



FINANCIAL REPORT 2008

11 YEARS ON THE JSE 1997 – 2008

Bonatla Property Holdings Limited

11th Financial Report

for the year ended 31 December 2008

Vision

The vision of the group is to be a significant investment and development enterprise in selective property market segments, initially in local markets, but subsequently in offshore markets.

To focus on the development of industrial, leisure, mixed use and commercial properties, with a bias towards providing state of the art technology based warehousing which will offer unique opportunities for value creation.

Mission

In fulfilling the vision, the group is committed to pursuing the following mission:

- o To deliver world-class products and services to clients and the market.
- o To exceed expectations on client service.
- o To empower, reward and retain competent employees.
- o To enhance shareholders' and stakeholders' value.
- o To abide by the Property Charter, and to work towards the objectives of the BBBEE initiative.
- o To conduct the business in a socially responsible way, and contribute, where relevant, to uplifting socially deprived communities.
- o To abide by the principles of good corporate governance.

Strategy

In order to fulfil our vision and achieve our mission, the group will, initially, adopt the following strategies:

- o To differentiate the group from traditional property development enterprises by acquiring and developing projects that will provide opportunities for above average returns.
- o To seek out non-traditional property and property related opportunities brought about by changes in the business infrastructure of the country, and developments in technology.
- o To identify development opportunities that become available through the changes in demographics and spending patterns in the country.
- o To build a diversified property investment portfolio of properties held for rental which will provide above average returns.
- o To focus on development of leisure properties which cater to the burgeoning middle and upper classes that are looking for environments that suit their specific lifestyles.
- o To focus on industrial, commercial and retail developments that will be tailored to the changing purchasing and entertainment patterns of South Africa's changing population.
- o To focus on providing integrated solutions including warehousing space and imaging technology to the fast growing document storage and imaging industry, as South Africa has become the warehouse, storage and distribution centre for the continent.
- o To focus on integrating our technology based business into logistics and warehousing.
- o To provide project management, property sales and property management services to support the development projects within the group.

In order to successfully give effect to the above strategy, Bonatla decided to focus on three niche areas within this environment, namely:

- o By acquiring investment and trading property projects that will provide opportunities for above average returns by focusing on non-traditional property and property related opportunities brought about by changes in the business infrastructure of the country, and developments in technology.
- o Providing integrated solutions including warehousing space and imaging technology to the fast growing document storage and imaging industry, as South Africa has become the warehouse, storage and distribution centre for the continent.
- o To focus on development of leisure properties which cater to the burgeoning middle and upper classes that are looking for environments that suit their specific lifestyles.

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PROFILE

Bonatla was listed on the JSE on 17 October 1997. Between 1997 and 2001 it accumulated a prime industrial and commercial portfolio valued at R1 billion.

During 2003 it disposed of its entire portfolio, and in February 2004 distributed 50 cents in cash per ordinary share thus delivering an 89% return on equity over five years to shareholders.

INTRODUCTION

The financial year under review marks the 11th year since listing of the company on the JSE and was characterised by efforts to acquire income producing assets to enable the company to obtain the resumption of trading of its ordinary shares.

In November 2008 the JSE Issuers' Division authorised the submission of an acquisition circular and a Revised Listing Particulars in December 2008.

FINANCIAL REVIEW

The financial review was marked by the re-listing efforts. The fully diluted NAV per ordinary share marginally decreased to 12,13 cents per share (14,12 cents per share in 2007) while the headline loss per share and loss per share decreased markedly to 3,55 cents per share (against 4,79 and 5,93 cents per share respectively in 2007). A substantial portion of the operating expenses will not be recurring, as most of the expenses were incurred in the re-listing process.

ECONOMIC CLIMATE

Further to the energy constraints, the South African economy is engulfed in the worst financial crisis seen since the 1930s which has already impacted upon the JSE with a loss in the All Share Index in excess of 40% during 2008.

During 2008 consumer spending contracted and retail sales declined by 2,2% for the first time since 1999. With negative pressures on manufacturing production, and deflationary trends both locally and globally, it is expected that monetary policies will have to be relaxed in line with the interest policies already adopted in the northern hemisphere. The prime overdraft rate is expected to be in a range between 9,5% and 10,5% by the end of 2009.

On a positive note and a saving grace, our country is currently involved in a major infrastructural development drive which should somewhat cushion the impacts of the global financial and economic disarray, and adequately position the country's economy when the world and South Africa emerge from the current crisis.

As a result of the above, property values have been eroded in both the residential and commercial sectors. It is expected, contrary to common opinion, that market to market property valuations in the listed and unlisted property sectors will continue to decline during 2009 with pressure on capitalisation rates, net rentals and operating cost component on leases.

STRATEGY

Against the backdrop of the difficult current market conditions the company is endeavouring to acquire a quality non-speculative property portfolio with sustainable cash flow in order to sustain its operations.

The current drive to purchase substantially un-gearred properties will continue in 2009.

DIRECTORATE CHANGE

Mr DA Scott and Mr DWB King (with CF de Lange as alternate) were re-elected as directors on 24 June 2008 in terms of article 88 of the Companies Act.

Mr DA Johnston and Mr RL Rainier were re-elected on 24 June 2008. Mr NG Vontas was appointed as chief executive officer on 4 July 2008. Mr FW Nicholson resigned on 22 February 2008.

FUTURE PROSPECTS

The current global financial and economic crisis presents "generational" opportunities in all sectors including the real estate industry and as a result, levels the "investment field" for most players. The directors and management are confident that their efforts to re-establish the company's investment portfolio will materialise during 2009. In November 2008 the Issuers' Department of the JSE authorised Bonatla to submit an acquisition circular and a Revised Listing Particulars document for approval. The process will shortly be finalised. In light of recent developments, the directors are confident that the current suspension of the trading of Bonatla ordinary shares will be lifted in due course.

RECOGNITION

I wish to thank my fellow directors, the management and the professional team of Bonatla for their assistance and loyalty in the affairs of the company during another difficult year and hope that the 2009 financial period will see Bonatla rewarded for its efforts.



MH Brodie
Chairman

30 March 2009

REVIEW OF RESULTS AND PORTFOLIO ANALYSIS

RESULTS

The results for the period under review are set out in the attached financial statements.

OPERATIONS

The entire financial year under review was focused on the establishment of a suitable property portfolio and the re-listing process.

POST BALANCE SHEET EVENTS

All post balance sheet events are reflected in the notes to the consolidated financial statements.

RELATED PARTY TRANSACTIONS

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

PROPERTY INVESTMENT PORTFOLIO

The company took possession of the investment property situated at 7 Joule Crescent, Pinetown at the year end, and owned the 99 year leases.

DIRECTORATE AND ADMINISTRATION

BOARD OF DIRECTORS

MH Brodie – Independent Non-executive Chairman
RL Rainier – Executive
DA Johnston – Independent Non-Executive
SST Ngcobo – Independent Non-Executive
DA Scott – Executive
DWB King – Independent Non-Executive
CF de Lange – Alternate
NG Vontas – Executive CEO

REGISTERED OFFICE

623 Prince George Avenue, Brenthurst, Brakpan, 1541

REGISTRATION NUMBER

1996/014533/06

TELEPHONE & FAX NUMBERS

Phone: +27 11 442-4944
Fax: +27 11 442-4943
Email: david@bonatla.co.za
niki@cdaproperties.co.za

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

Gold Equity Registrars CC

PROPERTY MANAGERS

CDA Property Consultants (Pty) Limited

COMMERCIAL BANKERS

Standard Bank

SPONSORS

Arcay Moela Sponsors (Pty) Limited

AUDITORS

Nolands Inc

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 the 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 retains full control over the key decisions to ensure it actively and successfully guides the direction the company takes.

During the year under review the Board met four times. 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 Gold Equity Registrars 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.

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 Mr DA 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 and International Financial Reporting Standards.

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:

DA Johnston (Chairman)
MH Brodie
DWB King CA (SA)

The following parties attend the meetings at the request of the Audit and Risk Committee:

NG Vontas (CEO)
DA Scott CA (SA)
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:

DA Johnston (Chairman)
DA Scott
DWB King
C Douglas
SST Ngcobo

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:

MH Brodie (Chairman)
DA Johnston

AFFIRMATIVE ACTION POLICY

The current Board has fully subscribed to the South African Property Charter and is in advanced negotiations to introduce a significant BBBEE group during 2009.

DIRECTORS' REMUNERATION

The only directors with a contract of employment as at the financial year end were RL Rainier and DA Scott. RL Rainier received R130 000 and DA Scott received R450 000 as director's salaries.

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.

Analysis of Directors' and Audit and Risk Committee meetings attendance

	Directors' meetings		Audit and Risk meetings	
	Attended	Total	Attended	Total
MH Brodie	4	4	1	1
DA Johnston	4	4	2	2
RL Rainier	4	4	–	–
DA Scott	3	3	–	–
SST Ngcobo	1	4	–	–
NG Vontas	2	2	–	–
DWB King	1	3	1	1
CF de Lange (alternate)	2	2	–	–

Four Directors' meetings and two Audit and Risk Committee meetings were held during the year under review.

APPROVAL OF FINANCIAL STATEMENTS AND DECLARATION BY THE COMPANY SECRETARY

APPROVAL OF FINANCIAL STATEMENTS

The directors are required by the Companies Act of South Africa, 1973, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

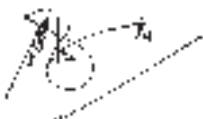
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

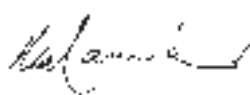
The directors have reviewed the company's cash flow forecast for the year to 31 December 2009 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on page 8.

These financial statements were approved by the Board of Directors on 30 March 2009 and signed on its behalf by:



MH Brodie
Chairman

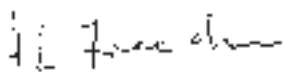


RL Rainier
Director

DECLARATION BY THE COMPANY SECRETARY

We 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 our 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.

Signed:



Gold Equity Registrars CC
Company Secretary

30 March 2009

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying annual financial statements and group financial statements of Bonatla Property Holdings Limited, which comprise the directors' report, the balance sheet as at year end 31 December 2008, the income statement for the year then ended, the statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes as set out on pages 9-40.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment

of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the financial statements present fairly, in all material aspects, the financial position of Bonatla Property Holdings Limited and its subsidiaries as at 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the Companies Act of South Africa.



Nolands Inc
Registered Auditors
per **A Mundell**

Chartered Accountant (SA)
Registered Auditor
Practice number: 900583e

Cape Town
30 March 2009

DIRECTORS' REPORT

The directors submit their report for the year ended 31 December 2008.

NATURE OF BUSINESS

Bonatla Property Holdings Limited is an investment company.

GENERAL REVIEW OF OPERATIONS AND FINANCIAL REPORTS

Efforts during the financial period under review were focused mainly on the re-establishment of the group's affairs and the acquisition of assets.

The group's income was R1 394 000 (revenue of R196 000 and other income of R1 198 000) against operating costs of R6 121 000. The operating costs include re-listing costs of R1 461 000.

There should also be a substantial reduction in the next financial year in the legal fees. As at the balance sheet date, the company acquired possession of the property in Morgan Creek Properties (Ten) (Pty) Limited for R7,7 million. The group has R20,1 million (2007: R10,1 million) of borrowings of which R20,0 million (2007: R8,7 million) is secured.

SHARE CAPITAL

The authorised share capital consists of 500 000 000 shares of one cent each (2007: 500 000 000), and 28 730 140 compulsory convertible preference shares of one cent each (2007: 28 730 140).

185 346 954 ordinary shares of one cent each were in issue at the end of the year under review (2007: 185 346 954).

SHARE CAPITAL (continued)

28 730 140 compulsory convertible preference shares of one cent and with a share premium of 99 cents were in issue at the end of the year under review.

SECRETARY

Gold Equity Registrars CC
623 Prince George Avenue, Brenthurst, Brakpan, 1541
PO Box 2413, Brakpan, 1540

SUBSIDIARY COMPANIES

Details of the company's principal subsidiaries are set out in note 8 of the financial statements.

DIRECTORATE AND MANAGEMENT

The names of the current directors appear on page 4. Four out of seven of the current directors are non-executive directors, namely MH Brodie, DA Johnston, SST Ngcobo and DWB King.

The company currently has a staff complement of two and an executive officer.

Assets are managed by CDA Property Consultants (Pty) Limited.

POST BALANCE SHEET EVENTS

Details of post balance sheet events are set out in note 30 to the consolidated financial statements.

DIRECTORS' SHAREHOLDING

The following reflects the number of shares held by directors.

Directors' shareholding as at 31 December 2008

	Beneficial holdings		Non-beneficial holdings		% of all ordinary shares
	Direct	Indirect	Direct	Indirect	
RL Rainier	–	80 440 000	–	–	43,4
NG Vontas	489 442				0,3
Total	489 442	80 440 000	–	–	43,7

There have been no 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 5 and 6.

DIVIDEND

No dividend was declared during the year under review.

NON-CURRENT ASSETS

Details of the movements in non-current assets are set out in notes 6 - 11. There has been no change in the accounting policy regarding non-current assets.

CHANGE OF YEAR END

The financial year end was changed from September in 2006 to December in 2007 as the directors were of the opinion that December was a more appropriate and suitable month for the year end.

Due to the change of the year end, the comparative amounts for the income statement, statement of changes in equity, cash flow and related notes are not entirely comparable.

BALANCE SHEETS

at 31 December 2008

		Group		Company	
	Notes	2008 R'000	2007 R'000	2008 R'000	2007 R'000
ASSETS					
Non-current assets		54 270	44 954	46 700	44 204
Goodwill	6	1 150	1 118	-	-
Prepayments	7	38 212	43 806	-	5 200
Investment in subsidiaries	8	-	-	7 700	4
Loans to subsidiaries	8	-	-	39 000	39 000
Investment property	9	14 900	-	-	-
Intangible assets	10	5	20	-	-
Property, plant and equipment	11	3	10	-	-
Current assets		2 837	2 402	-	-
Trade and other receivables	12	2 266	1 890	-	-
Prepayments – current portion	7	394	394	-	-
Cash and cash equivalents	13	177	118	-	-
Total assets		57 107	47 356	46 700	44 204
EQUITY AND LIABILITIES					
Equity Capital and Reserves		31 137	35 209	46 522	44 008
Share capital	14.2	83 926	83 926	83 926	83 926
Shares to be issued	14.3	46 700	44 200	46 700	44 200
Accumulated loss		(99 489)	(92 917)	(84 104)	(84 118)
Non-current liabilities		20 186	8 699	-	-
Borrowings	15	18 567	8 699	-	-
Deferred taxation	16	1 619	-	-	-
Current liabilities		5 784	3 448	178	196
Current portion of borrowings	15	1 560	1 431	-	-
Trade and other payables	17	4 224	2 003	64	68
Loans from subsidiaries	8	-	-	114	114
Taxation	18	-	14	-	14
Total equity and liabilities		57 107	47 356	46 700	44 204
		cents	cents	% change	
Net asset value per share		12,13	14,12	-14,09	
Net tangible asset value per share		11,69	13,67	-14,48	
Shares in issue (including shares to be issued)		256 596 954	249 439 978	-	

INCOME STATEMENTS

for the year ended 31 December 2008

		Group		Company	
	Notes	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Revenue	19	196	–	–	–
Other income	20	1 198	127	–	–
Operating costs		(6 121)	(8 424)	–	(114)
Operating (loss)	21	(4 727)	(8 297)	–	(114)
(Impairment) of investment in subsidiary	22	–	(1 235)	–	–
(Impairment) of short-term loan		–	(899)	–	–
Results from operating activities		(4 727)	(10 431)	–	(114)
Interest received	23	–	23	–	–
Finance charges	24	(1 853)	(585)	–	–
Profit on disposal of listed shares		–	12	–	–
(Loss) before taxation		(6 580)	(10 981)	–	(114)
Taxation	18	8	(11)	14	–
(Loss)/profit after taxation		(6 572)	(10 992)	14	(114)
		cents	cents	% change	
Loss per share	26	(3,55)	(5,93)	+40,13%	
Headline loss per share	27	(3,55)	(4,79)	+25,89%	
Diluted loss per share	26	(2,77)	(5,92)	+53,21%	
Weighted average number of shares in issue for basic and headline loss per share		185 346 954	185 346 954		
Weighted average number of shares in issue for diluted loss per share	27	237 399 550	185 522 551	+27,96%	

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2008

	Share capital R'000	Convertible preference share capital R'000	Share premium R'000	Shares to be issued R'000	Retained earnings/ (accumulated loss) R'000	Total R'000
GROUP						
Balance at 1 October 2006	1853	287	81 786	–	(83 160)	766
Sale of subsidiary					1 235	1 235
Shares to be issued	–	–	–	5 200	–	5 200
Shares to be issued	–	–	–	39 000	–	39 000
Net loss for the period	–	–	–	–	(10 992)	(10 992)
Balance at 31 December 2007	1 853	287	81 786	44 200	(92 917)	35 209
Net loss for the year	–	–	–	–	(6 572)	(6 572)
Shares to be issued – cancelled	–	–	–	(5 200)	–	(5 200)
Shares to be issued	–	–	–	7 700	–	7 700
Balance at 31 December 2008	1 853	287	81 786	46 700	(99 489)	31 137
COMPANY						
Balance at 1 October 2006	1 853	287	81 786	–	(84 004)	(78)
Shares to be issued	–	–	–	5 200	–	5 200
Shares to be issued	–	–	–	39 000	–	39 000
Net loss for the period	–	–	–	–	(114)	(114)
Balance at 31 December 2007	1 853	287	81 786	44 200	(84 118)	44 008
Result for the year	–	–	–	–	14	14
Shares to be issued – cancelled	–	–	–	(5 200)	–	(5 200)
Shares to be issued	–	–	–	7 700	–	7 700
Balance at 31 December 2008	1 853	287	81 786	46 700	(84 104)	46 522

CASH FLOW STATEMENTS

for the year ended 31 December 2008

	Note	Group		Company	
		2008 R'000	2007 R'000	2008 R'000	2007 R'000
CASH OUTFLOWS FROM OPERATING ACTIVITIES		(4 719)	(10 056)	(4)	(110)
Cash absorbed by operations	28.1	(2 860)	(9 460)	(4)	(110)
Interest paid		(1 853)	(585)	-	-
Normal taxation	28.3	(6)	(11)	-	-
CASH OUTFLOWS FROM INVESTING ACTIVITIES		(7 719)	(42 611)	(2 496)	(44 090)
Proceeds on sale of financial assets		-	2 290	-	-
Interest received		-	23	-	-
Payments for investment property		(13 281)	-	-	-
Amounts advanced to related parties		-	-	-	(38 886)
Payments for 99 year leases		394	(38 606)	-	-
Cancellation of/prepayment for Sable acquisition		5 200	(5 200)	5 200	(5 200)
Acquisition of subsidiaries	28.2	-	-	(7 700)	(4)
Proceeds from disposal of business		-	-	4	-
Net movement in goodwill		(32)	(1 118)	-	-
CASH INFLOWS FROM FINANCING ACTIVITIES		12 497	52 862	2 500	44 200
Proceeds from equity shares to be issued		7 700	44 200	7 700	44 200
Cancellation of shares to be issued		(5 200)	-	(5 200)	-
Proceeds from interest-bearing borrowings		9 997	8 662	-	-
NET INCREASE IN CASH AND EQUIVALENTS		59	195	-	-
Cash and cash equivalents at the beginning of the period		118	(77)	-	-
Cash and cash equivalents at the end of the period	13	177	118	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2008

1. GENERAL INFORMATION

Bonatla Property Holdings Limited ("the company") is a limited company incorporated in South Africa. The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

2. ADOPTION OF NEW AND REVISED STANDARDS

Early adoption of standards and interpretations

In addition, the group has elected to adopt the following in advance of their effective dates:

- IAS 23 (Revised), Borrowing Costs (effective for accounting periods beginning on or after 1 January 2009).

The revisions to IAS 23 had no impact on the group's accounting policies. The principal change to the Standard, which was to eliminate the previously available option to expense all borrowing costs when incurred, has no impact on these financial statements because it has always been the group's accounting policy to capitalise borrowing costs incurred on qualifying assets.

Standards and interpretations in issue not yet adopted

At the date of authorisation of these financial statements, other than the Standards and Interpretations adopted by the group in advance of their effective dates, the following interpretations were in issue but not yet effective:

IFRS Standard	Annual periods beginning on or after
IFRS 2, Share Based Payments	1 January 2009
IFRS 3, Business Combinations*	1 July 2009
IFRS 5, Non-current Assets Held for Sale and Discontinued Operations	1 July 2009
IFRS 7, Financial Instruments: Disclosures	1 January 2009
IFRS 8, Operating Segments	1 January 2009
IAS 1, Presentation of Financial Statements	1 January 2009
IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2009
IAS 10, Events after the Reporting Period	1 January 2009

IAS 16, Property, Plant and Equipment	1 January 2009
IAS 18, Revenue	1 January 2009
IAS 19, Employee Benefits	1 January 2009
IAS 20, Accounting for Government Grants and Disclosure of Government Assistance	1 January 2009
IAS 27, Consolidated and Separate Financial Statements	1 January 2009
IAS 27, Consolidated and Separate Financial Statements	1 July 2009
IAS 28, Investments in Associates	1 January 2009
IAS 28, Investments in Associates	1 July 2009
IAS 29, Financial Reporting in Hyperinflationary Economies	1 January 2009
IAS 31, Interests in Joint Ventures	1 January 2009
IAS 31, Interests in Joint Ventures	1 July 2009
IAS 32, Financial Instruments: Presentation	1 January 2009
IAS 34, Interim Financial Reporting	1 January 2009
IAS 36, Impairment of Assets	1 January 2009
IAS 38, Intangible Assets	1 January 2009
IAS 39, Financial Instruments: Recognition and Measurement	1 January 2009
IAS 39, Financial Instruments: Recognition and Measurement	1 July 2009
IAS 40, Investment Property	1 January 2009
IAS 41, Agriculture	1 January 2009
IFRIC 15, Agreements for the Construction of Real Estate	1 January 2009
IFRIC 17, Distribution of Non-cash Assets to Owners	1 July 2009

The directors anticipate that all of the above Interpretations will be adopted in the group's financial statements for the period commencing 1 January 2009 and the adoption of those Interpretations will have no material impact on the financial statements of the group in the period of initial application, as these mainly relate to disclosure requirements for this group.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and the Companies Act of South Africa.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for the revaluation of certain non-current assets and financial instruments. The principal accounting policies are set out below and are consistent with the previous year.

Due to the change in the financial year end, the comparative amounts for the income statement, statement of changes in equity, cash flow and related notes are not entirely comparable. The current year represents 12 months whereas the prior year represents 15 months.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

3.4 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3, Business Combinations are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held

for sale in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

3.5 Goodwill

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of the acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

3.6 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Revenue recognition (continued)

Interest revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Rendering of services

Revenue from management services provided is recognised when the service provided has been completed.

Rental income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

3.7 Leasing

The group as lessee

Assets held under finance leases are initially recognised as assets of the group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of

qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is deferred in equity and released to profit or loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Taxation (continued)

deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination.

3.10 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated 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

Depreciation is charged so as to write off the cost or valuation of assets, over their estimated useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.11 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value.

Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Intangible assets

An intangible asset is recognised when:

It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost. Intangible assets consist of software purchased for the running of the accounting and the property management system. The annual impairment is in line with the accounting policy set out below in the last paragraph.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Computer software is amortised over three years so as to write off the cost or valuation over its estimated useful life, using the straight-line method.

3.13 Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the group reviews the carrying amounts of its tangible and intangible 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 the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less

than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, 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 (cash-generating unit) 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 (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, 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.

3.14 Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow to settle the present obligation, its carrying amount is the present value of those cash flows.

3.15 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Financial instruments

Financial assets and liabilities are recognised on the group's balance sheet when it becomes a party to the contractual provisions of the instrument. The group classifies its investments into the following categories: financial assets at fair value through the income statement, held-to-maturity and loans and receivables. The classification depends on the purpose for which the investments were acquired. The Board of Directors determines the classification of its investments at initial recognition and re-evaluates this at every reporting date to ensure appropriate classification. All purchases and sales of financial instruments are recognised on the trade date on which the group commits to purchase the financial asset or assume financial liability.

(i) Financial assets held at fair value through profit or loss

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified into this category at inception if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking, or if so designated by management.

(ii) Held-to-maturity

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities – other than those that meet the definition of loans and receivables – that the group's management has the positive intention and ability to hold to maturity.

Measurement

Financial instruments are initially measured at fair value, which includes transaction costs that are directly attributable to acquisition or issue of the financial asset.

Subsequent to initial recognition, these instruments are measured as set out below.

Investments

All purchases and sales of investments are recognised on the trade date. Cost of purchases includes transaction costs. Gains

and losses arising from changes in the fair value of investments held at fair value through the income statement are included in the income statement in the period in which they arise.

The fair value of marketable securities is calculated by reference to Stock Exchange quoted bid prices at the close of business on the balance sheet date. Fixed deposits with a maturity date greater than three months are classified as held-to-maturity investments.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Trade and other receivables

Trade and other receivables are non-derivative financial assets that arise from transactions with customers and suppliers and have fixed or determinable amounts that are not quoted in an active market. They are included in current assets except for maturities greater than 12 months after the balance sheet date. Subsequent to initial recognition, they are measured at amortised cost, less impairment provision.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term liquid investments that are readily convertible (within three months) to a known amount of cash and are subject to an insignificant risk of change in value. Cash and cash equivalents only include items held for the purpose of meeting short-term cash commitments rather than for investing or other purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Financial instruments (continued)

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss ("FVTPL") or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as FVTPL.

A financial liability is classified as held for trading if:

- I. it has been incurred principally for the purpose of repurchasing in the near future; or
- II. it is part of an identified portfolio of financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- III. it is a derivative that is not designated and effective as a hedging instrument.
- IV. A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:
 - V. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
 - VI. the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- VII. it forms part of a contract containing one or more embedded derivatives, and IAS 39, Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.
- VIII. Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Offsetting financial instruments

Where a legally enforceable right of offset exists for recognised financial assets and financial liabilities, and there is an intention to settle the liability and realise the asset simultaneously or to settle on a net basis, all related financial effects are offset.

De-recognition of financial assets and liabilities

The group recognises an asset when the contractual rights to the asset expire, where there is a transfer of the contractual rights that comprise the asset or the group retains the contractual rights of the assets but assumes a corresponding liability to transfer these contractual rights to another party and consequently transfers substantially all the risks and benefits associated with the asset.

Where the group retains substantially all the risks and rewards of ownership of the financial asset, the group continues to recognise the financial asset.

If a transfer does not result in de-recognition because the group has retained substantially all the risks and rewards of ownership of the transferred asset, the group continues to recognise the transferred asset in its entirety and recognises a financial liability for the consideration received. In subsequent periods, the group recognises any income on the transferred asset and any expense incurred on the financial liability.

Where the group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the group determines whether it has retained control of the financial asset. In this case:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Financial instruments (continued)

- (i) if the group has not retained control, it recognises the financial asset and recognises separately as assets or liabilities any rights and obligations created or retained in the transfer;
- (ii) if the group has retained control, it continues to recognise the financial asset to the extent of its continuing involvement in the financial asset.

The group recognises a financial liability when the contractual obligations are discharged or expire.

Impairment of assets

General

A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of fair value less the cost to sell and the value in use.

Financial assets carried at amortised cost

The group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or group of financial assets is impaired includes observable data that comes to the attention of the group regarding the following loss events:

- significant difficulty of service provider or member debtors;
- breach of contract, such as non-payment of member contributions when due and if these remain unpaid for extended periods;
- default or delinquency in payments due by debtors;
- observable data indicating that there is a measurable decrease in the estimated future cash flows from other group financial assets;

- the disappearance of an active market for that financial asset due to financial difficulties; and

- national or local economic conditions that correlate with non-payment by debtors.

The group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred on a financial asset, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. If a held-to-maturity investment or a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated.

When a receivable is uncollectible, it is written off against the related provision for impairment. Such receivables are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Financial instruments (continued)

amounts previously written off decrease the amount of the provision for loan impairment in the income statement.

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improved credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

3.17 Employee benefits

No contributions were made to defined contribution retirement benefit plans, defined benefit retirement benefit plans and to medical aid schemes on behalf of employees. There were also no equity-settled share-based payments to employees.

4. CRITICAL ACCOUNTING JUDGEMENTS

In the application of the group's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimates (see 4.2 below), that the directors have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

Revenue from management services provided is recognised when the service provided has been completed.

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

The carrying amount of goodwill at the balance sheet date was R1,150 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

Useful lives of property, plant and equipment

As described at 3.10 above, the group reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. During the year the directors decided that there would be no change in the useful life of all the categories of assets.

Carrying amount of other non-current assets and financial assets

As described above in the accounting policies, the directors review the carrying amount of other non-current assets and all financial assets and are of opinion that the carrying value is fairly stated and that no impairment is necessary

5. SEGMENT INFORMATION

Business segments

For management purposes, the group is organised into four major operating divisions – Industrial, Leisure, Commercial and Retail and a Holding Division. These divisions are the basis on which the group reports its primary segment information.

	Assets		Liabilities	
	2008	2007	2008	2007
	R'000	R'000	R'000	R'000
5.1 Segment assets and liabilities				
Property Investment – Industrial	15 737	–	9 077	–
Property Investment – Leisure	38 606	39 000	–	–
Property Investment – Commercial and Retail	–	–	–	–
Holding company	2 764	8 356	16 893	12 147
Consolidated	57 107	47 356	25 970	12 147
	Other revenue		(Loss)/profit	
	2008	2007	2008	2007
	R'000	R'000	R'000	R'000
5.2 Segment revenue and results				
Property Investment – Leisure	–	–	(448)	–
Holding company	1 394	127	(4 279)	(10 431)
Results from operating activities	1 394	127	(4 727)	(10 431)
Profit on disposal of listed shares	–	–	–	12
Investment revenue	–	–	–	23
Finance charges	–	–	(1 853)	(585)
(Loss) before tax	–	–	(6 580)	(10 981)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

6. GOODWILL

	Acquisition date	% share holding	Cost of business combination R	Value of assets and liabilities R	Goodwill carrying amount R
Stand 11 Corporate Park (Pty) Limited	31 Aug 07	100	100		100
Codify Investments (Pty) Limited	31 Aug 07	100	100		100
Morgan Creek Properties Ten (Pty) Limited	31 Dec 08	100	7 700 000	6 550 254	1 149 746
			7 700 200	6 550 254	1 149 946

All of the above subsidiaries have traded in the year ended 31 December 2008. The company acquired possession of Morgan Creek Properties Ten (Pty) Limited on 31 December 2008 and accordingly the balance sheet has been consolidated as at 31 December 2008.

The directors have determined that the value of goodwill is fairly stated at the financial year end and that no impairment is required.

	Group	
	2008 R'000	2007 R'000
Opening balance of goodwill	1 118	–
Goodwill on acquisition of subsidiaries	1 150	1 118
Goodwill relating to disposal of subsidiaries	(1 118)	–
Balance at year end	1 150	1 118
Impairment of goodwill	–	–
Carrying amount after impairment	1 150	1 118

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

7. PREPAYMENTS

The company entered into two ninety-nine year leases on 31 December 2007 with the Amahlubi Land Trust and the Matiwane Community Trust for the use and development of land in the KwaZulu-Natal Midlands.

The following are the total of future minimum lease payments under non-cancellable operating leases for each of the following periods.

	Group	Company		
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
– not later than one year	394	394	–	–
– later than one year and not later than five years	1 576	1 576	–	–
– later than five years	36 636	37 030	–	–
	38 606	39 000	–	–
Shown under non-current assets - leases	38 212	38 606	–	–
Shown under non-current assets - Sable	–	5 200	–	5 200
	38 212	43 806	–	5 200
Shown under current assets - leases	394	394	–	–
Total	38 606	44 200	–	–

The company acquired 100% of Sable Document Imaging Architechs (Pty) Limited and Sable Scanning and Technologies (Pty) Limited on 31 December 2007. This agreement had lapsed and will be re-negotiated at the beginning of 2009.

8. INVESTMENT IN SUBSIDIARIES

The company holds 100% of the issued share capital in the companies listed below.

Name of company	Nature of business	Company's effective holding 2008 %	Shares at cost 2008 R	Loans (from)/to subsidiaries 2008 R'000	Loans (from)/to subsidiaries 2007 R'000	Total 2008 R'000	Total 2007 R'000
Bonatla Properties (Pty) Limited	Management	100	1	(114)	(114)	(114)	(114)
Codify Investments (Pty) Limited	Property Investment	100	100	33 000	33 000	33 000	33 000
Stand 11 Corporate Park (Pty) Limited	Leisure	100	100	6 000	6 000	6 000	6 000
Morgan Creek Properties Ten (Pty) Limited	Property Investment	100	7 700 000	–	–	–	–
	Industrial						
Total investments			7 700 201	–	–	–	–
Total loans to subsidiaries			–	39 000	39 000	39 000	39 000
Total loans from subsidiaries			–	(114)	–	(114)	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

8. INVESTMENT IN SUBSIDIARIES (continued)

Morgan Creek Properties Ten (Pty) Limited was acquired on 31 December 2008 and no profit or loss has been taken into the group's income statement. If the acquisition had taken place on 1 January 2008, the group's loss would have been reduced by R1 026 000 to R5 546 000. Likewise, the group's revenue would have increased by R1 513 000 to R1 709 000. This would have resulted in the group's loss per share decreasing from 3,55 cents per share to 2,99 cents per share.

At the acquisition date, the classes of assets and liabilities of Morgan Creek Properties Ten (Pty) Limited were as follows:

	R'000
Investment property	14 900
Current assets	837
Non-current liabilities	(8 867)
Current liabilities	(320)
Goodwill	1 150
Acquisition price	7 700

Goodwill arose due to secure three and four year leases being negotiated with the existing tenants. The new rental agreement with a major tenant, commencing from 1 January 2009, was at a 31 per cent increase in comparison to the previous agreement.

Refer to note 6 for the impairment of the goodwill.

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
9. INVESTMENT PROPERTY				
Balance at beginning of year	-	-	-	-
Acquisitions through business combinations	14 900	-	-	-
Balance at year end	14 900	-	-	-

The fair value of the investment property at 31 December 2008 has been arrived at on the basis of a valuation carried out at that date by Messrs. JD Malakou, an independent valuer that is not related to the group. JD Malakou is a member of the Property Valuers Profession and has appropriate qualifications and recent experience in the valuation of properties in the relevant location. The valuation, which conforms to International Valuation Standards, was arrived at by using the income method as an appropriate methodology to determine the fair value of the property transactions for similar types of properties based on similar methodologies to obtain a fair market value. The capitalised yield method of valuation has been used.

The investment property is held under freehold interest and is situated at 7 Joule Crescent, Pinetown, Durban.

Investment property with a carrying value of R14 900 000 has been pledged to secure borrowings of the company (see note 15). The company is not allowed to pledge these assets as security for other borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

	Group		Company	
	2008	2007	2008	2007
	R'000	R'000	R'000	R'000
10. INTANGIBLE ASSETS				
Cost or valuation				
– Computer software	73	73	–	–
Accumulated amortisation				
– Computer software	68	53	–	–
Carrying amount				
– Computer software	5	20	–	–
Movement for the year				
Cost or valuation at the beginning of the year	73	73	–	–
Additions – computer software	–	–	–	–
At end of the year	73	73	–	–
Movement for the year				
Accumulated amortisation at the beginning of the year	53	20	–	–
Charge for the year	15	33	–	–
At end of the year	68	53	–	–
This relates to software purchased for the running of the accounting and the property management system. The annual impairment is in line with the accounting policy set out in note 3.12				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
11. PROPERTY, PLANT AND EQUIPMENT				
Cost – gross				
– Office equipment	7	7	–	–
– Computer equipment	38	38	–	–
Total	45	45	–	–
Accumulated depreciation				
– Office equipment	4	3	–	–
– Computer equipment	38	32	–	–
Total	42	35	–	–
Carrying amount – net				
– Office equipment	3	4	–	–
– Computer equipment	–	6	–	–
Total	3	10	–	–
Movement for the year – cost				
Cost at the beginning of the year	45	45	–	–
Additions:				
– Office equipment	–	–	–	–
– Computer equipment	–	–	–	–
At end of the year	45	45	–	–
Movement for the year – accumulated depreciation				
– Accumulated depreciation at the beginning of the year	35	20	–	–
– Charge for the year	7	15	–	–
At end of the year	42	35	–	–

The 2007 figures (which previously included computer software) have been restated. The total cost, accumulated depreciation and carrying amount was R118 000, R88 000 and R30 000 respectively. The charge for the year was R46 000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
12. TRADE AND OTHER RECEIVABLES				
SARS – VAT	272	288	–	–
Bebinchand Seevnarayan Trust – down payment	1 500	1 500	–	–
Amahlubi Land Trust and Sibuyelo Matiwane Community Trust – advance payment	210	50	–	–
Scottswaal Beleggings (Pty) Limited – loan	283	–	–	–
Other	1	52	–	–
Gross receivables	2 266	1 890		
Impairment	–	–		
Total	2 266	1 890	–	–

The loan advanced to Scottswaal Beleggings (Pty) Limited is unsecured, interest free and has no repayment date.

See note 30 for details on the down payment – Bebinchand Seevnarayan Trust.

13. CASH AND CASH EQUIVALENTS

The components of cash and cash equivalents are only bank balances. The group does not have any financing facilities or overdraft facilities from the banking institutions.

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Cash and cash equivalents	177	118	–	–
Bank overdraft	–	–	–	–
Total cash and cash equivalents	177	118	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
14. SHARE CAPITAL AND PREMIUM				
14.1 Share capital				
Authorised				
500 000 000 (2007: 500 000 000) ordinary shares of 1 cent each	5 000	5 000	5 000	5 000
28 730 140 (2007: 28 730 140) convertible "B" preference shares of 1 cent each	287	287	287	287
Issued				
185 346 954 (2007: 185 346 954) ordinary shares of 1 cent each	1 853	1 853	1 853	1 853
28 730 140 (2007: 28 730 140) convertible "B" preference shares of 1 cent each	287	287	287	287
14.2 Share premium				
At the beginning of the year	81 786	81 786	81 786	81 786
At the end of the year	81 786	81 786	81 786	81 786
Total share capital and premium	83 926	83 926	83 926	83 926
14.3 Shares to be issued				
Nil ordinary shares of 1 cent each at a premium of 42 cents each (2007: 12 093 024)	–	5 200	–	5 200
52 000 000 ordinary shares of 1 cent each at a premium of 74 cents per share	39 000	39 000	39 000	39 000
19 250 000 (2007: nil) ordinary shares of 1 cent each at a premium of 39 cents per share	7 700	–	7 700	–
Total	46 700	44 200	46 700	44 200

The compulsory convertible "B" preference shares will be converted into ordinary shares in 2011 at the share price ruling at the date of the conversion as per the subscription agreement signed between Bonatla Property Holdings Limited and Depfin (Pty) Limited.

314 653 046 ordinary 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.

Shares to be issued

44 000 000 ordinary shares of 1 cent each at a premium of 74 cents per share will be issued for the acquisition of the 99 year lease from the Community Trust for the use of 3 400 hectares, situated near Estcourt, KwaZulu-Natal.

8 000 000 ordinary shares of 1 cent each at a premium of 74 cents per share will be issued for the acquisition of the 99 year lease from the Amahlubi Land Trust for the use of 2 350 hectares, situated near Giant's Castle, KwaZulu-Natal.

19 250 000 ordinary shares of 1 cent each at a premium of 39 cents per share will be issued for the acquisition of all the shares and loan accounts in Morgan Creek Properties Ten (Pty) Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
15. BORROWINGS				
Unsecured				
Loans from other entities	131	1 430	-	-
This loan is unsecured, bears interest at the prime overdraft rate and is repayable at the instance of the lender, Gemini Moon Trading 177 (Pty) Limited.				
Secured				
Loans from:				
CDA Property Consultants (Pty) Limited	12 748	8 699	-	-
This loan is secured by a pledge of the shares and loan accounts of Bonatla Properties (Pty) Limited, Stand 11 Corporate Park (Pty) Limited and Codify Investments (Pty) Limited, bears interest at the same rate as charged to the lender (prime) and at prime plus two percent as from 1 November 2008. CDA Consultants (Pty) Limited has agreed that the loan does not have to be repaid before 1 January 2010 provided that Bonatla Property Holdings Limited does not commit any breach in terms of clause 10 of the Memorandum of Agreement signed on 28 February 2008 and the addendum dated 28 November 2008. The loan is also secured by a pledge of the proceeds and/or benefits of the Broll/Catalyst litigation, should this litigation be successfully won or settled out of court.				
Imperial Bank	7 248	-	-	-
Secured by a mortgage over the investment property in Morgan Creek Properties Ten (Pty) Limited. Interest is charged at 1,0% below the prime lending rate and is repayable over 10 years.				
Shown under non-current liabilities				
Imperial Bank	5 819	-	-	-
CDA Property Consultants (Pty) Limited	12 748	8 699	-	-
	18 567	8 699	-	-
Shown under current liabilities				
Imperial Bank	1 429	-	-	-
Gemini Moon Trading 177 (Pty) Limited	131	1 431	-	-
	1 560	1 431	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
16. DEFERRED TAXATION				
Balance at beginning of the year	-	-	-	-
Deferred tax on fair value adjustment	1 619	-	-	-
Balance at year end	1 619	-	-	-

Deferred tax liabilities arise from the fair value adjustment of the investment property.

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
17. TRADE AND OTHER PAYABLES				
Trade payables	4 100	1 795	-	-
Shareholders for dividends	64	64	64	64
Sundry accruals	44	100	-	-
Other	16	44	-	4
Total	4 224	2 003	64	68

Trade payables are settled as and when cash resources become available. Once income producing assets are injected into the company, trade payables will be settled within 90 days from statement date.

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
18. TAXATION				
SA normal taxation				
- Current year	-	-	-	-
- Prior year (over)/under provision	(8)	11	(14)	-
Deferred taxation				
- Current year	-	-	-	-
Total	(8)	11	(14)	-

Reconciliation of tax expenses

Accounting loss	(6 580)	(10 981)	-	(114)
Tax at the applicable rate of 28% (2007: 29%)	(1 842)	(3 184)	-	(33)

Tax effect of adjustments on taxable income

Expenses not allowed for taxation	(3)	541	-	-
Effect of timing differences not provided for	14	(14)	-	-
Tax loss carried forward	1 831	2 657	-	33

Current year	-	-	-	-
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
19. REVENUE				
Management fees	196	-	-	-
20. OTHER INCOME				
Proceeds on life of director	1 198	-	-	-
Bad debts recovered	-	44	-	-
Other	-	83	-	-
Total	1 198	127	-	-
21. OPERATING (LOSS)				
Operating (loss) for the period is stated after accounting for the following	(4 727)	(10 431)	-	(114)
Expenditure				
Auditors' remuneration	579	350	-	-
- Fees	498	350	-	-
- Expenses	81	-	-	-
Consulting fees	60	584	-	-
Depreciation and amortisation	22	46	-	-
- Office equipment	1	-	-	-
- Computer equipment	6	15	-	-
- Computer software	15	31	-	-
Legal fees	1 363	1 703	-	-
Management fees – accounting administration	114	220	-	-
Management fees – asset and property management	660	770	-	-
Operating lease rentals	394	17	-	-
Staff costs	69	612	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

22. IMPAIRMENT OF INVESTMENT IN SUBSIDIARY

EG Chapman Syndication Hatfield No. 2 (Pty) Limited, a wholly-owned subsidiary of Bonatla Properties (Pty) Limited, is a dormant company with no income generating assets and no liabilities. The fair value of this investment is deemed to be one Rand.

Value at 1 October 2006

Investment in
subsidiary
R

Historical cost	1 235 000
Impairment loss	(1 234 999)
Carrying amount after the impairment loss	1

	Identifiable asset before impairment	Impairment	Identifiable asset after impairment
Carrying amount	1 235 000	1 234 999	1
Taxable temporary difference	1 235 000	1 234 999	1

Bonatla Properties (Pty) Limited does not recognise the deferred tax asset as it is probable that there will be no taxable profit available against which the deductible temporary difference can be utilised.

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000

23. INVESTMENT REVENUE

Interest revenue

Other loans and receivables	-	23	-	-
Total interest revenue	-	23	-	-

Investment revenue earned on financial assets, analysed by category of assets, is as follows:

Other loans and receivables	-	23	-	-
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24. FINANCE CHARGES

Interest paid

- Mortgage and other liabilities	1 853	584	-	-
- Bank overdraft	-	1	-	-
Total	1 853	585	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

25. RELATED PARTY TRANSACTIONS

The immediate parent and ultimate controlling party of the group is Bonatla Property Holdings Limited (incorporated in the Republic of South Africa).

Transactions between the company and its subsidiaries, which are related parties of the company, have been eliminated on consolidation and are not disclosed in this note. For details of the inter-company balances, see note 8.

Details of transactions between the group and other related parties are disclosed below:

25.1 CDA Property Consultants (Pty) Limited

An asset management fee of R660 000 (2007: R770 270) was paid to CDA Property Consultants (Pty) Limited. C Douglas, a director and shareholder of CDA, is related to the director, RL Rainier and is also a cheque signatory on the Bonatla Property Holdings Limited's bank account.

25.2 Compensation of key personnel

The remuneration of key personnel for the year ended 31 December 2008 was as follows:

	Salary R'000	Bonus R'000	Other benefits including director's fees R'000	Total 2008 R'000
Executive directors				
– RL Rainier	130	–	–	130
– DA Scott	450	–	–	450
Total	580	–	–	580

The remuneration of key personnel for the year ended 31 December 2007 was as follows:

Executive director				
– RL Rainier	140	–	48	188
Total	140	–	48	188

Fees paid to non-executive directors

	Appointed	Resigned	2008 Fees R'000	2007 Fees R'000
– MH Brodie	01/10/1997			64
– C Douglas		28/03/2007	–	16
– DA Johnston	03/02/2007	–	–	36
– FW Nicholson	01/02/2007	22/02/2008	–	28
– SST Ngcobo	01/02/2007	–	–	4
			–	148

For the related party balances, refer to note 8:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
26. (LOSS)/EARNINGS PER SHARE/ DILUTED (LOSS)/EARNINGS PER SHARE (CENTS)				
(Loss)/earnings per share (cents)	(3,55)	(5,93)	0,008	(0,06)
Diluted (loss)/earnings per share (cents)	(2,77)	(5,92)	0,006	(0,06)
(Loss)/profit after taxation attributable to ordinary shareholders:				
	(6 572)	(10 992)	14	(114)
-Number of shares (000's) in issue	185 347	185 347	185 347	185 347
-Weighted average number of shares (000's) in the calculation of diluted (loss)/earnings per share	237 400	185 523	237 400	185 523

The weighted average number of shares includes the number of shares in issue and the number of shares to be issued, weighted by the number of days applicable.

27. HEADLINE (LOSS)/EARNINGS PER SHARE (CENTS)

Headline loss excludes all items of a capital nature and represents an after tax amount.

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Headline (loss)/earnings per share (cents)	(3,55)	(4,79)	0,008	(0,06)
Diluted headline (loss)/earnings per share (cents)	(2,77)	(4,78)	0,006	(0,06)
Reconciliation between loss and headline loss				
(Loss)/profit per income statement	(6 572)	(10 992)	14	(114)
Adjusted for				
- Profit on sale of shares	-	(12)	-	-
- Impairment of interest in subsidiary	-	1 235	-	-
- Impairment of short-term loan	-	899	-	-
Headline loss	(6 572)	(8 870)	14	(114)
Number of shares issued (000's)	185 347	185 347	185 347	185 347
Weighted average number of shares (000's) in the calculation of diluted (loss)/earnings per share	237 400	185 523	237 400	185 523
Weighted number of shares				
Shares in issue	185 347	185 347	185 347	185 347
Weighted shares to be issued in 2007 – 1 day (64 093)	-	176	-	176
Weighted shares to be issued in 2007 – 365 days (52 000)	52 000	-	52 000	-
Shares to be issued in 2008 – 1 day (19 250)	53	-	53	-
Total weighted issued shares and to be issued	237 400	185 523	237 400	185 523

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

28. CASH FLOW STATEMENT

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

28.1 Reconciliation of loss before taxation to cash absorbed from operations

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Loss on ordinary activities before taxation	(6 580)	(10 981)	–	(114)
Adjustments	1 875	1 831	–	–
– Profit on sale of shares	–	(12)	–	–
– Depreciation	22	46	–	–
– Investment income	–	(23)	–	–
– Finance charges	1 853	585	–	–
– Impairment of subsidiary	–	1 235	–	–
Operating (loss) before changes in working capital	(4 705)	(9 150)	–	–
– Decrease/(increase) in working capital	1 845	(310)	(4)	–
– Decrease/(increase) in trade and other receivables	(376)	(2 195)	–	–
– Increase/(decrease) in trade and other payables	2 221	1 885	(4)	4
Cash absorbed by operations	(2 860)	(9 460)	(4)	(110)

28.2 Acquisition of subsidiaries

Net fair value of assets and liabilities	–	–	6 550	(1 114)
Goodwill	–	–	1 150	1 118
Consideration paid through equity instruments	–	–	7 700	4

28.3 Taxation

Opening balance	14	14	–	–
Charge to the income statement	(8)	(11)	–	–
Closing balance	–	14	–	–
Movements for the year	6	11	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

29. FINANCIAL INSTRUMENTS

Liquidity risk

The group finances its operations through borrowings.

At year end, the group had interest-bearing borrowings of R20 127 000 (2007: R10 130 000) at variable interest rates for the year ended 31 December 2008. This can be split between

Payable within one year R1 560 000

Payable after one year R18 567 000

The R1 560 000 will be paid out of future cash generated from operations.

Out of the R18 567 000, R12 748 000 relates to the CDA Property Consultants (Pty) Limited loan which will only be repaid out of cash generated by operations from the beginning of 2010, provided that Bonatla Property Holdings Limited does not default as per the agreement signed between the parties. No interest will be charged in 2009 and 2010 on this loan.

This funding will remain in place, until repaid out of cash generated from operations or until alternative facilities are found.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the group's:

Loss for the year ended 31 December 2008 would increase/decrease by around R111 000

The group also has trade payables of R4 100 000 of which R899 000 are older than 12 months. The group has contacted the major suppliers and has made arrangements for these to be settled during the course of 2009.

Credit risk

The group does not have any trade receivables and maintains cash and cash equivalents with a reputable financial institution.

The group does have an exposure to credit risk relating to other gross receivables.

Bebinchand Seevnarayan Trust R1 500 000

Scottwaal Beleggings (Pty) Ltd R283 000

The R1 500 000 relates to a down payment paid to the Bebinchand Seevnarayan Trust in respect of a financing deal. The terms of the financing deal were not met and the group has instituted legal action to recover this amount. See note 31.

The R283 000 relates to a loan advanced to Scottwaal Beleggings (Pty) Limited which will only be repaid, once the legal decision to freeze over R3 837 000 in funds (in terms of a court order) held in trust with a financial institution and a firm of attorneys, is rescinded. See note 31 relating to the Saxum Group case.

The directors are confident that these amounts will be fully recovered and that no impairment is required.

Market risk

The group has two types of market risks.

a) Downturn in economy

b) Availability of credit required for expansion

With respect to the first market risk, the "AAA" Investment property company has "A" tenants, signed up for three and four years, operating in an industry which has not been adversely affected by the downturn in the economy.

The group has a policy to vet potential tenants and for only "AAA" grade tenants to occupy its present rentable space.

With respect to the second market risk, capital or credit is required to expand the leisure business, which will generate profits and cash flow. Should capital or credit not become available, then profits and cash flow will not materialise within the budgeted time frame.

The group has taken steps to form associations with persons who have access to credit and capital, to develop the leisure operations.

Therefore the above market risks will not affect the profits and equity of the group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

30. POST BALANCE SHEET EVENTS

Acquisitions concluded

At a shareholders' meeting to be held in April 2009, the shareholders will be asked to ratify the Umsuluzi and Amahlubi acquisitions and to approve the Morgan Creek Properties Ten (Pty) Limited, the Karbotek and the Durban Point Waterfront/VLC acquisitions.

All of the above transactions are subject to Competition Commission, JSE, SRP, funding arrangements and shareholders' approval where applicable. The due diligence and valuation process was completed.

Litigations

Litigation against Catalyst (Pty) Limited ("Catalyst")

Bonatla Property Holdings Limited has instituted litigation against Catalyst (Pty) Limited, who were the portfolio managers of Bonatla Property Holdings Limited at the time the interest swap agreement with Nedcor was entered into. The interest swap agreement was not disclosed to the directors of Bonatla Property Holdings Limited, the Audit Committee nor to the auditors of Bonatla Property Holdings Limited by Catalyst. This interest rate swap resulted in substantial diminution of shareholder value and Bonatla Property Holdings Limited is claiming R30 million from Catalyst.

Summons has been issued and a court date is expected to be allocated in January 2010.

In addition to the above matter, additional issues with respect to general administration and financial management have arisen which may also result in legal action against the representatives, board and management of Broll and Catalyst during their tenure as managers or directors of Bonatla.

Saxum Re

As a result of the conditions precedent as set out in the Saxum acquisition agreement not being fulfilled, Bonatla Property Holdings Limited ("Bonatla") became liable for a penalty owing to Saxum Group (Pty) Limited ("Saxum") amounting to R5 million. R1 million of this penalty was paid to Saxum in cash on 12 July 2007 and an additional R1 million was paid to Saxum in cash on 11 October 2007. On 12 July 2007 20 million of Bonatla's shares were pledged by Dreamworld 5 (Pty) Limited ("Dreamworld"), a company 100% owned by Robin Rainier, the chief executive officer at that time, as security for the penalty. On 2 October 2007, Saxum obtained an unopposed judgment against Bonatla for an amount of R4 million.

Bonatla has applied for the rescission of the judgment granted to Saxum on the basis "that the judgment was granted on information previously unknown to Bonatla as to the agreement relating to the acquisition of Saxum which was not in accordance with the negotiations between Saxum and Bonatla. Further, the penalty does not comply with the penalties as set out in the Conventional Penalties Act, in that it was far in excess of the damages allegedly suffered.

The deposit in trust is R3 837 000 in addition to the R2 000 000 cash disbursed as per above. There are no loan agreements in place with regard to the pledged shares, but an agreement is in place between Bonatla and Dreamworld whereby should the case against Saxum be unsuccessful, Dreamworld has no recourse against Bonatla for the 20 million shares pledged as security therefor. Saxum has undertaken to return the 20 million shares to Dreamworld should Bonatla be successful in the rescission application.

The legal proceedings are in progress and are expected to be resolved in 2009. Bonatla's attorneys are confident of the positive resolution of the matter.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

30. POST BALANCE SHEET EVENTS (continued)

The Bebinchand Seevnarayan Trust

The Bebinchand Seevnarayan Trust, of whom the beneficiaries are the Seevnarayan family, undertook to advance an amount of R35 million to Bonatla as a bridging loan during 2007. Bonatla was liable for both interest and a fee of R3 million, of which R1.5 million was to be paid in advance. Subsequent to the payment of the fee by Bonatla, to date no amount has been paid to Bonatla in terms of the loan agreement. Bonatla is consequently suing the Bebinchand Seevnarayan Trust for the return of the R1,5 million due to non-performance by the Bebinchand Seevnarayan Trust. The court case has been set for August 2009.

The attorneys of Bonatla are confident of a favourable conclusion to this matter.

ANALYSIS OF SHAREHOLDERS

SHAREHOLDERS' PROFILE as at 31 December 2008

Bonatla Property Holdings Limited: Shareholder Analysis Tables

Register date: 31 December 2008

Issued share capital: 185 346 954 units

	Number of shareholders	%	Number of shares	%
UNITHOLDERS' CLASSIFICATION				
1 – 1 000 units	41 324	32,12	68 089	0,03
1 001 – 10 000 units	379 472	29,47	2 162 213	1,17
10 001 – 100 000 units	415 496	32,27	13 859 590	7,48
100 001 – 1 000 000 units	63	4,90	17 145 222	9,25
1 000 001 units and over	16	1,24	152 111 840	82,07
	1 286	100,00	185 346 954	100,00

DISTRIBUTION OF SHAREHOLDERS

Banks	2	0,16	2 000 100	1,08
Close corporations	30	2,33	989 332	0,53
Individuals	957	74,42	40 043 251	21,60
Mutual funds	1	0,08	1 000 000	0,54
Nominees and trusts	43	3,34	15 027 141	8,11
Other corporations	9	0,70	39 500	0,02
Pension funds	1	0,08	16 500 000	8,90
Private companies	38	18,50	109 733 830	59,21
Public companies	5	0,39	13 800	0,01
	1 286	100,00	185 346 954	100,00

PUBLIC/NON-PUBLIC SHAREHOLDERS

Non-public shareholders	3	0,24	100 929 442	54,45
Directors of the company holdings	1	0,08	489 442	0,26
Strategic holdings (more than 10%)	2	0,16	100 440 000	54,19
Public shareholders	1 283	99,76	84 417 512	45,55
	1 286	100,00	185 346 954	100,00

BENEFICIAL SHAREHOLDERS HOLDING OF 3% OR MORE

Dreamworld Investments 158 (Pty) Limited	80 440 000	43,40
Saxum Group (Pty) Limited – pledged on behalf of Bonatla Property Holdings Limited	20 000 000	10,79
Mines Pension Fund	16 500 000	8,90

SHAREHOLDERS' CALENDAR

11th Annual General Meeting	28 April 2009
Interim Results for the half year to 30 June 2009	August 2009
Preliminary Announcement for the year ended 31 December 2009	March 2010
2009 Annual Report	April 2010

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 eleventh annual general meeting of shareholders of Bonatla Property Holdings Limited will be held in the boardroom of Arcay Moela Inc, Arcay House, 3 Anerley Road, Parktown, at 08:00 on Tuesday, 28 April 2009 for the purposes of considering and, if deemed fit, passing with or without modification, the resolutions set out below:

ORDINARY RESOLUTION NUMBER 1

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

ORDINARY RESOLUTION NUMBER 2

"RESOLVED that the annual financial statements of the company and the group for the year ended 31 December 2008, together with the reports of the directors be and are hereby approved and confirmed."

ORDINARY RESOLUTION NUMBER 3

"RESOLVED that the directors' remuneration for the year ended 31 December 2008 as set out in note 25.2 of the annual report, of which this notice forms part, be and are hereby approved and confirmed."

ORDINARY RESOLUTION NUMBER 4

"RESOLVED that NG Vontas, who was appointed a director on 4 July 2008 and retires by rotation in terms of Article 88 of the company's Articles of Association, but being eligible for re-election, be and he is hereby re-appointed a director of the company."

ORDINARY RESOLUTION NUMBER 5

"RESOLVED that two directors who retire by rotation but being eligible be appointed by means of a single resolution of members in terms of Section 210 (1) of the Companies Act, 1973."

ORDINARY RESOLUTION NUMBER 6

"RESOLVED that MH Brodie and SST Ngcobo, who retire by rotation in terms of Article 91 of the company's Articles of Association, but being eligible for re-election as directors of the company, be and they are hereby re-appointed directors of the company."

ORDINARY RESOLUTION NUMBER 7

"RESOLVED that the resignation of Bester Viljoen Inc on 13 February 2009 as Auditors of the company be and is hereby confirmed and the appointment of Nolands Inc. be and is hereby approved and confirmed.

RESOLVED further that the Audit and Risk committee are authorised to determine the remuneration of the Auditors."

NOTICE OF ANNUAL GENERAL MEETING (continued)

ORDINARY RESOLUTION NUMBER 8

"RESOLVED to renew the authority to place the un-issued share capital of 314 653 046 ordinary shares of 1 cent each, under the control of the directors until the next annual general meeting in terms of Section 221 and 222 of the Companies Act, 1973, as amended, subject to the provisions of the Act and the Listings Requirements of the JSE Limited, for allotment and issue to such persons as the directors in their discretion deem fit."

ORDINARY RESOLUTION NUMBER 9

"RESOLVED that any one director of the company be and is hereby authorised to do all such things and sign all documents and take all such action as they consider necessary to implement the resolutions set out in the notice convening the annual general meeting at which ordinary resolutions will be considered."

ORDINARY RESOLUTION NUMBER 10

"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 un-issued 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 provide:

- o 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 granted;
- o 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;
- o 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;
- o 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
- o 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.

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.

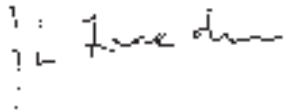
Shareholders which are companies or other bodies corporate may, in terms of Section 188(1) of the Act, by resolution of its directors or other governing body, authorise any person to act as its representative at the annual general meeting.

NOTICE OF ANNUAL GENERAL MEETING (continued)

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 (Pty) Limited, Ground Floor, 70 Marshall Street, Johannesburg (PO Box 61051, Marshalltown, 2107) by no later than 08:00 on Thursday, 23 April 2009.

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



Gold Equity Registrars CC

Company Secretary to Bonatla Property Holdings Limited

623 Prince George Avenue
Brakpan
1540
30 March 2009

NOTES

[illegible]

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 DEMATERIALISED SHAREHOLDERS AT THE ELEVENTH ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD AT 08:00 ON 28 APRIL 2009, in the boardroom of ARDAY MOELA INC, ARDAY HOUSE, 3 ANERLEY ROAD, PARKTOWN.

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 08:00 on Tuesday, 28 April 2009 for the purpose of considering and, if deemed fit, for passing, with or without modification, the ordinary resolutions 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 company and group financial statements at 31 December 2008]			
Ordinary resolution number 3 [Confirmation of directors' remuneration]			
Ordinary resolution number 4 [Re-election of NG Vontas as a director in terms of Article 88 of the Articles of Association of the company]			
Ordinary resolution number 5 [The appointment of two directors by means of a single resolution]			
Ordinary resolution number 6 [Re-election of MH Brodie and SST Ngcobo as directors in terms of Article 91 of the Articles of Association of the company]			
Ordinary resolution number 7 [Confirm appointment of Nolands Inc as auditors]			
Ordinary resolution number 8 [Authority to place un-issued shares under control of directors]			
Ordinary resolution number 9 [Authority for directors to sign resolutions]			
Ordinary resolution number 10 [Authority for directors to issue all or any of the un-issued shares in the capital of the company for cash]			

Signed at on 2009

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 ordinary shareholder is entitled to appoint one or more proxy holders (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 Saturdays, 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 (Pty) 70 Marshall Street, Johannesburg 2001, (PO Box 61051, Marshalltown, 2107; fax number 011 688 7721) to be received by not later than 08:00 on 23 April 2009. 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.

