

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions commencing on page 5 apply throughout this Circular including this front cover.

If you are in any doubt as to what action you should take arising from this Circular, please consult your Broker, CSDP, banker, attorney, accountant or other professional adviser immediately.

Actions required

- 1 If you have disposed of all of your Seardel Shares, this Circular should be handed to the purchaser of such Seardel Shares or to the Broker, CSDP, banker, attorney or other agent through whom the disposal was effected.
- 2 Seardel Shareholders are referred to page 1 of this Circular, which sets out the actions required by them.



SEARDEL

INVESTMENT CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

Registration number: 1968/011249/06

N Shares share code: SRN; Ordinary Shares share code: SER

ISIN: ZAE000030144; ISIN: ZAE000029815

CIRCULAR TO SEARDEL SHAREHOLDERS

regarding:

- the Proposed Acquisition, (being the proposed acquisition of a 30% equity interest in Sabido Holdco from Sactwu) for the Purchase Consideration, (being R240 000 000), which is classified as a related party transaction in terms of the Listings Requirements;
- the increase in the authorised stated capital of the Company by creating 10 000 000 000 new no par value N Shares; and
- the General Meeting;

and incorporating:

- a notice convening the General Meeting; and
- a form of proxy to vote at the General Meeting (for use only by Certificated Seardel Shareholders and Own Name Dematerialised Seardel Shareholders).

Investment bank

Out of the Ordinary®



Joint corporate law advisers

T A B A C K S

Independent expert



Sponsor

Out of the Ordinary®



Joint corporate law advisers



Reporting accountants



Date of issue: 5 November 2013

This Circular is available in English only and copies hereof may be obtained from the registered offices of Seardel at the registered address set out in the "Corporate information and advisers" section of this Circular, during normal business hours on Business Days during the period from 5 November 2013 to 4 December 2013, both days inclusive.

CORPORATE INFORMATION AND ADVISERS

Directors of Seardel

J A Copelyn* (Non-executive Chairperson)
S A Queen (Chief Executive Officer)
G D T Wege (Financial Director)
M H Ahmed** (Lead Independent Director)
D Duncan
T G Govender*
A M Ntuli
Y Shaik**
R D Watson**

* Non-executive

** Independent non-executive

Registered office

1 Moorsom Avenue
Cnr Bofors Circle and Moorsom Avenue
Epping Industria II
7460
(PO Box 524, Eppindust, 7475)

Date and place of incorporation

25 September 1968, South Africa

Company secretary

HCI Managerial Services Proprietary Limited
(Registration number 1996/017874/07)
Block B
Longkloof Studios
Darters Road
Gardens
8001
(PO Box 5251, Cape Town, 8000)

Reporting accountants and auditors

Grant Thornton (Jhb)
(Registration number 2002/022635/07)
137 Daisy Street
Sandown
Johannesburg
2196
(Private Bag X28, Benmore, 2010)

Joint corporate law advisers

Taback and Associates Proprietary Limited
(Registration number 2000/010434/07)
13 Eton Road
Parktown
Johannesburg
2193
(PO Box 3334, Houghton, 2041)

Edward Nathan Sonnenbergs Inc.
(Registration number 2006/018200/21)
1 North Wharf Square
Loop Street
Foreshore
Cape Town
8001
(PO Box 2293, Cape Town, 8000)

Investment bank and sponsor

Investec Bank Limited
(Registration number 1969/004763/06)
100 Grayston Drive
Sandown
Sandton
2196
(PO Box 785700, Sandton, 2146)

Independent expert

BDO Corporate Finance Proprietary Limited
(Registration number 1983/002903/07)
22 Wellington Road
Parktown
2193
(Private Bag X60500, Houghton, 2041)

Transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
70 Marshall Street
Johannesburg
2001
(PO Box 61051, Marshalltown, 2107)

ACTIONS REQUIRED BY SEARDEL SHAREHOLDERS

This Circular is important and requires your immediate attention.

Please take careful note of the following provisions regarding the action required by Seardel Shareholders. If you are in any doubt as to what actions to take, please consult your Broker, CSDP, banker, attorney, accountant or other professional adviser immediately.

If you have disposed of all of your Seardel Shares, this Circular should be handed to the purchaser of such shares or to the Broker, CSDP, banker, attorney or other agent through whom the disposal was effected.

The General Meeting will be held at 10:00 on Wednesday, 4 December 2013 in the boardroom at Seardel's offices, 1 Moorsom Avenue, Epping Industria II, Cape Town, 7460 for purposes of considering and, if deemed fit, passing the special and ordinary resolutions required to authorise the implementation of the Proposed Acquisition. The notice convening the General Meeting is attached to and forms part of this Circular.

1 DEMATERIALISED SEARDEL SHAREHOLDERS WHO ARE NOT OWN NAME DEMATERIALISED SEARDEL SHAREHOLDERS

1.1 Voting at the General Meeting

- 1.1.1 Your Broker or CSDP should contact you to ascertain how you wish to cast your vote at the General Meeting and should thereafter cast your vote in accordance with your instructions.
- 1.1.2 If you have not been contacted by your Broker or CSDP, it is advisable for you to contact your Broker or CSDP and furnish it with your voting instructions.
- 1.1.3 If your Broker or CSDP does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your Broker or CSDP.
- 1.1.4 You must **not** complete the attached form of proxy.

1.2 Attendance and representation at the General Meeting

In accordance with the mandate between you and your Broker or CSDP, you must advise your Broker or CSDP if you wish to attend the General Meeting and if so, your Broker or CSDP will issue the necessary letter of representation to you to attend and vote at the General Meeting.

2 CERTIFICATED SEARDEL SHAREHOLDERS AND DEMATERIALISED SEARDEL SHAREHOLDERS WHO ARE OWN NAME DEMATERIALISED SEARDEL SHAREHOLDERS

Voting and attendance at the General Meeting

- 2.1 You may attend the General Meeting in person and may vote at the General Meeting.
- 2.2 Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the form of proxy attached in accordance with the instructions contained therein and returning it to the Transfer Secretaries, to be received by them, for administrative purposes, in the case of the General Meeting, by no later than 10:00 on Monday, 2 December 2013 (or delivered to the Company by hand by no later than 10:00 on Wednesday, 4 December 2013).

3 GENERAL

3.1 Approvals necessary for the implementation of the Proposed Acquisition at the General Meeting

The implementation of the Proposed Acquisition is subject, *inter alia*, to the approval by means of special and ordinary resolutions to be passed by Seardel Shareholders at the General Meeting in accordance with the Listings Requirements, the Companies Act and Seardel's MOI. In order to be approved, each special resolution must be adopted with the support of at least 75% of the voting rights exercised on such resolution at the General Meeting, and each ordinary resolution must be adopted with the support of more than 50% of the voting rights exercised on such resolution at the General Meeting.

3.2 Electronic participation in the General Meeting

Seardel Shareholders wishing to participate electronically in the General Meeting are required to deliver, by no later than 10:00 on Monday, 2 December 2013, a written notice to Seardel at Seardel's offices, 1 Moorsom Avenue, Epping Industria II, Cape Town, 7460 (marked for the attention of Seardel Investment Corporation Limited, Seardel Group company secretary) that they wish to participate via electronic communication at the General Meeting.

In order for the above-mentioned notice to be valid it must contain: (a) if the Seardel Shareholder is an individual, a certified copy of his/her identity document and/or passport; (b) if the Seardel Shareholder is not an individual, a certified copy of a resolution or letter of representation by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution or signed the relevant letter of representation. The letter of representation or resolution must set out who from the relevant entity is authorised to represent the entity at the General Meeting via electronic communication; (c) a valid e-mail address and/or facsimile number; and (d) confirmation of whether the Seardel Shareholder wishes to vote via electronic communication. Seardel shall use its reasonable endeavours to notify Seardel Shareholders wishing to participate in the General Meeting by way of electronic communication of the relevant details through which the shareholder can participate via electronic communication by no later than 24 hours before the General Meeting.

Should a Seardel Shareholder wish to participate in the General Meeting by way of electronic communication as mentioned above, such shareholder or his proxy, will be required to dial in to the dial-in facility on the date of the General Meeting. The dial-in facility will be linked to the venue at which the General Meeting will take place on the date of, from the time of commencement of, and for the duration of, the General Meeting, respectively. The dial-in facility will enable all persons to participate electronically in the General Meeting in this manner (and as contemplated in section 63(2) of the Companies Act) and to communicate concurrently with one another without an intermediary, and to participate reasonably effectively in the General Meeting. The costs borne by you or your proxy in relation to the dial-in facility will be for your own account.

3.3 Dematerialisation

If a Seardel Shareholder wishes to Dematerialise his Seardel Shares, he should contact his Broker or CSDP.

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IMPORTANT DATES AND TIMES

2013

Notice record date, being the date on which a Seardel Shareholder must be registered in the Register in order to be eligible to receive the notice convening the General Meeting, on	Friday, 25 October
Circular posted to Seardel Shareholders and notice convening the General Meeting released on SENS on	Tuesday, 5 November
Notice convening the General Meeting published in the South African press on	Wednesday, 6 November
Last day to trade Seardel Shares in order to be recorded in the Register to vote at the General Meeting (see note 2 below) on	Friday, 22 November
Record date for the General Meeting, being the date on which Seardel Shareholders must be registered in the Register in order to be eligible to attend and participate in the General Meeting and to vote thereat, by close of trade on	Friday, 29 November
Form of proxy (blue) in respect of the General Meeting to be lodged with the Transfer Secretaries, for administrative purposes, by 10:00, on (or may thereafter be lodged by hand with the Company prior to 10:00 on Wednesday, 4 December 2013)	Monday, 2 November
General Meeting to be held at 10:00 on	Wednesday, 4 December
Results of the General Meeting released on SENS on	Wednesday, 4 December

Notes:

- 1 The above dates and times are subject to amendment at the discretion of Seardel. Any such amendment will be released on SENS and published in the South African press.*
- 2 Seardel Shareholders should note that as transactions in Seardel Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place five Business Days after such trade. Therefore, Seardel Shareholders who acquire Seardel Shares after close of trade on Friday, 22 November 2013 will not be eligible to attend, participate in and to vote at the General Meeting.*
- 3 All dates and times indicated above are South African Standard Times.*

DEFINITIONS

In this Circular and the annexures attached hereto, unless otherwise stated or clearly indicated by the context, the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and *vice versa*, words importing one gender include the other genders and references to a person include references to a body corporate and *vice versa*:

“Board”	the board of directors of Seardel whose names appear in the “Corporate information and advisers” section of this Circular;
“Broker”	any person registered as a “broking member (equities)” in accordance with the provisions of the Financial Markets Act;
“Business Day”	a day other than a Saturday, Sunday or official public holiday in South Africa;
“Certificated Seardel Shares”	Seardel Shares represented by a share certificate or other physical document of title, which have not been surrendered for Dematerialisation in terms of the requirements of Strate;
“Circular”	this Circular to Seardel Shareholders, dated Tuesday, 5 November 2013, including the annexures hereto, the notice of General Meeting and the form of proxy;
“Companies Act”	the Companies Act, 2008 (Act No. 71 of 2008), as amended;
“CSDP”	a person that holds in custody and administers securities or an interest in securities and that has been accepted by a central securities depository as a participant in terms of section 31 of the Financial Markets Act;
“Dematerialisation”	the process by which securities held in certificated form are converted to or held in electronic form as uncertificated securities and recorded as such in a sub-register of securities holders maintained by a CSDP and “Dematerialised” shall bear the corresponding meaning;
“Dematerialised Seardel Shareholders”	those Seardel Shareholders who hold Dematerialised Seardel Shares;
“Dematerialised Seardel Shares”	Seardel Shares which have been Dematerialised;
“Directors”	directors for the time being of Seardel;
“Documents of Title”	in respect of Certificated Seardel Shares, share certificates, certified transfer deeds, balance receipts and/or any other form of documents of title acceptable to Seardel in respect of Seardel Shares;
“eSat.tv”	the business, wholly owned by Sabido, which was one of five successful bidders that was awarded a satellite pay television licence and which has entered into an agreement with Multichoice Africa Proprietary Limited to provide five television channels, including the eNews Channel, on the DSTv satellite pay television platform;
“e.tv”	South Africa’s first and only private commercial free-to-air television channel which is wholly-owned by Sabido
“Financial Markets Act”	the Financial Markets Act, 2012 (Act No. 19 of 2012);
“General Meeting”	the general meeting of Seardel Shareholders to be held in the boardroom at Seardel’s offices, 1 Moorsom Avenue, Epping Industria II, Cape Town, 7460 on Wednesday, 4 December 2013 at 10:00 for the purpose of considering and if thought fit, passing the special and ordinary resolutions set out in the notice of General Meeting forming part of this Circular;
“HCI”	Hosken Consolidated Investments Limited (registration number 1973/007111/06), a public company duly registered and incorporated in accordance with the company laws of South Africa, the issued ordinary share capital of which is listed on the JSE;
“Income Tax Act”	the Income Tax Act, 1962 (Act No. 58 of 1962), as amended;
“Independent Expert”	BDO Corporate Finance Proprietary Limited (registration number 1983/002903/07), a private company duly registered and incorporated in accordance with the company laws of South Africa;

“JSE”	JSE Limited (registration number 2005/022939/06), a public company duly registered and incorporated in accordance with the company laws of South Africa, and licensed to operate an exchange under the Financial Markets Act;
“Last Practicable Date”	the last practicable date prior to this finalisation of the Circular, being Monday, 28 October 2013;
“Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“MOI”	the memorandum of incorporation of Sear del;
“N Shareholders”	registered holders of N Shares as appearing on the main and sub-registers of Sear del;
“N Shares”	N ordinary shares having a no par value in the issued stated capital of Sear del, all of which shares are listed on the JSE, being 411 233 077 shares, of which 6 123 306 are held as treasury shares, at the Last Practicable Date. When voting on a poll, each N ordinary share entitles the holder thereof to one vote at Sear del general meetings;
“Ordinary Shareholders”	registered holders of Ordinary Shares as appearing on the main and sub-registers of Sear del;
“Ordinary Shares”	ordinary shares having no par value in the issued stated capital of Sear del, all of which shares are listed on the JSE, being 645 520 310, of which 14 704 938 are held as treasury shares, at the Last Practicable Date. When voting on a poll, each ordinary share entitles the holder thereof to 100 votes at Sear del general meetings;
“Own Name Dematerialised Sear del Shareholders”	those Sear del Shareholders that hold Dematerialised Sear del Shares in their own name, forming part of the Register;
“Purchase Consideration”	the purchase consideration stipulated in the Transaction Agreement of R240 000 000 payable by Sear del to Sactwu in respect of the Proposed Acquisition, which will be settled by the issue of 150 000 000 N Shares at R1.60 per N Share;
“Rand” or “R”	South African Rand, the official currency of South Africa;
“Register”	the securities register of Sear del Shareholders maintained by Sear del in terms of the Companies Act including the register of Certificated Sear del Shareholders and the sub-registers of Dematerialised Sear del Shareholders maintained by the relevant CSDPs in accordance with the Companies Act;
“Sabido”	Sabido Investments Proprietary Limited (registration number 1999/011709/07), a private company duly registered and incorporated in accordance with the company laws of South Africa, and a Subsidiary of HCI;
“Sabido Holdco”	HCI Invest 3 Holdco Proprietary Limited (registration number 2012/125138/07), a private company duly registered and incorporated in accordance with the company laws of South Africa and a Subsidiary of Sear del;
“Proposed Acquisition”	the acquisition by Sear del from Sactwu of 30% of the issued ordinary shares in Sabido Holdco for the Purchase Consideration;
“Sactwu”	the Southern African Clothing and Textile Workers Union;
“Sasani Studios”	a broadcast television and film studio and post production facility which is wholly-owned by Sabido;
“Sear del” or “the Company”	Sear del Investment Corporation Limited (registration number 1968/011249/06), a public company duly registered and incorporated in accordance with the company laws of South Africa, whose Ordinary Shares and N Shares are listed on the JSE;
“Sear del Group”	Sear del and its subsidiaries (as defined in the Listings Requirements);
“Sear del Shares”	together, the Ordinary Shares and the N Shares;
“Sear del Shareholders”	the registered holders of Sear del Shares as appearing on the main and sub-registers of Sear del;
“SENS”	the Securities Exchange News Service of the JSE;
“SGT”	Sear del Group Trading Proprietary Limited (registration number 1968/009480/07), a private company duly registered and incorporated in accordance with the company laws of South Africa, and a wholly-owned subsidiary of Sear del;
“South Africa”	the Republic of South Africa;

“Strate”	Strate Limited (registration number 1998/022242/06), a public company duly registered and incorporated in accordance with the company laws of South Africa, and a registered central securities depository responsible for the electronic custody and settlement system for transactions that take place on the JSE and off-market trades;
“Subsidiary”	a subsidiary as defined in the Companies Act;
“Transaction Agreement”	the agreement entered into between Seardel, Sactwu and Sabido Holdco setting out the terms and conditions of the Proposed Acquisition;
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company duly registered and incorporated in accordance with the company laws of South Africa; and
“Yfm”	the commercial radio broadcasting station known as Yfm, which is owned and operated by Yired Proprietary Limited, a wholly-owned subsidiary of Sabido.



SEARDEL

INVESTMENT CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

Registration number: 1968/011249/06

N Shares share code: SRN; Ordinary Shares share code: SER

ISIN: ZAE000030144; ISIN: ZAE000029815

Directors

J A Copelyn* (Non-executive Chairperson)

S A Queen (Chief Executive Officer)

G D T Wege (Financial Director)

M H Ahmed** (Lead Independent Director)

D Duncan

T G Govender*

A M Ntuli

Y Shaik**

R D Watson**

* Non-executive

** Independent non-executive

CIRCULAR TO SEARDEL SHAREHOLDERS

1 INTRODUCTION

SearDel has concluded the Transaction Agreement with Sactwu in terms of which SearDel will acquire Sactwu's 30% equity interest in Sabido Holdco for the Purchase Consideration which will be settled by the issue of 150 million new N Shares to Sactwu at R1,60 per N Share. Sabido Holdco holds a 63,9% interest in Sabido, which in turn holds investments in, *inter alia*, e.tv, the eNews Channel, Yfm and Sasani Studios.

The purpose of this Circular is to provide SearDel Shareholders with the relevant information relating to the Proposed Acquisition, and to give notice convening the General Meeting in order to consider and, if deemed fit, pass the special and ordinary resolutions necessary to approve and implement the Proposed Acquisition.

2 RATIONALE FOR THE PROPOSED ACQUISITION

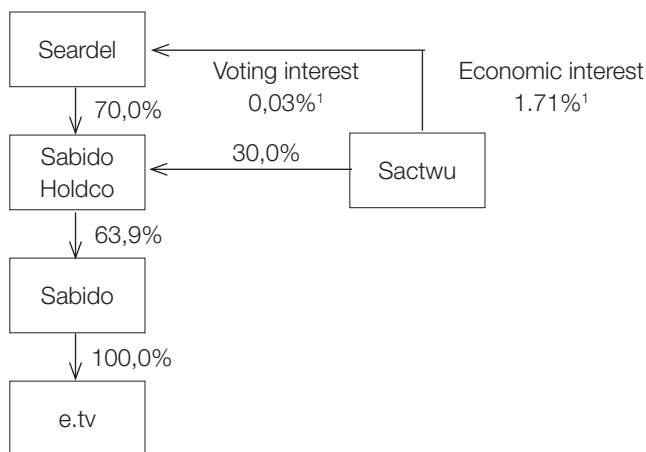
The Proposed Acquisition provides a number of strategic benefits to HCI, SearDel and their shareholders including:

- simplifying the group structure as, following the Proposed Acquisition, SearDel will hold all the issued shares of Sabido Holdco;
- increasing SearDel Shareholders' exposure to Sabido and its underlying investments; and
- increasing SearDel's BEE ownership by introducing Sactwu as a direct shareholder of SearDel.

From a Sactwu perspective, the Proposed Acquisition will ensure that it retains exposure to the highly cash-generative Sabido investment and will result in it holding an investment in N Shares with a listed reference price rather than unlisted shares in Sabido Holdco.

3 TERMS OF THE PROPOSED ACQUISITION

3.1 The current structure of Seardel and Sactwu's investment in Sabido is as follows:

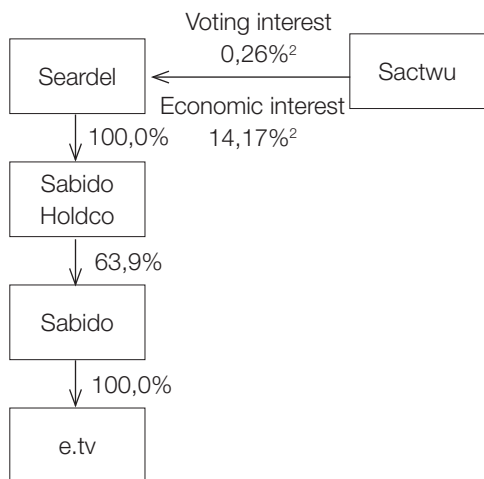


Note:

¹ Sactwu holds 17 659 320 N Shares prior to the conclusion of the Proposed Acquisition which equates to an effective economic and voting interest in Seardel of 1,71% and 0,03% respectively.

3.2 In terms of the Proposed Acquisition, Seardel will acquire Sactwu's 30% stake in Sabido Holdco in exchange for the issue by Seardel of 150 million new N Shares to Sactwu at R1,60 per N Share. The effective date of the Proposed Acquisition will be the fifth Business Day following the fulfilment (or waiver) of the conditions precedent to the Proposed Acquisition which are outlined in paragraph 5 below.

3.3 The Proposed Acquisition will simplify the Seardel Group structure and will result in Seardel holding 100% of Sabido Holdco with Sactwu acquiring additional listed N Shares such that after the implementation of the Proposed Acquisition, Seardel and Sactwu's investment in Sabido will be as follows:



Note:

² Sactwu will hold 167 659 320 (17 659 320 + 150 000 000) N Shares following the implementation of the Proposed Acquisition which equates to an effective economic and voting interest in Seardel of 14,17% and 0,26% respectively.

4 BACKGROUND INFORMATION ON SABIDO

4.1 Incorporation

Sabido was incorporated in South Africa on 4 June 1999 as a limited liability private company.

4.2 History and nature of the business

4.2.1 Sabido is a media group that grew out of the success of e.tv, South Africa's first and only private commercial free-to-air television channel, which launched in 1998 and which is wholly owned by Sabido. Sabido has holdings in a variety of broadcasting, content and production businesses.

- 4.2.2 e.tv is popular for its South African dramas, movies and local celebrity reality shows. e.tv's new website went live in January 2013 and provides the latest entertainment news as well as an On-Demand streaming service.
- 4.2.3 In 2008, following the success of the eNews bulletins on e.tv, Sabido launched e.Sat TV headed by its flagship channel eNews Channel Africa, South Africa's first 24-hour news channel available on DStv, and the SKY Digital Satellite Platform in the UK and Ireland. eNews is also streamed globally via Livestation.com. e.Sat TV also provides an Afrikaans language news service to kykNET.
- 4.2.4 In 2009 e.tv launched a syndicated pan-African entertainment channel, e.tv Africa, which broadcasts in 49 countries across the continent and has direct investments in broadcasting businesses in Botswana and Ghana.
- 4.2.5 In October 2013 e.tv launched OpenView HD which is a free-to-view satellite offering. OpenView HD will carry licensed free TV channels locally and, ultimately, in the rest of Africa. Viewers wishing to access the OpenView HD offering will need to purchase and install a satellite dish and set top box from retail outlets. Other than these initial set-up costs, the offering of approximately 15 channels will be free – making OpenView HD the first of its kind in South Africa.
- 4.2.6 Sabido also owns several other media-related businesses including Yfm, Cape Town Film Studios, The Refinery, Sasani Television Studios, Sabido Productions, and the Natural History Unit South Africa, which is a wildlife film-making business.

4.3 Prospects

Sabido will continue to expand its media business with investments in content production and distribution, as well as the launch of services across multiple platforms and territories.

5 CONDITIONS PRECEDENT TO THE PROPOSED ACQUISITION

- 5.1 At the Last Practicable Date, the Transaction Agreement remains subject to the fulfilment or waiver, *inter alia*, of the following conditions precedent:
 - 5.1.1 the obtaining of the approval of the JSE of:
 - 5.1.1.1 the documentation to be issued to Sear del Shareholders in connection with the Proposed Acquisition; and
 - 5.1.1.2 the listing of the N Shares to be issued to Sactwu as consideration in terms of the Proposed Acquisition;
 - 5.1.2 the obtaining of the approval of Sear del Shareholders for the Proposed Acquisition in accordance with the provisions of the Listings Requirements and the Companies Act;
 - 5.1.3 the obtaining of the consents of the bankers of Sear del and HCI to the Proposed Acquisition;
 - 5.1.4 the obtaining of such regulatory approvals as may be necessary; and
 - 5.1.5 the filing and registration by the Companies and Intellectual Property Commission of the special resolution amending the MOI in order to increase the number of N Shares in the authorised share capital of Sear del.
- 5.2 As the Proposed Acquisition is an acquisition from a related party of Sear del, in relation to the condition precedent set out in paragraph 5.1.2, Sactwu and its associates, as defined in the Listings Requirements, will be precluded from voting on the resolutions that specifically relate to the Proposed Acquisition. The votes of Sactwu will, however, be taken into account in determining whether a quorum of Sear del Shareholders is present at the General Meeting.

6 FINANCIAL EFFECTS

The table below sets out the *pro forma* financial effects of the Proposed Acquisition on the earnings, diluted earnings, headline earnings and diluted headline earnings per Sear del Share for the year ended 31 March 2013 and the net asset value and tangible net asset value per Sear del Share at that date.

The *pro forma* financial effects have been prepared in accordance with the Listings Requirements, the Guide on *Pro Forma* Financial Information issued by the South African Institute of Chartered Accountants ("SAICA"), ISAE 3420 and the measurement and recognition requirements of the International Financial Reporting Standards ("IFRS"). The accounting policies used to prepare the *pro forma* financial effects are consistent with those applied in the preparation of the financial statements for the year ended 31 March 2013.

The *pro forma* financial effects have been prepared for illustrative purposes only, in order to provide information on how the Proposed Acquisition may have affected the financial results and position of a Sear del Shareholder and, because of their nature, may not give a true reflection of the actual financial effects of the Proposed Acquisition. The *pro forma* financial effects are the responsibility of the Directors.

Per Seardel Share	Seardel's audited results to 31 March 2013	Before the Proposed Acquisition (cents) ¹	After the Proposed Acquisition (cents) ²	% Change	Notes
Earnings	6,0	9,4	10,3	9,6	3
Diluted earnings	5,8	9,2	10,1	9,8	3
Headline earnings	2,9	5,3	5,8	9,4	3
Diluted headline earnings	2,8	5,1	5,7	11,8	3
Net asset value	213,9	195,6	191,1	(2,3)	4
Tangible net asset value	212,0	(267,8)	(213,5)	20,3	4
Weighted average number of Seardel Shares in issue ('000)	685 310	1 035 310	1 185 310	14,5	
Diluted weighted average number of Seardel Shares in issue ('000)	710 913	1 060 913	1 210 913	14,1	
Number of Seardel Shares in issue ('000)	682 892	1 032 892	1 182 892	14,5	

Notes to the *pro forma* financial effects

- 1 The *Before the Proposed Acquisition* column reflects the earnings, diluted earnings, headline earnings, diluted headline earnings, net asset value and the tangible net asset value per Seardel Share based on the *pro forma* financial effects disclosed in the circular to Seardel Shareholders dated 10 July 2013.
- 2 The *After the Proposed Acquisition* column is based on Seardel's statement of comprehensive income and statement of financial position after taking into account the Proposed Acquisition.
- 3 The effects on earnings, diluted earnings, headline earnings and diluted headline earnings per Seardel Share are based on the following assumptions and information:
 - the Proposed Acquisition was effective 1 April 2012 and the 150 million new N Shares were issued at R1,60 per Seardel share on this date in settlement of the purchase price; and
 - the costs relating to the Proposed Acquisition, which are once-off in nature, have not been included in the calculation as they are not considered to have a significant impact.
- 4 The effects on net asset value and tangible net asset value per Seardel Share are based on the following assumptions:
 - the Proposed Acquisition was effective 31 March 2013 and the 150 million new N Shares were issued at R1,60 per Seardel share on this date in settlement of the purchase price; and
 - the costs relating to the Proposed Acquisition, which are once-off in nature, have not been included in the calculation as they are not considered to have a significant impact.
- 5 The Independent Reporting Accountant's limited assurance report on the *pro forma* financial information is included in Annexure II to this Circular.

7 OPINIONS AND RECOMMENDATIONS

- 7.1 In terms of the Listings Requirements, the Proposed Acquisition is a category 2 transaction. In addition, Sactwu is a related party of Seardel as defined in the Listings Requirements as a result of its shareholding in Sabido Holdco and HCI, Seardel's holding company. The Proposed Acquisition, therefore, constitutes a related party transaction for the purposes of the Listings Requirements. Accordingly, Seardel Shareholders are required to approve the Proposed Acquisition by means of an ordinary resolution to be passed by Seardel Shareholders other than Sactwu and its associates. In addition, a fairness opinion relating to the fairness of the terms and conditions of the Proposed Acquisition is required in terms of the Listings Requirements.
- 7.2 The Directors have appointed the Independent Expert to provide the fairness opinion on the Proposed Acquisition, which is contained in Annexure III to this Circular.
- 7.3 The Independent Expert has advised that it has considered the terms and conditions of the Proposed Acquisition, and at the Last Practicable Date its opinion and advice to the Board is that the terms and conditions of the Proposed Acquisition are fair to Seardel Shareholders.
- 7.4 The Board has considered the terms and conditions of the Proposed Acquisition and, taking into account the fairness opinion by the Independent Expert, is of the opinion that the terms and conditions thereof are fair and reasonable to Seardel Shareholders. Accordingly, the Board recommends to Seardel Shareholders that they vote in favour of the resolutions to be considered at the General Meeting. The Directors who hold Seardel Shares intend to vote in favour of the resolutions at the General Meeting in respect of the Seardel Shares held by them.

8 MATERIAL CHANGES

Other than the acquisition of a 70% interest in Sabido Holdco, details which are set out in the circular to Seardel Shareholders dated 10 July 2013 and the Proposed Acquisition, which is the subject of this Circular, there are no material changes to the financial or trading position of the Seardel Group since the publication of Seardel's audited results for the year ended 31 March 2013.

9 MATERIAL CONTRACTS

There are no material contracts entered into otherwise than in the ordinary course of business, within the two years prior to the date of this Circular or entered into at any time and containing an obligation or settlement that is material to Seardel Shareholders, other than the acquisition of a 70% interest in Sabido Holdco which was disclosed in the circular to Seardel Shareholders dated 10 July 2013.

10 DIRECTORS' INFORMATION

10.1 Directors' interests

10.1.1 The Directors' interests in Seardel Shares, at the Last Practicable Date, were as follows:

Director	Direct Ordinary Shares	Indirect Ordinary Shares	Indirect N Shares	Total Seardel Shares	Percentage of Seardel Shares (%)	Percentage of voting rights (%)
Executive directors						
S A Queen	–	2 389 582	6 486	2 396 068	0,23	0,38
G D T Wege	1 123 750	–	–	1 123 750	0,11	0,18
A M Ntuli	–	1 220	28	1 248	0,00	0,00
D Duncan	1 136 625	–	–	1 136 625	0,11	0,18
Total	2 260 375	2 390 802	6 514	4 657 691	0,45	0,74
Non-executive directors						
Y Shaik	–	72 391	1 645	74 036	0,01	0,01
T G Govender	–	730 443	16 594	747 037	0,07	0,12
J A Copelyn	–	22 490 075	510 938	23 001 013	2,23	3,56
Total	–	23 292 909	529 177	23 822 086	2,31	3,69

10.1.2 The Directors' interest in Seardel Shares after the Proposed Acquisition will be:

Director	Direct Ordinary Shares	Indirect Ordinary Shares	Indirect N Shares	Total Seardel Shares	Percentage of Seardel Shares (%)	Percentage of voting rights (%)
Executive directors						
S A Queen	–	2 389 582	6 486	2 396 068	0,20	0,38
G D T Wege	1 123 750	–	–	1 123 750	0,09	0,18
A M Ntuli	–	1 220	28	1 248	0,00	0,00
D Duncan	1 136 625	–	–	1 136 625	0,10	0,18
Total	2 260 375	2 390 802	6 514	4 657 691	0,39	0,74
Non-executive directors						
Y Shaik	–	72 391	1 645	74 036	0,01	0,01
T G Govender	–	730 443	16 594	747 037	0,06	0,12
J A Copelyn	–	22 490 075	510 938	23 001 013	1,94	3,55
Total	–	23 292 909	529 177	23 822 086	2,01	3,68

10.2 Directors' interests in transactions

None of the Directors had any interest, direct or indirect, in any transaction effected by Seardel during the current or immediately preceding financial year or in an earlier year and which remains in any respect outstanding or unperformed.

11 MAJOR BENEFICIAL SEARDEL SHAREHOLDERS

11.1 In so far as is known to the Directors, the Seardel Shareholders (other than Directors) that, directly or indirectly, are beneficially interested in 5% or more of the issued Seardel Shares, together with the amount of each such Seardel Shareholder's interest as at the Last Practicable Date are as follows:

Before the Proposed Acquisition

Shareholder	Direct number of Ordinary Shares	Indirect number of Ordinary Shares	Direct number of N Shares	Indirect number of N Shares	Percentage of Seardel Shares (%)	Percentage of voting rights (%)
HCI	509 734 821	–	361 580 352	–	84,36	81,25
Sactwu	–	–	17 659 320	–	1,71	0,03
36One	32 042 000	–	10 070 030	–	4,08	5,09
Ceejay Trust	32 778 542	–	5 536 334	–	3,71	5,20

After the Proposed Acquisition

The major beneficial shareholdings post the Proposed Acquisition will be as follows:

Shareholder	Direct number of Ordinary Shares	Indirect number of Ordinary Shares	Direct number of N Shares	Indirect number of N Shares	Percentage of Seardel Shares (%)	Percentage of voting rights (%)
HCI	509 734 821	–	361 580 352	–	73,66	81,06
Sactwu	–	–	167 659 320	–	14,17	0,26
36One	32 042 000	–	10 070 030	–	3,56	5,08
Ceejay Trust	32 778 542	–	5 536 334	–	3,24	5,18

11.2 As at the Last Practicable Date, HCI is the controlling shareholder of Seardel. There will be no change in the controlling shareholder as a result of the Proposed Acquisition. Seardel is a Subsidiary of HCI. HCI became the controlling shareholder of Seardel following the rights offer undertaken by Seardel which was announced on 25 June 2008.

12 LITIGATION STATEMENT

There are no legal or arbitration proceedings which may have, or have had in the past 12 months, a material effect on the financial position of Seardel or its Subsidiaries, Sabido Holdco or Sabido, other than as set out below. Seardel and its Subsidiaries, Sabido Holdco and Sabido are not aware of any other such proceedings that are pending or threatened.

12.1 Litigation against former directors and officers of Seardel and entities controlled by those persons

12.1.1 In March 2012 the Seardel Group settled various litigation proceedings and claims against former directors and officers of Seardel and entities controlled by those persons.

12.1.2 In terms of the settlement, the Seardel Group was to obtain the following assets:

12.1.2.1 Loan claims totalling R98,6 million being ceded to SGT.

12.1.2.2 The following properties being transferred to SGT:

- Erf 32504, Cape Town, 36 Gunner's Circle, Epping Industria I;
- Erven 62852, 63187, 62835 and 62836, Cape Town, situate at 20, 22/24, 26 and 29 Induland Crescent, Lansdowne; and
- remaining extent of Erf 27412, Observatory, situate at corner Main Road and Browning Road, Observatory, Cape Town.

12.1.2.3 The trustees for the time being of The A Searl Descendants Trust and Grawood Investments Proprietary Limited transferring to SGT the following Ordinary Shares and N Shares held in Seardel at their closing value on 9 February 2012 being 81 cents per Ordinary Share and 76 cents per N Share:

- 14 513 649 Ordinary Shares in the issued share capital of Seardel;
- 11 885 606 N Shares in the issued share capital of the Seardel; and
- the total income derived from the transfer of the Ordinary Shares and the N Shares amounts to R20,8 million.

12.1.2.4 A cash payment of R10 million to SGT.

12.1.3 The aggregate consideration attributable to the settlement was approximately R247.0 million.

12.2 Litigation regarding Erf 27412, Observatory, situate at corner Main Road and Browning Road, Observatory, Cape Town

- 12.2.1 The settlement referred to in paragraph 12.1 involved the transfer to SGT of Erf 27412, Observatory, situate at the corner Main Road and Browning Road, Observatory, Cape Town.
- 12.2.2 The transfer of the property was the subject of separate litigation by and against unrelated third parties. Judgement was delivered in the Company's favour in relation to the separate litigation and the subsequent application of the third party for leave to appeal was ultimately dismissed by the Supreme Court of Appeal.
- 12.2.3 As a result the Company has taken the necessary steps to effect transfer of the property. The estimated market value of the property is R38,7 million with a total lettable area of approximately 15 252 m².

13 COSTS

The expenses (exclusive of value-added tax) that are estimated to be incurred by Seardel pursuant to the Proposed Acquisition are set out in the table below:

Description	Estimated amount (Rand)
Investment bank and sponsor – Investec Bank	500 000
Legal and other advisory fees – Taback and Associates Proprietary Limited	75 000
Legal and other advisory fees – Edward Nathan Sonnenbergs Incorporated	60 000
Printing and related costs	40 408
Independent report – the Independent Expert	100 000
Independent reporting accountants' fees – Grant Thornton South Africa	30 000
JSE documentation fees	16 450
JSE listing fees	95 542
Total	917 400

14 CONSENTS

The corporate law advisers, Independent Expert, investment bank, reporting accountants, sponsor and Transfer Secretaries have consented in writing to act in the capacities stated in this Circular and to their names being stated in this Circular, and have not withdrawn their consent prior to the publication of this Circular.

15 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, collectively and individually, accept full responsibility for the accuracy of the information given in this Circular in relation to the Seardel Group and certify that, to the best of their knowledge and belief, no material facts have been omitted which would make any statement in this Circular false or misleading, that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law and the Listing Requirements.

16 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection during normal business hours at the registered offices of Seardel, Investec Bank Limited and the Transfer Secretaries from 5 November 2013 to 4 December 2013:

- the consolidated audited financial statements of Seardel for the three financial years ended 31 March 2011, 31 March 2012 and 31 March 2013;
- independent reporting accountant's limited assurance report on the *pro forma* financial information of Seardel;
- the fairness opinion of the Independent Expert in compliance with the Listings Requirements;
- the MOI and the Memoranda of Incorporation of Seardel's Subsidiaries;
- the material contracts referred to in paragraph 9;
- the consent letters referred to in paragraph 14;
- the Transaction Agreement; and
- this Circular.

By order of the Board

S A Queen
Chief Executive Officer

G D T Wege
Financial Director

Registered office
1 Moorsom Avenue
Epping Industria II
Cape Town
7460

PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The *pro forma* financial effects of the Proposed Acquisition are the responsibility of the Directors of Seardel. The *pro forma* financial effects are presented in accordance with the Listings Requirements, the Guide on *Pro Forma* Financial Information issued by SAICA, ISAE 3420 and the measurement and recognition requirements of IFRS. The accounting policies used to prepare the *pro forma* financial effects are consistent with those applied in the preparation of the financial statements for the year ended 31 March 2013.

The *pro forma* financial effects have been presented for illustrative purposes only and, because of their nature, may not give a fair reflection of Seardel's statement of financial position, statement of comprehensive income, statement of changes in equity and the statement of cash flow post the implementation of the Proposed Acquisition. The *pro forma* adjustments to the statement of financial position have been calculated on the assumption that the Proposed Acquisition was implemented on 31 March 2013, being the last day of the financial year ending 31 March 2013. The *pro forma* adjustments to the statement of comprehensive income have been calculated on the assumption that the Proposed Acquisition was implemented on 1 April 2012, being the first day of the financial year ending 31 March 2013.

The Reporting Accountant's report on the *pro forma* financial information appear in Annexure II to this Circular.

The tables below set out the *pro forma* financial effects of the Proposed Acquisition based on the *pro forma* financial effects disclosed in the circular to Seardel Shareholders dated 10 July 2013:

Pro forma financial effects of the Proposed Acquisition:

Statements of Comprehensive Income

	Seardel audited results to 31 March 2013 (R'000s)	<i>Pro forma</i> adjustments per 10 July 2013 circular (R'000s)	Before the Proposed Acquisition (R'000s) ¹	<i>Pro forma</i> adjustments (R'000s) ^{2, 3}	After the Proposed Acquisition (R'000s)
Revenue	2 513 486	2 117 812	4 631 298	–	4 631 298
Gross profit	546 411	1 377 555	1 923 966	–	1 923 966
Operating profit before impairments and restructuring and retrenchment costs	60 218	734 139	794 357	–	794 357
Net impairment reversal/(impairment) of assets	21 885	(3 033)	18 852	–	18 852
Restructuring and retrenchment costs	(2 245)	–	(2 245)	–	(2 245)
Operating profit before finance costs	79 858	731 106	810 964	–	810 964
Finance income	2 971	–	2 971	–	2 971
Preference share costs	–	(271 513)	(271 513)	–	(271 513)
Finance expenses	(43 095)	(17 953)	(61 048)	–	(61 048)
Profit before taxation	39 734	441 640	481 374	–	481 374
Income tax income	1 117	(213 660)	(212 543)	–	(212 543)
Profit for the year from continuing operations	40 851	227 980	268 831	–	268 831
Profit for the year from discontinued operations	–	49 588	49 588	–	49 588
Income for the year	40 851	277 568	318 419	–	318 419
Other comprehensive income/(loss):					
Revaluation of land and buildings	23 489	–	23 489	–	23 489
Exchange difference in translating foreign operations	–	865	865	–	865
Reclassification of exchange differences on disposal of foreign operations	–	6 904	6 904	–	6 904
Post-employment medical benefit – actuarial loss	(5 733)	–	(5 733)	–	(5 733)
Other comprehensive income for the year	17 756	7 769	25 525	–	25 525
Total comprehensive income for the year	58 607	285 337	343 944	–	343 944

	Note	Seardel audited results to 31 March 2013 (R'000s)	Pro forma adjustments per 10 July 2013 circular (R'000s)	Before the Proposed Acquisition (R'000s) ¹	Pro forma adjustments (R'000s) ^{2,3}	After the Proposed Acquisition (R'000s)
Income attributable to:						
Equity holders of the parent	3	40 851	56 580	97 431	24 248	121 679
Non-controlling interests	3	–	220 988	220 988	(24 248)	196 740
Income for the year		40 851	277 568	318 419	–	318 419

Income attributable to equity holders of the parent

		40 851	56 580	97 431	24 248	121 679
Net impairment of assets		(21 885)	1 220	(20 665)	523	(20 142)
Remeasurements of investment property		2 161	–	2 161	–	2 161
Surplus on disposal of property, plant and equipment		(2 099)	–	(2 099)	–	(2 099)
Loss on disposal of property, plant and equipment		1 012	175	1 187	75	1 262
Foreign currency translation reserve recycled		–	3 086	3 086	1 323	4 409
Capital gains taxation from disposal/part of subsidiary		–	274	274	118	392
Profit from disposal/part of subsidiary		–	(26 851)	(26 851)	(11 507)	(38 358)
Headline earnings		20 040	34 484	54 524	14 780	69 304

Weighted average number of shares – basic (000's)	4	685 310	350 000	1 035 310	150 000	1 185 310
Weighted average number of shares – diluted (000's)	4	710 913	350 000	1 060 913	150 000	1 210 913
Earnings per Seardel Share (cents)	4	6,0	3,4	9,4	0,9	10,3
Diluted earnings per Seardel Share (cents)	4	5,8	3,4	9,2	0,9	10,1
Headline earnings per Seardel Share (cents)	4	2,9	2,4	5,3	0,5	5,8
Diluted headline earnings per Seardel Share (cents)	4	2,8	2,3	5,1	0,6	5,7

Notes to the pro forma financial effects – statements of comprehensive income

- 1 The *Before the Proposed Acquisition* column reflects the consolidated statement of the comprehensive income of Seardel, including the earnings, diluted earnings, headline earnings and diluted headline earnings per Seardel Share based on the *pro forma* financial effects disclosed in the circular to Seardel Shareholders dated 10 July 2013.
- 2 The *After the Proposed Acquisition* column is based on Seardel's statement of comprehensive income after taking into account the Proposed Acquisition.
- 3 The increase in the earnings attributable to equity holders of the parent and the decrease in the non-controlling interest is attributable to the increase in the earnings of Seardel relating to the additional 30% of earnings of Sabido Holdco, which is consolidated with effect from 1 April 2012.
- 4 The effects on earnings, diluted earnings, headline earnings and diluted headline earnings per Seardel Share are based on the following assumptions and information:
 - 4.1 the Proposed Acquisition was effective 1 April 2012 and the 150 million new N Shares were issued at R1,60 per Seardel Share on this date in settlement of the purchase price;
 - 4.2 Sabido Holdco was consolidated with effect from 1 April 2012;
 - 4.3 the administrative expenses relating to the Proposed Acquisition as set out in paragraph 13 of this Circular, which are once-off in nature, have not been included in the calculation as they are not considered to have a significant impact.
- 5 The Independent Reporting Accountant's limited assurance report on the *pro forma* financial information is included in Annexure II to this Circular.

Pro forma financial effects of the Proposed Acquisition:

Statements of financial position

	Seardel audited results to 31 March 2013 (R'000s)	<i>Pro forma</i> adjustments per 10 July 2013 circular (R'000s)	Before the Proposed Acquisition (R'000s) ¹	<i>Pro forma</i> adjustments (R'000s) ^{2,3}	After the Proposed Acquisition (R'000s)
ASSETS					
Non-current assets	1 385 957	5 481 557	6 867 481		6 867 481
Plant and equipment	335 876	184 685	520 561	-	520 561
Goodwill	-	4 501 509	4 501 476	-	4 501 476
Owner occupied properties	418 605	384 516	803 121	-	803 121
Investment properties	525 229	-	525 229	-	525 229
Intangible assets	13 030	271 896	284 926	-	284 926
Other investments	3 580	73 046	76 626	-	76 626
Long-term receivables	47 544	-	47 544	-	47 544
Financial assets	-	52 768	52 768	-	52 768
Deferred tax asset	42 093	13 137	55 230	-	55 230
Current assets	1 138 682	779 447	1 918 129	-	1 918 129
Non-current assets held for sale	2 295	-	2 295	-	2 295
Programming rights	-	246 029	246 029	-	246 029
Inventories	627 768	21 768	649 536	-	649 536
Trade and other receivables	504 788	385 402	890 190	-	890 190
Financial assets	-	26 480	26 480	-	26 480
Current tax asset	1 594	6 081	7 675	-	7 675
Deferred lease asset	-	424	424	-	424
Cash and cash equivalents	2 237	93 263	95 500	-	95 500
Total assets	2 524 639	6 261 004	8 785 610	-	8 785 610
EQUITY AND LIABILITIES					
Total equity attributable to equity holders	1 460 586	1 302 250	2 762 804	-	2 762 804
Share capital and share premium	312 156	560 000	872 156	240 000	1 112 156
Treasury shares	(17 794)	-	(17 794)	-	(17 794)
Reserves	1 166 224	-	1 166 224	-	1 166 224
	1 460 586	560 000	2 020 586	240 000	2 260 586
Non-controlling interest: NCI	-	742 250	742 218	(240 000)	502 218
Non-current liabilities	93 662	4 610 705	4 704 367	-	4 704 367
Deferred tax liability	8 400	17 048	25 448	-	25 448
Preference share liability	-	4 436 486	4 436 486	-	4 436 486
Post-employment medical aid benefits	84 388	-	84 388	-	84 388
Interest-bearing liabilities	756	157 171	157 927	-	157 927
Operating lease accruals	118	-	118	-	118
Current liabilities	970 391	348 048	1 318 439	-	1 318 439
Post-employment medical aid benefits	5 045	-	5 045	-	5 045
Interest-bearing liabilities	298	33 068	33 366	-	33 366
Trade and other payables	460 008	286 470	746 478	-	746 478
Provisions	355	25 914	26 269	-	26 269
Taxation payable	-	2 596	2 596	-	2 596
Bank overdrafts	504 685	-	504 685	-	504 685
Total liabilities	1 064 053	4 958 753	6 022 806	-	6 022 806
Total equity and liabilities	2 524 639	6 261 004	8 785 610	-	8 785 610
Net number of shares in issue (000's)	682 892	350 000	1 032 892	150 000	1 182 892
Net asset value per Seardel Share (cents)	213,9	(18,3)	195,6	(4,5)	191,1
Tangible net asset value per Seardel Share (cents)	212,0	(479,8)	(267,8)	54,3	(213,5)

Notes to the *pro forma* financial effects – statements of financial position

- 1 The *Before the Proposed Acquisition* column reflects the consolidated statement of financial position of Seardel, including the net asset value and the tangible net asset value per Seardel Share, based on the *pro forma* financial effects disclosed in the circular to Seardel Shareholders dated 10 July 2013.
- 2 The *After the Proposed Acquisition* column is based on Seardel's statement of financial position after taking into account the Proposed Acquisition.
- 3 The effects on net asset value and tangible net asset value per Seardel Share are based on the following assumptions:
 - 3.1 the Proposed Acquisition was effective 31 March 2013 and the 150 million new N Shares were issued at R1,60 per Seardel Share on this date in settlement of the purchase price;
 - 3.2 Sabido Holdco was consolidated with effect from 31 March 2013;
 - 3.3 the administrative expenses relating to the Proposed Acquisition as set out in paragraph 13 of this Circular, which are once-off in nature, have not been included in the calculation as they are not considered to have a significant impact.
- 4 The Independent Reporting Accountant's limited assurance report on the *pro forma* financial information is included in Annexure II to this Circular.

**INDEPENDENT REPORTING ACCOUNTANT'S LIMITED ASSURANCE REPORT ON THE
PRO FORMA FINANCIAL INFORMATION OF SEARDEL**

25 October 2013
The Directors
Seardel Investment Corporation Limited
1 Moorsom Avenue
Cnr Bofors Circle and Moorsom Avenue
Epping Industria II
7460

Dear Sirs

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF THE PRO FORMA
FINANCIAL INFORMATION OF SEARDEL INVESTMENT CORPORATION LIMITED ("SEARDEL" OR "THE COMPANY")**

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Seardel prepared by the Directors. The *pro forma* financial information, as set out in paragraph 6 and Annexure I of the Circular, consists of the *pro forma* statement of financial position and the *pro forma* statement of comprehensive income of Seardel and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited ("JSE") Listings Requirements.

The *pro forma* financial information has been compiled by the Directors to illustrate the impact of the corporate action or event, described in the Circular, on the Company's financial position as at 31 March 2013, and the Company's financial performance for the period then ended, as if the corporate action or event had taken place at 31 March 2013 and for the period then ended. As part of this process, information about the Company's financial position and financial performance has been extracted by the Directors from the Company's reviewed consolidated condensed results announcement for the period ended 31 March 2013 issued on 23 May 2013.

DIRECTORS' RESPONSIBILITY FOR THE PRO FORMA FINANCIAL INFORMATION

The Directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 6 and Annexure I of the Circular.

REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the Directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a Circular which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of *pro forma* financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 6 and Annexure I of the Circular.

CONSENT

This report on the *pro forma* financial information is included solely for the information of Seardel Shareholders. We consent to the inclusion of our report on the *pro forma* financial information and the references thereto, in the form and context in which they appear.

Yours faithfully

Grant Thornton (Jhb) Inc.

Duncan Church
Director
Registration number 2002/022635/07
Registered Auditors
Chartered Accountants (SA)
137 Daisy Street
Sandown
Johannesburg
2196

FAIRNESS OPINION REQUIRED IN TERMS OF THE LISTINGS REQUIREMENTS

29 October 2013
The Directors
Seardel Investment Corporation Limited
1 Moorsom Avenue
Cnr Bofors Circle and Moorsom Avenue
Epping Industria II
7460

Dear Sirs

REPORT OF THE INDEPENDENT PROFESSIONAL EXPERT TO SEARDEL REGARDING THE PROPOSED ACQUISITION BY SEARDEL OF THE REMAINING 30% INTEREST IN SABIDO HOLDCO FROM SACTWU AND ISSUE TO SACTWU OF 150 MILLION NEW N SHARES IN SEARDEL AS CONSIDERATION

INTRODUCTION

BDO Corporate Finance has been appointed by the Board of Directors (“the Directors”) of Seardel to provide an independent fairness opinion to the Shareholders of Seardel with regard to the proposed acquisition in the remaining 30% interest in HCI Invest 3 Holdco Proprietary Limited (“Sabido Holdco”) from Sactwu (the “Transaction”). The purchase price will be settled by Seardel by the allotment and issue to Sactwu of 150 million new N ordinary shares in Seardel (“N Shares”) (the “Purchase Consideration”).

FAIRNESS OPINION REQUIRED IN TERMS OF THE JSE LISTINGS REQUIREMENTS

Sactwu currently holds 30% in Sabido Holdco with the balance of 70% held by Seardel and is a related party to Seardel as defined in section 10.1(b)(i) of the JSE Limited (“JSE”) Listings Requirements read together with the definition of material shareholder. In terms of section 10 of the JSE Listings Requirements, the Directors of Seardel are required to provide the JSE with written confirmation from an Independent Professional Expert that the terms of the Transaction are fair in so far as the Shareholders of Seardel are concerned (“the Fairness Opinion”).

RESPONSIBILITY

Compliance with the JSE Listings Requirements is the responsibility of the Directors. Our responsibility is to report to the Directors and Shareholders of Seardel on the fairness of the terms of the Transaction.

EXPLANATION AS TO HOW THE TERM “FAIR” APPLIES IN THE CONTEXT OF THE TRANSACTION

Schedule 5.7 of the JSE Listings Requirements states that the “fairness” of a transaction is based on quantitative issues. In the case of the acquisition of an asset from a related party, a transaction may be said to be fair if the value of the consideration paid is less than or equal to the value of the asset that is the subject of the transaction.

The Transaction would therefore be considered fair to the Shareholders of Seardel if the consideration paid in respect of the Transaction is less than or equal to the value of the shares in Sabido Holdco acquired, or unfair if the consideration payable is more than the value of the shares acquired.

DETAILS AND SOURCES OF INFORMATION

In arriving at our opinion we have relied upon the following principal sources of information:

- the sale of Sabido SPV Shares Agreement concluded between Sactwu, Seardel and Sabido Holdco;
- audited annual reports of Seardel for the years ended 31 March 2010, 2011, 2012 and 2013;
- unaudited management accounts of Seardel for the five months ended 31 August 2013;
- Seardel’s forecast for the year ended 31 March 2014;
- Seardel’s forecasts for the financial years 2015 – 2017;
- trial balance of Sabido Holdco for the five months ended 31 August 2013;

- audited annual financial statements of Sabido Holdco for the year ended 31 March 2013;
- audited annual financial statements of Sabido for the year ended 31 March 2013;
- unaudited management accounts of Sabido for the five months ended 31 August 2013;
- budget financial information of Sabido for the year ending 31 March 2014;
- discussions with Seardel Directors and management regarding the rationale for the Transaction;
- discussions with Seardel and Sabido directors and management regarding the historical, budgeted and forecast financial information;
- discussions with Seardel and Sabido directors and management on prevailing market, economic, legal and other conditions which may affect underlying value; and
- publicly available information relating to Seardel and Sabido for the markets in which they operate.

The information above was secured from:

- Directors and management of Seardel and their advisers;
- directors and management of Sabido; and
- third-party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing, Seardel and Sabido.

PROCEDURES

In arriving at our opinion we have undertaken the following procedures and taken into account the following factors in evaluating the fairness of the Transaction:

- reviewed the terms and conditions of the Transaction;
- reviewed the audited and unaudited financial information related to Seardel, as detailed above;
- reviewed the audited and unaudited financial information related to Sabido and Sabido Holdco, as detailed above;
- reviewed and obtained an understanding from management as to the forecast financial information of Seardel and assessed the achievability thereof by considering historic information as well as macroeconomic and sector-specific data;
- reviewed and obtained an understanding from management as to the forecast financial information of Sabido and assessed the achievability thereof by considering historic information as well as macroeconomic and sector-specific data;
- held discussions with the Directors of Seardel and considered such other matters as we consider necessary, including assessing the prevailing economic and market conditions and trends;
- held discussions with the Directors of Sabido and considered such other matters as we consider necessary, including assessing the prevailing economic and market conditions and trends;
- compiled forecast cash flows for Seardel by using the historic and forecast financial information as detailed above and by applying BDO Corporate Finance's assumptions in respect of growth in revenue and operating profits. Applied BDO Corporate Finance's assumptions of cost of capital to the forecast cash flows to produce a discounted cash flow valuation for Seardel;
- compiled a capitalisation of maintainable earnings valuation for Seardel by using adjusted historical and forecast financial information and applied BDO Corporate Finance's calculated earnings multiples based on market comparables to revenue, earnings before interest and tax ("EBIT"), earnings before interest, taxation, depreciation and amortisation ("EBITDA") and profit after tax ("PAT");
- compiled forecast cash flows for Sabido by using the historic and forecast financial information as detailed above and by applying BDO Corporate Finance's assumptions in respect of growth in revenue and operating profits. Applied BDO Corporate Finance's assumptions of cost of capital to the forecast cash flows to produce a discounted cash flow valuation for Sabido;
- compiled a capitalisation of maintainable earnings valuation for Sabido by using adjusted historical and forecast financial information and applied BDO Corporate Finance's calculated earnings multiples based on market comparables to revenue, EBIT, EBITDA and PAT;
- performed a valuation of Sabido Holdco based on the net asset value ("NAV") of Sabido Holdco which comprises the fair value of its investment in Sabido less the fair value of the liabilities of Sabido Holdco;
- assessed the long-term potential of Seardel and Sabido;
- performed a sensitivity analysis on key assumptions included in the discounted cash flow valuations, specifically related to cost of capital and growth in the businesses;

- evaluated the relative risks associated with Seardel and Sabido in the industries in which they operate;
- reviewed certain publicly available information relating to Seardel and Sabido and the industries in which they operate that we deemed to be relevant, including company announcements and media articles;
- where relevant, representations made by management and/or Directors were corroborated to source documents or independent analytical procedures were performed by us, to examine and understand the industries in which Seardel and Sabido operate, and to analyse external factors that could influence the businesses; and
- held discussions with the Directors and management of Seardel as to their strategy and the rationale for the Transaction and considered such other matters as we considered necessary, including assessing the prevailing economic and market conditions and trends.

ASSUMPTIONS

We arrived at our opinion based on the following assumptions:

- that all agreements that are to be entered into in terms of the Transaction will be legally enforceable;
- that the Transaction will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives and advisers of Seardel; and
- that reliance can be placed on the audited and unaudited financial information of Seardel and Sabido.

APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- reliance on audit reports in the financial statements of Seardel, Sabido Holdco and Sabido;
- conducting analytical reviews on the historical financial results and forecast financial information, such as key ratio and trend analyses; and
- determining the extent to which representations from management were confirmed by documentary evidence as well as our understanding of Seardel and Sabido and the economic environment in which they operate.

LIMITING CONDITIONS

This opinion is provided to the Directors and Shareholders of Seardel in connection with and for the purposes of the Transaction. The opinion does not purport to cater for each individual shareholder's perspective, but rather that of the general body of Seardel Shareholders.

Individual shareholders' decisions regarding the Transaction may be influenced by such shareholders' particular circumstances and accordingly individual shareholders should consult an independent adviser if in any doubt as to the merits or otherwise of the Transaction.

We have relied upon and assumed the accuracy of the information provided to us in deriving our opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

Where relevant, forward-looking information of Seardel and Sabido relate to future events and is based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of Seardel and Sabido will correspond to those projected. We have, however, compared the forecast financial information to past trends as well as discussing the assumptions inherent therein with management.

We have also assumed that the Transaction will have the legal consequences described in discussions with, and materials furnished to us by, representatives and advisers of Seardel and we express no opinion on such consequences.

Our opinion is based on current economic, regulatory and market, as well as other, conditions. Subsequent developments may affect the opinion, and we are under no obligation to update, review or reaffirm our opinion based on such developments.

INDEPENDENCE

We confirm that we have no direct or indirect interest in the Seardel Shares or in the Transaction. We also confirm that we have the necessary qualifications and competence to provide the fair and reasonable opinion on the Transaction.

Furthermore, we confirm that our professional fees, payable in cash, are not contingent upon the success of the Transaction.

VALUATION APPROACH

BDO Corporate Finance performed a valuation of Seardel, Sabido Holdco and of Sabido to determine whether the Transaction represents fair value to the Seardel Shareholders. The valuations of Seardel and Sabido have been determined by applying the discounted cash flow methodology as the primary valuation methodology and the capitalisation of maintainable earnings methodology as a secondary methodology. As Sabido Holdco is a pure investment company, the fair value of Sabido Holdco was determined by applying the NAV methodology and comprises the fair value of its underlying investment in Sabido less the fair value of the liabilities of Sabido Holdco.

The valuations were performed taking cognisance of risk and other market and industry factors affecting the entities being valued. Additionally, sensitivity analyses were performed considering key value drivers.

Key internal value drivers to the discounted cash flow valuation included the discount rate, working capital and capital expenditure requirements and operating margins.

External value drivers, including expected future growth in the business, interest rates, headline inflation rates and prevailing market and industry conditions in respect of the sectors in which the entities being valued operate, were also considered in assessing the forecast cash flows and risk profiles of the entities being valued.

Assumptions in respect of the Seardel sensitivity analysis performed were influenced by the following factors:

- the expected contribution to revenue and operating profit from Seardel's recent acquisition of a 70% interest in Sabido Holdco;
- the expected growth in revenue and operating profits in Seardel's Textiles, Industrials, Branded Product Distribution and Properties segments;
- the effect of the restructuring and retrenchments in respect of Seardel's Clothing segment on Seardel's operating profit; and
- the expected change in Seardel's Head Office costs.

Assumptions in respect of the Sabido sensitivity analysis performed were influenced by the expected growth in revenue and operating profit of Sabido's existing operations and the expected investment in recently launched new projects as well as the expected revenue and operating costs in respect of these new projects. Principal new projects comprise:

- a free-to-view satellite multi-channel digital offering, including digital terrestrial television ("TV"), direct to home (DTH) satellite television and mobile TV offered by a 100%-held subsidiary of Sabido, Platco Digital Proprietary Limited ("Platco Digital");
- a free-to-view DTH satellite TV platform called OpenView HD, which will provide technical platform services to licensed broadcasters within South Africa and the rest of Africa offered by Platco Digital; and
- a multimedia news website (enca.com).

Key internal value drivers to the capitalisation of maintainable earnings valuation included an assessment of non-recurring transactions included in historical results, operating margins and expected future growth in the business. Prevailing market and industry conditions were also considered as key external value drivers in assessing the risk profile of the entities being valued, as well as an assessment of market-related earnings multiples applicable to comparable companies in the industry in which the company operates.

The fair value of the liabilities assumed by Sabido Holdco was determined based on their carrying value, after confirming that such carrying value approximates fair market value in terms of International Financial Reporting Standards ("IFRS").

OPINION

BDO Corporate Finance has considered the terms and conditions of the Transaction and, based on and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Transaction, based on quantitative considerations, are fair to the Seardel Shareholders.

Our opinion is necessarily based upon the information available to us up to 29 October 2013, including in respect of the financial information as well as other conditions and circumstances existing and disclosed to us. We have assumed that all conditions precedent, including any material regulatory and other approvals or consents required in connection with the Transaction have been fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or reaffirm.

Yours faithfully

BDO Corporate Finance Proprietary Limited

Nick Lazanakis
Director
22 Wellington Road
Parktown
2193



SEARDEL

INVESTMENT CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

Registration number: 1968/011249/06

N Shares share code: SRN; Ordinary Shares share code: SER

ISIN: ZAE000030144; ISIN: ZAE000029815

NOTICE OF GENERAL MEETING OF SEARDEL SHAREHOLDERS

All terms defined in the Circular, to which this notice of General Meeting is attached, shall bear the same meanings when used in this notice of General Meeting.

Notice is hereby given to SearDel Shareholders that the General Meeting will be held in the boardroom at the offices of SearDel, 1 Moorsom Avenue, Epping Industria II, Cape Town, 7460, on Wednesday, 4 December 2013 at 10:00, to consider and, if deemed fit, pass, with or without modification, the special and ordinary resolutions set out hereunder.

The record date for determining which SearDel Shareholders must be registered in the Register in order to receive the Circular is Friday, 25 October 2013.

The record date for determining which SearDel Shareholders are entitled to participate in and vote at the General Meeting is Friday, 29 November 2013. Accordingly, the last day to trade in order to be eligible to participate and vote at the General Meeting will be on Friday, 22 November 2013.

Please note that SearDel intends to provide for participation at the General Meeting by way of electronic communication. In this regard, please read the notes at the end of this notice.

Special resolution number 1 – Creation of new N Shares

“Resolved as a special resolution that the authorised share capital of the Company of 700 000 000 Ordinary Shares of no par value and 550 000 000 N Shares of no par value be and is hereby increased to 700 000 000 Ordinary Shares of no par value and 10 550 000 000 N Shares of no par value, by the creation of 10 000 000 000 new N Shares of no par value, which, upon their issue, will rank pari passu in all respects with the existing issued N Shares and that the Company’s MOI be amended accordingly.”

Reason for and effect of special resolution number 1:

The reason for and the effect of special resolution number 1 is to increase the authorised stated capital of the Company by the creation of 10 000 000 000 new N Shares for the purposes of the implementation of the Proposed Acquisition, there being insufficient N Shares in the authorised but unissued stated capital of the Company to enable it to allot and issue the 150 million N Shares to Sactwu in terms of the Transaction Agreement and to facilitate other future capital raisings by the Company.

In terms of the Companies Act, the Listings Requirements and the MOI, this resolution will be adopted with the support of at least 75% of the voting rights exercised on this resolution.

Special resolution number 2 – Approval to issue N Shares in terms of section 41(3) of the Companies Act

“Resolved as a special resolution that, subject to special resolution number 1 being passed and becoming effective, the Company be and is hereby authorised in terms of section 41(3) of the Companies Act, to issue 150 000 000 N Shares of no par value, at a subscription price of R1,60 per N Share to Sactwu for the purposes of the Proposed Acquisition on the terms and conditions set out in the Transaction Agreement, and that the Directors of the Company be authorised to issue the aforementioned N Shares to Sactwu.”

Note:

Section 41(3) of the Companies Act requires that SearDel Shareholders approve, by way of a special resolution, an issue of shares if the voting power of the class of shares that are issued as a result of a transaction will be equal to or exceed 30% of the voting power of all the shares of that class held by shareholders immediately before such a transaction. Accordingly, as the N Shares to be issued to Sactwu in terms of the Proposed Acquisition will be in excess of the aforementioned 30% threshold, the approval of SearDel Shareholders is required.

In terms of the Companies Act, the Listings Requirements and the MOI, this resolution will be adopted with the support of at least 75% of the voting rights exercised on this resolution.

Reason and effect of special resolution number 2:

The reason for and the effect of special resolution number 2 is to obtain approval from Sear-del Shareholders to issue 150 000 000 N Shares to HCI at a price of R1,60 per N Share as consideration for the acquisition by Sear-del of Sactwu's 30% equity interest in Sabido Holdco as set out in the Transaction Agreement.

Ordinary resolution number 1 – Approval of the Proposed Acquisition as a transaction with a related party

“Resolved as an ordinary resolution that the Company be and is hereby authorised in terms of the Listings Requirements to acquire a 30% equity stake in Sabido Holdco from Sactwu, a related party, on the terms and conditions set out in the Transaction Agreement governing the Proposed Acquisition.”

In terms of the Listings Requirements, this resolution will be adopted with the support of more than 50% of the voting rights exercised on this resolution.

As Sactwu is a related party to Sear-del for the purposes of the Listings Requirements by virtue of the fact that Sactwu is a material shareholder of Sabido Holdco and of HCI, Sear-del's holding company, in order to implement the Proposed Acquisition an ordinary resolution of the Company must be passed by Sear-del Shareholders, other than Sactwu and its associates.

Ordinary resolution number 2 – Directors' authority to take all such actions necessary to implement the Proposed Acquisition

“Resolved as an ordinary resolution that any Director of the Company, be and is hereby authorised and empowered to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to the implementation of the Proposed Acquisition.”

In terms of section 65(7) of the Companies Act and the Company's MOI, this resolution will be adopted with the support of more than 50% of the voting rights exercised on this resolution.

Notes:

Entitlement to attend and vote at the General Meeting and appointment of proxies

Sear-del Shareholders who wish to participate in the General Meeting should note that in terms of section 63 of the Companies Act, they are required to provide reasonable satisfactory identification before being entitled to attend or participate in a shareholders' meeting.

Certificated Sear-del Shareholders or Own Name Dematerialised Sear-del Shareholders may attend and vote at the General Meeting, or alternatively appoint a proxy to attend, speak and, in respect of the applicable resolution(s), vote in their stead by completing the attached form of proxy (**blue**) and returning it to the Transfer Secretaries at the address given in the Circular by no later than 10:00 on Monday, 2 December 2013 for administrative purposes or thereafter delivered by hand to the Company by no later than 10:00 on Wednesday, 4 December 2013.

Dematerialised Sear-del Shareholders other than Own Name Dematerialised Sear-del Shareholders, must contact their CSDP or Broker, as the case may be, and obtain the relevant letter of representation from it if they wish to attend the General Meeting in person. If Sear-del Shareholders are unable to attend the General Meeting in person but wish to be represented thereat, they must furnish their CSDP or Broker, as the case may be, with their instructions for voting at the General Meeting in person.

The completion of a form of proxy will not preclude a Sear-del Shareholder from attending the General Meeting.

Participation in the General Meeting by electronic communication

Sear-del Shareholders wishing to participate electronically in the General Meeting are required by no later than 10:00 on Monday, 2 December 2013 to deliver written notice to Sear-del at Sear-del's offices, 1 Moorsom Avenue, Epping Industria II, Cape Town, 7460 (marked for the attention of the Sear-del company secretary) that they wish to participate via electronic communication at the General Meeting (**“Electronic Notice”**).

In order for the Electronic Notice to be valid it must contain: (a) if the Sear-del Shareholder is an individual, a certified copy of his/her identity document and/or passport; (b) if the Sear-del Shareholder is not an individual, a certified copy of a resolution or letter of representation by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution or signed the relevant letter of representation. The letter of representation or resolution must set out who from the relevant entity is authorised to represent the entity at the General Meeting via electronic communication; (c) a valid e-mail address and/or facsimile number (**“Contact Address/Number”**); and (d) confirmation of whether the Sear-del Shareholder wishes to vote via electronic communication. By no later than 24 hours before the General Meeting Sear-del shall use its reasonable endeavours to notify a shareholder at its Contact Address/Number who has delivered a valid Electronic Notice of the relevant details through which the shareholder can participate via electronic communication.

Should you wish to participate in the General Meeting by way of electronic communication as aforesaid, you, or your proxy, will be required to dial in to the dial-in facility on the date of the General Meeting. The dial-in facility will be linked to the venue at which the General Meeting will take place on the date of, from the time of commencement of, and for the duration of, the General Meeting. The dial-in facility will enable all persons to participate electronically in the General Meeting in this manner (and as contemplated in section 63(2) of the Companies Act) and to communicate concurrently with one another without an intermediary, and to participate reasonably effectively in the General Meeting. The costs borne by you or your proxy in relation to the dial-in facility will be for your own account.

By order of the Board

5 November 2013

Registered office

1 Moorsom Avenue
Cnr Bofors Circle and Moorsom Avenue
Epping Industria II
7460



SEARDEL

INVESTMENT CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

Registration number: 1968/011249/06

N Shares share code: SRN; Ordinary Shares share code: SER

ISIN: ZAE000030144; ISIN: ZAE000029815

FORM OF PROXY – GENERAL MEETING

All terms defined in the Circular, to which this form of proxy is attached, shall bear the same meanings when used in this form of proxy.

For use by Certificated SearDel Shareholders or Own Name Dematerialised SearDel Shareholders at the General Meeting to be held at 10:00 on Wednesday, 4 December 2013 in the boardroom at the offices of SearDel, 1 Moorsom Avenue, Epping Industria II, Cape Town, 7460.

Dematerialised SearDel Shareholders, other than Own Name Dematerialised SearDel Shareholders, must not complete this form of proxy.

Full name: I/We (block letters) _____

Of (address): _____

Telephone: (work) _____ Telephone: (home) _____

Fax: _____ Cell number: _____

being the holder(s) of _____ Ordinary Shares

and/or _____ N Shares

hereby appoint:

1 _____ or failing him/her,

2 _____ or failing him/her,

3 the chairman of the General Meeting,

as my/our proxy to vote for me/us on my/our behalf at the General Meeting to be held at 10:00 on Wednesday, 4 December 2013 or any adjournment thereof as follows:

Resolution		For	Against	Abstain
Special resolution number 1	Creation of new N Shares			
Special resolution number 2	Approval for the issue of N Shares in terms of section 41(3) of the Companies Act			
Ordinary resolution number 1	Approval of the Proposed Acquisition as a transaction with a related party			
Ordinary resolution number 2	Directors' authority to take all such actions necessary to implement the Proposed Acquisition			

Signed at _____ this _____ day of _____ 2013.

Signature _____

Assisted by me (if applicable) _____

Signature _____

Please read the notes on the reverse side hereof.

A Seardel Shareholder entitled to attend and vote at the General Meeting may appoint one or more persons as his/her proxy to attend, speak or vote in his/her stead at the General Meeting. A proxy need not be a Seardel Shareholder.

On a show of hands, every Seardel Shareholder or his proxy shall have one vote (irrespective of the number of Seardel Shares held).

On a poll, every Seardel Shareholder or his proxy shall have:

- 1 100 votes for each Ordinary Share held or represented by him; and**
- 2 1 vote for each N Share held or represented by him.**

NOTES:

- 1 A Seardel Shareholder may insert the name of a proxy or the names of two alternative proxies of his choice in the spaces provided with or without deleting "the chairman of the General Meeting", but any such deletion must be initialled by the Seardel Shareholder. The person whose name appears first on the form of proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
- 2 Please indicate in the relevant spaces according to how you wish your votes to be cast. If you wish to cast your votes in respect of a lesser number of Seardel Shares exercisable by you, insert the number of Seardel Shares held in respect of which you wish to vote. Failure to provide an indication as to the manner in which you wish your votes to be cast will be deemed to authorise and compel the chairman, if the chairman is an authorised proxy, to vote in favour of the resolutions, or to authorise any other proxy to vote for or against the resolutions or abstain from voting as he deems fit, in respect of all your votes exercisable thereat. A Seardel Shareholder or his proxy is not obliged to use all the votes exercisable by the Seardel Shareholder or his proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the Seardel Shareholder or his proxy.
- 3 Forms of proxy must be lodged with the Transfer Secretaries, at 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received by no later than 10:00 on Monday, 2 December 2013 for administrative purposes or thereafter delivered by hand to the Company by 10:00 on Wednesday, 4 December 2013.
- 4 Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
- 5 Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Transfer Secretaries or waived by the chairman of the General Meeting.
- 6 The completion and lodging of this form of proxy will not preclude the relevant Seardel Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Seardel Shareholder wish to do so.
- 7 The chairman of the General Meeting may accept or reject any form of proxy which is completed and/or received other than in accordance with these notes and instructions, provided that the chairman is satisfied as to the manner in which the Seardel Shareholder wishes to vote.
- 8 This form of proxy shall not be valid after the expiration of the General Meeting or any adjournment thereof.
- 9 Joint holders – any such persons may vote at the General Meeting in respect of such joint Seardel Shares as if he were solely entitled thereto, but if more than one of such joint holders are present or represented at the General Meeting, that one of the said persons whose name stands first in the register in respect of such Seardel Shares or his proxy, as the case may be, is alone entitled to vote in respect thereof.
- 10 Own Name Dematerialised Seardel Shareholders will be entitled to attend the General Meeting in person or, if they are unable to attend and wish to be represented thereat, must complete and return this form of proxy to the Transfer Secretaries in accordance with the time specified in 3 above.

Summary of the rights established in terms of section 58 of the Companies Act:

For purposes of this summary, “shareholder” shall have the meaning ascribed thereto in the Companies Act.

- 1 At any time, a shareholder of a company is entitled to appoint an individual, including an individual who is not a shareholder of that company, as a proxy, to participate in, and speak and vote at, a shareholders’ meeting on behalf of the shareholder.
- 2 A proxy appointment must be in writing, dated and signed by the relevant shareholder, and such proxy appointment remains valid for one year after the date upon which the proxy was signed, or any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in section 58(4)(c) of the Companies Act or expires earlier as contemplated in section 58(8)(d) of the Companies Act.
- 3 Except to the extent that the Memorandum of Incorporation of a company provides otherwise:
 - 3.1 a shareholder of the relevant company 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 such shareholder;
 - 3.2 a proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
 - 3.3 a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders’ meeting.
- 4 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 who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company.
- 5 Unless the proxy appointment expressly states otherwise, the appointment of a proxy is revocable. If the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and the company.
- 6 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: (a) stated in the revocation instrument, if any; or (b) upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act.
- 7 If the instrument appointing a proxy or proxies has been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company’s Memorandum of Incorporation to be delivered by such company to the shareholder, must be delivered by such company to the shareholder, or to the proxy or proxies, if the shareholder has directed the relevant company to do so in writing and paid any reasonable fee charged by the company for doing so.
- 8 A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the Memorandum of Incorporation, or the instrument appointing the proxy provide otherwise.
- 9 If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:
 - 9.1 such invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
 - 9.2 the invitation, or form of instrument supplied by the relevant company, must: (a) bear a reasonably prominent summary of the rights established in section 58 of the Companies Act; (b) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by such shareholder; and (c) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour or against the applicable resolution/s to be put at the relevant meeting, or is to abstain from voting;
 - 9.3 the company must not require that the proxy appointment be made irrevocable; and
 - 9.4 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.

