 30% of pensionable basic salary can be allocated as a car allowance for employees in grade Hay 13 and above, which is structured according to SARS guidelines for business travel.
- All employees will be required to be members of the approved employer medical aid scheme. Proof will be required where employees are covered by the medical aid of their spouses/partners.

8. Remuneration package structure

The table below summarises the main components of the reward package for all employees.

Objective and practice	Award size and performance conditions
<p>Guaranteed pay</p> <ul style="list-style-type: none"> • Remunerate above the market and industry average for key position. • Remunerate market-related salaries for all other positions. • Review total guarantee annually and set on 1 March. 	<ul style="list-style-type: none"> • The level of skill and experience, scope of responsibility and the total remuneration package are taken into account when rewarding employees. • Appropriate market percentiles based on skills, experience and competitiveness.
<p>Short-term incentive</p> <ul style="list-style-type: none"> • To motivate employees and incentivise delivery of performance over the one-year financial year period. • The appropriateness of measures and weightings are reviewed annually to ensure they continue to support the strategy. • The annual bonus is paid subsequent to year-end for performance over the previous financial year. 	<p>Performance period</p> <ul style="list-style-type: none"> • Performance over the financial year is measured against targets sets in the balanced scorecards. • Target bonus is (15%, 20%, 25% or 30%) of total guaranteed pay aligned to the level of a position as defined in the performance management policy.
<p>Long-term incentive</p> <ul style="list-style-type: none"> • To motivate and incentivise delivery over the long term. • Award levels and framework for determining vesting to ensure continued support of the company strategy. 	<p>Performance period</p> <ul style="list-style-type: none"> • Performance over three financial years is measured against targets for the performance period.

9. Governance

- The remuneration committee will advise the board on remuneration practices. The remuneration committee will submit all policy amendments to the board for renewed approval.
- The remuneration committee will brief all members of the board and will prepare the board for its dealings with remuneration issues.
- The board of directors will monitor the compliance with regard to the remuneration policy once a year.

10. Accountability

- The board is responsible for making decisions regarding the remuneration of directors and the CEO.
- The CEO is responsible for decisions relating to total guaranteed remuneration and incentives of all employees.
- The remuneration committee will make recommendations on long-term incentives for all employees.

Remuneration framework

The group adopts a total reward strategy in remunerating all its employees. This is to ensure that all employees are appropriately rewarded and are made aware of the terms and conditions under which they are employed.

The objective of this framework is to provide remuneration principles for the group executive and non-executive directors and staff members.

1. Key principles of the framework

The key principles of this framework are to ensure that the group:

- (a) appropriately compensates employees for services they provide to the company;
- (b) provides a flexible and competitive remuneration structure which:
 - (i) is referenced to appropriate benchmarks;
 - (ii) reflects market and industry practices;
 - (iii) is tailored to the specific circumstances of the group, so as to attract, motivate and retain highly skilled employees;
- (c) aligns remuneration practices with the business strategy, objectives, values and long-term interests of the company;
- (d) ensures equitable remuneration to help facilitate the deployment of people around the business;
- (e) complies with all relevant legal requirements;
- (f) ensures variable remuneration payment is aligned with the company performance, both on divisional and individual level.

2. Remuneration framework

The following are the components of the remuneration framework within the company:

- Monthly pay and benefits, such as salary and company contributions to retirement funding and medical aid.
- A short-term incentive ("STI") scheme, which is performance based.
- A long-term incentive which is linked to long-term value creation.

2.1 Monthly pay and benefits

- Market data is used to benchmark salary and benefits and to inform pay (pay at above the market average).
- Salary and benefit adjustments for all employees are approved by the CEO.
- Salary and benefits adjustments for directors and executive managers are approved by the remuneration committee.

2.2 Incentive scheme

- The objective is to reward performance, motivate and encourage excellent performance.
- The incentive is linked to the performance management process, where there is a clear relationship between individual performance and creation of value to shareholders.
- A percentage of the total guaranteed pay is set up front and will be paid based on expected levels of performance achieved at corporate, divisional and individual level.
- The quantum of the STI scheme for all employees is determined by executive management and approved by the CEO.
- The quantum of the STI for the executive team and CEO is determined by the remuneration committee and approved by the board.

2.3 Long-term incentive plan

- A long-term incentive plan is aimed at long-term performance motivation and reward.
- A percentage of the total guaranteed remuneration or a share option scheme vesting three years plus.
- The scheme is linked to company absolute and/or comparative performance.
- The quantum of the LTI for the senior employees, executive team and CEO is determined by the remuneration committee and approved by the board.

3. Who is responsible for making decisions regarding remuneration?

The board is responsible for making decisions regarding remuneration of directors and the CEO.

4. The CEO is ultimately responsible for

- Recommendations to the board relating to the remuneration of the executive committee; and
- decisions relating to the remuneration of all staff.

Directors' and management remuneration

Directors' emoluments are set out on the next page.

ANNEXURE 3 – REMUNERATION POLICY AND DIRECTORS' EMOLUMENTS *continued*

Directors' emoluments

Executive	Remuneration R	Performance bonuses R	Travel allowances R	Pension fund R	Total R
2014					
Dr L Mohuba	972 594	217 000	-	-	1 189 594
NR Crafford-Lazarus	1 302 095	1 105 083	75 204	-	2 482 382
RR Matju	299 194	84 222	40 015	-	423 431
KJ Capes ⁽¹⁾	2 255 169	1 561 281	-	-	3 816 450
J Bennette ⁽²⁾	913 846	298 615	38 400	38 269	1 289 130
JW Wessels ⁽³⁾	429 709	902 999	-	-	1 332 708
	6 172 607	4 169 200	153 619	38 269	10 533 695
	Remuneration R	Performance bonuses R	Travel allowances R	Pension fund R	Total R
2013					
Dr L Mohuba	479 205	189 637	-	-	668 842
NR Crafford-Lazarus	562 234	1 012 994	36 000	-	1 611 228
RR Matju	210 784	26 133	30 000	-	266 917
KJ Capes* ⁽¹⁾	183 333	-	-	-	183 333
J Bennette ⁽²⁾	930 614	113 288	57 600	48 904	1 155 406
JW Wessels ⁽³⁾	272 938	760 378	-	-	1 033 316
	2 639 108	2 107 430	123 600	48 904	4 919 042

⁽¹⁾ Appointed on 29 July 2013.

⁽²⁾ Resigned on 21 August 2013. All remuneration paid by the associate company, SepCem, has been disclosed till date of resignation as director of SepHold.

⁽³⁾ Passed away on 23 March 2014.

* For the one month of March 2013 since date of acquisition of Métier.

Non-executive	Fees for services as director R	Remuneration R	Committees fees R	Pension fund R	Consulting fees R	Medical aid R	Allowances R	Total R
2014								
B Williams	167 999	-	132 000	-	-	-	-	299 999
MG Mahlare	96 000	-	78 000	-	-	-	-	174 000
PM Makwana	72 000	-	90 000	-	-	-	-	162 000
MM Ngoasheng	16 000	-	18 000	-	-	-	-	34 000
PF Fourie	-	2 232 318	-	297 572	-	107 064	261 600	2 898 554
CRDW de Bruin ⁽¹⁾	-	-	-	-	554 060	-	-	554 060
	351 999	2 232 318	318 000	297 572	554 060	107 064	261 600	4 122 613

Non-executive	Fees for services as director R	Remuneration R	Performance bonuses R	Committees fees R	Consulting fees R	Pension fund R	Medical aid R	Allowances R	Total R
2013									
B Williams	132 000	-	-	32 000	-	-	-	-	164 000
MG Mahlare	60 000	-	-	48 000	-	-	-	-	108 000
PM Makwana	20 000	-	-	16 000	-	-	-	-	36 000
MM Ngoasheng	6 600	-	-	16 500	-	-	-	-	23 100
PF Fourie	-	2 006 647	202 154	-	-	134 639	95 736	282 497	2 721 673
CRDW de Bruin ⁽¹⁾	-	-	-	-	446 944	-	-	-	446 944
	218 600	2 006 647	202 154	112 500	446 944	134 639	95 736	282 497	3 499 717

⁽¹⁾ Resigned on 21 April 2014.

A management fee is paid to Cross Company Management Proprietary Limited for the services of all executive directors and staff of SepHold. 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 Proprietary Limited for the services rendered by the SepHold directors to the group.

Cross Company Management Proprietary Limited also provides administrative services to Métier and all the executive directors of Métier are paid by Cross Company Management and recovered from Métier in the form of a management fee.

PF Fourie is a director of both SepHold and SepCem and all remuneration paid to him by the associate company, SepCem has therefore also been 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.

	Non-executive R	Independent R
Fee structure 2014 per meeting		
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
Proposed fee structure 2015 – annual fee		R
Chairman of the board		320 000
Independent non-executive		240 000
Non-executive		120 000

Beneficial shareholding of directors and associates, and directors' interests in share options are disclosed pages 24 and 25.

ANNEXURE 4 – SHAREHOLDERS’ ANALYSIS

Shareholders holding greater than 5% of the issued share capital at year-end	Number of shares	%
Credit Suisse AG Zurich Nominees	21 585 610	11,37
Safika Resources Proprietary Limited Nominees	15 580 823	8,21

Range of shareholdings

Share range	Number of shareholders	% of shareholders	Number of shares
1 - 1 000	410	20,84	212 853
1 001 - 10 000	938	47,69	4 187 111
10 001 - 50 000	361	18,35	8 982 210
50 001 - 100 000	93	4,73	6 396 451
100 001 - 500 000	100	5,08	25 659 872
500 001 - 1 000 000	30	1,53	21 597 996
1 000 001 shares and over	35	1,78	122 836 486
Total	1 967	100,00	189 872 979

Public and non-public shareholders	Shares held	%	Number of shareholders
Public	137 571 099	72,45	1 951
Non-public	52 301 880	27,55	16
- Directors’ direct holdings	24 342 532	12,82	9
- Directors’ indirect holdings	15 697 326	8,27	2
- Directors’ associates	3 507 134	1,85	3
- Directors of a subsidiary’s direct holdings	8 754 888	4,61	2
	189 872 979	100,00	1 967

Beneficial shareholdings of directors and directors’ associates

Director	2014			2013		
	Direct	Indirect	Associates	Direct	Indirect	Associates
MG Mahlare	93 172	-	-	42 407	-	-
MM Ngoasheng	-	-	-	-	-	720 000
Dr L Mohuba	487 202	9 263 767	340 000	487 202	9 263 767	390 000
NR Crafford-Lazarus	2 262 728	-	-	1 512 728	-	-
RR Matjui	2 085 923	-	-	3 585 923	-	-
KJ Capes ⁽¹⁾	4 539 556	-	-	4 539 556	-	-
PF Fourie	-	6 433 559	-	-	6 533 559	-
Dr D Twist	8 354 333	-	1 895 000	10 654 333	-	1 895 000
CRDW de Bruin ⁽²⁾	4 621 237	-	1 272 134	9 999 908	-	1 272 134
J Bennette ⁽³⁾	550 000	-	-	600 000	-	-
JW Wessels ⁽⁴⁾	1 348 381	-	-	1 265 048	-	-
Dr GS Mahlati ⁽⁵⁾	-	-	-	1 198 653	-	-
	24 342 532	15 697 326	3 507 134	33 885 758	15 797 326	4 277 134

⁽¹⁾ Appointed on 29 July 2013.

⁽²⁾ Resigned on 21 April 2014.

⁽³⁾ Resigned on 21 August 2013.

⁽⁴⁾ Passed away on 23 March 2014.

⁽⁵⁾ Resigned on 2 July 2012.

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

	Opening balance number of share options	Exercise price	Options exercised	Date exercised	Market price on exercise date	Options vested at year-end	Closing balance number of share options	Pre- taxation gain
MM Ngoasheng								
Granted 31/03/2008	500 000	R2,50	(500 000)	31/03/2014	R6,50	-	-	R2 000 000
Granted 15/10/2010	200 000	R3,50	-	-	-	66 667	200 000	-
Dr L Mohuba								
Granted 31/03/2008	1 000 000	R2,50	-	-	-	1 000 000	1 000 000	-
Granted 15/10/2010	715 000	R3,50	-	-	-	238 333	715 000	-
Granted 29/06/2012	750 000	R1,90	-	-	-	-	750 000	-
NR Crafford-Lazarus								
Granted 31/03/2008	750 000	R2,50	(750 000)	22/07/2013	R5,04	-	-	R1 905 000
Granted 15/10/2010	715 000	R3,50	-	-	-	238 333	715 000	-
Granted 29/06/2012	750 000	R1,90	-	-	-	-	750 000	-
Granted 31/08/2012	750 000	R1,90	-	-	-	-	750 000	-
RR Matjui								
Granted 31/08/2008	300 000	R2,50	-	-	-	300 000	300 000	-
Granted 15/10/2010	200 000	R3,50	-	-	-	66 667	200 000	-
Granted 29/06/2012	300 000	R1,90	-	-	-	-	300 000	-
PF Fourie								
Granted 15/10/2010	715 000	R3,50	-	-	-	238 333	715 000	-
Dr D Twist								
Granted 31/03/2008	150 000	R2,50	-	-	-	150 000	150 000	-
CRDW de Bruin								
Granted 15/10/2010	500 000	R3,50	-	-	-	166 667	500 000	-
J Bennette								
Granted 31/03/2008	175 000	R2,50	-	-	-	175 000	175 000	-
Granted 15/10/2010	150 000	R3,50	-	-	-	50 000	150 000	-
Granted 29/06/2012	250 000	R1,90	-	-	-	-	250 000	-
JW Wessels								
Granted 31/03/2008	250 000	R2,50	(83 333)	2/08/2013	R5,32	166 667	166 667	R234 999
Granted 15/10/2010	715 000	R3,50	-	-	-	238 333	715 000	-
Granted 29/06/2012	750 000	R1,90	-	-	-	-	750 000	-
Granted 31/08/2012	750 000	R1,90	-	-	-	-	750 000	-
	11 335 000		(1 333 333)			3 095 000	10 001 667	R4 139 999

ANNEXURE 5 – STATED CAPITAL AND RELATED-PARTY TRANSACTIONS

	GROUP		COMPANY	
	2014 R	2013 R	2014 R	2013 R
Stated capital				
Authorised				
1 000 000 000 ordinary shares with no par value				
Reconciliation of number of shares issued:				
Number of shares at beginning of period	187 901 843	171 790 732	187 901 843	171 790 732
Number of ordinary shares issued during the period	1 971 136	16 111 111	1 971 136	16 111 111
Number of ordinary shares at end of period	189 872 979	187 901 843	189 872 979	187 901 843
The total amount of 1 971 136 shares issued during the year relates to share options that were exercised by employees and directors during the year. Shares issued for cash amounted to R2 970 737 and an amount of R2 011 883 was still receivable by the company at year-end for shares issued to option holders that were still to trade subsequent to year-end.				
The unissued ordinary shares are under the control of the directors.				
Issued				
Ordinary shares with no par value	585 573 235	580 590 616	585 573 235	580 590 616

Share option group	Number R	Weighted exercise price R	Total value R
2014			
Share options granted during 2008 year (30/06/2008 to 30/06/2011)	200 000	1,50	300 000
Share options granted on 31 March 2008	5 740 000	2,50	14 350 000
Share options granted on 15 October 2010	10 000 000	3,50	35 000 000
Share options granted on 29 June 2012	3 500 000	1,90	6 650 000
Share options granted on 31 August 2012	1 500 000	1,90	2 850 000
Share options granted at R2,50 on 31 March 2008 exercised during the year	(1 666 803)	-	-
Share options granted at R3,50 on 15 October 2010 exercised during the year	(304 333)	-	-
Exercised and expired during prior periods	(516 530)	-	-
Outstanding at the end of the financial period	18 452 334	-	-
Exercisable at the end of the financial period	6 785 667	-	-

	GROUP		COMPANY	
	2014 R	2013 R	2014 R	2013 R
Related-party balances				
Loan accounts – owing by related parties				
Sephaku Cement Proprietary Limited	-	337 058	-	337 058
Cross Company Management Proprietary Limited	11 572 893	17 129 647	11 572 893	17 129 647
Sephaku Cement Investment Holdings Limited	-	-	4 149	4 149
Amounts included in trade receivables/ (trade payables) regarding related parties				
Cross Company Management Proprietary Limited	-	(4 699)	-	(4 699)
Métier Concrete Products Proprietary Limited	137 677	142 838	-	-
Meadowland Estates Proprietary Limited	112 436	-	-	-
Related-party transactions				
Sales to related parties				
Métier Concrete Products Proprietary Limited	2 738 681	(142 838)	-	-
Meadowland Estates Proprietary Limited	642 272	-	-	-
Purchases from related parties				
WKR Properties Proprietary Limited	7 184 618	510 655	-	-
Plazatique Corp 27 CC	1 275 317	-	-	-
Métier Concrete Products Proprietary Limited	239 800	-	-	-
Rent paid to/(received from) related parties				
Plazatique Corp 27 CC	751 773	59 950	-	-
WKR Properties Proprietary Limited	5 015 662	27 216	-	-
Métier Mixed Concrete Proprietary Limited	-	-	(320 355)	-
Fees paid to related parties for management services				
Cross Company Management Proprietary Limited	17 808 951	3 039 781	6 203 232	3 039 781
Utilities paid to related parties				
Plazatique Corp 27 CC	366 926	33 751	-	-
WKR Properties Proprietary Limited	1 199 593	-	-	-

ANNEXURE 6 – LITIGATION STATEMENT, DIRECTORS' RESPONSIBILITY STATEMENT AND MATERIAL CHANGES STATEMENT

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 SepHold's 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 SepHold and its subsidiaries since the date of signature of the audit report for the year ended 31 March 2014 and up to the date of this notice.

ANNEXURE 7 – PROXY APPOINTMENTS

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 SepHold, 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 form of proxy 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 form of proxy.
- The form of proxy must be delivered to the transfer secretaries of SepHold 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 SepHold.
- 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 SepHold and the proxy as aforesaid.
- If the instrument appointing a proxy or proxies has been delivered to SepHold, as long as that appointment remains in effect, any notice that is required by the Companies Act or SepHold's MOI to be delivered by SepHold to the shareholder must be delivered by SepHold to:
 - the shareholder; or
 - the proxy or proxies (if the shareholder has in writing directed SepHold to do so and has paid any reasonable fees charged by SepHold 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 form of proxy 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^o (chairman)
MG Mahlare^o
PM Makwana^o
MM Ngoasheng^o
Dr L Mohuba*(chief executive officer)
NR Crafford-Lazarus*(financial director)
RR Matjuj*
KJ Capes*
PF Fourie
Dr D Twist
* Executive
^o Independent

Company secretary

Jennifer Bennette
Email: JBennette@sepman.co.za
Telephone: +27 12 684 6300

Registered office

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Centurion, 0157
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Centurion, 0046
Telephone: +27 12 622 9400
Website: www.sephakuholdings.co.za

Investor relations

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Telephone: +27 12 622 9400

Transfer secretaries

Computershare Investor Services Proprietary Limited
70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107, South Africa
Telephone: +27 11 370 5000

JSE sponsor

QuestCo Proprietary Limited
Claudia Adamson
Telephone: +27 11 011 9209
Email: claudia.adamson@questco.co.za

Auditors

Grant Thornton (Jhb) Inc.
Chartered accountants (SA)
Registered auditors

Bankers

Absa Bank

Métier Mixed Concrete (wholly owned subsidiary)

Physical address: Romead Business Park,
23 Malone Road,
Maxmead, 3610
Postal address: Postnet Suite #546, Private Bag X4,
Kloof, 3640
Telephone: +27 31 716 3600/0861 638437
Website: www.metiersa.co.za

Sephaku Cement (associate)

Physical address: Southdowns Office Park, Block A,
Ground Floor,
Cnr John Vorster & Karee St,
Irene X54, 0062
Postal address: PO Box 68149, Highveld, 0169
Telephone: +27 12 684 6300
Website: www.sephakucement.co.za



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