

BUILDING
BLOCKS
FOR GROWTH
2016

NOTICE OF ANNUAL GENERAL MEETING



SEPHAKU
HOLDINGS LTD

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Letter to shareholders

We invite you to attend Sephaku Holdings' annual general meeting (AGM), which will be held at the Old Trafford conference room, Centurion Lake Hotel, 1001 Lenchen Avenue North, Centurion on Thursday, 22 September 2016 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 29.

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 2016.

The integrated annual review will not be mailed to all shareholders, as part of our strategy to contain costs. However, all the information that you may need to vote at the AGM is included in this booklet, including the detailed notice of the AGM, the summarised 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.com. If you would prefer a printed copy, please contact Acorim Proprietary Limited, group company secretary, at sephaku@acorim.co.za or +27 11 325 6363.

Printed copies of the integrated annual review and annual financial statements will also be available at the AGM.

Yours sincerely



Acorim Proprietary Limited

Group company secretary

23 August 2016

Notice of annual general meeting



Sephaku Holdings Ltd
Incorporated in the Republic of South Africa
Registration number: 2005/003306/06
JSE share code: SEP
ISIN: ZAE000138459

NOTICE OF ANNUAL GENERAL MEETING

In terms of section 59(1) of the Companies Act, notice is hereby given of the AGM of the shareholders of Sephaku Holdings to be held at the Old Trafford conference room, Centurion Lake Hotel, 1001 Lenchen Avenue North, Centurion on Thursday, 22 September 2016 at 11:00 to consider and, if deemed fit, approve the resolutions referred to below, with or without modification. This notice is available in English only.

RECORD DATE

Posting record date

The board of directors of Sephaku Holdings has determined that the last day to trade to be entitled to receive this notice of AGM is Monday, 8 August 2016, and the record date, for purposes of determining which shareholders of Sephaku Holdings are entitled to receive this notice of AGM, is Friday, 12 August 2016.

Voting 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 Tuesday, 13 September 2016, 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, 16 September 2016. Only shareholders who are registered by Friday, 16 September 2016, will be entitled to participate in and vote at the AGM.

ACTION REQUIRED AS FOLLOWS

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.

Proxy forms must be completed by certificated shareholders or "own name" registered dematerialised shareholders who wish to be represented at the AGM.

Dematerialised shareholders (not with "own name" registration) must notify their CSDP or broker of their intention to attend the AGM in order for such CSDP or broker to be able to issue them with the necessary letter of representation to enable them to attend the AGM, or, alternatively, should the dematerialised shareholder not wish to attend the AGM, they should provide their CSDP or broker with their voting instructions.

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 11:00 on Tuesday, 20 September 2016. Thereafter, forms of proxy may be delivered to the chairman of the AGM, at the AGM, before voting on a particular resolution commences.

Notice of annual general meeting continued

AGM participants may be required to provide identification to the reasonable satisfaction of the chairman of the AGM. An official 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, Acorim Proprietary Limited, 2nd Floor, North Block, Hyde Park Office Tower, Corner of 6th Road and Jan Smuts Avenue, Sandton, Johannesburg, to be received by no later than 11:00 on Tuesday, 20 September 2016;
- 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.

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 ordinary resolution must be exercised in favour of those resolutions.

Report from the social and ethics committee

In accordance with Regulation 43(5)(c) of the Companies Act, the chairman of the social and ethics committee or, in his absence, any member of the committee, will present the committee's report to shareholders at the AGM.

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 2016, the directors' report, the independent auditor's report and the audit and risk committee's report of Sephaku Holdings. (Refer to Annexure 1.)

2. RE-ELECTION AND ELECTION OF DIRECTORS

It is hereby brought to the attention of the shareholders that MG Mahlare has been on the board since January 2009 and served three terms as chairman of the audit and risk committee, and is therefore, in terms of the memorandum of incorporation (MOI), not eligible for re-election. The nominations committee has therefore decided to recommend MJ Janse van Rensburg as a new director and as chairman of the audit and risk committee.

Ordinary resolution number 2

MG Mahlare and MM Ngoasheng retire in accordance with Sephaku Holdings' MOI. MM Ngoasheng, being eligible, offers himself for re-election. MG Mahlare, not being eligible, will not be available for re-election as an independent non-executive director and MJ Janse van Rensburg offers herself for election as an independent non-executive director in his stead. B Williams and PF Fourie will retire and offer themselves for re-election in 2017. J Pitt and PM Makwana will retire and offer themselves for re-election in 2018. (Refer to Annexure 2 for brief biographies of each of the directors.)

To consider and, if deemed fit, to re-elect and elect MM Ngoasheng and MJ Janse van Rensburg, being eligible for re-election and election respectively by way of passing the ordinary resolutions set out below:

Ordinary resolution number 2.1

“Resolved as an ordinary resolution that MM Ngoasheng be and is hereby re-elected as an independent non-executive 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.

Ordinary resolution number 2.2

“Resolved as an ordinary resolution that MJ Janse van Rensburg be and is hereby elected as an independent non-executive director of Sephaku Holdings.”

3. REAPPOINTMENT OF EXTERNAL AUDITOR

Ordinary resolution number 3

“Resolved that Grant Thornton Johannesburg Partnership be re-appointed, on the recommendation of the current audit and risk committee, as independent registered auditors of Sephaku Holdings. The individual designated registered auditor who will undertake the audit during the financial year ending 31 March 2017 is J Barradas.”

At the Sephaku Holdings audit and risk committee meeting held on 20 June 2016, the committee considered the independence of Grant Thornton Johannesburg Partnership and has satisfied itself of their independence.

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

4. ELECTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS TO THE AUDIT AND RISK COMMITTEE

Ordinary resolution number 4

To consider and, if deemed fit, 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 4.1

“Resolved that B Williams, the chairman of the board, be and is hereby elected as a member of Sephaku Holdings’ audit and risk committee.”

Ordinary resolution number 4.2

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

Ordinary resolution number 4.3

“Resolved that MJ Janse van Rensburg be and is hereby elected as a member and chairman of Sephaku Holdings’ audit and risk committee.”

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

Special business

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

5. GENERAL AUTHORITY TO ISSUE SHARES FOR CASH

Ordinary resolution number 5

“Resolved that, subject to the Companies Act and the Johannesburg Stock Exchange Limited Listings Requirements (JSE Listings Requirements), the board be and is hereby given a general authority to allot and

Notice of annual general meeting continued

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 the date of this notice of AGM (being 23 August 2016) (15% amounts to 30 445 423 shares) and in the event of a sub-division or consolidation of issued equity securities, this authority must be adjusted accordingly to represent the same allocation ratio.
- The shares which are the subject of the issue for cash must be of a class already in issue or, where this is not the case, must be limited to such equity securities or rights that are convertible into a class already in issue.
- The shares must be issued only to public shareholders (as defined in the JSE Listings Requirements) and not to related parties.
- The maximum discount at which such shares may be issued is 10% of the weighted average traded price of the company's shares over the 30 business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the securities.
- Upon any issue of shares for cash representing on a cumulative basis within the validity period of this general authority, constitute 5% or more of the number of shares of the class in issue as at the date of this AGM, the company shall, by way of an announcement on Stock Exchange News Service (SENS), give full details thereof in compliance with the JSE Listings Requirements."

This resolution and the restrictions contained herein do not apply to any *pro rata* rights offer to shareholders. In terms of the JSE Listings Requirements, 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 for cash 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.

6. SEPHAKU HOLDINGS' REMUNERATION POLICY

Ordinary resolution number 6

"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 2016 to 31 March 2017, on the same basis as set out in the audited annual financial statements, escalated as being reasonable by the remuneration and nomination committee of Sephaku Holdings and Sephaku Holdings' remuneration policy."

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

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

7. SIGNING AUTHORITY

Ordinary resolution number 7

"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.

8. GENERAL AUTHORITY TO REPURCHASE SECURITIES

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 the JSE Listings Requirements 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, provided that:

- the general repurchase by a company of its own securities shall not, in the aggregate in any one financial year exceed 20% of that company's issued share capital of that class in any one financial year;
- the repurchase of securities will be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);
- this general authority shall be valid only until the next AGM or for 15 months from the date of this resolution, whichever period is shorter;
- repurchases may not be made at a price greater than 10% above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the transaction is effected;
- at any point in time, the company may only appoint one agent to effect any repurchase on the company's behalf;
- neither the company nor its subsidiaries may repurchase securities during a prohibited period, as defined in the JSE Listings Requirements, unless a repurchase programme is in place in terms of which the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of which programme have been submitted to the JSE in writing prior to the commencement of the prohibited period. The company will be required to instruct an independent third party, which makes its investment decisions in relation to the company's securities independently of, and uninfluenced by, the company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- the board of directors authorises the repurchase, and that it has resolved that the company has satisfied the solvency and liquidity test as defined in the Companies Act, and that from the time that the test is applied, there have been no material changes to the financial position of the group;
- an announcement will be published on SENS as soon as the company or any of its subsidiary companies have acquired securities constituting, on a cumulative basis, 3% of the number of securities in issue and for each 3% in aggregate of the initial number acquired thereafter."

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 effect of securities which may be repurchased and the price at which the repurchases may take place pursuant to the general authority, for a period until the next AGM or 15 months (whichever is shorter), after the date of notice of this AGM:

- the company and the group will be able to repay their debts in the ordinary course of business;
- the consolidated assets of Sephaku Holdings fairly valued in accordance with International Financial Reporting Standards (IFRS), and on a basis consistent with the last financial year of the company, will exceed the consolidated liabilities of Sephaku Holdings;

Notice of annual general meeting continued

- the working capital, stated capital and reserves of Sephaku Holdings will be adequate for the ordinary business purpose of Sephaku Holdings and its subsidiaries;
- a resolution by the board will be passed that it has authorised the repurchase, that the company and its subsidiaries have passed the solvency and liquidity test and, since the test was performed, there have been no material changes to the financial position of the group.

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

- Shareholders holding more than 5% of the issued stated capital – Annexure 4
- Stated capital of Sephaku Holdings – Annexure 5
- 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 and the JSE Listings Requirements for the acquisition by Sephaku Holdings and/or its subsidiary companies of shares issued by it on the basis reflected in the special resolution.

9. 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 2017." (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 2017, in accordance with section 66(9) of the Companies Act.

10. 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 as may apply to any beneficiary participating in any Sephaku Holdings group share incentive scheme or to a person related to any such beneficiary."

11. 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 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, the 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.

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' MOI 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.

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.

Statement of financial position

as at 31 March 2016

	GROUP	
	2016 Audited R	2015 Audited R
ASSETS		
Non-current assets		
Property, plant and equipment	134 180 789	128 787 297
Goodwill	223 421 981	223 421 981
Intangible assets	7 455 631	10 896 692
Investment in associate	670 467 278	652 313 212
	1 035 525 679	1 015 419 182
Current assets		
Inventories	12 244 871	8 965 203
Other financial assets	12 987 551	12 504 391
Current tax receivable	-	933 668
Trade and other receivables	110 971 487	110 752 506
Cash and cash equivalents	91 231 432	70 914 266
	227 435 341	204 070 034
Total assets	1 262 961 020	1 219 489 216
EQUITY AND LIABILITIES		
Equity		
Stated capital	632 950 155	631 127 028
Reserves	18 910 771	15 685 391
Retained income	258 730 837	197 907 280
	910 591 763	844 719 699
Liabilities		
Non-current liabilities		
Other financial liabilities	231 309 499	248 672 308
Deferred income	1 866 813	2 379 952
Deferred taxation	15 978 858	14 778 323
	249 155 170	265 830 583
Current liabilities		
Other financial liabilities	18 208 333	24 750 000
Current taxation payable	1 283 129	-
Operating lease liability	2 756 653	1 806 319
Trade and other payables	80 452 834	81 869 477
Deferred income	513 138	513 138
	103 214 087	108 938 934
Total liabilities	352 369 257	374 769 517
Total equity and liabilities	1 262 961 020	1 219 489 216
Net asset value per share (cents)	450,99	419,79
Tangible net asset value per share (cents)	337,68	304,86
Ordinary shares in issue	201 908 654	201 224 508

Statement of comprehensive income

for the year ended 31 March 2016

	GROUP	
	2016 Audited R	2015 Audited R
Revenue	874 253 138	775 425 242
Cost of sales	(523 460 452)	(434 430 692)
Gross profit	350 792 686	340 994 550
Other income	15 593 937	9 999 177
Operating expenses	(282 137 148)	(291 705 645)
Operating profit	84 249 475	59 288 082
Investment income	8 127 000	2 167 996
Profit from equity-accounted investment	18 154 066	35 924 506
Finance costs	(28 270 848)	(25 321 027)
Profit before taxation	82 259 693	72 059 557
Taxation	(21 839 218)	(24 898 186)
Profit for the year	60 420 475	47 161 371
Total comprehensive income for the year	60 420 475	47 161 371
Basic earnings per share (cents)	30,00	24,43
Diluted earnings per share (cents)	28,97	23,59
Headline earnings per share (cents)	29,84	24,43
Diluted headline earnings per share (cents)	28,82	23,59
Reconciliation of basic earnings to diluted earnings and headline earnings:		
Basic profit and diluted profit attributable to equity holders of parent	60 420 475	47 161 371
(Profit)/loss on sale of non-current assets	(430 852)	5 425
Total taxation effect of adjustments	120 639	(1 519)
Headline earnings and diluted headline earnings attributable to equity holders of parent	60 110 262	47 165 277
Reconciliation of weighted average number of shares:		
Basic weighted average number of shares	201 426 940	193 050 707
Dilutive effect of share options	7 139 452	6 849 198
Diluted weighted average number of shares	208 566 392	199 899 905

Statement of changes in equity

for the year ended 31 March 2016

	GROUP					
	Stated capital R	Revaluation reserve (relating to land of associate) R	Equity-based share option reserve R	Total reserves R	Retained income R	Total equity R
Balance at 31 March 2014	585 573 235	(1 207 663)	18 832 199	17 624 536	144 525 951	747 723 722
Total comprehensive income for the year	-	-	-	-	47 161 371	47 161 371
Issue of shares	45 553 793	-	-	-	-	45 553 793
Employees' share option scheme	-	-	(1 939 145)	(1 939 145)	6 219 958	4 280 813
Balance at 31 March 2015	631 127 028	(1 207 663)	16 893 054	15 685 391	197 907 280	844 719 699
Total comprehensive income for the year	-	-	-	-	60 420 475	60 420 475
Issue of shares	1 823 127	-	-	-	-	1 823 127
Employees' share option scheme	-	-	3 225 380	3 225 380	403 082	3 628 462
Balance at 31 March 2016	632 950 155	(1 207 663)	20 118 434	18 910 771	258 730 837	910 591 763

Statement of cash flows

for the year ended 31 March 2016

	GROUP	
	2016 Audited R	2015 Audited R
Cash flows from operating activities		
Cash generated from operations	117 037 155	114 192 061
Interest income	8 127 000	2 167 996
Finance costs	(28 270 848)	(19 632 742)
Taxation paid	(18 421 887)	(25 802 273)
Net cash from operating activities	78 471 420	70 925 042
Cash flows from investing activities		
Purchase of property, plant and equipment	(36 589 744)	(30 437 943)
Disposal of property, plant and equipment	999 999	618 158
Net loans advanced	154 320	1 606 002
Government grant received	-	1 436 787
Net cash utilised in investing activities	(35 075 425)	(26 776 996)
Cash flows from financing activities		
Proceeds on share issue	825 647	16 514 952
Proceeds from other financial liabilities	28 237 894	130 000 000
Repayment of other financial liabilities	(52 142 370)	(28 750 000)
Settlement of deferred vendor loan	-	(117 000 000)
Net cash (utilised in)/from financing activities	(23 078 829)	764 952
Total cash and cash equivalents movement for the year	20 317 166	44 912 998
Cash and cash equivalents at the beginning of the year	70 914 266	26 001 268
Total cash and cash equivalents at end of the year	91 231 432	70 914 266

Notes to the summarised financial statements

for the year ended 31 March 2016

BASIS OF PREPARATION

The summarised consolidated financial results for the year ended 31 March 2016 (annual reporting period) have been prepared in accordance with the Companies Act, the JSE Listings Requirements, the framework concepts and the measurement and recognition requirements of IFRS, the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by Financial Reporting Standards Council as required by IAS 34 – Interim Financial Reporting.

The results have been prepared on a historical cost basis, except for the measurement of investment property/land which are carried at fair value.

The accounting policies applied in the preparation of the consolidated financial statements, from which the consolidated financial statements were derived, are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the previous consolidated annual financial statements. As a result of the adoption of new and amended standards and interpretations in issue that were effective for the first time in the current reporting period, a number of new policies were introduced. However, the adoption of these new and amended standards and interpretations did not have a material impact on the results for the current period.

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

AUDIT OPINION

The summarised financial information included in this announcement 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 underlying annual financial statements have been audited by the group's external auditors, Grant Thornton Johannesburg Partnership. A copy of their unqualified report, as well as the annual financial statements, is available for inspection at the company's registered office.

SEGMENT INFORMATION

	Ready-mixed concrete R	Head office R	Group totals R
2016			
Segment revenue – external revenue	874 253 138	–	874 253 138
Segment cost of sales	(523 460 452)	–	(523 460 452)
Segment expenses	(264 553 643)	(17 583 505)	(282 137 148)
Profit from equity-accounted investment	–	18 154 066	18 154 066
Profit on sale of property, plant and equipment	424 602	–	424 602
Segment profit after taxation	58 234 411	2 186 064	60 420 475
Taxation	(22 802 715)	963 497	(21 839 218)
Interest received	7 564 539	562 461	8 127 000
Interest paid	(28 270 283)	(565)	(28 270 848)
Depreciation and amortisation	(30 563 233)	(3 498 681)	(34 061 914)
Segment assets	462 731 242	800 229 778	1 262 961 020
Investment in associate included in the above total segment assets	–	670 467 278	670 467 278
Capital expenditure included in segment assets	23 559 244	13 030 499	36 589 743
Segment liabilities	(349 410 897)	(2 958 360)	(352 369 257)

	Ready-mixed concrete R	Head office R	Group totals R
2015			
Segment revenue – external revenue	775 425 242	-	775 425 242
Segment cost of sales	(434 430 692)	-	(434 430 692)
Segment expenses	(242 117 993)	(49 587 652)	(291 705 645)
Profit from equity-accounted investment	-	35 924 506	35 924 506
Loss on sale of property, plant and equipment	(5 425)	-	(5 425)
Loss on contingent consideration	-	(28 501 340)	(28 501 340)
Segment profit/(loss) after taxation	64 662 471	(17 501 100)	47 161 371
Taxation	(25 861 683)	963 497	(24 898 186)
Interest received	2 126 072	41 924	2 167 996
Interest paid	(20 478 723)	(4 842 304)	(25 321 027)
Depreciation and amortisation	(30 194 125)	(3 454 043)	(33 648 168)
Segment assets	425 062 048	794 427 168	1 219 489 216
Investment in associate included in the above total segment assets	-	652 313 212	652 313 212
Capital expenditure included in segment assets	29 725 480	712 463	30 437 943
Segment liabilities	(369 976 119)	(4 793 398)	(374 769 517)

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.

Dangote Cement South Africa Proprietary Limited (CEMENT) is an associate of Sephaku Holdings Limited (SepHold). No segment report has been presented for cement (the commodity) as the amounts attributable to cement (the commodity) have been included in the head office segment.

INVESTMENT IN ASSOCIATE

The directors would like to draw attention to the fact that the profit from the equity accounted investment of R35 924 506 included in the statement of comprehensive income for 2015, mostly relates to a movement on the associate's deferred taxation asset balance.

Summary of group interest in CEMENT and its subsidiaries:

	GROUP	
	Year ended 31 December 2015 R	Year ended 31 December 2014 R
Non-current assets	3 695 986 483	3 844 530 357
Current assets	860 280 952	434 023 077
Total assets	4 556 267 435	4 278 553 434
Total equity	1 223 178 592	1 173 212 824
Non-current liabilities	(2 487 715 316)	(2 712 586 543)
Current liabilities	(845 371 808)	(392 754 067)
Total liabilities	(3 333 087 124)	(3 105 340 610)
Revenue for the period	2 298 566 531	918 978 411
Cost of sales	(1 784 417 193)	(730 273 759)
Gross profit	514 149 338	188 704 652
Operating profit	336 959 243	59 533 480
Investment income	7 424 285	4 929 293
Finance costs	(265 533 881)	(112 903 760)
Profit/(loss) before taxation	78 849 647	(48 440 987)
Taxation (expense)/income (income in 2015 due to deferred tax asset)	(28 421 686)	148 231 283
Profit after taxation for the year	50 427 961	99 790 296
Total comprehensive income for the year	50 427 961	99 790 296

Notes to the summarised financial statements for the year ended 31 March 2016

STATED CAPITAL

311 952 (2015: 6 707 333) SepHold shares were issued during the year for a cash amount of R825 647 (2015: R16 514 952) relating to share options that were exercised by employees and directors.

372 194 (2015: 215 000) SepHold shares were issued at a value of R2,68 (2015: R2,50) for no cash consideration, in terms of the provisions of the Sephaku share incentive scheme, as a float to administer the share incentive scheme on behalf of identified SepHold employees.

4 429 196 shares were issued during the 2015 reporting period, in terms of a specific authority to the seller of Métier at a 60-day VWAP of 643,488 cents for no consideration as final settlement of the Métier acquisition.

STATEMENT ON GOING CONCERN

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

There have been no changes to the board of directors during the current financial period or up to the date of issue of this report.

COMPANY SECRETARY

Jennifer Bennette resigned as company secretary on 31 August 2015 and Acorim Proprietary Limited was appointed in her stead on 1 September 2015.

By order of the board



Dr Lelau Mohuba
Chief executive officer

27 June 2016



Neil Crafford-Lazarus
Financial director

Board of directors

Brent Williams – Chairman and 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.

Martie Jacoba Janse van Rensburg – proposed independent non-executive director and chairman of the audit and risk committee

BComm (UFS), BCompt Hons (Unisa), CA(SA), Executive Programme in Strategy and Organisation (Stanford University Business School), TCTA Leadership Development Programme (GIBS), AltX Director Programme (JSE & WBS)

Martie is proposed as an independent non-executive director of SepHold as from the AGM on 22 September 2016. Between 1994 and 2008, Martie was the CFO (five-years) and then CEO (ten years) of the Trans Caledon Tunnel Authority. She has served as non-executive director and member or chairman of audit committees for Bond Exchange of SA, Airports Company of SA, Johannesburg Water SOC and Denel. She is currently a non-executive director of Development Bank of Southern Africa and non-executive member of the Credit Committee overseeing Africa and India at FirstRand Bank.

Paul Mpho Makwana – 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's 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 – 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.

Justin Pitt – alternate director to Moses Modidima Ngoasheng

BCom BAcc (Wits), CA(SA), CFA, Member of South African Institute of Chartered Accountants and Association for Investment Management and Research

Justin was appointed as an alternate director of SepHold on 21 August 2014. Justin co-founded Safika Resources and QuestCo in 2002 and is currently the managing director of Safika Resources.

Dr Lelau Mohuba – chief executive officer and executive director

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

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.

Board of directors continued

Neil Robus Crafford-Lazarus – financial director and 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 Matju – 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 – executive director, CEO (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 in a building materials entity, holding various management positions. He was directly involved in the development of the ready-mixed concrete and quarrying business as a general manager. Kenneth's extensive knowledge, expertise and passion for concrete manufacture led him to be a co-founder of Métier Mixed Concrete in KwaZulu-Natal in 2007.

Pieter Frederick Fourie – non-executive director, chief executive officer (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 CEMENT in May 2007.

Remuneration policy and directors' emoluments

SepHold's remuneration practices reflect the dynamics of the market and context in which it operates. Remuneration plays a critical role in attracting and retaining high-performing individuals. Remuneration is also used to reinforce, encourage and promote superior performance and achievement of organisational goals. The group's remuneration management is market-related, and market surveys and benchmarks are applied to maintain the system.

The board is responsible for making decisions regarding the remuneration of directors and the CEO, in turn, is responsible for decisions relating to total guaranteed remuneration and incentives of all employees. The remuneration committee receives these recommendations and advises the board on remuneration practices, makes recommendations on long-term employee incentives and submits all policy amendments to the board for approval.

SepHold 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. Key principles of the framework are to ensure that SepHold:

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

Positioning of the total guaranteed package is based on the individual/candidates'/employees' 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. With increased experience, learning and performance, the total guaranteed package will be adjusted based on the outcome of performance reviews.

The table below is a summary of the performance measurement criteria:

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

Remuneration policy and directors' emoluments continued

The table below summarises the main components of the reward package for all SepHold employees. CEMENT, as a subsidiary of Dangote, applies a different reward framework.

Objective and practice	Award size and performance period	
Guaranteed pay	<ul style="list-style-type: none"> • Remunerate above the market and industry average for key positions. • 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.
Short-term incentive	<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 ongoing support of the strategy. • The annual bonus is paid in cash in July each year for performance over the previous financial year. 	<ul style="list-style-type: none"> • Performance over the financial year is measured against targets set in the balanced scorecards. • Target bonus (30%, 50% and 75%) of the total guaranteed pay aligned with the level of a position as defined in the performance management policy.
Long-term incentive	<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. 	<ul style="list-style-type: none"> • Performance over three financial years is measured against targets for the performance period.

As the group is becoming firmly established as a manufacturer of building materials, the reward structure was reviewed during the last financial year to reflect the phase of commercial activity in the coming financial year.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Elements and purpose

We aim to attract and retain suitably skilled and experienced non-executive directors. An appropriate level of competitive remuneration is required to reward them for their time and expertise.

Non-executive directors are remunerated by way of an annual fee paid in recognition of membership of the board and its committees.

Non-executive directors, including the group chairperson, are not eligible to receive any other employment benefits or performance-related remuneration or any form of compensation for loss of office.

The fee structure is reviewed periodically and benchmarked annually to ensure proposed fees are appropriate against the external market and support the attraction and retention of high-quality non-executive directors.

DIRECTORS' AND PRESCRIBED OFFICER'S EMOLUMENTS

Fee structure 2016 – annual fee

	R
Chairman of the board	350 000
Independent non-executive	226 500

Proposed fee structure 2017 – annual fee

Chairman of the board	380 000
Independent non-executive	250 000

	Remuneration R	Performance bonus R	Travel allowances R	IFRS 2 staff cost relating to share-based payments vesting expense (non-cash) R	Total R
Executive 2016					
Dr L Mohuba	3 020 000	250 000	–	616 867	3 886 867
NR Crafford-Lazarus	2 875 040	250 000	144 960	888 909	4 158 909
RR Matju*	–	–	–	206 965	206 965
KJ Capes	2 728 550	2 391 867	–		5 120 417
	8 623 590	2 891 867	144 960	1 712 741	13 373 158

	Remuneration R	Transaction bonuses R	Performance bonuses R	Travel allowances R	IFRS 2 staff cost relating to share-based payments vesting expense (non-cash) R	Total R
2015						
Dr L Mohuba	2 547 028	–	234 360	–	478 443	3 259 831
NR Crafford-Lazarus	2 711 111	1 500 000	234 360	144 000	866 524	5 455 995
RR Matju*	82 039	–	–	10 005	165 679	257 723
KJ Capes	2 480 500	–	1 932 221	–	–	4 412 721
	7 820 678	1 500 000	2 400 941	154 005	1 510 646	13 386 270

* Remuneration is paid by SepFluor Limited who is no longer an associate.

Remuneration policy and directors' emoluments continued

	Fees for services as director R	Re- muneration R	Per- formance bonus R	Medical aid R	Allowances R	IFRS 2 Staff cost relating to share-based payments vesting expense (non-cash) R	Total R
Non-executive 2016							
B Williams	350 000	-	-	-	-	-	350 000
MG Mahlare	262 500	-	-	-	-	-	262 500
PM Makwana	262 500	-	-	-	-	-	262 500
MM Ngoasheng	262 500	-	-	-	-	-	262 500
PF Fourie	-	2 734 307	606 267	150 031	189 578	48 282	3 728 465
	1 137 500	2 734 307	606 267	150 031	189 578	48 282	4 865 965

	Fees for services as director R	Re- muneration R	Transaction bonus R	Pension fund R	Allowances R	IFRS 2 Staff cost relating to share-based payments vesting expense (non-cash) R	Total R
2015							
B Williams	320 000	-	-	-	-	-	320 000
MG Mahlare	240 000	-	-	-	-	-	240 000
PM Makwana	240 000	-	-	-	-	-	240 000
MM Ngoasheng	240 000	-	-	-	-	-	240 000
PF Fourie	-	2 436 839	1 500 000	213 516	270 793	143 035	4 564 183
	1 040 000	2 436 839	1 500 000	213 516	270 793	143 035	5 604 183

PF Fourie is a non-executive director of both SepHold and an executive director of CEMENT. All remuneration paid to him by the associate company, CEMENT, 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.

Shareholders' analysis

SHAREHOLDERS HOLDING GREATER THAN 5% OF THE ISSUED SHARE CAPITAL AT YEAR END

	Number of shares	%
Safika Resources Proprietary Limited Nominees	15 580 823	7,72

RANGE OF SHAREHOLDINGS

Share range	Number of shareholders	% of shareholders	Number of shares
1 - 1 000	715	30,81	304 793
1 001 - 10 000	999	43,04	4 140 202
10 001 - 50 000	346	14,91	8 659 008
50 001 - 100 000	92	3,96	6 588 465
100 001 - 500 000	106	4,57	27 543 900
500 001 - 1 000 000	21	0,90	13 867 008
1 000 001 shares and over	42	1,81	140 805 278
Total	2 321	100,00	201 908 654

PUBLIC AND NON-PUBLIC SHAREHOLDERS

	Shares held	%	Number of shareholders
Public	166 150 470	79,97	2 311
Non-public	35 758 184	20,03	10
- Directors' direct holdings	10 017 124	7,28	5
- Directors' indirect holdings	14 697 326	7,28	2
- Directors' associates	340 000	0,17	1
- Directors of a subsidiary's direct holdings	10 703 734	5,30	2
	201 908 654	100,00	2 321

Stated capital and related-party transactions

STATED CAPITAL

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
Authorised				
1 000 000 000 ordinary shares with no par value				
Issued – ordinary shares with no par value				
201 224 508 (2015: 189 872 979) shares at beginning of period	631 127 028	585 573 235	631 127 028	585 573 235
684 146 (2015: 11 351 529) shares issued during the period	1 823 127	45 553 793	1 823 127	45 553 793
201 908 654 (2015: 201 224 508) shares at end of period	632 950 155	631 127 028	632 950 155	631 127 028

311 952 (2015: 6 707 333) SepHold shares were issued during the year for a cash amount of R825 647 (2015: R16 514 952) relating to share options that were exercised by employees and directors.

372 194 (2015: 215 000) SepHold shares were issued at a value of R2,68 (2015: R2,50) for no cash consideration, in terms of the provisions of the Sephaku share incentive scheme, as a float to administer the share incentive scheme on behalf of identified SepHold employees.

4 429 196 shares were issued during the 2015 reporting period, in terms of a specific authority to the seller of Métier at a 60-day VWAP of 643,488 cents for no consideration as final settlement of the Métier acquisition.

SHARE-BASED PAYMENTS

	Number R	Weighted exercise price R	Total value R
Share options granted during 2008 year (30 June 2008 to 30 June 2011)	200 000	1,50	300 000
Exercised in prior periods	(200 000)		
Outstanding at 31 March 2015	-		
Outstanding at 31 March 2016	-		
Share options granted on 31 March 2008	5 740 000	2,50	14 350 000
Exercised and expired during prior period	(316 530)		
Exercised in 2014	(1 666 803)		
Exercised in 2015	(3 756 667)		
Outstanding at 31 March 2015	-		
Outstanding at 31 March 2016	-		
Share options granted on 15 October 2010	10 000 000	3,50	35 000 000
Exercised in 2014	(304 333)		
Exercised in 2015	(1 950 666)		
Outstanding at 31 March 2015	7 745 001		
Exercised in 2016	(298 639)		
Outstanding at 31 March 2016	7 446 362		

SHARE-BASED PAYMENTS continued

	Number R	Weighted exercise price R	Total value R
Share options granted on 29 June 2012	3 500 000	1,90	6 650 000
Exercised in 2014	-		
Exercised in 2015	(750 000)		
Outstanding at 31 March 2015	2 750 000		
Exercised in 2016	(13 313)		
Outstanding at 31 March 2016	2 736 687		
Share options granted on 31 August 2012	1 500 000	1,90	2 850 000
Exercised in 2014	-		
Exercised in 2015	(250 000)		
Outstanding at 31 March 2015	1 250 000		
Outstanding at 31 March 2016	1 250 000		
Share options granted on 10 December 2014	1 565 000	6,80	10 642 000
Exercised in 2014	-		
Exercised in 2015	-		
Outstanding at 31 March 2015	1 565 000		
Outstanding at 31 March 2016	1 565 000		
Share options granted on 31 March 2016	1 630 000	4,40	7 172 000
Exercised in 2016	-		
Outstanding at 31 March 2016	1 630 000		
Total outstanding at 31 March 2015	13 310 001		
Total outstanding at 31 March 2016	14 628 049		
Total exercisable at 31 March 2015	4 411 668		
Total exercisable at 31 March 2016	8 099 716		

Stated capital and related-party transactions continued

RELATED PARTIES

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
Related-party balances				
Loan accounts – Owning by/(to) related parties				
African Nickel Limited	2 000 000	2 000 000	2 000 000	2 000 000
Métier Mixed Concrete Proprietary Limited	-	-	(139 797 374)	(125 000 000)
Cross Company Management Proprietary Limited	10 694 456	10 504 391	10 694 456	10 504 391
Sephaku Cement Investment Holdings Limited	-	-	4 149	4 149
Amounts included in trade receivables/(trade payables) regarding related parties				
Cross Company Management Proprietary Limited	-	(5 394)	-	(5 394)
Meadowland Estates Proprietary Limited	-	565 377	-	-
Dangote Cement South Africa Proprietary Limited	-	1 380 099	-	-
Metransport Proprietary Limited	(1 757 890)	(12 449 270)	-	-
Dangote Cement South Africa Proprietary Limited	(9 920 460)	(109 279 370)	-	-
Provision for rent payable to related party				
Dangote Cement South Africa Proprietary Limited	-	(372 306)	-	(372 306)
Related-party transactions				
Sales to related parties				
Met X Concrete Products Proprietary Limited	626 467	-	-	-
Meadowland Estates Proprietary Limited	-	565 377	-	-
Metransport Proprietary Limited	5 534 192	5 019 465	-	-
Dangote Cement South Africa Proprietary Limited	6 546	1 210 613	-	-

RELATED PARTIES continued

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
Purchases from related parties				
Met X Concrete Products Proprietary Limited	1 875	-	-	-
Dangote Cement South Africa Proprietary Limited	113 696 966	95 859 095	-	-
Metransport Proprietary Limited	24 599 594	17 545 031	-	-
Rent paid to/(received from) related parties				
Plazatique Corp 27 CC	893 182	819 433	-	-
WKRD Properties Proprietary Limited	6 818 550	5 542 976	-	-
Métier Mixed Concrete Proprietary Limited	-	-	(955 319)	(955 319)
Dangote Cement South Africa Proprietary Limited	558 459	341 348	558 459	341 348
Fees paid to/(received from) related parties for management services, overheads and salaries				
Métier Mixed Concrete Proprietary Limited	-	-	(19 090 290)	(4 672 570)
Cross Company Management Proprietary Limited	167 443	25 230 969	167 443	12 490 609
Utilities paid to related parties				
Plazatique Corp 27 CC	506 946	412 690	-	-
WKRD Properties Proprietary Limited	2 461 929	1 415 370	-	-
Other general expenses paid to/(received from) related parties				
Métier Mixed Concrete Proprietary Limited	-	-	(3 000)	-
Metransport Proprietary Limited	199 391	-	-	-

Directors' responsibility statement and material changes statement

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 company's year end and up to the date of this notice.

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 notice of AGM remains valid only until the end of the AGM or any adjournment or postponement thereof.

Corporate information

DIRECTORS

B Williams* (chairman)

MG Mahlare*

PM Makwana*

MM Ngoasheng*

J Pitt*#

Dr L Mohuba^o (chief executive officer)

NR Crafford-Lazarus^o (financial director)

RR Matjiu^o

KJ Capes^o

PF Fourie

^o Executive

* Independent

Alternate

COMPANY SECRETARY

Acorim Proprietary Limited

Email: sephaku@acorim.co.za

Telephone: +27 11 325 6363

REGISTERED OFFICE

Southdowns Office Park

First Floor, Block A

Cnr Karee and John Vorster Streets

Irene, X54

0062

PO Box 7651

Centurion

0046

Website: www.sephakuholdings.com

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited

70 Marshall Street, Johannesburg, 2001

PO Box 61051, Marshalltown, 2107

Telephone: +27 11 370 5000

JSE SPONSOR

Questco Proprietary Limited

Telephone: +27 11 011 9200

AUDITORS

Grant Thornton Johannesburg Partnership

Chartered Accountants (SA)

Registered auditors

BANKERS

Nedbank

MÉTIER MIXED CONCRETE (WHOLLY OWNED SUBSIDIARY)

Physical address: Romead Business Park,

23 Malone Road, Maxmead, Durban, 3610

Postal address: Postnet Suite #546, Private Bag x4,

Kloof, 3640

Telephone: +27 31 716 3600/086 163 8437

Website: www.metiersa.co.za

DANGOTE CEMENT SOUTH AFRICA PROPRIETARY LIMITED (CEMENT) (ASSOCIATE)

(Previously Sephaku Cement Proprietary Limited)

Physical address: Southdowns Office Park,

Block A, Ground Floor

Cnr Karee and John Vorster Streets, Irene, X54, 0062

Postal address: PO Box 68149, Highveld, 0169

Telephone: +27 12 684 6300

Website: www.sephakucement.co.za

INVESTOR RELATIONS

Sakhile Ndlovu

Email: info@sepman.co.za

Telephone: +27 12 612 0210



SEPHAKU

HOLDINGS LTD

WWW.SEPHAKUHOLDINGS.COM