

for the year ended 28 February 2005

1. PRESENTATION OF FINANCIAL STATEMENTS

The annual financial statements, the classification and presentation of its components are consistent with prior periods, except for the reclassification of software and certain provisions. These reclassifications are detailed in the respective notes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The annual financial statements of the group are prepared as a going concern on a historical cost basis, except for certain financial assets and liabilities that are measured on a fair value basis in terms of AC133 - Financial Instruments: Recognition and Measurement. The financial statements conform to South African Statements of Generally Accepted Accounting Practice and the Companies Act of South Africa (Act 61 of 1973). The following principal accounting policies have been consistently applied in all material respects:

Basis of Consolidation

The consolidated annual financial statements incorporate the annual financial statements of the company, its subsidiary companies and the Datacentrix Holdings Share Trust. The operating results of subsidiary companies are included from the effective dates of acquisition, up to the effective dates of disposal. All significant inter-company transactions and balances have been eliminated. Premiums that arise on the acquisition of subsidiary companies and any excess of the net assets of a subsidiary company over the cost of acquisition are treated in terms of the group's accounting policy for goodwill and negative goodwill.

Investment in Associate

An associate is an enterprise in which the group holds an equity interest and over which it has the ability to exercise significant influence, but not control, through its financial and operating policy decisions. It is neither a subsidiary nor a joint venture. The results, assets and liabilities of the associate are incorporated in the group's annual financial statements using the equity method of accounting.

Interests in associates are carried in the balance sheet at cost as adjusted by post acquisition changes in the group's share of the net assets of the associate, less any impairment in the value of the investment.

Impairment of Assets

At each reporting 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. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount. Impairment losses are recognised in the income statement.

Other than for goodwill, 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. This is done so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in the income statement.

Property and Equipment

All items of property and equipment are stated at original cost less accumulated depreciation. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following annual basis:

Buildings:	5%
Motor vehicles:	25%
Furniture and fittings:	16,67%
Computer equipment:	33,33%
Office equipment:	15 to 33,33%
Leasehold improvements:	over period of lease

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Computer equipment utilised in large enterprise outsourcing contracts are depreciated over the term of the contract or three years, whichever is shorter. When the recoverable amount of an asset has declined below its carrying amount, the carrying amount is reduced to reflect the decline in value. In determining the recoverable amount of assets, expected cash flows are discounted to their present values.

The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income. Loose tool replacements are written off to income in the year in which the expense is incurred, and are shown at a nominal value in the balance sheet.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Intangible Assets****Goodwill and Negative Goodwill**

Goodwill and negative goodwill represent the excess or shortfall of the cost of acquisition of the group's interest over the fair value of the identifiable assets and liabilities of a division, subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is recognised as an asset or negative asset and impairment reviews are conducted annually to determine write-offs required, if any. Amortisation is charged so as to write off the cost of goodwill over the estimated useful life of the underlying acquisition, subject to a maximum of 20 years, using the straight-line method. Negative goodwill is amortised over the average lifespan of the depreciable assets underlying the acquired entity.

Software

All items of software are stated at original cost less accumulated amortisation. Amortisation is charged so as to write off the cost of assets over their estimated useful lives of three years, using the straight-line method.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance lease are recognised as assets of the group at their fair value at the date of acquisition. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at cost less accumulated depreciation at the balance sheet date. Depreciation is charged so as to write off the cost of the property over its estimated useful life, using the straight-line method, on the following annual basis:

Land:	not depreciated
Buildings:	5%

Taxation

Taxation represents the sum of the tax currently payable and deferred tax. The charge for current tax is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction, which affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising from investment 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 is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Redundant and slow-moving inventories are identified and written down with regard to their estimated economic or realisable values. Spares inventory is depreciated over the shorter of the average period of the underlying long-term contracts or 36 months.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

Financial assets and financial liabilities are recognised in the balance sheet when it becomes a party to the contractual provisions of the instrument.

Trade Receivables

Trade receivables are stated at their nominal value and reduced by appropriate allowances for estimated irrecoverable amounts.

Investments

Investments are recognised on a trade-date basis and are initially measured at cost, including transaction costs.

At subsequent reporting dates, debts securities that the group has the expressed intention and ability to hold to maturity (held-to-maturity debt securities) are measured at amortised cost, less any impairment loss recognised to reflect irrecoverable amounts. The annual amortisation of any discount or premium on the acquisition of a held-to-maturity security is aggregated with other investment income receivable over the term of the instrument so that the revenue recognised in each period represents a constant yield on the investment.

Investments other than held-to-maturity debt securities are classified as either held-for-trading or available-for-sale, and are measured at subsequent reporting dates at fair value. Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in net profit or loss for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

Financial Liabilities and Equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Debt instruments issued, which carry a right to convert to equity that is dependent on the outcome of uncertainties beyond the control of both the group and the holder, are classified as liabilities except where the possibility of non-conversion is remote.

Trade Payables

Trade payables are stated at their nominal value.

Derivative Financial Instruments

The group uses derivative financial instruments (primarily foreign currency forward contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Such derivatives are initially recorded at cost, if any, and are remeasured to fair value at subsequent reporting dates.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in the income statement. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in the income statement in the same period in which the hedged item affects net profit or loss.

Changes in the fair value of designated fair value hedges and derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.

Derivatives embedded in other financial instruments or non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value with unrealised gains or losses reported in the income statement.

Revenue

Revenue represents the invoiced value of goods and services, excluding value added tax. Where revenue is received in advance in terms of long-term contracts, or revenue streams on these contracts do not match the expense streams or timing of service efforts, an appropriate portion of the revenue is deferred or accrued to achieve an appropriate recognition of revenue.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign Currencies

Transactions in currencies other than South African Rands are initially recorded at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates ruling on the balance sheet date. Profit and losses arising on exchange are dealt with in the income statement.

Retirement Benefits

Payments to defined contribution retirement plans are charged as an expense as they fall due.

Provisions

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

Employee Benefits

Options are granted to employees and directors in terms of equity compensation plans at fair value of the company's shares at the date of granting the options. When exercised at a later date shares are issued at the option value. No expense is booked on the issue of shares to employees in terms of these plans.

Any losses or profits incurred by the group or the Datacentrix Holdings Share Trust on the exercise of options by employees are booked to the share premium. Shares held by the trust are treated as treasury shares. Any potential losses that could be incurred by the trust where vested options are immediately exercisable are booked against share premium. Potential losses or profit on vested options exercisable at future dates or profits on options exercisable immediately are disclosed by way of a note.

3. DIRECTORS

The directors in office at year-end and at the date of this report were as follows:

Executive:	Non-Executive:	Independent Non-Executive:
Gary Morolo (Chairman)	Sam Nematswerani	Joan Joffe
Gerhard Uys (CEO)	Christoff Botha	Imogen Mkhize
Klaas Lammers		
Charl Joubert		
Stewart Barker		
Ahmed Mahomed		
Elizabeth Naidoo		

Johann Coetzee and Juane Peacock were invitees to the board for the period under review.

Appointments and Resignations During the Period

There were no changes for the period under review.

Restraint of Trade Agreements and Long-Term Employment Contracts

All seven executive directors and most senior staff members are bound by restraint of trade agreements.

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3. DIRECTORS (continued)**Directors' Remuneration**

Executive Directors 2005	Salaries R'000	Bonuses R'000	Benefits R'000	Retirement contributions R'000	Total R'000
Gerhard Uys (CEO)	1 354	773	32	176	2 335
Klaas Lammers	1 378	773	8	176	2 335
Charl Joubert	753	342	45	119	1 259
Stewart Barker	828	478	25	108	1 439
Ahmed Mahomed	949	705	1	116	1 771
Elizabeth Naidoo	625	200	47	85	957
Total	7 251	4 044	180	956	12 431
2004					
Gary Morolo (Chairman)	1 360	605	25	176	2 166
Gerhard Uys (CEO)	1 379	605	6	176	2 166
Klaas Lammers	1 361	605	24	176	2 166
Charl Joubert	716	-	39	113	868
Stewart Barker	826	270	27	108	1 231
Ahmed Mahomed	852	250	1	108	1 211
Elizabeth Naidoo (5 months)	233	96	11	31	371
Total	6 727	2 431	133	888	10 179

No current or retired director receives a pension funded by the group.

Non-Executive Directors - Fees for Services as Directors	2005 R'000	2004 R'000
Joan Joffe	80	147
Sam Nematswerani	100	36
Christoff Botha	80	36
Natanya Kuper	-	27
Imogen Mkhize	100	200
Total	360	446

Sam Nematswerani has an interest in major shareholder Aka Capital (Proprietary) Limited (Co-ordinated Network Investments (Proprietary) Limited and Eglin Investments Number 31 (Proprietary) Limited) and accordingly the fees are paid to this company.

Christoff Botha has an interest in shareholder Treacle Venture Partners (Proprietary) Limited and accordingly the fees are paid to this company.

Directors' Shareholding

Executive Directors	Beneficial		Beneficial	
	Direct 2005	Indirect 2005	Direct 2004	Indirect 2004
Gerhard Uys	14 053 031	-	16 053 031	-
Klaas Lammers	12 553 030	-	14 553 030	-
Charl Joubert	724 888	-	472 031	-
Stewart Barker	287 500	-	152 900	-
Ahmed Mahomed	15 000	-	-	-
Total	27 633 449	-	31 230 992	-

3. DIRECTORS (continued)**Directors' Shareholding (continued)**

Non-Executive Directors	Beneficial		Beneficial	
	Direct 2005	Indirect 2005	Direct 2004	Indirect 2004
Joan Joffe	504 545	-	454 545	-
Christoff Botha	-	665 332	-	665 332
Total	504 545	665 332	454 545	665 332

Gary Morolo and Sam Nematswerani are shareholders in and directors of major shareholder Aka Capital (Proprietary) Limited (Co-ordinated Network Investments (Proprietary) Limited and Eglin Investments Number 31 (Proprietary) Limited)).

Executive Directors' Share Options

Share option allocations are considered and recommended by the board and approved by the Remuneration Committee.

	Number of options 29/02/2004	New options allocated during the year	Expired or lapsed during the year	Number of options 28/02/2005	Option price	Granting date	Conditions
Gary Morolo	1 000 000	-	-	1 000 000	R1.00	01/03/2001	#
	1 000 000	-	-	1 000 000	R1.00	01/03/2002	#
	-	1 000 000	-	1 000 000	R2.14	01/03/2004	#
Gerhard Uys	1 000 000	-	-	1 000 000	R1.00	01/03/2001	#
	1 000 000	-	-	1 000 000	R1.00	01/03/2002	#
	-	1 000 000	-	1 000 000	R2.14	01/03/2004	#
Klaas Lammers	1 000 000	-	-	1 000 000	R1.00	01/03/2001	#
	1 000 000	-	-	1 000 000	R1.00	01/03/2002	#
	-	1 000 000	-	1 000 000	R2.14	01/03/2004	#
Stewart Barker	1 000 000	-	-	1 000 000	R1.00	01/03/2001	*
	100 000	-	-	100 000	R1.00	01/03/2002	*
Ahmed Mahomed	750 000	-	-	750 000	R1.00	01/01/2003	*
Elizabeth Naidoo	500 000	-	-	500 000	R1.00	01/08/2002	*
Total	8 350 000	3 000 000	-	11 350 000			

Gary Morolo, Gerhard Uys and Klaas Lammers qualified for their share options at the end of February each year in terms of performance targets set by the board. The options were granted at the 30 day weighted average prior to the date of offering the options and are immediately exercisable.

* Conditions and exercise periods are set out in the Datacentrix Holdings Share Trust Deed (refer note 21).

4. OPERATING EXPENSES

	Group		Company	
	2005 R'000	2004 R'000	2005 R'000	2004 R'000
Cost of inventories sold	629 168	556 256	-	-
Staff costs	157 233	122 048	-	-
Other operating expenses	30 868	28 316	562	283
Total	817 269	706 620	562	283

The cost of inventories sold includes the foreign exchange gains and losses attributable to the related purchases.

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5. OPERATING INCOME (LOSS) BEFORE INTEREST AND TAXATION

Operating income (loss) before interest and taxation takes the following items into account:

	Group	
	2005 R'000	2004 R'000
Auditors' remuneration:		
- Audit fees	1 100	1 000
- Prior year under provision	-	150
- Fees for other services		
- Tax services (compliance and advisory)	95	405
	1 195	1 555
Depreciation:		
- Investment property	40	-
- Buildings	290	119
- Motor vehicles	198	263
- Furniture and fittings	581	473
- Computer equipment	5 951	4 657
- Office equipment	303	228
- Leasehold improvements	248	298
	7 611	6 038
Amortisation:		
- Goodwill	8 471	8 672
- Software	1 473	1 259
	9 944	9 931
Operating lease payments:		
- Properties	5 851	5 311
Retirement fund contributions	11 109	9 093
Foreign exchange losses	183	952
Profit on disposal of property and equipment	75	-

6. INTEREST RECEIVED, INTEREST PAID AND DEEMED INTEREST

	Group		Company	
	2005 R'000	2004 R'000	2005 R'000	2004 R'000
Interest received:				
- Interest received on bank balances	6 324	10 343	2	20
- Interest received from other institutions	339	133	-	133
	6 663	10 476	2	153
Interest paid:				
- Interest paid on bank overdrafts	(2)	-	-	-
- Interest paid to other institutions	(897)	-	-	-
	(899)	-	-	-
Deemed interest (AC133 fair value adjustment)	(87)	(1 243)	-	-

7. TAXATION

	Group		Company	
	2005 R'000	2004 R'000	2005 R'000	2004 R'000
South African normal taxation comprising:				
Current taxation - current year	28 080	18 929	-	-
- prior year	(954)	(1 607)	3	-
Deferred taxation - current year	(4 478)	(1 143)	-	-
- prior year	945	2 787	-	-
- change in statutory taxation rate	421	-	-	-
Share of associate company's taxation	143	57	-	-
	24 157	19 023	3	-
Reconciliation of taxation rate	%	%	%	%
Statutory taxation rate	30.0	30.0	30.0	30.0
- Expenses not allowed for taxation	4.5	5.2	(30.0)	8.5
- Prior year under provision	-	3.2	(0.5)	-
- Change in statutory taxation rate	0.6	-	-	-
- Income not taxable	-	(0.9)	-	(38.5)
Effective taxation rate	35.1	37.5	(0.5)	-

In the Minister of Finance's budget speech on 23 February 2005 he announced a decrease in the statutory taxation rate for companies from 30% to 29%. The new rate has been taken into account when calculating the deferred taxation at year-end.

8. EARNINGS AND CAPITAL DISTRIBUTION PER SHARE

	Group	
	2005 R'000	2004 R'000
Earnings attributable to ordinary shareholders	44 659	31 746
Profit on sale of property and equipment	(75)	-
Goodwill amortised	8 471	8 672
Headline earnings for the year	53 055	40 418
	000's	000's
Number of shares:		
Weighted average number of ordinary shares	204 961	204 272
Treasury shares (consolidation of share trust)	(9 160)	(9 248)
Weighted average number of ordinary shares	195 801	195 024
Effect of dilutive potential ordinary shares	7 904	7 604
Weighted average number of ordinary shares for the purposes of dilution	203 705	202 628
Headline earnings per ordinary share (cents)	27.1	20.7
Diluted headline earnings per ordinary share (cents)	26.0	19.9
Basic earnings per ordinary share (cents)	22.8	16.3
Diluted basic earnings per ordinary share (cents)	21.9	15.7
Capital distribution per ordinary share (cents)	-	6.9

The calculation of earnings per ordinary share is based on the earnings attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the year. The weighted average number of ordinary shares in issue for the year under review is 195 801 242 (2004: 195 023 818). The calculation of diluted basic and diluted headline earnings per ordinary share is based on the weighted average number of ordinary shares in issue during the year diluted for profit guarantees achieved where the shares are not yet due for issue and for options offered at prices less than the average share price during the year. The diluted weighted average number of ordinary shares in issue for the year under review is 203 705 419 (2004: 202 627 818). The calculation of the capital distribution per ordinary share was based on a formula adopted of one third of headline earnings and the actual number of issued shares of 204 271 818 in issue on the date of declaration, 6 July 2004.

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9. PROPOSED DIVIDEND

The board is pleased to propose a dividend amounting to 9.0 cents per ordinary share based on the formula referred to above.

10. PROPERTY AND EQUIPMENT - GROUP ONLY

2005	Opening balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Closing balance R'000
COST					
Land*	463	1 915	-	(463)	1 915
Buildings*	2 618	13 492	-	(2 618)	13 492
Motor vehicles	1 084	-	(161)	-	923
Furniture and fittings	2 841	817	(9)	-	3 649
Computer equipment	18 262	5 876	(625)	-	23 513
Office equipment	1 413	1 228	(173)	-	2 468
Leasehold improvements	781	50	-	-	831
Total	27 462	23 378	(968)	(3 081)	46 791
	Opening balance R'000	Depreciation R'000	Disposals R'000	Transfers R'000	Closing balance R'000
ACCUMULATED DEPRECIATION					
Land*	-	-	-	-	-
Buildings*	630	290	-	(708)	212
Motor vehicles	688	198	(160)	-	726
Furniture and fittings	1 387	581	(7)	-	1 961
Computer equipment	11 490	5 951	(287)	-	17 154
Office equipment	839	303	(143)	-	999
Leasehold improvements	490	248	-	-	738
Total	15 524	7 571	(597)	(708)	21 790

2004	Opening balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Closing balance R'000
COST					
Land	463	-	-	-	463
Buildings	2 618	-	-	-	2 618
Motor vehicles	778	306	-	-	1 084
Furniture and fittings	2 453	388	-	-	2 841
Computer equipment	14 094	4 334	(166)	-	18 262
Office equipment	1 275	138	-	-	1 413
Leasehold improvements	726	55	-	-	781
Total	22 407	5 221	(166)	-	27 462
	Opening balance R'000	Depreciation R'000	Disposals R'000	Transfers R'000	Closing balance R'000
ACCUMULATED DEPRECIATION					
Land	-	-	-	-	-
Buildings	511	119	-	-	630
Motor vehicles	425	263	-	-	688
Furniture and fittings	914	473	-	-	1 387
Computer equipment	6 926	4 657	(93)	-	11 490
Office equipment	611	228	-	-	839
Leasehold improvements	192	298	-	-	490
Total	9 579	6 038	(93)	-	15 524

10. PROPERTY AND EQUIPMENT - GROUP ONLY (continued)

	Group	
	2005 R'000	2004 R'000
NET BOOK VALUE		
Land*	1 915	463
Buildings*	13 280	1 988
Motor vehicles	197	396
Furniture and fittings	1 688	1 454
Computer equipment	6 359	6 772
Office equipment	1 469	574
Leasehold improvements	93	291
Total	25 001	11 938

* The group moved out of its facility in Centurion in November 2004 and, in line with AC140 - Investment Property, transferred these assets to investment property (refer note 11). Software has been reclassified as intangible assets (see note 12). The comparative numbers have been adjusted accordingly.

Land comprises portion one of stand one, Highveld, Gauteng and stand number 865 Kosmosdal, Extension 11, Gauteng, both with buildings and additions thereon at the original costs.

11. INVESTMENT PROPERTY

Land (at cost transferred from property and equipment)	463	-
Buildings		
Carrying amount transferred from property and equipment	1 910	-
Cost	2 618	-
Accumulated depreciation	(708)	-
Depreciation recognised during the year subsequent to transfer	(40)	-
Carrying amount at the end of the year	1 870	-
Cost	2 618	-
Accumulated depreciation	(748)	-
Total carrying value	2 333	-

The property is valued by the directors at R3 800 000.

12. INTANGIBLE ASSETS

	Group		Company	
	2005 R'000	2004 R'000	2005 R'000	2004 R'000
Goodwill				
Opening balance	32 585	37 191	-	(1 120)
Goodwill at acquisition	53 636	49 570	(2 240)	(2 240)
Amortised to the beginning of the year	(21 051)	(12 379)	(2 240)	1 120
Goodwill on new acquisitions during the year	-	4 066	-	-
Amortisation recognised during the year	(8 471)	(8 672)	-	1 120
Closing balance	24 114	32 585	-	-
Goodwill at acquisition	53 636	53 636	(2 240)	(2 240)
Amortised to the end of the year	(29 522)	(21 051)	(2 240)	2 240

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12. INTANGIBLE ASSETS (continued)

	Group	
	2005 R'000	2004 R'000
Software		
Opening balance	1 799	1 363
Cost	3 604	1 909
Amortised to the beginning of the year	(1 805)	(546)
Additions during the year	566	1 695
Amortisation recognised during the year	(1 473)	(1 259)
Closing balance	892	1 799
Cost	4 170	3 604
Amortised to the end of the year	(3 278)	(1 805)
Total carrying value of intangibles	25 006	34 384

Software has been reclassified from property and equipment (refer note 10), which resulted in R1 799 000 of property and equipment being reclassified to intangible assets in the prior year. Depreciation to the amount of R1 259 000 has been reclassified as amortisation.

13. INVESTMENT IN SUBSIDIARIES

	Company	
	2005 R'000	2004 R'000
Shares at cost	22 313	22 313
Net amount owing by subsidiary companies	26 909	38 689
	49 222	61 002

Refer to the Annexure for information relating to subsidiaries.

14. INVESTMENT IN ASSOCIATE

	Group	
	2005 R'000	2004 R'000
Percentage holding (%)	49	49
Number of shares held (shares)	49	49
	R'000	R'000
Opening carrying value	1 203	917
Share of associate income - current year	329	286
Dividend received from associate	(149)	-
	1 383	1 203
Loans receivable	30	30
Closing carrying value	1 413	1 233
Investment in associate comprises the following:		
- cost	123	123
- share in distributable reserves	1 290	1 110
Closing carrying value	1 413	1 233
Directors' valuation of share in associate	1 850	2 200

The associated company is Vukani Technologies (Proprietary) Limited, a computer consumables company which was established in 1997 as a black empowerment initiative. The company is incorporated in South Africa and the group holds 49% shareholding in the company. Refer to the Annexure and to note 34 for more information relating to the associate.

15. ADVANCE PAYMENTS

	Group	
	2005 R'000	2004 R'000
Premier Foods Limited	-	3 050

The advance payments represent rental payments for computer equipment that are deferred in anticipation of future revenue in terms of an outsourcing agreement. A portion of the outsourcing revenue was allocated to reduce the advance payments at an imputed fixed interest rate of 16% per annum over 35 months until 30 November 2004 to Nil.

16. DEFERRED TAXATION

Trademarks	1 522	2 100
Provisions, prepayments, fair value adjustments and FEC liability	4 587	1 842
Difference in rates of depreciation of property and equipment	876	(2)
Calculated taxation loss	54	-
Deferred revenue on contracts	5 126	5 113
	12 165	9 053
Movements in deferred taxation:		
Opening balance	9 053	11 096
Movements in:		
Trademarks	(578)	(525)
Provisions, prepayments and fair value adjustments	2 745	1 642
Difference in rates of depreciation of property and equipment	878	(673)
Calculated taxation loss	54	(1 801)
Deferred revenue on contracts	13	(686)
Closing balance	12 165	9 053

There has been no setting off of deferred taxation, assets or liabilities between group companies. The effect of the change in the effective tax rate of R419 000 is included in the individual movements above.

17. LOAN TO SHARE TRUST

	Company	
	2005 R'000	2004 R'000
Loan to Datacentrix Holdings Share Trust	6 627	6 627

The loan is interest free and there are no fixed terms of repayment (refer to note 21 for details in respect of the share trust).

18. INVENTORIES

	Group	
	2005 R'000	2004 R'000
Finished goods	3 270	3 219
Work in progress	3 955	3 323
Spares	4 899	5 165
	12 124	11 707

It was not necessary to adjust any inventories to net realisable value. Spares inventory is being depreciated over the shorter period of the underlying service contract or 36 months.

for the year ended 28 February 2005

19. ACCOUNTS RECEIVABLE

	Group		Company	
	2005 R'000	2004 R'000	2005 R'000	2004 R'000
Trade receivables	114 180	114 278	-	-
Other receivables	1 936	1 814	5	8
	116 116	116 092	5	8

Accounts receivable are presented net of the allowance for doubtful receivables. There is a low credit risk with respect to trade receivables. There has historically been very little bad debt due to the spread and quality of customers.

20. BANK BALANCES AND CASH

	2005	2004	2005	2004
Bank balances and cash	167 146	131 022	8	647

The group did not have any overdrawn bank accounts at year-end and therefore no off-setting of bank accounts has occurred on the balance sheet. All cash resources are placed with reputable bankers.

21. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES**Share Capital**

	2005	2004	2005	2004
Authorised				
400 000 000 ordinary shares of R0,0001 each	40	40	40	40
Issued and deemed issued				
204 961 517 (2004: 204 271 818) ordinary shares of R0,0001 each	20	20	20	20

The authorised share capital of the company remained unchanged.

5 098 858 (2004: 11 190 538) shares were issued or deemed to be issued in the current year to the following non-public entities as defined by the JSE Securities Exchange Listing Requirements in terms of profit warranties achieved:

- 3 556 000 actually issued to the original shareholders of Solution Management NetworX (Proprietary) Limited at R1.00;
- 711 429 actually issued to the original shareholders of Styleprops Services 18 (Proprietary) Limited at R2.10; and
- 831 429 deemed to be issued to the original shareholders of Styleprops Services 18 (Proprietary) Limited at R2.10.

The balance of the unissued shares is under the control of the directors until the next annual general meeting of the shareholders.

The directors also have authority until the next annual general meeting of the shareholders to repurchase issued shares of the company on the open market. No shares were repurchased during the year.

Share Premium

	2005	2004	2005	2004
Opening balance	50 831	43 740	50 743	43 754
Premium on issue of ordinary shares	1 746	7 075	1 746	7 075
Capital distribution	(13 444)	-	(14 085)	-
Share issue expenses	(26)	(86)	(26)	(86)
Profit on sale of treasury shares	482	102	-	-
Closing balance	39 589	50 831	38 378	50 743

21. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (continued)

	Group	
	2005 R'000	2004 R'000
Treasury shares	(14 060)	(11 078)

The number of treasury shares held by the Datacentrix Holdings Share Trust amounts to 9 160 275 (2004: 9 248 400) ordinary shares.

Share Trust

In 1998 the group approved the incentive plan whereby share options or shares are offered to participating employees under a deferred delivery scheme. A revised trust deed has been approved by the trustees, company and JSE Securities Exchange of South Africa during the year. It is still subject to approval by the shareholders at the annual general meeting.

The trust may hold a maximum of 10% of the issued share capital of the company. Share options granted may be exercised at any time but lapse after ten years from option date. Once exercised, participants may deal in their shares to a maximum of 12.5% after one year from option date and thereafter 12.5% every six months which limit reduces cumulatively. Options not exercised whilst in the employment of the company generally lapse upon termination of employment.

Shares held by the Datacentrix Holdings Share Trust	2005 Shares	2004 Shares
Opening balance	9 248 400	9 323 400
Shares issued to the trust or acquired by the trustees during the year	2 310 794	1 705 169
Shares issued to beneficiaries	(2 398 919)	(1 780 169)
Closing balance	9 160 275	9 248 400
Share options allocated as detailed below	11 871 406	(16 523 727)
Maximum potential shortfall	(2 711 131)	(7 275 327)

Share Options

	Opening balance	Options offered	Options lapsed	Exercised	Closing balance	Average option price
2005	16 523 727	2 310 794	(4 564 196)	(2 398 919)	11 871 406	1.17
2004	17 070 650	1 896 700	(663 454)	(1 780 169)	16 523 727	1.11

The average cost price of the shares held by the trust is 153 cents (2004: 120 cents) and the market value of the shares at year-end was 300 cents (2004: 190 cents).

At year-end there were no unpaid exercised options outstanding. At that time the trust had a contingent profit of R653 195 (2004: R67 809) in terms of exercisable options granted above the average cost of shares held by the trust. The trust has a maximum contingent exposure of R1 237 995 (2004: R2 998 494) because of options granted at values below the cost price of shares already owned by the trust or below the market value of 300 cents (2004: 190 cents) at year-end for options granted in excess of the number of shares the trust already owns. There is no immediate need for the trust to acquire new shares. These profits (losses) will be set off against the group's share premium.

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21. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (continued)

Datacentrix Holdings Limited funds the cash flow of the trust and has the obligation to fund the deficit of the trust on termination. The financial year in which the shares, underlying options not yet exercised, become available for dealing should the employee exercise the option are as follows:

	28/2/2005	28/2/2006	28/2/2007	29/2/2008	28/2/2009	Total
92 cents	278 874	-	-	-	-	278 874
100 cents	4 326 069	2 059 538	1 115 925	520 125	-	8 021 657
125 cents	65 000	57 500	57 500	50 000	-	230 000
130 cents	13 125	91 125	104 250	104 250	104 250	417 000
140 cents	12 500	162 500	175 000	175 000	175 000	700 000
145 cents	-	12 500	12 500	12 500	12 500	50 000
150 cents	589 475	96 500	-	-	-	685 975
170 cents	297 275	78 750	63 750	63 750	34 375	537 900
180 cents	-	6 250	6 250	6 250	6 250	25 000
200 cents	-	17 500	17 500	17 500	17 500	70 000
210 cents	-	50 000	50 000	50 000	50 000	200 000
215 cents	-	6 250	6 250	6 250	6 250	25 000
230 cents	-	157 500	157 500	157 500	157 500	630 000
	5 582 318	2 795 913	1 766 425	1 163 125	563 625	11 871 406

22. ACQUISITION CONSIDERATION DUE TO VENDORS

	Group	
	2005 R'000	2004 R'000
Styleprops Services 18 (Proprietary) Limited	2 666	4 993
Premier Foods Limited	-	1 815
Solution Management NetworX (Proprietary) Limited	-	11 919
Value of shares deemed to be issued based on profit warranties at the end of February	(1 746)	(5 050)
Total acquisition consideration due	920	13 677
Long-term cash portion as adjusted	-	(833)
Long-term cash portion	-	(920)
Deemed interest (AC133 fair value adjustment)	-	87
Short-term cash portion	(920)	(11 098)
Acquisition consideration due in form of equity shares to be issued	-	1 746

Acquisition consideration due represents amounts owing to the original shareholders, members or owners in respect of acquisitions of subsidiaries and businesses and will be settled through the issue of fixed quantities of shares and the payments of fixed amounts of cash contingent on the fulfillment of profit warranties. The amounts owing are interest free and unsecured.

23. ACCOUNTS PAYABLE AND ACCRUALS

	Group		Company	
	2005 R'000	2004 R'000	2005 R'000	2004 R'000
Trade payables	60 438	66 176	506	-
Accruals	21 951	16 082	-	-
	82 389	82 258	506	-

Included in trade payables is an amount payable to the associate, Vukani Technologies (Proprietary) Limited of R1 219 000 (2004: R1 560 000).

24. PROVISIONS

	Group	
	2005 R'000	2004 R'000
Provision for leave pay		
Opening balance	3 838	3 295
Provision made	599	740
Provision utilised	(145)	(197)
Closing balance	4 292	3 838
Provision for bonus		
Opening balance	4 505	2 400
Provision made	8 254	15 331
Provision utilised	(3 752)	(13 226)
Closing balance	9 007	4 505
Total provisions	13 299	8 343

The above leave pay provision is based on the number of leave days due to the employees at year-end and their cost to company remuneration. The bonus provision is based on specific key performance indicators set with each individual at the beginning of the year, with a weighting, which is applied to the proposed incentive. The bonus provision has been reclassified from accruals to provisions on the balance sheet.

25. DEFERRED REVENUE

Opening balance	19 905	21 555
Long-term portion	12 263	14 370
Short-term portion	7 642	7 185
Deferral of revenue during the year	83 625	44 075
Realisation of revenue during the year	(71 428)	(45 725)
Closing balance	32 102	19 905
Long-term portion	19 260	12 263
Short-term portion	12 842	7 642

Deferred revenue relates to service and maintenance contracts taken out over a 12 to 36 month period. The related revenue, which has been deferred, is recognised over the period of the contract. In the prior year, the full amount was classified as short-term in nature. R19 260 000 (2004: R12 263 000) has been reclassified to non-current liabilities on the balance sheet.

26. RETIREMENT BENEFIT PLANS

The Orion Fixed Contribution Provident Fund (555 members) and the Supported Software Pension and Provident Funds (14 members) are defined contribution funds of which all of the group's permanent employees are members. These funds have been registered by the Registrar of Pension Funds and are governed by the Pension Funds Act (No 24, 1956). The group does not provide any post-retirement medical benefits to its employees.

27. RELATED PARTY TRANSACTIONS

Related party	Nature of relationship	Type of transactions	Balance outstanding	
			R'000	R'000
Vukani Technologies (Proprietary) Limited	Associate company	Computer consumables purchased	8 910	30

These transactions occurred under terms which were not less favourable than those arranged with third parties. There were no related party transactions and balances apart from the above and those disclosed elsewhere in the annual financial statements.

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28. FINANCIAL INSTRUMENTS

The group and company's financial instruments consist mainly of cash at bank and cash equivalents, loans receivable, accounts receivable, accounts payable, acquisition consideration due and derivative financial instruments.

Fair Values

The carrying amounts of the following financial instruments approximate their fair values:

- Cash at bank - deposits with commercial interest rates
- Accounts receivable - subject to normal trade credit terms and provision is made for long outstanding debts
- Accounts payable - subject to normal trade credit terms and a relatively short payment cycle

Foreign Currency Risks

Foreign exchange contracts are entered into for most transactions as frequent purchases are made from foreign entities. On short-term contracts, currency fluctuations are passed onto customers. Limited currency risks related to long-term contracts exist. At balance sheet date, the group held no foreign denominated cash balances.

Other Risks

The credit risks attached to accounts and loans receivable and bank and cash are discussed in notes 15, 17, 19 and 20. Due to the nature and extent of the group's financial instruments, it is not unduly exposed to price risks, interest rate risks, cash flow risks and liquidity risks.

Derivative Financial Instruments

The group utilises currency derivatives to hedge future foreign currency transactions and cash flows. As a matter of policy, the group does not enter into derivative contracts for speculative purposes. All forward exchange contracts were fair-valued at year-end. At balance sheet date, the group had contracted to buy the following amounts under forward contracts:

2005	Foreign currency amount		Spot rate	R'000
	'000			
US Dollars	4 455	5.81		25 894
Euro	390	7.69		2 999
				28 893

2004	Foreign currency amount		Spot rate	R'000
	'000			
US Dollars	3 023	6.67		20 148
Euro	69	8.30		573
				20 721

The foreign exchange contracts have maturity dates ranging from March 2005 to July 2006. At 28 February 2005, the fair value of the group's currency derivatives were estimated to be approximately R116 000 (2004: R40 000), based on market values of equivalent instruments at the balance sheet date.

29. SHAREHOLDERS' ANALYSIS

The analysis excludes shares deemed to be issued (refer note 21).

Major Shareholders (over 5% holding)	2005		2004	
	Number of shares	%	Number of shares	%
Aka Capital (Proprietary) Limited [Co-ordinated Network Investments (Proprietary) Limited and Eglin Investments Number 31 (Proprietary) Limited]	81 152 467	40	91 152 467	46
Treacle Nominees (Proprietary) Limited	27 056 817	13	27 056 817	13
Gerhard Uys	14 053 031	7	16 053 031	8
Klaas Lammers	12 553 030	6	14 553 030	7
Other directors, management and staff	14 910 922	7	16 551 841	8
Datacentrix Holdings Share Trust	9 160 275	5	9 248 400	5
General public and corporate investors				
- Regarding Capital Management	13 841 664	7	-	-
- Other	31 401 882	15	25 247 073	13
Total	204 130 088	100	199 862 659	100

29. SHAREHOLDERS' ANALYSIS (continued)

2005	Number of shareholders		Number of shares	
		%		%
1 to 10 000 shares	644	76	2 335 311	1
10 001 to 50 000 shares	118	14	2 734 798	1
50 001 to 100 000 shares	17	2	1 449 250	1
100 001 to 500 000 shares	35	4	9 547 328	5
500 001 to 1 000 000 shares	6	1	3 929 466	2
1 000 001 shares and over	25	3	184 133 935	90
Total	845	100	204 130 088	100

2004	Number of shareholders		Number of shares	
		%		%
1 to 10 000 shares	479	74	1 754 164	1
10 001 to 50 000 shares	90	14	2 227 713	1
50 001 to 100 000 shares	13	2	901 617	-
100 001 to 500 000 shares	34	5	9 293 398	5
500 001 to 1 000 000 shares	6	1	3 885 726	2
1 000 001 shares and over	22	4	181 800 041	91
Total	644	100	199 862 659	100

30. BORROWING POWERS OF THE COMPANY AND ITS SUBSIDIARIES

The borrowing powers of Datacentrix Holdings Limited's directors are unlimited. The directors of the subsidiaries are governed by an approval framework, which is renewed by the Datacentrix Holdings Limited board from time to time.

31. SEGMENTAL ANALYSIS

All the group's activities are conducted within South Africa. For reporting purposes, the group is organised into two operating divisions, and a head office function. These divisions are the basis on which the group reports its primary segment information. Principal activities are as follows:

- Infrastructure - supply of IT infrastructure and services
- Solutions - supply of business solutions

The business segmental information is presented below:

2005	Infrastructure & Services	Solutions	Head office	Group
	R'000	R'000	R'000	R'000
Revenue	782 119	115 372	-	897 491
Earnings (loss) attributable to ordinary shareholders	28 719	16 243	(303)	44 659
Depreciation, scrapping and impairment of assets	2 761	4 528	322	7 611
Amortisation	8 663	1 281	-	9 944
Assets	270 598	60 550	30 156	361 304
Liabilities	112 892	24 755	1 200	138 847
Capital expenditure	4 399	2 035	16 944	23 378

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31. SEGMENTAL ANALYSIS (continued)

2004	Infrastructure and Services R'000	Solutions R'000	Head office R'000	Group R'000
Revenue	676 651	87 131	-	763 782
Earnings attributable to ordinary shareholders	21 876	8 880	990	31 746
Depreciation, scrapping and impairment of assets	2 122	3 829	87	6 038
Amortisation	8 672	1 259	-	9 931
Assets	237 152	42 915	38 412	318 479
Liabilities	100 534	24 177	-	124 711
Capital expenditure	3 087	2 134	-	5 221

32. LEASE COMMITMENTS

At the balance sheet date, the group had outstanding commitments under non-cancelable property operating leases with a term of more than one year, which fall due as follows:

	Group	
	2005 R'000	2004 R'000
Within one year	5 538	4 941
In the second to fifth year inclusive	3 651	1 642
	9 189	6 583

33. CONTINGENT LIABILITIES, CAPITAL COMMITMENTS AND LITIGATION STATEMENT

The directors of the company are not aware of any legal or arbitration proceedings, pending or threatened against the group from 1 March 2005 up to the date of this notice, which may have or have had a material effect on the group's financial position.

The following bank guarantees were in place for subsidiary companies:

- R160 000 and R59 784 for rental payments for Datacentrix (Proprietary) Limited, with the beneficiaries respectively being Barrow Properties (Proprietary) Limited and Atlas Properties Limited.

The group has no material contingent liabilities or capital commitments.

34. SUBSEQUENT EVENTS

Datacentrix (Proprietary) Limited acquired the balance of the shares of its associate company, Vukani Technologies (Proprietary) Limited on 01 March 2005 for R1 925 000 in cash and shares. No other material event occurred between the end of the financial year and the date of this report, which required disclosure in, or adjustments to, the annual financial statements.

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Analysis of interest in subsidiaries and special purpose entity

Name of subsidiary Principle activity	Issued share capital		Effective percentage held		Book value of holding company interest		Book value of holding company interest	
	2005 R	2004 R	2005 %	2004 %	Shares at cost 2005 R'000	Net receivable 2005 R'000	Shares at cost 2004 R'000	Net receivable 2004 R'000
Datacentrix (Proprietary) Limited <i>IT infrastructure and related services</i>	2	2	100	100	10 857	18 037	10 857	29 817
Datacentrix Solutions (Proprietary) Limited <i>Business Solutions</i>	200	200	100	100	9 799	8 872	9 799	8 872
Datacentrix Infrastructure Optimisation (Proprietary) Limited <i>Dormant</i>	22 220	22 220	100	100	1 657	-	1 657	-
Dezzo Trading (Proprietary) Limited <i>Dormant</i>	100	100	100	100	-	-	-	-
E-centrix (Proprietary) Limited <i>Dormant</i>	100	100	100	100	-	-	-	-
Datacentrix Properties (Proprietary) Limited * <i>Property</i>	100	100	100	100	-	-	-	-
Styleprops Services 18 (Proprietary) Limited * <i>Dormant</i>	100	100	100	100	-	-	-	-
Datacentrix Outsourcing (Proprietary) Limited <i>Dormant</i>	100	100	100	100	-	-	-	-
Dirigible IT (Proprietary) Limited* <i>Dormant</i>	100	100	100	100	-	-	-	-
					22 313	26 909	22 313	38 689
* Indirect holding through a subsidiary.								
Datacentrix Holdings Share Trust <i>Special purpose entity</i>	-	-	-	-	-	6 627	-	6 627

The interest of the group in the net income (loss) of its subsidiary companies is:

	2005 R'000	2004 R'000
Datacentrix (Proprietary) Limited	32 731	21 594
Datacentrix Infrastructure Optimisation (Proprietary) Limited	(39)	(11)
Datacentrix Solutions (Proprietary) Limited	12 445	8 880
Datacentrix Holdings Share Trust	(105)	81
Datacentrix Properties (Proprietary) Limited	(139)	(74)
	44 893	30 470

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Associate Company - Vukani Technologies (Proprietary) Limited

The aggregate assets, liabilities and results of the associate company are summarised as follows:

	2005 R'000	2004 R'000
Non-current assets	248	284
Current assets	4 324	5 083
Total assets	4 572	5 367
Shareholders' equity	1 702	1 387
Current liabilities	2 870	3 980
Total equity and reserves	4 572	5 367
Revenue	29 732	29 525
Operating profit before taxation	973	701
Taxation	(292)	(117)
Net profit after taxation	681	584

DATACENTRIX HOLDINGS LIMITED (Incorporated in the Republic of South Africa)

Registration number 1998/006413/06

JSE code: DCT

ISIN: ZAE000016051

Notice is hereby given of the seventh annual general meeting of members of Datacentrix Holdings Limited, which will be held at the registered office of the company, Block 7, Sanwood Park, 379 Queens Crescent, Lynnwood, Pretoria on Thursday, 07 July 2005 at 10:00 for the following purposes:

Ordinary Resolutions

1. "To receive, consider and adopt the Annual Financial Statements for the year ended 28 February 2005 and the reports of the directors and the auditors thereon."
2. "To elect the directors of the company by a single resolution."
3. "To re-elect the retiring directors in accordance with the provisions of the company's Articles of Association. The following retiring directors, being eligible, offer themselves for re-election:
Gary Morolo, Gerhard Uys, Klaas Lammers, Charl Joubert, Stewart Barker, Ahmed Mahomed, Elizabeth Naidoo, Joan Joffe, Sam Nematswerani, Christoff Botha and Imogen Mkhize. Abridged CV's of these directors appear on pages 18 and 19 of this Annual Report."
4. "To approve the executive directors' remuneration for the year ended 28 February 2005."
5. "To confirm the re-appointment of Deloitte and Touche Chartered Accountants (SA) as the group's auditors until the next annual general meeting."
6. "To confirm the re-appointment of SizweNtsaluba VSP as the auditors at subsidiary level."
7. "To authorise the directors to fix and pay the auditors' remuneration for the year ended 28 February 2005."
8. "To approve the non-executive directors' fees for the financial year ended 28 February 2005."
9. "To grant a general authority to directors to allot and issue the unissued ordinary shares of the company, after providing for the allotment and issue of ordinary shares in terms of the company's share trust upon such terms and conditions as they at their sole discretion may determine, subject to the provisions of the Companies Act of South Africa (Act 61 of 1973), as amended, and the Listings Requirements of the JSE Securities Exchange of South Africa ("JSE")."
10. To consider and if deemed fit, to pass, with or without modification, the following resolutions:

10.1 Ordinary resolution

"Resolved that, subject to the passing of ordinary resolution number 10, in terms of the Listing Requirements of the JSE Securities Exchange South Africa ("JSE"), the mandate given to the directors of the company in terms of a general authority to issue securities for cash, as and when suitable opportunities arise, be renewed subject to the following conditions:

- This authority shall be valid only until the next annual general meeting of the company provided it shall not extend beyond 15 months from the date that this authority is given;
- the securities must be of a class already in issue;
- the securities must be issued to public shareholders and not to related parties;
- that such issues in aggregate in any one financial year shall not exceed 15% of the company's issued share capital of that class;
- a paid press announcement giving details, including the impact on net asset value and earnings per share, will be published at the time of any such allotment and issue of shares representing, on cumulative basis within one year, 5% or more of the number of shares in issue prior to any such issues; and;
- that, in determining the price at which an allotment and issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of the shares to be issued as determined over the 30 business days prior to the date that the price of the issue is determined or agreed upon by the directors."

Voting: In terms of the JSE Securities Exchange Listings Requirements, the approval of a 75% majority of the votes of all shareholders, present or represented by proxy, is required to approve ordinary resolution number 10.1.

10.2 Ordinary resolution

"Resolved that in terms of the Listing Requirements of the JSE Securities Exchange South Africa and subject to the requirements of section 90 of the Companies Act, the mandate given to the directors of the company in terms of an authority to make general payments to shareholders be renewed subject to the following conditions:

- That this authority to make general payments to shareholders be valid until the company's next annual general meeting or for 15 months from the date of the resolution, whichever period is shorter;
- That any general payment(s) may not exceed 20% of the company's issued share capital, including reserves but excluding minority interests, and re-valuations of assets and intangible assets that are not supported by a valuation by an independent professional expert acceptable to the JSE prepared within the last six months, in any one financial year, measured as at the beginning of such financial year;
- An announcement be published containing the terms of the payment, the date of the general meeting at which the authority was obtained, the date on which payment is to be made and the effect of the payment on the company's earnings, headline earnings, net asset value and tangible net asset value per share; and
- The company will not proceed with any general payments to shareholders until the company's sponsor has confirmed the adequacy of the company's working capital."