



ANNUAL REPORT 2005

Bonatla Property Holdings Limited

Annual Financial Statements for year ended 30 September 2005

PROPERTY INVESTMENT OBJECTIVES

The company intends to invest in properties which are:

- substantially let to end users,
- low in maintenance requirements,
- of a sufficiently high quality to attract stable long term tenants,
- non-speculative by nature,
- subject to leases which provide secure covenants with staggered expiry dates thus minimising the risk of significant vacancies in any single financial year,
- subject to leases which provide for the recovery of operating costs from the tenants so that the growth in net income yield is not eroded by inflationary pressures,
- reflective of potential for income and capital growth,
- capable to be let to commercial, industrial, retail and mixed use tenants.

The properties will be well situated in terms of micro-locations within specific growing industrial retail office and residential areas with good accessibility, and good infrastructure in growing nodes, initially in Gauteng, KwaZulu-Natal and Cape Town.

The investment strategy will be flexible enough to recognise and take into account the accelerating socio-economic changes in our country.

Bonatla will utilise prudent borrowing of a non-speculative nature in order to maximise income, capital and ultimately return on equity growth.

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CHAIRMAN'S REPORT

The financial year under review was characterised by the rehabilitation of the company's affairs and the establishment of a new management team. As a result of this, comparison with the previous financial year is not relevant.

Following the sale of the property portfolio, the previous board had intended to unwind the company after transfer of the properties had been completed. However, this was not possible due to the significance of the liability to bankers under the interest rate swap agreement, which had increased with declining interest rates.

The new board has since year end settled the interest rate swap liability with Nedcor and taken steps to begin introducing new assets into the company.

The steady decrease in interest rates, with the key R153 Long Term Bond standing below 7,4%, has created a highly competitive property environment. Yields of good quality real estate investments and property returns have declined below the cost of capital, which reduces the ability to gear good quality property investments above a 45% loan to value ratio without risk of diluting returns on equity in the medium term.

Total returns on retail property investments still outperform all other real estate asset classes. However, industrial rentals have started to reflect the shortage of modern industrial and warehousing accommodation. Office property returns shows stable but slow signs of recovery.

The board of Bonatla is committed to the Property Charter and intend to conclude a Black Empowerment equity ownership transaction during 2006, which will encompass asset, property and procurement management involvement.

I would like to thank my fellow directors, the staff of CDA Property Consultants (Pty) Limited, Alchemy Property Management and all our professional advisors for their contribution during this transition period, during which the foundation for the successful revival of the company has been laid.



M H Brodie
Sandton

February 2006

REVIEW OF RESULTS AND PORTFOLIO ANALYSIS

RESULTS

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

OPERATIONS

Efforts during the year were focused on rehabilitating the company, and publication of results for the years ending September 2003, 2004 and the current year 2005.

As reported in the previous year's financial report, the interest rate swap agreement signed by Catalyst Asset Managers (Pty) Limited, the asset managers at that time, introduced a major speculative risk into the company's affairs. Due to the endeavours of the new asset managers CDA and the new board, the company was able to eliminate the risk associated with the asset swap.

A R9 978 000 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 R27,996 million. The interest rate swap was closed on 16 February 2005.

INVESTMENTS

At Balance Sheet date:

- The unlisted 9 022 199 Alpina B class linked units were valued at R1,7 million.
- The only investment property left in Bonatla was Stand 206 Vanderbijlpark which was revalued from book to market value at R6 million as required by AC135. An agreement of sale for this property was in place, and transfer took place post balance sheet.

POST BALANCE SHEET EVENTS

On 17 January 2006 a Special General Meeting was held at which the recapitalisation of the company through the issue of Compulsory Convertible and Redeemable Debentures to Depfin (Pty) Limited, a subsidiary of Nedcor, was approved. The interest rate swap was repaid from the proceeds of the issue of the Convertible and Redeemable Debentures, which were issued, on 17 January 2006.

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

An agreement subject to certain suspensive conditions was finalised on 3 October 2005 whereby the 9 022 199 Alpina B class linked units included under investments are to be repurchased by Alpina in exchange for properties VLC House and Manchester Park.

RELATED PARTY TRANSACTIONS

All related party transactions are reflected in the notes to the financial statements.

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

DIRECTORATE AND ADMINISTRATION

APPOINTMENTS

M H Brodie remained on the Board as Chairman.
R L Rainier joined the Board on 28 December 2005
H T Dudley joined the Board on 12 January 2005 but did not stand for re-election at the AGM on 17 January 2006.
A Platt joined the Board on 12 January 2005 and resigned on 25 November 2005.
C Douglas joined the Board on 17 January 2006.
D A Johnston joined the Board on 3 February 2006.

REGISTERED OFFICE

29 Dover Street Westdene 2092
P O Box 724 Melville 2109

REGISTRATION NUMBER

1996/014533/06

TELEPHONE AND FAX NUMBERS

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

EMAIL

admin@bonatla.co.za

LISTING DETAILS

Listed in the Real Estate Sector of the JSE Limited
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

The Board of directors endorses and has addressed and, where applicable, has applied the Code of Corporate Practices and Conduct ("the Code") and is fully committed to complying with the recommendation of the King II Report on corporate governance ("King II Report") as well as the Listings Requirements of JSE Limited ("JSE").

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

The directors continually review the group's policies and procedures to enhance corporate governance and to ensure that the group continues to be managed under the highest ethical standards.

STATEMENT OF COMPLIANCE

The directors believe that the group has applied good corporate governance in terms of the King II Report and the Listings Requirements of the JSE.

BOARD OF DIRECTORS

Bonatla has a unitary board and the role of the chairperson and chief executive do not vest in the same person. The chairperson of the Board is an independent non-executive director.

The Bonatla Board meets regularly, retains full and effective control over the affairs of the group and monitors the asset management and property management processes. 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 is responsible for effective control over the affairs of the group, including: strategic and policy decision-making, financial control, risk management,

communication with stakeholders, internal controls and the asset management process. It approves the annual strategic plan and budget for the group.

Each of the members of the Board is competent and has a wide range of expertise in the property environment, finance and general commerce.

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

COMPANY SECRETARY AND PROFESSIONAL ADVICE

The company secretarial function has been outsourced to Corporate Statutory Services (Pty) Limited who were appointed on 12 January 2005, in the place of Corporate Governance CC.

All directors have access to the advice and services of the Company Secretary, whose responsibilities are 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, induction of new directors, liaising with the JSE Limited, STRATE, the Transfer Secretaries, 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, three committees have been established, to which certain of the Board 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.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee has been combined with the Audit Committee as from 8 February 2006.

COMBINED AUDIT AND RISK COMMITTEE

In light of the King Report on Corporate Governance which requires an independent director as chairman of the Audit Committee, the current Board of directors has appointed D A Johnston as chairman of the committee due to his independence and expertise in property matters.

The committee ensures integrity of the group's accounting, audit and financial reporting process and the maintenance of sound risk management and internal control systems.

The committee is responsible for the review of the financial statements and accounting policies, the effectiveness of management information, the overall risk profile of the group, compliance with statutory and regulatory requirements, interim and final reports and profit announcements, and the effectiveness and findings of the internal audit function.

It recommends to the Board the appointment and selection of the company's external auditors, their proposed audit fee and scope of the audit for the following financial year end and ensures that financial statements are prepared according to Statements of Generally Accepted Accounting Practice.

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

The members of the committee are:
D A Johnston (Chairman)
M H Brodie
C Douglas

INVESTMENT COMMITTEE

The committee has been established 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.

The members of the Investment Committee are:
D A Johnston (Chairman)
M H. Brodie

REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee has been established to determine the remuneration and terms of employment of directors and senior management and the nomination of further directors to the Board. Due to the fact that the company currently has a small board and the remuneration of the directors and the chief executive has been resolved at a Board meeting no official committee meeting has been held.

The members of the Remuneration and Nomination Committee are:
M H Brodie (Chairman)
D A Johnston

AFFIRMATIVE ACTION POLICY

The current Board has fully subscribed to the South African property charter and intends introducing a significant BEE group during 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.

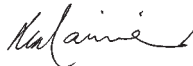
The directors believe that the group will be a going concern in the foreseeable future, and for this reason the going concern basis has been adopted in preparing the financial statements.

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 16 February 2006 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 February 2006

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 29, for the year ended 30 September 2005. 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

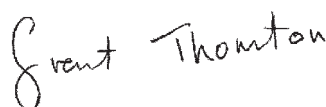
We conducted our audit in accordance with Statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- 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 2005, 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 February 2006

DIRECTORS' REPORT

The directors submit their report for the year ended 30 September 2005.

NATURE OF BUSINESS

Bonatla Property Holdings Limited is a property investment company.

GENERAL REVIEW OF OPERATIONS AND FINANCIAL REPORTS

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 (2004: 500 000 000). 185 096 954 ordinary shares of one cent each were in issue at the end of the year under review (2004: 185 096 954).

After the financial year end the following alterations to the authorised and issued share capital occurred:
The issue of 8 000 000 cumulative redeemable 'A' preference shares of R0,01 each with a share premium of R0,99.

The issue of 19 730 140 convertible 'B' preference shares of R0,01 each with a share premium of R0,99.
The purpose of the issues was to facilitate the capitalisation of debt to restore the solvency of the group.

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 to the financial statements.

DIRECTORATE AND MANAGEMENT

The names of the current directors appear on page 5.

Two out of four of the current directors are non-executive directors, namely M H Brodie and D A Johnston.

The Board includes two independent directors, namely M H Brodie and D A Johnston. It is planned to increase this number during the forthcoming financial year.

The company currently has a staff of three and an Executive Officer.

Assets are managed by CDA Property Consultants (Pty) Limited in which a director, C Douglas, has an interest.

DIRECTORS' REPORT (continued)

DIRECTORS' SHAREHOLDING

The following reflects the number of shares held by directors:

Directors' shareholding as at 30 September 2005

	Beneficial holdings		Non-beneficial holdings		% of all ordinary shares
	Direct	Indirect	Direct	Indirect	
R L Rainier	-	105 000 000	-	-	56,7
C Douglas	-	748 568	-	-	0,4
Total	-	105 748 568	-	-	57,1

There have been changes in the directors' shareholdings between the year-end and the date of this report, and the above table reflects the directors' holdings at the last applicable date.

CORPORATE GOVERNANCE AND INTERNAL CONTROLS

The company's position in regard to corporate governance and internal controls is set out in a separate statement on pages 6 and 7.

DIVIDEND

No dividend was declared during the period under review.

SPECIAL RESOLUTIONS

Four special resolutions were passed on 17 January 2006 arising from a circular to shareholders dated 20 December 2006 which dealt with the interest rate swap and the recapitalisation of the company.

BALANCE SHEETS

at 30 September 2005

	Notes	Group		Company	
		2005 R'000	2004 R'000	2005 R'000	2004 R'000
ASSETS					
Non-current assets					
Office and computer equipment	2	77	-	-	-
Current assets					
		10 237	13 740	-	19 189
Investment property	3	6 000	6 000	-	-
Investment in subsidiaries	4	-	-	-	19 189
Investments	5	2 035	2 495	-	-
Trade and other receivables		1 248	413	-	-
Short-term loan		765	656	-	-
Cash and cash equivalents		189	4 176	-	-
Total assets		10 314	13 740	-	19 189
EQUITY AND LIABILITIES					
Equity capital and reserves					
		(25 713)	(9 937)	(78)	19,090
Share capital and premium	5	56 196	56 196	56 196	56 196
Accumulated loss		(81 909)	(66 133)	(56 274)	(37 106)
Current liabilities					
		36 027	23 677	78	99
Interest bearing borrowings	7	2 525	2 274	-	-
Interest rate swap liability	8	27 996	16 356	-	-
Taxation		1 143	1 814	14	14
Trade and other payables		4 363	3 233	64	85
Total equity and liabilities		10 314	13 740	-	19 189

INCOME STATEMENTS

for the year ended 30 September 2005

	Notes	Group		Company	
		2005 R'000	2004 R'000	2005 R'000	2004 R'000
Turnover		887	27 663	-	-
Operating costs		(5 264)	(23 604)	-	-
Operating profit/(loss)	10	(4 377)	4 059	-	-
Fair value adjustment of investment properties (Impairment)/reversal of impairment of interest in subsidiaries		-	1 000	-	-
		-	-	(19 168)	15 399
Results from operating activities		(4 377)	5 059	(19 168)	15 399
Interest received		237	1 480	-	-
Finance charges	11	(2 089)	(21 926)	-	-
Loss on disposal of investment properties		-	(1 326)	-	-
Profit on disposal of investment		237	-	-	-
Profit on redemption of debentures		-	99	-	99
Fair value adjustment of listed and unlisted investments		72	(16 721)	-	-
Fair value adjustment of interest rate swap		(9 778)	(1 782)	-	-
(Loss)/profit before taxation		(15 698)	(35 117)	(19 168)	15 498
Taxation	13	(78)	(210)	-	(14)
(Loss)/profit after taxation		(15 776)	(35 327)	(19 168)	15 484
		cents	cents		
Loss per share	14	(8,51)	(19,06)		
Headline loss per share	15	(8,51)	(18,68)		

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2005

	Share capital R'000	Share premium R'000	Convertible debentures R'000	(accumulated loss) R'000	Retained earnings/ Total R'000
GROUP					
Balance at 1 October 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)
Net loss for the year	-	-	-	(15 776)	(15 776)
Balance at 30 September 2005	1 853	54 343	-	(81 909)	(25 713)
COMPANY					
Balance at 1 October 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
Net loss for the year	-	-	-	(19 168)	(19 168)
Balance at 30 September 2005	1 853	54 343	-	(56 274)	(78)

CASH FLOW STATEMENTS

for the year ended 30 September 2005

	Notes	Group		Company	
		2005 R'000	2004 R'000	2005 R'000	2004 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		(4 919)	(24 107)	(21)	90
Cash (absorbed by)/generated from operations	18.1	(2 318)	(3 871)	(21)	90
Interest received		237	1 480	-	-
Interest paid		(2 089)	(21 926)	-	-
Normal taxation (paid)/refunded		(749)	210	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		681	534 190	21	102 954
Purchase of tangible assets – additions		(88)	-	-	-
Proceeds on disposal of investment properties		-	544 519	-	-
Additions to listed investments		-	(18 192)	-	102 954
Proceeds from investment		769	7 863	21	-
CASH FLOWS FROM FINANCING ACTIVITIES		251	(502 357)	-	(103 044)
Return of capital to shareholders		-	(92 674)	-	(92 674)
Redemption of debentures		-	(10 370)	-	(10 370)
Increase/(decrease) in interest bearing borrowings		251	(399 313)	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(3 987)	7 726	-	-
Cash and cash equivalents at the beginning of the year		4 176	(3 550)	-	-
Cash and cash equivalents at the end of the year		189	4 176	-	-

NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2005

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 are consistent with those of the prior year except for recognition of rental income.

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 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.

1.2 Investment properties

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.

1.3 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.

1.4 Letting commissions

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

1.5 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

at 30 September 2005

1. ACCOUNTING POLICIES (continued)

1.6 Revenue

1.6.1 Rental income

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

Rental income is recognised on a straight line basis.

Previously rental was recognised on an accrual basis. The change in accounting policy does not have a material effect on the financial statements.

1.6.2 Interest income

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

1.7 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.

1.7.1 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.

1.7.2 Financial liabilities

The company's principal financial liabilities are 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:

- 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.
- 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

at 30 September 2005

1. ACCOUNTING POLICIES (continued)

1.8 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.

1.9 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 2005

1. ACCOUNTING POLICIES (continued)

1.10 Office and computer equipment

Office and computer equipment is stated at cost less depreciation and any accumulated impairment losses.

Depreciation is provided on all office and computer equipment to write down the cost by equal instalments over their useful lives as follows:

Office equipment	6 years
Computer equipment	3 years
Computer software	3 years

	Group		Company	
	2005	2004	2005	2004
	R'000	R'000	R'000	R'000
2. OFFICE AND COMPUTER EQUIPMENT				
Cost or valuation				
- Office equipment	6	-	-	-
- Computer equipment	36	-	-	-
- Computer software	46	-	-	-
	88	-	-	-
Accumulated depreciation				
- Office equipment	1	-	-	-
- Computer equipment	4	-	-	-
- Computer software	6	-	-	-
	11	-	-	-
Carrying amount				
- Office equipment	5	-	-	-
- Computer equipment	32	-	-	-
- Computer software	40	-	-	-
	77	-	-	-
2.1 Movement for the year				
Cost or valuation at the beginning of the year	-	-	-	-
Additions	88			
- Office equipment	6	-	-	-
- Computer equipment	36	-	-	-
- Computer software	46	-	-	-
At end of the year	88	-	-	-
2.2 Movement for the year				
Depreciation at the beginning of the year	-	-	-	-
Charge for the year	11			
At end of the year	11	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

at 30 September 2005

	Group		Company	
	2005 R'000	2004 R'000	2005 R'000	2004 R'000
3. INVESTMENT PROPERTY				
At fair value	6 000	6 000	-	-
Accumulated depreciation of tenant installations	-	-	-	-
Net book value	6 000	6 000	-	-
Movement for the year				
Fair value at the beginning of the year	6 000	549 519	-	-
Additions at cost	-	-	-	-
Disposals	-	(544 519)	-	-
Depreciation of tenant installations	-	-	-	-
Fair value adjustment	-	1 000	-	-
	6 000	6 000	-	-
The valuation of the above property is the post year end disposal price and this is considered to be the fair value.	6 000	6 000		
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 R1,925 million. Refer to Note 7.				
4. INVESTMENT IN SUBSIDIARIES				
Shares at cost	-	-	1 000	1 000
Amounts owing	-	-	54 390	54 410
	-	-	55 390	55 410
Provision for impairment of interest in subsidiaries	-	-	(55 390)	(36 221)
Total	-	-	-	19 189

NOTES TO THE FINANCIAL STATEMENTS (continued)

at 30 September 2005

4. INVESTMENT IN SUBSIDIARIES (continued)

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.

Name of company	Nature of business	Issued share capital 2005/ 2004 R	Company's effective holding 2005/ 2004 %	Shares at cost 2005/ 2004 R'000	Loans to subsidiaries 2005 R'000	Loans to subsidiaries 2004 R'000	Impairment 2005 R'000	Impairment 2004 R'000	Total 2005 R'000	Total 2004 R'000
Bonatla Properties (Proprietary) Limited	Management and financing	1	100	1 000	54 390	54 410	(55 390)	(36 221)	-	19 189
909 Umgeni Road (Proprietary) Limited	Dormant	1	100	6 872	-	-	-	-	6 872	6 872
Avoca Industrial Park (Proprietary) Limited	Dormant	100	100	-	260	-	(260)	-	-	-
Bogare Properties (Proprietary) Limited	Dormant	100	100	6 586	-	-	-	-	6 586	6 586
Cambridge Park Mall (Proprietary) Limited	Dormant	100	100	838	709	709	(632)	(632)	915	915
Codify Investments (Proprietary) Limited	Dormant	100	100	1 794	4 914	4 837	(4 995)	(4 927)	1 713	1 704
Dalefern Properties (Proprietary) Limited	Dormant	1 000	100	2 885	-	473	-	-	2 885	3 358
EG Chapman Syndication Hatfield No.2 (Proprietary) Limited	Dormant	1 235 000	100	3 540	510	-	(689)	(417)	3 361	3 123
Erf 508 Isando (Proprietary) Limited	Dormant	100	100	-	-	-	-	-	-	-
Hail Investments (Proprietary) Limited	Dormant	100	100	3 517	-	-	-	-	3 517	3 517
M & P Boating (Proprietary) Limited	Dormant	120	100	862	-	-	-	-	862	862
Makeover Investments (Proprietary) Limited	Dormant	100	100	1 750	84	-	(225)	0	1 609	1 750
Morgan Creek Properties Ten (Proprietary) Limited	Dormant	198	100	1 213	-	-	-	-	1 213	1 213
New Adventure Investments 72 (Proprietary) Limited	Dormant	100	100	350	682	679	(710)	(710)	322	319
Rara Avis Property Investments (Proprietary) Limited	Dormant	100	100	4 490	-	-	-	-	4 490	4 490
Samrand 869 Investments (Proprietary) Limited	Dormant	100	100	-	4 825	4 821	(4 825)	(4 821)	-	-
Stand 11 Corporate Park (Proprietary) Limited	Dormant	100	100	1 606	-	-	-	0	1 606	1 606
Stand 206 Vanderbijlpark (Proprietary) Limited	Property Investment	200	100	1 211	1 708	1 209	-	0	2 919	2 420
Stand 972 Cambridge Park (Proprietary) Limited	Dormant	100	100	15 458	-	-	-	0	15 458	15 458
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	291	203	(645)	(497)	9 500	9 560
Welkom Square Properties (Proprietary) Limited	Dormant	100	100	8 724	12 768	12 662	(12 749)	(12 557)	8 743	8 829
				82 556	26 751	25 593	(25 730)	(24 561)	83 577	83 588

NOTES TO THE FINANCIAL STATEMENTS (continued)

at 30 September 2005

	Group		Company	
	2005	2004	2005	2004
	R'000	R'000	R'000	R'000
5. INVESTMENTS				
Investments at fair value				
Listed	335	263		
Unlisted	1 700	2 232		
	2 035	2 495	-	-
Details of investments at 30 September 2004:				
Listed:				
1 052 515 (2004: 1 052 515) ordinary shares in Fairvest Property Holdings Limited	335	263	-	-
	335	263	-	-
Unlisted:				
- 9 022 199 "b-class" linked units in Alpina Investments Limited	1 700	1 700		
- 5 734 units in Old Mutual Fund Investors' Fund	-	532	-	-
	1 700	2 232	-	-
6. SHARE CAPITAL AND PREMIUM				
6.1 Share capital				
Authorised				
500 000 000 (2004: 500 000 000) ordinary shares of 1 cent each	5 000	5 000	5 000	5 000
Issued				
185 346 954 (2004: 185 346 954) ordinary shares of 1 cent each	1 853	1 853	1 853	1 853
6.2 Share premium				
At the beginning of the year	54 343	147 017	54 343	147 017
Return of capital to shareholders	-	(92 674)	-	(92 674)
	54 343	54 343	54 343	54 343
Share capital and premium	56 196	56 196	56 196	56 196
6.3 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 2005

	Group		Company	
	2005 R'000	2004 R'000	2005 R'000	2004 R'000
7. INTEREST BEARING BORROWINGS				
Loan secured by mortgage over investment property	1 925	2 274		
Unsecured loan	600	-		
	2 525	2 274	-	-

The mortgage loan bears interest at a floating rate linked to the prime overdraft rate. The effective rate of interest for the current financial year was 9,5%. The loan is repayable in monthly instalments of R46 094. The loan was repaid on 07/10/2005 in the execution of transfer of the property to its purchaser.

8. INTEREST RATE SWAP LIABILITY

As at 30 September 2005 the group was engaged in an interest rate swap agreement for a further two 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	-	-
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The nominal principal value of the underlying swap is set to increase over the remaining period of the agreement as follows:

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

Remaining swap period **2 years**

Maturity date **31/10/2007**

Liability on terminated asset swap	27 996	16 356	-	-
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The interest rate swap liability was settled after year end [refer note 19].

NOTES TO THE FINANCIAL STATEMENTS (continued)

at 30 September 2005

	Group		Company	
	2005	2004	2005	2004
	R'000	R'000	R'000	R'000
9. COMMITMENTS				
– contracted subject to suspensive conditions				
9.1 Purchase of investment property	4 000	–	–	–
The purchase price will be financed by the exchange of 3 799 248 b-class linked units in Alpina Investments Limited and mortgage loans.				
9.2 Purchase of investment property	5 500	–	–	–
The purchase price will be financed by the exchange of 5 222 951 b-class linked units in Alpina Investments Limited and mortgage loans.				
9.3 Option to purchase a property owning corporation	6 000	–	–	–
The purchase price will be financed by an allotment of shares in the company or loan finance or a combination thereof				
10. OPERATING PROFIT/(LOSS)				
Operating profit for the period is stated after accounting for the following:				
Expenditure				
Auditors' remuneration	289	884	–	–
– Fees	289	880	–	–
– Expenses	–	4	–	–
Management fees – secretarial and administration	223	657	–	–
Management fees – asset and property management	1 858	1 099	–	–
Staff costs	169	203	–	–
Operating lease rentals	12	382	–	–
Admin fees	35	357	–	–
Depreciation	11	–	–	–
– Office equipment	1	–	–	–
– Computer equipment	4	–	–	–
– Computer software	6	–	–	–
11. FINANCE CHARGES				
Interest paid				
– Mortgage and other liabilities	2 089	21 675	–	–
– Bank overdraft	–	251	–	–
	2 089	21 926	–	–

NOTES TO THE FINANCIAL STATEMENTS (continued)

at 30 September 2005

	Group		Company	
	2005	2004	2005	2004
	R'000	R'000	R'000	R'000
12. DIRECTORS' EMOLUMENTS				
For services as directors				
Executive directors				
R L Rainier	24		-	-
Non-executive directors				
M H Brodie	48	24	-	-
H T Dudley	24	-	-	-
A R Platt	24	-	-	-
S A Meltzer	-	20	-	-
B J van der Ross	-		-	-
N G Vontas	-		-	-
13. TAXATION				
13.1 SA normal taxation				
- current year	72	932	-	-
- prior year over-provision	-	(696)	-	-
- prior year under-provision	6	-	-	-
Deferred taxation				
- current year	-	(26)	-	-
	78	210	-	-
Reconciliation between applicable tax rate and average effective tax rate:				
Applicable tax rate	30,0%	-	30,0%	30%
Exempt income		-		(29,3%)
Disallowable charges		-		0,4%
Capitalised interest		-		(1,1%)
STC		-		10,7%
Average effective tax rate	30,0%	-	30,0%	10,7%

NOTES TO THE FINANCIAL STATEMENTS (continued)

at 30 September 2005

	Group		Company	
	2005	2004	2005	2004
	R'000	R'000	R'000	R'000
13. TAXATION (continued)				
13.2 Reconciliation of taxation charge				
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.				
14. LOSS PER SHARE (CENTS)	(8.51)	(19.06)		
Loss per income statement	(15 776)	(35 327)		
Weighted average number of shares	185 347	185 347		
15. HEADLINE LOSS PER SHARE (cents)	(8.51)	(18.68)		
Reconciliation between loss and headline loss:				
Loss per income statement	(15 776)	(35 327)		
Adjusted for				
– Fair value adjustment to investment properties	-	(850)		
– Fair value adjustment of other financial assets	-	313		
– Loss on disposal of investment properties	-	1 326		
– Profit on redemption of debentures	-	(84)		
Headline loss	(15 776)	(34 622)		
Weighted average number of shares	185 347	185 347		

NOTES TO THE FINANCIAL STATEMENTS (continued)

at 30 September 2005

16. RELATED PARTY TRANSACTIONS

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

16.1 CDA Property Consultants (Pty) Limited

An asset management fee of R1,7 million was paid to CDA Property Consultants (Pty) Limited.

A director of CDA was appointed as a director of Bonatla after year end.

17. FINANCIAL INSTRUMENTS

Interest rate risk

The group finances its operations through borrowings.

At year end the group had borrowings of R2,5 million (2004: R2,3 million) at a variable interest rate.

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 2005

	Group		Company	
	2005	2004	2005	2004
	R'000	R'000	R'000	R'000
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.				
18.1 Reconciliation of loss before taxation to cash generated from operations				
(Loss)/profit on ordinary activities before taxation	(15 698)	(35 117)	(19 168)	15 498
Adjustments	13 194	39 176	19 168	(15 498)
Loss on disposal of investment properties	-	1 326	-	-
- Profit on redemption of debentures	-	(99)	-	(99)
- Profit on the sale of investment	(237)	-	-	-
- Depreciation	11	-	-	-
- Investment income	(237)	(1 480)	-	-
- Finance charges	2 089	21 926	-	-
- (Reversal of impairment)/impairment of interest in subsidiaries	-	-	19 168	(15 399)
- Revaluation of debt redemption scheme	-	-	-	-
- Fair value adjustment of interest rate swap	11 640	1 782	-	-
- Fair value adjustment of listed and unlisted investments	(72)	16 721	-	-
- Fair value adjustment of investment properties	-	(1 000)	-	-
Operating profit/(loss) before working capital changes	(2 504)	4 059	-	-
(Increase)/decrease in working capital	186	(7 930)	(21)	90
Decrease/(increase) in trading investments	-	-	-	-
Decrease/(increase) in trade and other receivables	(944)	3 669	-	28
(Decrease)/increase in trade and other payables	1 130	(11 599)	(21)	62
Cash (absorbed by)/generated from operations	(2 318)	(3 871)	(21)	90

19. POST BALANCE SHEET EVENTS

In terms of the arrangement between the company and Nedbank Limited, a subsidiary of Nedbank has subscribed 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' preference shares in the company and
- 19 730 140 convertible 'B' preference shares in the company.

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

To give effect to this arrangement between the company and Nedbank the following special resolution was passed on 17/01/2006.

NOTES TO THE FINANCIAL STATEMENTS (continued)

at 30 September 2005

19. POST BALANCE SHEET EVENTS (continued)

The authorised share capital of the company was increased from R5 000 000.00 (five million Rand) made up of 500 000 000 (five hundred million) ordinary shares of R0,01 (one cent) each to R5 277 301.40 (five million two hundred and seventy seven thousand three hundred and one Rand and forty cents) divided into 500 000 000 (five hundred million) ordinary shares of R0,01 (one cent) each and 8 000 000 (eight million) cumulative redeemable 'A' preference shares of R0,01 (one cent) per share and 19 730 140 (nineteen million seven hundred and thirty thousand one hundred and forty) convertible 'B' preference shares of R0.01 (one cent) per share, respectively on the terms, rights and privileges set out in Articles 153 and 154 of the company's articles of association.

The reason for this special resolution was to increase the authorised share capital of the company to bring into effect the arrangement between the company and Nedbank Limited whereby Depfin Investments (Proprietary) Limited (a wholly-owned subsidiary of Nedbank Limited) subscribed for the 8 000 000 cumulative redeemable 'A' preference shares of R0,01 (one cent) each and the 19 730 140 convertible 'B' preference shares of R0,01 (one cent) each, to fund the repayment of the indebtedness to Nedbank Limited.

The 'A' preference shares 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 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 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 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.

All suspensive conditions in the agreement between the company and Nedbank relating to 'the issue of the 'A' and 'B' preference shares were fulfilled prior the due date therefor.

ANALYSIS OF SHAREHOLDERS

SHAREHOLDERS' PROFILE as at 30 September 2005

Bonatla Property Holdings Limited: Shareholder Analysis Tables

Register date: 30 September 2005

Issued share capital: 185 346 954 shares

	Number of shareholders	%	Number of shares	%
SHAREHOLDERS' CLASSIFICATION				
1 – 1 000 units	386	74,95	42 986	0,02
1 001 – 10 000 units	26	5,05	126 600	0,07
10 001 – 100 000 units	50	9,71	2 336 329	1,26
100 001 – 1 000 000 units	37	7,18	11 977 743	6,46
1 000 001 units and over	17	3,11	170 863 296	92,19
	516	100,00	185 346 954	100,00
SHAREHOLDERS' PROFILE				
Banks	11	2,13	1 696 474	0,92
Close corporations	24	4,65	701 491	0,38
Individuals	213	41,28	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	3,68	1 647 872	0,89
Other corporations	161	31,20	5 790 948	3,12
Pension fund	1	0,19	16 500 000	8,90
Private companies	75	14,53	139 152 892	75,08
Public companies	10	1,94	8 346 178	4,50
	516	100,00	185 346 954	100,00
PUBLIC/NON-PUBLIC SHAREHOLDERS				
Non-public shareholders	1	0,19	105 000 000	56,7
Strategic holdings (more than 10%)	1	0,19	105 000 000	56,7
Public shareholders	515	99,81	80 346 954	43,3
	516	100,00	185 346 954	100,0
BENEFICIAL SHAREHOLDERS HOLDING 3% OR MORE				
			Number of shares	%
Dreamworld Investments 158 (Pty) Limited			105 000 000	56,70
Mines Pension Fund			16 500 000	8,90
Outward Investments (Pty) Limited			9 779 595	5,28

SHAREHOLDERS' CALENDAR

8th Annual General Meeting	31 March 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 2006	February 2007

NOTICE OF 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 eighth 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 09.30 on Friday, 31 March 2006 for the purposes of considering and, if deemed fit, passing with or without modification, the resolutions set out below:

Ordinary Resolution number one

"RESOLVED THAT the Auditors' Report be taken as read."

Ordinary Resolution number two

"RESOLVED THAT the annual financial statements of the company and the group for the financial year ended 30 September 2005, together with the reports of the directors and auditors, be and are hereby approved."

Ordinary Resolution number three

"RESOLVED THAT the re-appointment of Messrs D A Johnston, M H. Brodie and Mrs C Douglas as directors of the company, be approved by means of a single resolution."

Ordinary Resolution number four

"RESOLVED THAT Messrs D A Johnston, M H Brodie and Mrs C Douglas who retire as directors in terms of the company's article of association, but, being eligible, offer themselves individually for re-election, are re-elected to the board of the company."

Ordinary Resolution number five

"RESOLVED THAT the authorised but un-issued 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

"RESOLVED 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

"RESOLVED 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;

NOTICE OF GENERAL MEETING (continued)

- 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;
- 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 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.

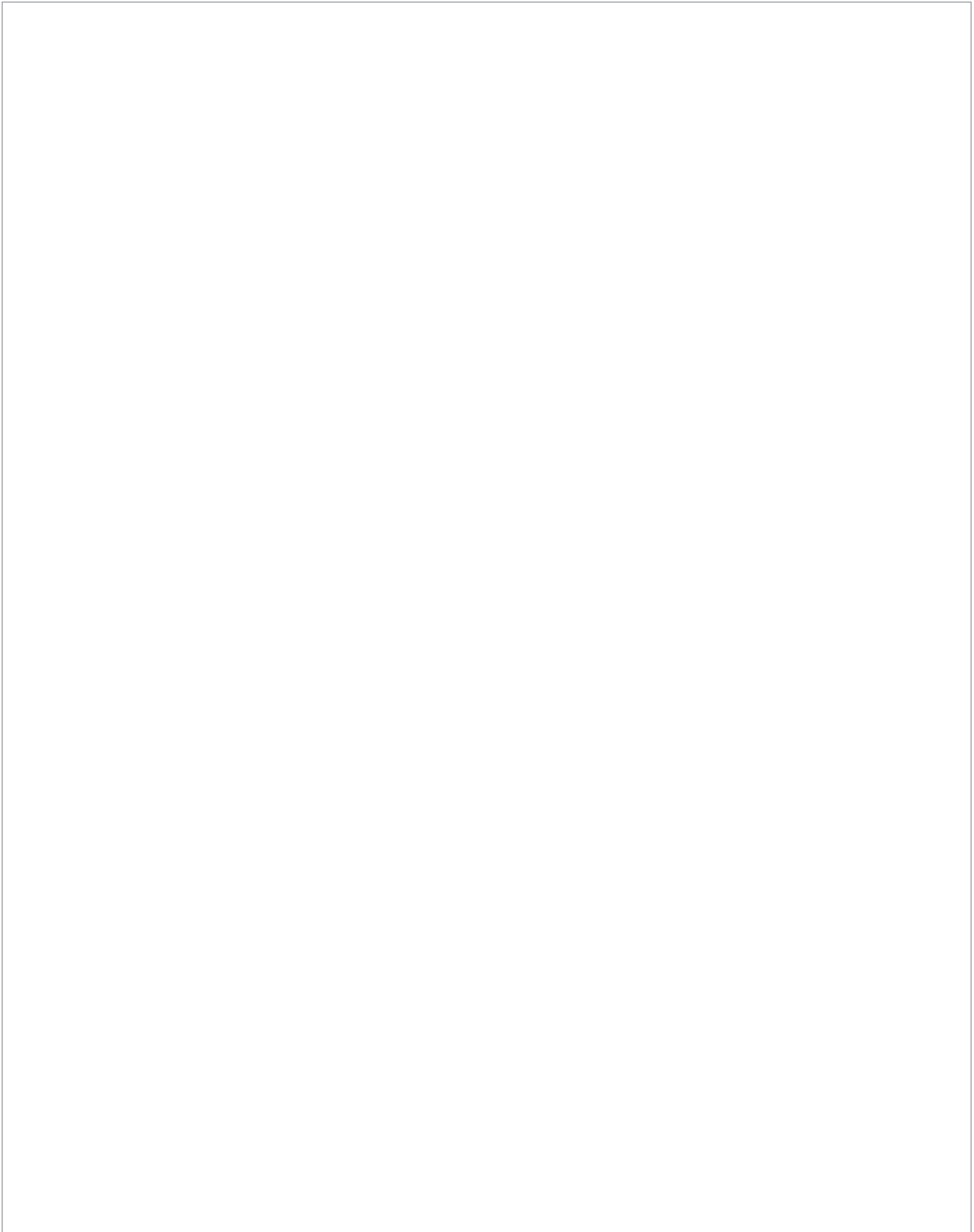
Certificated shareholders and "own name" dematerialised shareholders who are unable to attend the annual general meeting but wish to be represented thereat must complete and return the attached form of proxy in accordance with the instructions contained therein so as to be received by the transfer secretaries, Computershare Investor Services 2004 (Pty) Limited, Ground Floor, 70 Marshall Street, Johannesburg (P O Box 61051, Marshalltown, 2107) by no later than 09:30 on Wednesday, 29 March 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



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 EIGHTH GENERAL MEETING OF SHAREHOLDERS TO BE HELD AT 09:30 ON FRIDAY, 31 MARCH 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 09:30 on Friday, 31 March 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 2005)			
Ordinary resolution number 3 (Appointment of directors)			
Ordinary resolution number 4 (Re-election retired of directors)			
Ordinary resolution number 5 (Directors' control over unissued shares)			
Ordinary resolution number 6 (Appointment of auditors)			
Ordinary resolution number 7 (Issue of shares for cash)			

Signed at _____ on _____ 2006

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 shareholders 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 shareholders' 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 Limited, 70 Marshall Street, Johannesburg 2001. (PO Box 61051, Marshalltown, 2107; fax number (011) 688 7721) to be received by not later than 09:30 on Wednesday, 29 March 2006. 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.