



ANNUAL REPORT 2004

CONTENTS

Chairman's Report	2
Review of Results and Portfolio Analysis	3
Property Investment Portfolio	4
Directorate and Administration	5
Corporate Governance Report	6
Approval of Annual Financial Statements	8
Declaration by the Company Secretary	8
Report of the Independent Auditors	9
Directors' Report	10
Balance Sheets	12
Income Statements	13
Statements of Changes in Equity	14
Cash Flow Statement	15
Notes to the Financial Statements	16
Details of Subsidiary Companies	29
Analysis of Shareholders	30
Shareholders' Calendar	31
Notice of Annual General Meeting	32
Form of Proxy	attached

CHAIRMAN'S REPORT

The financial year under review was characterised by the transfer process of the entire property portfolio to the various purchasers. As a result, comparison with the previous financial year is not relevant. The previous Board had intended to liquidate the company after completion of transfer of the portfolio. The significance of the liability arising from the interest swap agreement, however, did not permit this action to proceed.

The new Board has made arrangements to settle the swap agreement with Nedcor and plans to introduce new assets in the company.

South African interest rates have declined to 25 year low levels. When compared to the June – December 1998 period when prime interest rate reached 23% and the 4% spike in 2002, current property market conditions are so favourable, that it is virtually impossible to source A-grade properties above 7% or 7,5% investment yields.

The challenge for Bonatla will be to purchase quality property assets at reasonable yields in the midst of the current investment frenzy that characterises the listed property sector.

I thank my fellow directors for their support and commitment to the company. On their behalf I would also like to thank the management and staff of the company for their commitment to securing Bonatla's future.



MH Brodie

Sandton

16 November 2005

REVIEW OF RESULTS AND PORTFOLIO ANALYSIS

RESULTS

The results for the year are set out in the attached financial statements.

OPERATIONS

As reported in the previous year's financial report the interest rate swap agreement signed by the asset managers at that time, Catalyst Asset Managers (Pty) Limited, introduced a major speculative risk in the company's affairs which without the efforts of the new asset managers CDA and the new Board, would most certainly have caused irreparable financial damage to the group.

A R1,72 million fair value adjustment of the interest rate swap agreement as required in terms of AC133 was made in the income statement At balance sheet date the interest rate swap liability was R16,356 million.

MANAGEMENT

Primo Property Managers (Pty) Limited were responsible in respect of the management of the properties sold to Alpina/Ixia, and RMB Property Managers (Pty) Limited in respect of the properties sold to Momentum Property Investments (Pty) Limited.

TRANSFER OF THE PROPERTIES AND RETURN OF CAPITAL

On 15 August 2003 the shareholders of Bonatla approved the sale of the entire property portfolio to Momentum Property Investments (Pty) Limited, Ixia Trading 532 (Pty) Limited, VKV Properties (Pty) Limited, Whirlprops (36) (Pty) Limited and Catalyst Property Asset Managers (Pty) Limited.

At balance sheet date the entire portfolio had been transferred to the various purchasers and a return of capital of R95,2 million or 50 cents per share was made to the shareholders on 16 February 2004.

At balance sheet date the only investment property left in Bonatla was Stand 206 Vanderbijlpark which was revalued from book to market value at R6 million in terms of AC135.

The purchase price of 13 properties sold to Ixia Trading 532 (Pty) Limited was discharged by way of 9 022 199 Alpina B Class Linked units issued at R2,00 per linked unit.

The unlisted 9 022 199 Alpina B class linked units were also valued downwards to R1,65 million in order to reflect the purchase price paid by Alpina in its settlement with Bonatla after the financial year end.

RELATED PARTY TRANSACTIONS

Related party transactions are reflected in note 16 to the financial statements.

POST BALANCE SHEET EVENTS

After the balance sheet date in February 2005, the directors in agreement with Nedcor closed the interest rate swap. The closing balance of the swap was R26,133 million. The full balance of the interest rate swap is to be repaid by the issue of preference shares as set out in note 19 to the financial statements.

Stand 206 Vanderbijlpark (Pty) Limited was sold for a gross consideration of R6,0 million and transfer took place on 7 October 2005.

PROPERTY INVESTMENT PORTFOLIO

No	Property and street address	Description	Date acquired	Valuation (R'000)
20	Vanderbijl Centre Frikkie Meyer Boulevard Vanderbijlpark	A prominent corner retail property close to the town's CBD let to restaurants and the motor industry.	Oct 97	6 000

Gross lettable area (M ²)	Number of tenants	Vacancy (%)	Owned by
2 449	7	15,0	Stand 206 Vanderbijlpark (Pty) Limited

CURRENT DIRECTORATE AND ADMINISTRATION

APPOINTMENTS

M H Brodie remained on the Board as Chairman.
R L Rainier joined the Board on 28 December 2004
H T Dudley joined the Board on 12 January 2005
A Platt joined the Board on 12 January 2005.

RESIGNATIONS

B van der Ross resigned on 12 January 2005
S Meltzer resigned on 12 January 2005

REGISTERED OFFICE

29 Dover Street Westdene 2092
P O Box 724 Melville 2109

REGISTRATION NUMBER

1996/014533/06

EMAIL

Admin@Bonatla.co.za

TELEPHONE AND FAX NUMBERS

Phone 011-781-8396
Fax 011-781-8431

LISTING DETAILS

Listed in the Real Estate Sector of the JSE Securities
Exchange South Africa
Listed since 22/10/1997

ASSET MANAGERS

CDA Property Consultants (Pty) Limited

COMPANY SECRETARY

Corporate Statutory Services (Pty) Limited

PROPERTY MANAGERS

Helen Dudley Property Manager (Pty) Limited trading
as Alchemy Property Management

COMMERCIAL BANKERS

Standard Bank
Nedbank

AUDITORS

Grant Thornton

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Limited

Bonatla Property Holdings Limited is committed to exercise the principles of transparency, integrity and accountability as advocated in the King Report on Corporate Governance for South Africa 2002.

The directors endorse and have addressed and, where possible, have applied the Code of Corporate Practices and Conduct (the Code) as set out in the King Report, with all variances being disclosed.

In supporting the Code, the directors recognise the need to conduct the business of the group with integrity and in accordance with generally accepted corporate practices.

BOARD OF DIRECTORS

Bonatla has a unitary board with a Chairman who is an independent director.

The Bonatla Board meets regularly, retains full and effective control over the affairs of the group and monitors the asset management process. The Board reserves to itself a range of key decisions to ensure that it retains proper direction and control of the group.

During the twelve months under review the Board met six times indicating the level of involvement in the company's overall strategy and general operations, The Board's main responsibilities include: strategy, acquisition and disinvestment policy, risk management, financing and corporate governance.

COMPANY SECRETARY AND PROFESSIONAL ADVICE

The company secretarial function has been outsourced to Corporate Statutory Services (Pty) Limited in the stead of Corporate Governance c.c. appointed on 12 January 2005.

All directors have access to the advice and services of the Company Secretary, whose responsibilities are, by agreement, set out in Section 268G of the Companies

Act, including (but not restricted to) providing guidance to the directors as to their duties, responsibilities and powers, liaising with the JSE Securities Exchange South Africa, STRATE, the Share Registrars and the Registrar of Companies and ensuring that minutes are kept of meetings of directors and shareholders and making directors aware of relevant changes in law.

Directors are entitled, in consultation with the Company Secretary, to seek independent professional advice about the affairs of the group, at the group's expense.

BOARD COMMITTEES

To assist the Board in discharging its collective responsibility for corporate governance, two committees have been established, to which certain of the Board's responsibilities have been delegated.

These committees are composed of directors who have a mix of skills, experience and other qualities appropriate to their roles. A sufficient number of non-executive board members capable of exercising independent judgment to tasks where there is a potential conflict of interest, have been assigned to these committees.

AUDIT COMMITTEE

The Chairman of the Audit Committee Mr J D Broll resigned on 12 February 2003. In light of the provisions of the King Report on Corporate Governance, which requires an independent director as Chairman, the current board of directors has appointed Mrs H Dudley Chairman of the Audit Committee.

The Audit Committee has been delegated powers by the Board. These clearly set out the responsibilities and authorities together with the structures and processes of the committee. During the financial year under review, the Audit Committee has addressed its responsibilities in terms of the delegated powers, which are in a written form.

The primary objective of the Audit Committee is to promote the overall effectiveness of corporate governance in the group. Its objectives include:

- ensuring the integrity of the group's accounting and financial reporting systems;
- ensuring that appropriate systems are in place for monitoring risk, financial control and compliance with the law and codes of conduct;
- evaluating the effectiveness of the risk and compliance management functions in the group;
- maintaining transparent and appropriate relationships with the external auditors;
- reviewing the scope and quality of the statutory audit and the independence and objectivity of the auditors; and
- reporting on the going concern concept.

The Audit Committee meets at least twice a year. Staff of CDA Property Consultants (Pty) Limited and previously Catalyst Property Asset Managers (Pty) Limited whose contract was discontinued, the Company Secretary and the external auditors attend these meetings to assist the committee in effectively carrying out its mandate.

The members of the Audit Committee were:

H T Dudley

M H Brodie

INVESTMENT COMMITTEE

The committee has been appointed to review all proposed property acquisitions and disposals, and other matters which may be specifically delegated to it. The committee operates within a clearly defined mandate and authority levels.

REMUNERATION COMMITTEE AND AFFIRMATIVE ACTION POLICY.

The group had no employees as at balance sheet date nor did it have a Remuneration Committee.

The current board has fully subscribed to the South African property charter and intends introducing several BEE groups by 31 March 2006.

DIRECTORS' REMUNERATION

No director has a contract of employment.

ETHICS

The Board of Directors and the management of the company are committed to the exercise of the highest ethical standards.

A culture of compliance with the highest ethical standards has been developed and flourishes.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS AND DECLARATION BY THE COMPANY SECRETARY

The directors of Bonatla Property Holdings Limited are responsible for the preparation, integrity and fair presentation of the annual financial statements of Bonatla Property Holdings Limited and its subsidiaries.

The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice and include amounts based on reasonable and prudent judgments and estimates made by management.

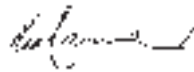
The directors believe that the group will be a going concern in the foreseeable future, and for this reason the going concern basis has been adopted in preparing the financial statements.

The financial statements have been audited by the independent accounting firm Grant Thornton which was given unrestricted access to all financial records and related data. The directors believe that all representations made to the independent auditors during the audit were valid and appropriate.

These financial statements were approved by the Board of Directors on 11 November 2005 and signed on its behalf by:



Chairman



Director

DECLARATION BY THE COMPANY SECRETARY

I certify, in terms of Section 268 6(d) of the Companies Act 1973 (Act No. 61 of 1973), as amended, that to the best of my knowledge the company has lodged with the Registrar of Companies all such returns as are required of the company in terms of the Companies Act 1973 (Act No. 61 of 1973) as amended, and that all such returns are true, correct and up to date.

CORPORATE Statutory Services (Pty) Limited

Company Secretary

16 November 2005

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BONATLA PROPERTY HOLDINGS LIMITED:

We have audited the annual financial statements and group annual financial statements of Bonatla Property Holdings Limited, set out on pages 10 to 28, for the year ended 30 September 2004. These annual financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements, based on our audit.

SCOPE

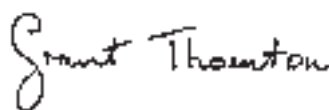
We conducted our audit in accordance with Statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

AUDIT OPINION

In our opinion, the financial statements fairly represent, in all material respects, the financial position of the company and the group at 30 September 2004, and the results of their operations and cash flows for the year then ended in accordance with Statements of South African Generally Accepted Accounting Practice, and in the manner required by the South African Companies Act.



GRANT THORNTON

*Registered Accountants and Auditors
Chartered Accountants (SA)*

Johannesburg
16 November 2005

DIRECTORS' REPORT

Your directors submit their report for the year ended 30 September 2004.

NATURE OF BUSINESS

Bonatla Property Holdings Limited is a property investment company with investments in industrial, commercial and retail properties throughout South Africa. It also has investments in listed property companies.

GENERAL REVIEW OF ACTIVITIES

The results of the company and the group are set out in the accompanying financial statements and notes,

SHARE CAPITAL

The authorised share capital consists of 500 000 000 shares of one cent each (2003: 500 000 000). 185 096 954 ordinary shares of one cent each were in issue at the end of the year under review (2003: 185 096 954).

EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

Refer note 19.

SECRETARY

Corporate Statutory Services (Pty) Limited
29 Dover Street
Westdene
2092
PO Box 724
Melville
2109

SUBSIDIARY COMPANIES

Details of the company's principal subsidiaries are set out on page 21 of the financial statements.

DIRECTORATE AND MANAGEMENT

The names of the current directors appear on page 5.

Mr S Meltzer, who had joined the Board on 21 November 2002, resigned on 12 January 2005. Mr B van der Ross also resigned on 12 January 2005. Mr. M H Brodie continued in office as a director and was appointed non-executive Chairman.

Three out of four of the current directors are non-executive directors, namely M H Brodie, H Dudley and A Platt.

The Board includes three independent directors. It is planned to increase this number during the forthcoming financial year. Mr George Roussos was the only executive officer of the company as at balance sheet date in his position as General Manager appointed by the Board of Directors.

The company is currently managed by its asset managers, CDA Property Consultants (Pty) Limited, and has a staff of two and an Executive Officer.

Mr Van der Ross resigned on 12 January 2005.
Mr S Meltzer resigned on 12 January 2005.
Mr N G Vontas resigned on 5 May 2004.
Mr A Platt was appointed on 12 January 2005.
Mrs H Dudley was appointed on 12 January 2005.
Mr M H Brodie, was appointed Chairman on 12 January 2005.

DIRECTORS' REPORT (continued)

DIRECTORS' SHAREHOLDING

The following reflects the number of shares held by directors:

Directors' shareholding as at 30 September 2004

	Beneficial holdings		Non-beneficial holdings		% of all ordinary shares
	Direct 000s	Indirect 000s	Direct 000s	Indirect 000s	
B J van der Ross – resigned 12 January 2005	–	–	–	–	–
M Brodie	–	–	–	–	–
S Meltzer – resigned 12 January 2005	–	4 910	–	–	2,65

There have been changes in the directors' shareholdings between the year-end and the date of this report.

Where there have been changes, the directors' shareholdings at the last applicable date are reflected as follows:

	Beneficial holdings		Non-beneficial holdings		% of all ordinary shares
	Direct 000s	Indirect 000s	Direct 000s	Indirect 000s	
R I Rainier	–	105 000	–	–	56,65%

DIVIDEND

A return of capital of 50 cents per share was made to shareholders on 16 February 2004.

SPECIAL RESOLUTIONS

No special resolutions were passed in the year under review.

BALANCE SHEETS

at 30 September 2004

	Notes	Group		Company	
		2004 R'000	2003 R'000	2004 R'000	2003 R'000
ASSETS					
Current assets		13 740	563 488	19 189	106 772
Investment properties	2	6 000	549 519	-	-
Investment in subsidiaries	3	-	-	19 189	106 744
Investments	4	2 495	8 528	-	-
Trade and other receivables		413	4 149	-	28
Short term loans		656	589	-	-
Cash and cash equivalents		4 176	703	-	-
Total assets		13 740	563 488	19 189	106 772
EQUITY AND LIABILITIES					
Equity capital and reserves		(9 937)	126 064	19 090	104 280
Share capital and premium	5	56 196	148 870	56 196	148 870
Debentures	6.1	-	8 000	-	8 000
Accumulated loss		(66 133)	(30 806)	(37 106)	(52 590)
Current liabilities		23 677	437 424	99	2 492
Debentures	6.2	-	2 469	-	2 469
Deferred tax	8	-	26	-	-
Interest bearing borrowings	7	2 274	401 587	-	-
Interest rate swap liability	9	16 356	14 573	-	-
Taxation		1 814	1 583	14	-
Trade and other payables		3 233	12 933	85	23
Bank overdraft		-	4 253	-	-
Total equity and liabilities		13 740	563 488	19 189	106 772

INCOME STATEMENTS

for the year ended 30 September 2004

	Notes	Group		Company	
		2004 R'000	2003 R'000	2004 R'000	2003 R'000
Turnover		27 663	117 721	-	-
Operating costs		(23 604)	(43 563)	-	(223)
Operating profit/(loss)	10	4 059	74 158	-	(223)
Fair value adjustment of investment properties		1 000	(12 711)	-	-
Reversal of impairment/(impairment) of interest in subsidiaries		-	-	15 399	(51 620)
Management contract cancellation fee		-	(8 000)	-	-
Results from operating activities		5 059	53 447	15 399	(51 843)
Interest received		1 480	741	-	-
Finance charges	11	(21 926)	(69 772)	-	(722)
Loss on disposal of investment properties		(1 326)	-	-	-
Profit on redemption of debentures		99	-	99	-
Fair value adjustment of listed and unlisted investments		(16 721)	-	-	-
Fair value adjustment of interest rate swap		(1 782)	(14 574)	-	-
(Loss)/profit before taxation		(35 117)	(30 158)	15 498	(52 565)
Taxation	13	(210)	(10 852)	(14)	-
(Loss)/profit after taxation		(35 327)	(41 010)	15 484	(52 565)
		cents	cents		
Loss per share	14	(19,06)	(21,95)		
Headline loss per share	15	(18,68)	(16,69)		

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 September 2004

	Share capital R'000	Share premium R'000	Shares to be issued R'000	Convertible debentures R'000	Retained earnings/ (accumulated loss) R'000	Total R'000
GROUP						
Balance at 1 October 2002	1 851	146 519	3 178	8 000	10 204	169 752
Recovery of amounts previously expensed	-	-	(2 678)	-	-	(2 678)
Issue of shares	2	498	(500)	-	-	-
Net loss for the year	-	-	-	-	(41 010)	(41 010)
Balance at 30 September 2003	1 853	147 017	-	8 000	(30 806)	126 064
Redemption of debentures	-	-	-	(8 000)	-	(8 000)
Return of capital to shareholders	-	(92 674)	-	-	-	(92 674)
Net loss for the year	-	-	-	-	(35 327)	(35 327)
Balance at 30 September 2004	1 853	54 343	-	-	(66 133)	(9 937)
COMPANY						
Balance at 1 October 2002	1 851	146 519	3 178	8 000	(25)	159 523
Recovery of amounts previously expensed	-	-	(2 678)	-	-	(2 678)
Issue of shares	2	498	(500)	-	-	-
Net loss for the year	-	-	-	-	(52 565)	(52 565)
Balance at 30 September 2003	1 853	147 017	-	8 000	(52 590)	104 280
Redemption of debentures	-	-	-	(8 000)	-	(8 000)
Return of capital to shareholders	-	(92 674)	-	-	-	(92 674)
Net profit for the year	-	-	-	-	15 484	15 484
Balance at 30 September 2004	1 853	54 343	-	-	(37 106)	19 090

CASH FLOW STATEMENTS

for the year ended 30 September 2004

	Notes	Group		Company	
		2004 R'000	2003 R'000	2004 R'000	2003 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		(24 107)	[4 879]	90	[1 087]
Cash (absorbed by)/generated from operations	18.1	(3 871)	66 398	90	[358]
Interest received		1 480	741	-	-
Interest paid		(21 926)	[69 772]	-	[722]
Dividends paid		-	[7]	-	[7]
Normal taxation paid		210	[2 239]	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		534 190	68 318	102 954	8 157
Additions to investment properties		-	[591]	-	-
Proceeds on disposal of investment properties		544 519	68 909	-	-
Additions to listed investments		(18 192)	-	-	-
Decrease/(increase) in investments			-	102 954	8 157
Proceeds from investment – debt redemption scheme		7 863	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		(502 357)	[64 648]	(103 044)	[7 070]
Cancellation of undertaking to issue shares		-	[3 178]	-	[3 178]
Issue of shares		-	500	-	500
Return of capital to shareholders		(92 674)	-	(92 674)	-
Redemption of debentures		(10 370)	[4 498]	(10 370)	-
Payment of long-term borrowings		(399 313)	[57 472]	-	[4 392]
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		7 726	[1 209]	-	-
Cash and cash equivalents at the beginning of the year		(3 550)	[2 341]	-	-
Cash and cash equivalents at the end of the year		4 176	[3 550]	-	-

NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2004

1. ACCOUNTING POLICIES

The financial statements are prepared on the historical cost basis, except for the revaluation of investment properties and certain financial instruments as set out below, and incorporate the principal accounting policies, which, except as indicated in note 1.1, are consistent with the prior year. These policies comply with South African Statements of Generally Accepted Accounting Practice. The financial statements have been prepared on a going concern basis.

1.1 Going concern and change in basis of accounting

Following the restructure of the Board and management of the company subsequent to the balance sheet date, management has reverted to the assumption that the company will continue as a going concern for the foreseeable future as it no longer intends to cease trading and be liquidated.

1.2 Consolidation

The group financial statements include those of the holding company and its subsidiaries. The results of the subsidiaries are included from the effective dates of acquisition to the effective dates of disposal. Inter-group balances, inter-group transactions and resulting profits and losses are eliminated in full.

1.3 Investment properties and tenant installations

Investment properties consist of fixed properties held for the purpose of earning rental income and capital appreciation and are initially recorded at cost. They are subsequently stated at fair value having regard to market conditions.

Any surplus or deficit arising from a change in the fair value of the fixed properties is recognised in net profit or loss for the year in which it arises.

Realised surpluses and deficits on the disposal of the investment properties are recognised in net profit or loss for the year and are calculated as the difference between the sale price and the fair value of the property as determined from the preceding annual financial statements.

Tenant installations over R30 000 are capitalised to the cost of the investment properties when incurred and depreciated over three years. Tenant installations under R30 000 are recognised when incurred in net profit or loss for the year.

1.4 Capitalisation of borrowing costs

The capitalisation of borrowing costs commences when:

- expenditure for the asset has occurred;
- borrowing costs specific to a qualifying asset have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

1.5 Letting commissions

Letting commissions are recognised when incurred in net profit or loss for the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

at 30 September 2004

1. ACCOUNTING POLICIES (continued)

1.6 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the amount of the obligation.

1.7 Revenue

1.7.1 Rental income

Rental income comprises basic rentals and operating costs recovered from tenants and excludes value added tax.

Rental income is recognised on an accrual basis and is generally brought into account on the first day of the calendar period to which the rental relates.

1.7.2 Interest income

Interest income is brought to account using the effective interest method.

1.8 Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the company has become party to the contractual provisions of the instruments.

1.8.1 Financial assets

The company's principal financial assets are investments in and loans to underlying subsidiaries, available for sale investments, trade and other receivables, and cash and cash equivalents. Subsequent to initial recognition these instruments are stated as set out below:

- Investments in and loans to underlying subsidiaries are stated at cost less accumulated impairment.
- Available for sale financial investments are stated at fair value. Fair value represents the current market value in a regulated market. Unrealised profits or losses on these investments are recognised in net profit or loss in the year in which they arise.
- Trade and other receivables are stated at fair value less allowances for estimated irrecoverable amounts.
- Cash and cash equivalents are stated at their fair value.

1.8.2 Financial liabilities

The company's principal financial liabilities are redeemable debentures, interest bearing bank loans, derivative instruments, trade and other payables and bank overdrafts. Subsequent to initial recognition these instruments are stated as set out below:

- Debentures are carried at amortised cost.
- Interest bearing bank loans are stated at amortised cost. Finance charges are accounted for on the effective interest and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS (continued)

at 30 September 2004

1. ACCOUNTING POLICIES (continued)

1.8 Financial instruments (continued)

1.8.2 Financial liabilities (continued)

- Derivative instruments comprise interest rate swaps. The swaps are used to hedge the group's exposure to interest rates. Accordingly, in terms of hedge accounting, the instruments are designated cash flow hedges which hedge exposure to variability in cash flows.

Derivative instruments are stated at fair value. Gains and losses on the effective portion of cash flow hedging instruments in respect of forecast transactions are recognised directly in equity.

Any ineffective portion of a cash flow hedge is recognised in net profit or loss for the year.

Portions of gains and losses that have been recognised directly in equity are reclassified as interest expenditure in the same period during which the asset acquired or liability assumed affects net profit or loss.

- Trade and other payables are stated at fair value.

1.9 Taxation

The charge for current taxation is based on the results for the year as adjusted for items which are non-assessable or disallowed and is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided using the balance sheet liability method on all temporary differences arising between the tax value of assets and liabilities and their carrying values for financial reporting purposes. In principle, deferred taxation liabilities are recognised for all taxable temporary differences and deferred taxation assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill for which amortisation is not deductible for taxation purposes or from the initial recognition (other than in a business combination) of other assets or liabilities in a transaction which affects neither the tax profit nor the accounting profit.

A deferred taxation liability is recognised for all taxable temporary differences associated with investments in subsidiaries, except to the extent that the company is able to control the timing of reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred taxation asset is recognised for all deductible temporary differences associated with investments in subsidiaries, only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available against which the temporary difference can be utilised.

Deferred taxation is calculated at the tax rates that are expected to apply to the period and the manner in which assets are realised or liabilities are settled. Deferred taxation is charged to the income statement, except to the extent that it relates to a transaction that is recognised directly in equity.

The effect on deferred taxation of any changes in tax rates is recognised in the income statement, except to the extent that it relates to items previously charged or credited directly to equity.

NOTES TO THE FINANCIAL STATEMENTS (continued)

at 30 September 2004

1. ACCOUNTING POLICIES (continued)

1.10 Impairment

At each balance sheet date, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS (continued)

at 30 September 2004

	Group		Company	
	2004 R'000	2003 R'000	2004 R'000	2003 R'000
2. INVESTMENT PROPERTIES				
At fair value	6 000	551 595	-	-
Accumulated depreciation of tenant installations	-	(2 076)	-	-
Net book value	6 000	549 519	-	-
Movement for the year				
Fair value at the beginning of the year	549 519	631 343	-	-
Additions at cost	-	591	-	-
Disposals	(544 519)	(68 929)	-	-
Depreciation of tenant installations	-	(775)	-	-
Fair value adjustment	1 000	(12 711)	-	-
	6 000	549 519	-	-
The valuation of the above property is stated at the post year end disposal price and the property is considered to be a fair value.				
	6 000	549 519	-	-

The above property (Erf 206 Vanderbijlpark) has been hypothecated under a mortgage bond to Investec Private Bank (a division of Investec Bank Limited) to secure borrowing facilities totalling R2 274 million. Refer to Note 7.

3. INVESTMENT IN SUBSIDIARIES

Shares at cost	1 000	1 000
Amounts owing	54 410	157 364
	55 410	158 364
Provision for impairment of amounts owing	(36 221)	(51 620)
Total	19 189	106 744

The company holds 100% of the issued share capital in Bonatla Properties (Proprietary) Limited. Bonatla Properties (Proprietary) Limited, in turn, holds 100% of the issued share capital in the companies listed below.

NOTES TO THE FINANCIAL STATEMENTS (continued)

at 30 September 2004

3. INVESTMENT IN SUBSIDIARIES (continued)

Name of company	Nature of business	Issued share capital 2004/ 2003 R	Company's effective holding 2004/ 2003 %	Shares at cost 2004/ 2003 R'000	Loans to sub-sidiaries 2004 R'000	Loans to sub-sidiaries 2003 R'000	Impair-ment 2004 R'000	Impair-ment 2003 R'000	Total 2004 R'000	Total 2003 R'000
Bonatla Properties (Proprietary) Limited	Management and financing	4	100	1 000	54 410	157 364	(36 221)	(51 620)	19 189	106 744
909 Umgeni Road (Proprietary) Limited	Dormant	1	100	6 872	-	-	-	-	6 872	6 872
Avoca Industrial Park (Proprietary) Limited	Dormant	100	100	-	-	-	-	-	-	-
Bogare Properties (Proprietary) Limited	Dormant	100	100	6 586	-	4 060	-	-	6 586	10 646
Cambridge Park Mall (Proprietary) Limited	Dormant	100	100	838	709	1 441	(632)	(1 496)	915	783
Codify Investments (Proprietary) Limited	Dormant	100	100	1 794	4 837	832	(4 927)	(2 626)	1 704	-
Dalefern Properties (Proprietary) Limited	Dormant	1 000	100	2 885	473	-	-	-	3 358	2 885
EG Chapman Syndication Hatfield No.2 (Proprietary) Limited	Dormant	1 235 000	100	3 540	-	3 551	(417)	(3 858)	3 123	3 233
Erf 508 Isando (Proprietary) Limited	Dormant	100	100	-	-	-	-	-	-	-
Hail Investments (Proprietary) Limited	Dormant	100	100	3 517	-	2 798	-	-	3 517	6 315
M & P Boating (Proprietary) Limited	Dormant	120	100	862	-	1 673	-	-	862	2 535
Makeover Investments (Proprietary) Limited	Dormant	100	100	1 750	-	4 056	-	(849)	1 750	4 957
Morgan Creek Properties Ten (Proprietary) Limited	Dormant	198	100	1 213	-	1 578	-	-	1 213	2 791
New Adventure Investments 72 (Proprietary) Limited	Dormant	100	100	350	679	1 412	(710)	(1 064)	319	698
Rara Avis Property Investments (Proprietary) Limited	Dormant	100	100	4 490	-	-	-	-	4 490	4 490
Samrand 869 Investments (Proprietary) Limited	Dormant	100	100	-	4 821	4 702	(4 821)	-	-	4 702
Stand 11 Corporate Park (Proprietary) Limited	Dormant	100	100	1 606	-	58	-	(1 177)	1 606	487
Stand 206 Vanderbijlpark (Proprietary) Limited	Property investment	200	100	1 211	1 209	1 250	-	(424)	2 420	2 037
Stand 972 Cambridge Park (Proprietary) Limited	Dormant	100	100	15 458	-	-	-	(8 549)	15 458	6 909
Sunrise Estate Development (Randburg) (Proprietary) Limited	Dormant	100	100	11 006	-	-	-	-	11 006	11 006
VLC Commercial and Industrial Properties (Proprietary) Limited	Dormant	2 000	100	9 854	203	18 258	(497)	(10 797)	9 560	17 315
Welkom Square Properties (Proprietary) Limited	Dormant	100	100	8 724	12 662	21 565	(12 557)	(19 308)	8 829	10 981
				82 556	25 593	67 234	(24 561)	(50 148)	83 588	99 642

NOTES TO THE FINANCIAL STATEMENTS (continued)

at 30 September 2004

	Group		Company	
	2004	2003	2004	2003
	R'000	R'000	R'000	R'000
4. INVESTMENTS				
Investments at fair value				
Listed	263	632		
Unlisted	2 232	7 896		
	2 495	8 528	-	-
Details of investments at 30 September 2004:				
Listed:				
1 052 515 (2003: 1 052 515) ordinary shares in Fairvest Property Holdings Limited	263	632	-	-
	263	632	-	-
Unlisted:				
- Debt redemption policies	-	7 494	-	-
- 9 022 199 "b-class" linked units in Alpina Investments Limited	1 700	-		
- 5 734 units (2003: 5 408 units) in Old Mutual Fund Investors' Fund	532	402	-	
	2 232	7 896	-	-
5. SHARE CAPITAL AND PREMIUM				
5.1 Share capital				
Authorised 500 000 000 (2003: 500 000 000) ordinary shares of 1 cent each	5 000	5 000	5 000	5 000
Issued 185 346 954 (2003: 185 346 954) ordinary shares of 1 cent each	1 853	1 853	1 853	1 853
5.2 Share premium				
At the beginning of the year	147 017	146 519	147 017	146 519
Arising on shares issued during the year	-	498	-	498
Return of capital to shareholders	(92 674)	-	(92 674)	-
	54 343	147 017	54 343	147 017
Share capital and premium	56 196	148 870	56 196	148 870
5.3 The unissued shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting.				
This authority remains in force until the next annual general meeting.				

NOTES TO THE FINANCIAL STATEMENTS (continued)

at 30 September 2004

	Group		Company	
	2004	2003	2004	2003
	R'000	R'000	R'000	R'000
6. DEBENTURES				
6.1 Redeemable convertible debentures – Equity				
Nil (2003: 8 000 000)				
variable rate unsecured convertible debentures of R1 each	-	8 000	-	8 000
6.2 Redeemable convertible debentures – Liability				
Nil (2003: 1 234 314) variable rate secured convertible redeemable debentures of R2 each	-	2 469	-	2 469
Movement for the year				
Balance at beginning of the year	10 469	14 967	10 469	14 967
Converted to shares	-	(498)	-	(498)
Redeemed – 8 000 000 (2003: Nil) debentures of R1 each	(8 000)	-	(8 000)	-
Repaid – 1 234 314 (2003: 2 000 000) debentures of R2 each	(2 469)	(4 000)	(2 469)	(4 000)
Balance at end of the year	-	10 469	-	10 469
7. INTEREST BEARING BORROWINGS				
Loans secured by mortgages over investment properties	2 274	401 587	-	-
The mortgage bond bears interest at a floating rate linked to the prime overdraft rate. The effective rate of interest for the current financial year was 10%. The loan is repayable in three monthly instalments commencing on 10/03/2005. The final instalment is due on 10/05/2005.				
8. DEFERRED TAXATION				
Capital Gains Taxation	-	26	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

at 30 September 2004

	Group		Company	
	2004	2003	2004	2003
	R'000	R'000	R'000	R'000

9. INTEREST RATE SWAP LIABILITY

As at 30 September 2004 the group was engaged in an interest rate swap agreement for a further three years whereby the nominal principal value of the underlying swap, representing a variable interest rate, had been converted to a fixed rate debt at an all inclusive rate of 14,85% compounded monthly.

Nominal value	85 190	78 373	-	-
---------------	---------------	--------	---	---

The nominal principal value of the underlying swap is set to increase over the remaining period of the agreement as follows:

- October 2004	87 909
- November 2004 to October 2006	149 040
- November 2006 to October 2007	236 202

Remaining swap period	3 years
Maturity date	31/10/2007

10. OPERATING PROFIT/(LOSS)

Operating profit for the period is stated after accounting for the following:

Expenditure

Auditors' remuneration	884	1 148	-	20
- Fees	880	1 146	-	20
- Expenses	4	2	-	-
Management fees – secretarial and administration	657	1 211	-	-
Management fees – asset and property management	1 099	4 678	-	-
Management fees – cancellation of contract	-	8 000	-	-
Depreciation on tenant installations	-	795	-	-
Staff costs	203	1 041	-	-
Operating lease rentals	382	388	-	-
Admin fees	357	12 859	-	-

11. FINANCE CHARGES

Interest paid				
- Debentures	-	44	-	722
- Mortgage and other liabilities	21 675	68 327	-	-
- Bank overdraft	251	1 401	-	-
	21 926	69 772	-	722

NOTES TO THE FINANCIAL STATEMENTS (continued)

at 30 September 2004

	Group		Company	
	2004 R'000	2003 R'000	2004 R'000	2003 R'000
12. DIRECTORS' EMOLUMENTS				
Emoluments received by non-executive directors				
– For services as directors	69	182	–	–
N Vontas	–	580	–	–
– For managerial services	–	–	–	–
	69	762	–	–

13. TAXATION

13.1 SA normal taxation

– current year	932	3 704	14	–
– prior year over-provision	(696)	–	–	–
Deferred taxation				
– current year	(26)	7 148	–	–
	210	10 852	14	–

The deferred taxation asset relating to unutilised taxation losses has not been recognised as there is no likelihood of the losses being utilised in the foreseeable future.

The deferred taxation asset relating to other temporary differences has likewise not been recognised as there is no likelihood that there will be taxable temporary differences in future against which these can be claimed.

	Group	
	2004 R'000	2003 R'000
14. LOSS PER SHARE	(19,06)	(21,95)
Loss per income statement	(35 327)	(41,010)
Weighted average number of shares	185 347	186 811
15. HEADLINE LOSS PER SHARE (cents)	(18,68)	(16,69)
Reconciliation between loss and headline loss:		
Loss per income statement	(35 327)	(41 010)
Adjusted for		
– Fair value adjustment to investment properties (after tax)	(850)	8 898
– Fair value adjustment of other financial assets (after tax)	313	930
– Loss on disposal of investment properties (after tax)	1 326	–
– Profit on redemption of debentures (after tax)	(84)	–
Headline loss	(34 622)	(31 182)
Weighted average number of shares	185 347	186 811

NOTES TO THE FINANCIAL STATEMENTS (continued)

at 30 September 2004

16. RELATED PARTY TRANSACTIONS

Related parties with whom the group transacted during the year are as follows:

16.1 Broll Real Estate (Gauteng) (Proprietary) Limited

R8 million fee paid to Broll/Catalyst Property Asset Managers (Pty) Limited in 2003.

The directors of Broll were also directors of Bonatla for part of the year.

Bonatla paid Broll an amount of R8 million in 2003 for the termination of the asset management agreement, which Bonatla was required to do in order to facilitate the sale of the property portfolio.

16.2 Hightower Properties (Proprietary) Limited

A commission of R6,2 million was paid to Hightower Properties (Pty) Limited which is a wholly owned subsidiary of Globus Investments (Pty) Limited (Globus) and a related party by virtue of the fact that Primo Property Services (Pty) Limited (Primo) is a fellow subsidiary of Globus and Primo is the property administration manager of the Bonatla portfolio.

16.3 Primo Properties (Proprietary) Limited

Primo is a subsidiary of Globus and is the property administration manager. It receives a fee of 3% of gross revenue on Bonatla's property portfolio.

The 8 000 000 unsecured convertible debentures of R1 each were redeemed at par (R8 million).

The R8 million was paid to Globus which is a related party by virtue of the fact that Primo is a subsidiary of Globus and Primo is the property administration manager of the Bonatla portfolio.

16.4 VKV Properties (Pty) Limited

As approved at the general meeting, the Welkom Square property was sold to VKV for R29,9 million.

VKV is a wholly owned subsidiary of Globus and a related party by virtue of the fact that Primo is a fellow subsidiary of Globus and Primo is the property administration manager of the Bonatla portfolio.

16.5 Ixia Trading 532 (Pty) Limited

Ixia is a private company incorporated in accordance with the laws applicable in South Africa and has a number of directors who are also directors of Globus, Primo and Hightower.

Ixia acquired certain properties from the Bonatla portfolio.

17. FINANCIAL INSTRUMENTS

Interest rate risk

At year end the group had borrowings of R2 274 million at a variable interest rate. The group manages its interest rate cash flow risk by utilising an interest rate swap – refer to Note 9. The estimated net liability position of the interest rate swap agreement was R16 356 million at year end (2003: R14 573 million). The related income or expense from the swap is recorded on the accrual basis as an adjustment to interest expense of the related debt instrument. The impact of the swap was to increase interest expense by R1 782 million in 2004 (2003: R14 574 million).

Credit risk

Potential areas of credit risk consist of trade receivables and short-term cash investments. The group maintains cash, cash equivalents and short-term investments with various reputable financial institutions. The group's policy is designed to limit exposure with any one financial institution.

The financial position of tenants is monitored on an ongoing basis. Provision is made for specific bad debts and at year end management did not consider there to be any material credit risk exposure, not covered by a provision for doubtful debt.

Liquidity risk

Cash flows are monitored on a monthly basis to ensure that cash resources are adequate to meet funding requirements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

at 30 September 2004

18. CASH FLOW STATEMENT

The following convention applies to figures other than adjustments: Outflows of cash are represented by figures in brackets. Inflows are represented by figures without brackets.

	Group		Company	
	2004 R'000	2003 R'000	2004 R'000	2003 R'000
18.1 Reconciliation of loss before taxation to cash generated from operations				
(Loss)/profit on ordinary activities before taxation	(35 117)	(30 158)	15 498	(52 565)
Adjustments	39 176	82 537	(15 498)	52 342
- Loss on disposal of investment properties.	1 326	-	-	-
- Profit on redemption of debentures	(99)	-	(99)	-
- Depreciation	-	795	-	-
- Investment income	(1 480)	(741)	-	-
- Finance charges	21 926	69 772	-	722
- (Reversal of impairment)/impairment of interest in subsidiaries	-	-	(15 399)	51 620
- Revaluation of debt redemption scheme	-	-	-	-
- Fair value adjustment of interest rate swap	1 782	-	-	-
- Fair value adjustment of listed and unlisted investments	16 721	-	-	-
- Fair value adjustment of investment properties	(1 000)	12 711	-	-
Operating profit/(loss) before working capital changes	4 059	52 379	-	(223)
(Increase)/decrease in working capital	(7 930)	14 019	90	(134)
Decrease/(increase) in trading investments	-	221	-	-
Decrease/(increase) in trade and other receivables	3 669	(2 133)	28	(28)
(Decrease)/increase in trade and other payables	(11 599)	15 931	62	(106)
Cash (absorbed by)/generated from operations	(3 871)	66 398	90	(357)

NOTES TO THE FINANCIAL STATEMENTS (continued)

at 30 September 2004

19. POST BALANCE SHEET EVENTS

Interest rate swap and recapitalisation

Subsequent to the year-end, the group has raised finance to fund the repayment of the indebtedness to bankers arising from the termination of the interest rate swap transaction between a subsidiary and the bankers.

In terms of the arrangement between the company and the bankers, the latter will procure that a third party will subscribe at a subscription price of R0,01 together with a premium thereon of R0,99 per preference share for

- 8 000 000 cumulative redeemable "A" shares in the company and
- 19 730 140 convertible "B" preference shares in the company.

The proceeds of these preference share issues will be used exclusively to repay the interest rate swap indebtedness.

The "A" preference shares will confer the right upon the holder to receive out of the profits of the company "A" preference dividends in priority to any payments of dividends to holders of any other classes of shares in the capital of the company (including any other class of preference share and ordinary share).

"A" preference dividends will be cumulative preferential cash dividends per "A" preference shares calculated on a daily basis on the subscription price at the applicable percentage on 31 July and 31 January of each year.

The applicable percentage will be 85% per annum of the prime rate and a penalty rate of the prime rate plus 2% on arrears. The "A" preference dividends in respect of any "A" preference shares will accrue up to the redemption date.

The "A" preference shares are to be redeemed on the fifth anniversary of the subscription date.

The "B" preference shares will confer the right upon the holder to receive out of the profits of the company "B" preference dividends in priority to any payments of dividends to holders of any other classes of shares in the capital of the company save only for the holders of any "A" preference shares.

"B" preference dividends will be cumulative preferential cash dividend per "B" preference shares calculated on a daily basis on the subscription price at the applicable percentage on 31 July and 31 January of each year.

The applicable percentage will be 85% per annum of the prime rate and a penalty rate of the prime rate plus 2% on arrears. The "B" preference dividends in respect of any "B" preference shares will accrue up to the conversion date.

The "B" preference shares are to be converted on the fifth anniversary of the subscription date to ordinary shares at the market value per ordinary share in the share capital of the company.

The aforesaid agreements are subject to certain suspensive conditions and in the event that all the suspensive conditions relating to the issue of the "A" and "B" preference shares are not fulfilled by the due date therefor, the bankers have agreed that they will upon receipt of a written notice to the effect from the third party and the company, subordinate the group's interest rate swap indebtedness as follows:

- It will not demand or accept repayment of the interest swap indebtedness or any portion thereof if the effect of such repayment would be that group's liabilities would exceed its assets fairly valued
 - It will agree not to demand or accept repayment of the interest rate swap indebtedness or any portion thereof if the effect of such repayment would be that the group's liabilities exceed its assets fairly valued
 - The written notice from the company and the third party confirming that all the suspensive conditions have not been fulfilled by due date will only be effective if they are received by the bankers before 28 February 2006.
-

ANALYSIS OF SHAREHOLDERS

SHAREHOLDERS' PROFILE as at 30 September 2004

Bonatla Property Holdings Limited: Unitholder Analysis Tables

Register date: 30 September 2004

Issued share capital: 185 346 954 shares

SHAREHOLDERS' CLASSIFICATION	Number of shareholders	%	Number of shares	%
1 – 1 000 shares	386	74,95	42 986	0,02
1 001 – 10 000 shares	26	5,05	126 600	0,07
10 001 – 100 000 shares	50	9,71	2 336 329	1,26
100 001 – 1 000 000 shares	37	7,18	11 977 743	6,46
1 000 001 shares and over 16	3,11	170 863 296	92,19	
	515	100,00	185 346 954	100,00

SHAREHOLDERS' PROFILE

Banks	11	2,14	1 696 474	0,92
Close corporations	24	4,66	701 491	0,38
Individuals	213	41,36	10 510 999	5,67
Insurance company	1	0,19	100	0,00
Mutual fund	1	0,19	1 000 000	0,54
Nominees and trusts	19	3,69	1 647 872	0,89
Other corporations	161	31,26	5 790 948	3,12
Pension fund	1	0,19	16 500 000	8,90
Private companies	74	14,37	139 152 892	75,08
Public companies	10	1,94	8 346 178	4,50
	515	100,00	185 346 954	100,00

PUBLIC/NON-PUBLIC SHAREHOLDERS

Non-public shareholders	1	0,19	106 311 222	57,36
Strategic Holdings (more than 10%)	1	0,19	106 311 222	57,36
Public shareholders	514	99,81	79 035 732	42,64
	515	100,00	185 346 954	100,00

BENEFICIAL SHAREHOLDERS HOLDING 3% OR MORE	Number of shares	%
Letswin Investments (Pty) Limited (Pledge Account)	106 311 222	57,36
Mines Pension Fund	16 500 000	8,90
Outward Investments (Pty) Limited	9 779 595	5,28

SHAREHOLDERS' CALENDAR

7th Annual General Meeting	17 January 2006
Interim Results (for the half year to 31 March 2006)	May 2006
Preliminary Announcement (for the year ended 30 September 2006)	December 2006
Annual Report	February 2007

NOTICE OF ANNUAL GENERAL MEETING

BONATLA PROPERTY HOLDINGS LIMITED

Registration number 1996/014533/06)

("Bonatla" or "the company")

Share code: BNT ISIN: ZAE0000013694

Notice is hereby given that the seventh Annual General Meeting of shareholders of Bonatla Property Holdings Limited will be held in the boardroom of Vining Camerer Inc, Ground Floor, 43 Wierda Road West, Wierda Valley, Sandton at 10:00 on Tuesday, 17 January 2006 for the purposes of considering and, if deemed fit, passing with or without modification, the resolutions set out below:

Ordinary Resolution number one

"TO RESOLVE THAT the Auditors' Report be taken as read."

Ordinary Resolution number two

"TO RESOLVE THAT the annual financial statements of the company and the group for the financial year ended 30 September 2004, together with the reports of the directors and auditors, be and are hereby approved."

Ordinary Resolution number three

"TO RESOLVE THAT the re-appointment of Messrs A Platt, R Rainier and Mrs H Dudley as directors of the company, be approved by means of a single resolution."

Ordinary Resolution number four

"TO RESOLVE THAT Messrs A Platt and R Rainier, and Mrs H Dudley, who retire as directors in terms of the company's article of association, but, being eligible, offer themselves for re-election, with the exception of Mrs H Dudley, are re-elected to the board of the company."

Ordinary Resolution number five

"TO RESOLVE THAT the authorised but unissued shares in the capital of the company be placed under the control of the directors of the company to allot or issue such shares at their discretion, subject to the provisions of the Companies Act No. 61 of 1973, as amended, and the Listings Requirements of the JSE Limited."

No issue of shares is contemplated at the present time and no issue will be made that could effectively transfer the control of the company without the prior approval of shareholders in general meeting.

Ordinary Resolution number six

"TO RESOLVE THAT Grant Thornton be appointed as auditors of the company, and their remuneration be approved by the directors of the company."

Ordinary Resolution number seven

"TO RESOLVE THAT the directors of the company be and they are hereby authorised, by way of a general authority, to issue all or any of the authorised but unissued shares in the capital of the company for cash, as and when they in their discretion deem fit."

This resolution is subject to the Listings Requirements of the JSE Limited, which currently provide:

- that this authority shall be valid until the next annual general meeting of the company, provided it shall not extend beyond fifteen months from the date that this authority is given;
- that a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue of shares representing, on a cumulative basis within one year, 5% or more of the number of the company's shares in issue prior to any such issue;

NOTICE OF ANNUAL GENERAL MEETING (continued)

- that issues in the aggregate in any one year shall not exceed 15% of the number of shares in the company's issued share capital;
- that, in determining the price at which an issue of shares may be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price determined over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors. Issues at a discount greater than 10% may be undertaken subject to specific shareholder consent; and
- that any such issue will only be made to public shareholders as defined by the JSE Limited.

VOTING

The ordinary resolutions are subject to a simple majority of shareholders present or represented by proxy at the annual general meeting, with the exception of resolution number five, which requires the approval of a 75% majority of the votes cast by shareholders present or represented by proxy at the annual general meeting.

Every shareholder present in person or by proxy at the annual general meeting shall, on a show of hands, have one vote only, and on a poll, have one vote for each share of which he/she is the registered holder.

A shareholder entitled to attend, speak and vote is entitled to appoint a proxy (who need not be a shareholder of the company) to attend, speak and vote in his stead.

Shareholders which are companies or other bodies corporate may, in terms of section 188(1) of the Act, by resolution of its directors or other governing body, authorise any person to act as its representative at the annual general meeting.

Certificated shareholders and "own name" dematerialised shareholders who are unable to attend the annual general meeting but wish to be represented thereat must complete and return the attached form of proxy in accordance with the instructions contained therein so as to be received by the transfer secretaries, Computershare Investor Services 2004 (Pty) Limited, Ground Floor, 70 Marshall Street, Johannesburg (P O Box 61051, Marshalltown, 2107) by no later than 10:00 on Thursday, 12 January 2006.

Dematerialised shareholders, other than "own name" dematerialised shareholders, who wish to attend the annual general meeting, must request their CSDP or broker to issue them with a letter of representation to enable them to attend the annual general meeting in person. Alternatively, such dematerialised shareholders must instruct their CSDP or broker as to how they wish to vote in this regard. This has to be done in terms of the agreement entered into between the shareholder and their CSDP or broker.

By order of the board

Corporate Statutory Services (Proprietary) Limited

Company Secretary to Bonatla Property Holdings Limited

16 November 2005

FORM OF PROXY



BONATLA PROPERTY HOLDINGS LIMITED
 Registration No. 1996/014533/06
 ("Bonatla" or "The Company")
 Share Code: BNT ISIN: ZAE0000013694

FOR USE BY CERTIFICATED AND OWN NAME DEMATERIALIZED SHAREHOLDERS AT THE SEVENTH GENERAL MEETING OF SHAREHOLDERS TO BE HELD AT 10:00 ON TUESDAY, 17 JANUARY 2006, AT THE OFFICE OF VINING CAMERER INC., GROUND FLOOR, 43 WIERDA ROAD WEST, SANDTON.

Note: Dematerialised shareholders without own name registration must not use this form. Dematerialised shareholders without own name registration who wish to vote by way of proxy at the general meeting, must provide their CSDP or broker with their voting instructions **by the cut-off time and date advised by the CSDP or broker for instructions of this nature** as specified in the custody agreement entered into between such shareholder and their CSDP or broker, in order for such CSDP or broker to vote in accordance with such instructions at the general meeting.

I/We _____

of _____

being the registered holder/s of _____ ordinary shares in Bonatla, appoint (see note 1):

1. _____ of _____ or failing him/her

2. _____ of _____ or failing him/her

3. the chairman of the general meeting,

as my/our proxy to act for me/us on my/our behalf at the general meeting which will be held at 10:00 on Tuesday, 17 January 2006 for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary resolution to be proposed thereat and at any adjournment thereof; and to vote for or against the said resolution or abstain from voting in respect of the ordinary shares registered in my/our name/s, in accordance with the following instructions (see note 2):

	For	Against	Abstain
Ordinary resolution number 1 (Auditors' report)			
Ordinary resolution number 2 (Adoption of annual financial statements for the year ended 30 September 2004)			
Ordinary resolution number 3 (One resolution for re-appointment of auditors)			
Ordinary resolution number 4 (Appointment of directors)			
Ordinary resolution number 5 (Issue of shares for cash)			
Ordinary resolution number 6 (Appointment of auditors)			
Ordinary resolution number 7 (Issue of shares for cash)			

Signed at _____ on _____ 2005

Signature _____

Each shareholder is entitled to appoint one or more proxy(ies) (who need not be shareholders of the Company), to attend, speak and vote in his/her stead at the general meeting.

Please read the notes on the reverse side hereof.

Shareholders holding certificated shares or dematerialised shares registered in their own name

1. Only shareholders who hold certificated shares and shareholders who have dematerialised their shares in "own name" registrations may make use of this proxy form.
2. Each such ordinary shareholder is entitled to appoint one or more proxyholders (none of whom need to be a member of the company) to attend, speak and, on a poll, vote in place of that ordinary shareholder at the general meeting, by inserting the name of a proxy or the names of two alternate proxies of the ordinary shareholder's choice in the space provided, with or without deleting 'the chairman of the meeting'. The person whose name stands first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. An ordinary shareholder's instructions to the proxyholder must be indicated by the insertion of the relevant number of votes exercisable by that ordinary shareholder in the appropriate box/es provided. Failure to comply with the above will be deemed to authorise the chairman of the meeting, if he is the authorised proxyholder, to vote in favour of the resolutions at the general meeting, or any other proxy to vote or to abstain from voting at the general meeting, as he deems fit, in respect of all the ordinary shareholder's votes exercisable thereat.
4. An ordinary shareholder or his proxy is not obliged to vote in respect of all the ordinary shares held or represented by him, but the total number of votes for or against the resolutions in respect of which any abstention is recorded may not exceed the total number of votes to which the ordinary shareholder or his proxy is entitled.
5. Any power of attorney and any instrument appointing a proxy or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, shall be deposited at the office of the transfer secretaries not less than 48 (forty eight) hours (excluding Saturday, Sundays and public holidays) before the time appointed for holding the meeting.
6. The completion and lodging of this form of proxy will not preclude the relevant ordinary shareholder from attending the meeting and speaking and voting in person thereat to the exclusion of any proxyholder appointed.
7. Where there are joint holders of ordinary shares any one holder may sign the proxy form. The vote of only one holder in order of seniority (determined by sequence of names on the company register) will be accepted, whether in person or by proxy, to the exclusion of the vote(s) of other joint holders.
8. Shareholders should lodge, post or fax their completed proxy forms to Computershare Investor Services 2004 (Proprietary) Limited, 70 Marshall Street, Johannesburg 2001. (PO Box 61051, Marshalltown, 2107; fax number (011) 688 7721) to be received by not later than 09:00 on Monday, 5 May 2003. Proxies not deposited timeously shall be treated as invalid.

Shareholders holding dematerialised shares

9. Shareholders who have dematerialised their shares through a Central Securities Depository Participant (CSDP) or broker (except those shareholders who have elected to dematerialise their shares in "own name" registrations) and all beneficial shareholders holding their shares (dematerialised or certificated) through a nominee should provide such CSDP, broker or nominee with their voting instructions in sufficient time to allow them to advise the transfer secretaries of the company of their voting instructions before the closing time set out in 8 above.
10. All such shareholders wishing to attend the meeting in person may do so only by requesting their CSDP, broker or nominee to issue the shareholder with a letter of representation in terms of the custody agreement. Such letter of representation must also be lodged with the transfer secretaries before the closing time set out in 8 above.

