



## BONATLA PROPERTY HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)  
(Registration number 1996/014533/06)  
Share code: BNT ISIN code: ZAE000013694  
("Bonatla" or "the company")

### STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2009 12 months Reviewed R'000	As at 31 December 2008 12 months Audited R'000
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>157 596</b>	54 270
Goodwill	4	4 411	1 150
Prepayments	5	56 245	38 212
Investment property	6	20 750	14 900
Deposit	7	50 000	–
Intangible assets	8	1 286	5
Property, plant and equipment	9	24 904	3
<b>Current assets</b>		<b>3 296</b>	2 837
Trade and other receivables		2 170	2 266
Prepayments – current portion		582	394
Cash and cash equivalents		544	177
<b>Non-current assets held for sale</b>	6	<b>14 900</b>	–
<b>Total assets</b>		<b>175 792</b>	57 107
<b>EQUITY AND LIABILITIES</b>			
<b>Equity capital and reserves</b>		<b>150 577</b>	31 137
Share capital	10	250 510	83 926
Shares to be issued		1 900	46 700
Accumulated loss		(101 833)	(99 489)
<b>Non-current liabilities</b>		<b>20 055</b>	20 186
Borrowings – long-term		19 208	18 567
Deferred taxation		847	1 619
<b>Current liabilities</b>		<b>5 160</b>	5 784
Borrowings – short-term		2 034	1 560
Trade and other payables		3 126	4 224
<b>Total equity and liabilities</b>		<b>175 792</b>	57 107
		<b>cents</b>	cents
<b>Net asset value per share</b>		<b>31,45</b>	12,13
<b>Net tangible asset value per share</b>		<b>30,26</b>	11,69
<b>Shares in issue (including to be issued)</b>	10	<b>478 851 978</b>	256 596 954

### STATEMENT OF COMPREHENSIVE INCOME

	Notes	For the 12 months ended 31 December 2009 Reviewed R'000	For the 12 months ended 31 December 2008 Audited R'000
Revenue		2 163	196
Other income	11	54	1 198
Operating costs		(4 403)	(6 121)
<b>Operating loss</b>		<b>(2 186)</b>	(4 727)
<b>Results from operating activities</b>		<b>(2 186)</b>	(4 727)
Interest received		19	–
Finance charges	12	(909)	(1 853)
<b>Loss before taxation</b>		<b>(3 076)</b>	(6 580)
Taxation	13	732	8
<b>Loss after taxation</b>		<b>(2 344)</b>	(6 572)
		<b>cents</b>	cents
<b>Reconciliation of headline earnings:</b>			
<b>(Loss) after taxation</b>		<b>(2 344)</b>	(6 572)
<b>Headline (loss)</b>		<b>(2 344)</b>	(6 572)
<b>Earnings per share information</b>			
(Loss) per share		(0,70)	(3,55)
Diluted (loss) per share		(0,70)	(2,77)
Headline (loss) per share		(0,70)	(3,55)
Diluted headline (loss) per share		(0,70)	(2,77)
Weighted average shares in issue for basic and headline (loss) per share	10	332 788 563	185 346 954
Weighted average shares in issue for diluted (loss) per share		332 788 563	237 399 550

### STATEMENT OF CHANGES IN EQUITY

	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
<b>GROUP</b>						
Balance at 1 January 2008	1 855	287	81 786	44 200	(92 917)	35 209
Shares to be issued				7 700	7 700	
Shares to be issued – cancelled				(5 200)	(5 200)	
Net loss for the twelve months					(6 572)	(6 572)
Balance at 31 December 2008	1 853	287	81 786	46 700	(99 489)	31 137
Shares issued	2 708		165 876			166 584
Shares to be issued, now issued				(46 700)		(46 700)
Shares to be issued				1 900		1 900
Net loss for the year					(2 344)	(2 344)
<b>Balance at 31 December 2009</b>	<b>4 561</b>	<b>287</b>	<b>245 662</b>	<b>1 900</b>	<b>(101 833)</b>	<b>150 577</b>

### ABRIDGED CASH FLOW STATEMENT

	As at 31 December 2009 12 months Reviewed R'000	As at 31 December 2008 12 months Audited R'000
<b>Cash outflows from operating activities</b>	<b>(2 667)</b>	(4 525)
Cash absorbed by operations	(1 718)	(2 466)
Interest paid	(909)	(1 853)
Normal taxation paid	(40)	(6)
<b>Cash inflows/(outflows) from investing activities</b>	<b>19</b>	(8 113)
Interest received	19	–
Payments for investment property	–	(13 281)
Cancellation of prepayment for Sable acquisition	–	5 200
Net movement in goodwill and intellectual property	–	(32)
<b>Cash inflows from financing activities</b>	<b>3 015</b>	12 497
Proceeds from equity shares to be issued	1 900	7 700
Cancellation of shares to be issued	–	(5 200)
Proceeds from interest-bearing borrowings	1 115	9 997
<b>Net increase in cash and cash equivalents</b>	<b>367</b>	59
Cash and cash equivalents at the beginning of the period	177	118
Cash and cash equivalents at the end of the period	544	177

### COMMENTARY

<b>1 Basis of preparation</b>		
The reviewed results for the year ended 31 December 2009 and the audited results for the year ended 31 December 2008 (prepared in accordance with IAS 34 – Interim Financial Reporting) have been prepared in accordance with accounting policies consistent with International Financial Reporting Standards and with those applied in previous periods.		
<b>2 Segmental analysis</b>		
<b>Assets</b>		
	<b>31 December 2009 R'000</b>	31 December 2008 R'000
Property Investment – Leisure	56 818	38 606
Property Investment – Industrial	66 032	15 737
Property Investment – Commercial and Retail holding company	50 000	–
	2 942	2 764
Consolidated	175 792	57 107
<b>Liabilities</b>		
	<b>31 December 2009 R'000</b>	31 December 2008 R'000
Property Investment – Leisure	–	–
Property Investment – Industrial	8 017	9 077
Property Investment – Commercial and Retail holding company	17 198	16 893
Consolidated	25 215	25 970
<b>Segment revenues and results by reportable segment: income statement</b>		
<b>Revenue</b>		
	<b>12 months ended 31 December 2009 R'000</b>	12 months ended 31 December 2008 R'000
Continuing operations		
Property Investment – Leisure	–	–
Property Investment – Industrial	2 181	–
Property Investment – Commercial and Retail holding company	–	–
	36	1 394
Total revenue	2 217	1 394
<b>Results</b>		
	<b>12 months ended 31 December 2009 R'000</b>	12 months ended 31 December 2008 R'000
Property Investment – Leisure	(488)	(448)
Property Investment – Industrial	1 241	–
Property Investment – Commercial and Retail holding company	–	–
	(2 939)	(4 279)
Results from operating activities	(2 186)	(4 727)
Investment revenue	19	–
Finance charges	(909)	(1 853)
Bargain purchase	–	–
Loss before taxation	(3 076)	(6 580)

<b>3 Results</b>	
Due to the late re-listing of Bonatla shares on the JSE on 17 August 2009, the comparison of actual results to the forecast results in the circular, dated 27 July 2009 is irrelevant. The loss after taxation of R2,344 million includes various circular and re-listing expenses.	
The results for the year ended 31 December 2009 have been reviewed by Noldans Inc. and their unmodified review report is available for inspection at the Company's registered office.	
<b>4 Goodwill</b>	
The increase of R3,261 million relates to the goodwill on the acquisition of the Sable business – see Note 16.	

## PROVISIONAL REVIEWED ABRIDGED CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

Prepayments

A further 24 400 000 ordinary shares at 75 cents (R18,300 million) were issued to the Amahlubi trust in terms of the circular dated 11 April 2009.

6 Investment property

	R'000
The investment property in Morgan Creek Properties Ten (Pty) Limited is up for sale and consequently has been moved to non-current assets held for sale	(14 900)
Investment property – Karbotek transaction (see Note 16)	20 750
Increase	5 850

7 Deposit

Non-refundable deposit paid in respect of the VLC acquisition (see Note 16)	50 000
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8 Intangible assets

Intellectual property – Sable acquisition (see Note 16)	1 000
Computer software – Sable acquisition (see Note 16)	286
	1 286

9 Property, plant and equipment

Plant and equipment – Karbotek acquisition (see Note 16)	24 250
Computers, scanners, etc. – Sable acquisition (see Note 16)	653
Computers (existing)	1
	24 904

10 Share capital

At the shareholders' meeting held on 4 May 2009, approval was given to increase the authorised ordinary share capital to 2 000 000 000 shares to provide for funding of future acquisitions through the issue of shares.

The articles of association were also amended to include the terms of the non-participating, non-redeemable, non-cumulative compulsory convertible preference shares to be issued in part satisfaction of the purchase price of the acquisition of 200 000 square metres of bulk and certain improvements thereon located at the Durban Waterfront development.

Reconciliation	
Shares issued – 31 December 2008	185 346 954
Shares issued in 2009	
Morgan Creek acquisition	19 250 000
Amahlubi acquisition	32 512 000
Umsuluzi acquisition	44 400 000
Karbotek acquisition	60 000 000
VLC/Durban Point acquisition	100 000 000
Sable acquisition	12 093 024
Arcay – settlement of liability	2 500 000
	456 101 978
Shares to be issued	
Private placement	22 750 000
	478 851 978

11 Other income

Proceeds of R1,198 million from a policy surrendered in 2008.

12 Finance charges

No interest was charged on the loan of R13,521 million from CDA Property Consultants (Pty) Limited during 2009 and interest will resume in 2010. Had interest been charged on this loan, the loss would have increased by R2,181 million to R4,525 million and the effect of this interest payable on the loss and the headline loss per share would be 0,66 per share.

13 Taxation

Deferred tax on the revaluation of investment property was changed from 28% to 14% as the investment property has been re-classified to non-current assets held for sale.

14 Related parties

The immediate parent and ultimate controlling party of the group is Bonatla Property Holdings Limited which is 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.

	For the 12 months ended 31 December 2009 R'000	For the 12 months ended 31 December 2008 R'000
Transactions between the group and other related parties are as follows:		
CDA Property Consultants (Pty) Limited		
– asset management and property management fee	72	660
– loan account balance (see note 4)	(15 521)	(13 088)
– loan account balance	500	500
– interest on loan account	–	1 421
Rara Avis Property Investments (Pty) Limited		
– loan account balance	(1 388)	–
– interest on loan account	37	–
Gemini Moon Trading (Pty) Limited		
– loan account balance	(47)	(131)
– interest on loan account	16	23

C Douglas is a director and shareholder of CDA Property Consultants (Pty) Limited and Rara Avis Property Investments (Pty) Limited and a shareholder of Gemini Moon Trading (Pty) Limited. C Douglas is related to the director, RL Rainier and is also a cheque signatory on the Bonatla Property Holdings Limited's bank account.

	For the 12 months ended 31 December 2009 R'000	For the 12 months ended 31 December 2008 R'000
Compensation of key personnel		
– Executive directors – salaries	695	580
– fees	–	–
– Non-executive directors – fees	–	–
	695	580

15 Post balance sheet events

Bonatla has purchased 100% of the shares and claims in nine property owning companies totalling R222 million. Special resolutions relating to the sale have been registered by the Sellers and Bonatla's shareholders have given unconditional and irrevocable undertakings to vote in favour of these acquisitions.

The value of the nine property owning companies is R222,466 million with four of the property owning companies having bonds of around R34,898 million.

A Section 311 is presently being concluded and once finalised, a circular will be issued for approval by the shareholders.

16 Acquisitions

The following transactions took place:

Cambridge Park Mall (Pty) Limited purchased 100% of the shares and the claims of the company owning the Karbotek land and buildings and plant.

New Adventure Investments 72 (Pty) Limited purchased the Sable document, storage, scanning and franchise business.

100% of the shares and claims in VLC Commercial and Industrial Properties (Pty) Limited was purchased.

VLC has an irrevocable and unconditional right to purchase 100% of the shares and claims in the ultimate Holding company which, through subsidiaries, has a 50% share in the vacant land situated at the Durban Point waterfront.

A non-refundable deposit has been given to ensure that the transaction should proceed. This was disclosed in the circular issued on 27 July 2009 and was approved by shareholders.

	For the 12 months ended 31 December 2009 R'000	For the 12 months ended 31 December 2008 R'000
Karbotek acquisition		
– Investment Property	20 750	–
– Property, plant and equipment	24 250	–
Purchase consideration	45 000	–
Issued – 60 million ordinary shares at 75 cents per share	45 000	–
VLC acquisition		
– Deposit	50 000	–
Purchase consideration	50 000	–
Issued – 100 million ordinary shares at 50 cents per share	50 000	–
Sable acquisition		
Fixed assets	653	–
Computer software	286	–
Intellectual property	1 000	–
Issued – 12,1 million ordinary shares at 43 cents per share	1 939	–
Goodwill	5 200	–
	3 261	–

17 Dividends

No dividends were declared during the period.

18 Management and interim funding of the group

CDA Property Consultants (Pty) Limited resigned as asset managers on 1 January 2009 and this function has been managed by the company during the period under review.

19 Board of Directors

Mr DA Scott	
Mr DWB King	
Mr DA Johnston	
Mr RL Rainier	
Mr NG Vontas	Re-elected as director on 28 April 2009 in terms of Article 91 of the Articles.
Mr MH Brodie	Re-elected as director on 28 April 2009 in terms of Article 91 of the Articles.
Mr SST Ngcobo	Re-elected as director on 28 April 2009 in terms of Article 91 of the Articles.

20 Change of auditors

In accordance with updated JSE listing requirements, Bester Viljoen Inc resigned as auditors on 13 February 2009 and Noldans Inc. were appointed on the same date.

21 Contingent liabilities

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

Bonatla Property Holdings Limited ("Bonatla") has instituted litigation against Catalyst, who were the portfolio managers of Bonatla at the time that the interest rate swap agreement with Nedcor was entered into. The interest swap agreement was not disclosed to the directors of Bonatla by Catalyst. This interest swap resulted in substantial diminution of shareholder value and Bonatla is claiming R30 million from Catalyst. Summons has been issued and a court date is expected to be allocated in 2010.

*Litigation re Saxum*

As a result of the conditions precedent as set out in the Saxum acquisition agreement not being fulfilled, Bonatla became liable for a penalty owing to Saxum Group (Pty) Limited ("Saxum") amounting to R5 million. Bonatla paid R2 million of this in 2007 and security has been given for the balance. On 2 October 2007, Saxum obtained an unopposed judgment against Bonatla for an amount of R4 million.

Bonatla has applied for the recession of the judgment granted to Saxum.

The legal proceedings are in place and are expected to be resolved in 2010. Bonatla's attorneys are confident of the positive resolution of the matter.

*Litigation re The Bebinchand Seevnanarayan Trust ("The Trust")*

The Trust 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 paid. To date, no amount has been paid to Bonatla in terms of the loan agreement. Bonatla is consequently suing The Trust for the return of the R1,5 million due to non-performance by The Trust. The court case should happen in 2010. The attorneys of Bonatla are confident of a favourable conclusion to this matter.

*Litigation re The Durban Point Waterfront acquisition*

Legal action has been instituted to prevent the ultimate transfer of the 200 000 sq. metres to Bonatla and a legal opinion has been obtained which indicates that this claim is spurious and has no chance of succeeding in a court of law.

22 Future prospects

A circular detailing the acquisition of nine property owning companies, the Kimberley leasehold land, the Ruitersvlei winefarm, the Illovo office block and the Mthlga game farm will commence shortly and will be submitted to shareholders for their approval.

Once these transactions are approved and become effective, the profits and cash flows of the Bonatla group will be greatly enhanced.

23 Renewal of cautionary announcement

Shareholders are referred to the previous cautionary announcements dated 25 February 2007, 16 April 2007, 17 May 2007, 6 September 2007, 2 July 2008, 4 July 2008, 14 August 2008, 25 September 2008, 30 September 2008, 11 November 2008, 6 January 2009, 18 February 2009, 24 June 2009, 5 August 2009, 28 August 2009, 30 September 2009, 12 November 2009, 4 January 2010, 27 January 2010 and 10 March 2010 respectively and are advised that certain negotiations referred to therein are still in progress. Shareholders are accordingly advised to continue to exercise caution in dealing with Bonatla shares until a further announcement in this regard is made.

14 April 2010  
Johannesburg

**Directors:** MH Brodie, DA Johnston, SST Ngcobo, DA Scott, DWB King, (CF de Lange – alternate), RL Rainier, NG Vontas  
**Registered address:** 623 Prince George Ave, Brenthurst, Brakpan, 1541  
**Company secretary:** Gold Equity Registrars C.C.  
**Transfer secretaries:** Computershare Investor Services (Pty) Limited  
**Auditors:** Noldans Inc.  
**Sponsors:** Arcay Moela Sponsors (Pty) Limited

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