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CHAIRMAN'S STATEMENT

NATURE OF BUSINESS

African Dawn is a specialist finance and financial services group, positioned between the banks and micro lenders. The company's finance division consists of Secured Finance, Home Improvement Finance and Cellular Phone Airtime Finance. The financial services division encapsulates Financial Literacy Education, Cellphone Banking Solutions and Property Sales.

African Dawn listed on AltX in May 2004 and has been one of the best share-price performers on AltX over the last 4 years, with an earnings growth in excess of 126% per annum.

Recently ranked 1st in the Financial Mail Top 200 companies survey, and 2nd on the JSE in terms of Internal Rate of Return (IRR of 151% in 2007), with a return on investment of over 6000% since listing, African Dawn has grown exponentially and foresees a promising future coming from various avenues including spin-offs from the Government infrastructure spend, market penetration in the bridging finance business and benefiting from the continued backlog in affordable housing.

Between August 2007 and February 2008 African Dawn made three acquisitions, namely Elite Group (Pty) Limited ("Elite"), CIA Holdings Limited ("Allegro") and Dumont Healthcare (Pty) Limited ("Dumont"). These acquisitions were in line with African Dawn's strategy to be a niche finance provider and will assist in differentiating the company from retail banks and micro lenders. Management are convinced that the new acquisitions will make a substantial contribution in the 2009 financial year.

OUR DIVISIONS

Short-Term Secured Finance

African Dawn provides top structure finance to individuals and developers of low-cost (RDP) and affordable housing. The funding is short term in nature and is only available to projects where bulk services (proclaimed land with roads, electricity and water) have been provided.

African Dawn also provides property transfer finance for buyers and sellers of residential, commercial, industrial and agricultural properties. Transfer fees, deposits, commissions and statutory fees are financed by way of short-term bridging loans.

These services also extend to estate agents involved in the transfer process. Agents' commission is purchased for cash at a discount, with the proceeds available to the agents within twenty-four hours.

The Short-Term Secured Finance loan book currently has an approximate value of R500m with sufficient credit lines to satisfy growth in the division.

Home Improvement Finance

African Dawn provides Home Improvement Finance to households earning between R2 000 and R7 000 per month at controlled interest rates. These loans are paid out directly to the retailer or approved supplier.

All transactions, including debt collection, are electronically based – it means that no cash is held on company premises or need to be transported. Clients retain their existing bank accounts and do not need to open additional bank accounts. The business model is very efficient. African Dawn uses state-of-the-art systems and credit scorecards that are NCA compliant. The loan book is currently approximately R35m. The expected growth in financial receivables is R100m over the next 12 months.

Financial Literacy Education

This division provides Financial Services Board approved consumer education to predominantly low income, financially illiterate consumers. African Dawn has the unique capability to create specialised training teams as required by each project. Part of our success is that we educate people where they live rather than bringing them to a centralised training centre. The education specifically focuses on teaching clients how to manage their finances, how to budget and explains the dangers of borrowing extensively.

Cell phone Banking Solutions

The Cellphone Banking division, in collaboration with MTN Banking (a joint venture between Standard Bank and MTN), offers convenient cellphone banking accounts to mainly the previously unbanked. African Dawn has mobile marketing teams that promote cellphone banking in the traditionally unbanked areas. Teams are incentivised on the number of accounts opened per day/week and month. Currently African Dawn has teams in Gauteng, KZN, Eastern Cape, Mpumalanga and North West. Plans are underway to expand the operation to the Western Cape and Limpopo in the near future. Accounts can also be opened at any of the service provider's outlets in the country. Although still relatively small in the overall group context, African Dawn foresees this division to grow materially over the coming years.

There is currently a massive endeavour from banks and cellphone companies to promote cellphone banking. The social grant recipient is the perfect candidate for a cellphone bank account because it is so affordable. Currently approximately 130,000 accounts have been opened.

In the future African Dawn does not anticipate banking infrastructure to improve; hence the most cost effective manner to reach the masses will be to use technology. Cellphone banking is the cheapest and most attainable technology. Cellphones are available throughout most of Africa and 30% of people with cellphones in South Africa are unbanked which equates to 9 million people - almost half of South Africa's adult population.

Property Sales

The Property Sales division markets properties via Pam Golding franchised estate agencies, mainly in the Atteridgeville, Mamelodi and Pretoria North areas. The profile of the property owners living in these franchise areas falls within the LSM 2-7 income group. This bodes well for cross-selling our various other products to the same clientele. House prices in these areas vary between R280 000 and R700 000. In the past two years the growth in African Dawn property sales has increased four fold.

Black Economic Empowerment

African Dawn fully subscribes to the principles of Broad-based Black Economic Empowerment and employs the following strategies to manage the economic transformation process:

- Equity ownership. Currently Black ownership of African Dawn is 22%. Share schemes for staff members are already in place for HDIs
- Deliberate recruitment and development of black management
- Focused on achieving racial representation at all organisational levels
- Various programmes are in place to develop technical and life skills of staff members
- Preferential procurement

African Dawn continuously explores new ways to assist in enterprise development.

Broad Based Black Economic Partners

	Number of shares	Percentage
BBBE Partners	18,851,201	9.43%
Mowana Investments	5,217,679	
Bhenka Investment Holdings/Windworth Holdings	13,633,522	
Retail Investors – Empowered	9,786,731	4.09%
Mandated shareholders (40% of shareholding incl.)	16,131,497	8.07%
Total number of shares in issue	199,851,387	
Total BEE shareholding	44,769,429	22.04%

APPROVAL OF ANNUAL FINANCIAL STATEMENTS AND DIRECTORS' RESPONSIBILITY STATEMENT

The directors are solely responsible for the preparation of the annual financial statements and related financial information. They believe that the information fairly represents the affairs and results of the company and of the Group. The external auditors are responsible for independently auditing and reporting on these annual financial statements, in accordance with South African Auditing Standards.

The annual financial statements set out in this report have been prepared by management in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of 1973 in South Africa. They incorporate full and reasonable disclosure and are based on appropriate accounting policies which have been consistently applied and which are supported by reasonable and prudent judgements and estimates.

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible for reporting on the fair presentation of the financial statements.


The directors are also responsible for the company's system of internal financial control.

The financial statements have been prepared on the going concern basis, since the directors have every reason to believe that the company and group have adequate resources in place to continue operations for the foreseeable future.

The annual financial statements and Group annual financial statements set out on pages 15 to 43 were approved by the board of directors on 25 March 2008 and are signed on its behalf by:



JM van Tonder
Chief Executive Officer

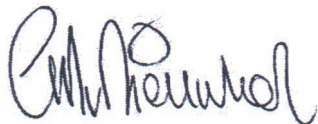


CM Van Nieuwkerk
Chief Financial Officer

25 March 2008

REPORT OF THE COMPANY SECRETARY

To the best of my knowledge and after having made the necessary enquiries, I confirm that the company has lodged with the Registrar of Companies all such returns as required by the Companies Act and that such returns are true and correct in all material respects.

A handwritten signature in blue ink, appearing to read 'CM Van Nieuwkerk', written in a cursive style.

CM Van Nieuwkerk
Company Secretary

25 March 2008

CORPORATE GOVERNANCE

INTRODUCTION

African Dawn is committed to and endorses the application of the principles recommended in the King II Code of Corporate Practice. The board conforms, except where indicated below, with the requirements of King II.

The board is of the view that minority shareholders interests are currently protected by a strong non-executive component on the board, which we intend to increase.

BOARD OF DIRECTORS

Composition of the board of directors

The corporate board as at 29 February 2008 comprised four executive directors and three non-executive directors.

These directors are drawn from diverse backgrounds and bring a wide range of experience, insight and professional skills to the board.

Role and function of the Board of Directors

The board is responsible to all shareholders for the proper management and the ultimate control of the company and participates in discussions on, and monitor the progress of, the strategic direction and policy, business acquisitions and disposals, the approval of major capital expenditure, consideration of significant financial matters, the monitoring of the management and administrative activities and any other matters that have a material impact on the company's affairs.

The board determines the strategic intent of the Group, and is responsible for the overall direction and control of the company. Major responsibilities of the board include the review of business plans and budgets, monitoring performance, approval of major policy decisions, the appointment of the Chairman and the Chief Executive Officer and other board members and agreement of the top management structure and management succession. The corporate board is responsible to shareholders.

The roles of Chairman and Chief Executive Officer are allocated to two separate board members.

Committees of the board

A remuneration and audit committee chaired by C de Wet Vivier (non-executive director) and further comprising S De Bruyn (non-executive director) is in place. Furthermore, the Designated Advisor and Auditor are members of the committee.

Audit Committee

The Audit committee was setup to assist the board to discharge its financial functions and is responsible for assessing African Dawns financial position. The Audit committee meets twice a year and has additional meetings if deemed necessary. The meetings have an emphasis on:

- Reviewing and analysing the company's financial information;
- Reviewing the interim and financial results and making recommendations to the board;
- Review the functioning of the company's internal controls;
- Review the internal and external competencies within the company;
- Assess the risk areas to be included in the scope of the external auditors;
- Consider and review concerns identified by the auditors;
- Review the compliance of the company with legal and regulatory provisions; and
- Set principles for external consultation and other services.

The Audit committee reports to the board and makes recommendations on strategy; however the audit committee acts and makes decisions regarding matters specifically for the audit committee. The committee comprises of directors with the appropriate financial literacy and may include invitees that the committee believes will provide insight into specific aspects of the audit committee mandate.

Remuneration committee

The Remuneration committee meets twice a year and is responsible for determining the remunerations and conditions of employment of the executive directors. The Remuneration committee reviews the succession planning within the company. The following principles have been applied by the remuneration committee:

- Non-executive directors are paid appropriate fees according to market indications;
- Directors' remuneration is reviewed annually for appropriateness and recommendations are made.

Appointment and re-election of the directors

The board of directors selects and appoints competent, qualified and experienced people to the board. The board ensures that the appointed people are capable managers and fit into the company ethos and principles. Directors are subject to retirement by rotation and re-election by shareholders in accordance with the company's articles of association.

Policies, objectives and performance measurement

The philosophy, policies, values and objectives of the Group are determined by the board of directors. The board sets the strategic objectives of the Group and determines investment and performance criteria. Management is charged with the detailed planning and implementation of that policy in accordance with appropriate risk parameters. The achievement of objectives and compliance with policies by management is monitored by the board.

Risk management

Risk management is central to African Dawn's business. A critical element of African Dawn's strategy has been the development of skilled professionals who have an established culture of risk management.

An effective governance structure and an enterprise risk management framework supported by an effective system of internal control are in place. Risk is managed by the various credit committees in conjunction with the executives and meets twice a week. Board committees consist of non-executive directors only. The processes to manage risk are *inter alia* the following:

- Establishment of risk policies which reflect risk principles, risk appetite and risk tolerance
- Creation of risk identification and management processes
- Monitoring and support of risk management practises
- Comprehensive reporting to the executive committee, audit committee and board of directors

Operational risk is defined as the risk of loss resulting from deficiencies in information systems, internal controls or external events. These risks, if not addressed, may result in potential financial loss, which could have an impact on shareholder value and returns. The executive committee continuously reviews such potential risks as well as the mitigators required.

Employee empowerment

The Group places great emphasis on the development and training of its people and endeavours to ensure that it offers staff equal opportunity and appropriate participation in decision-making processes. All permanent staff has been allocated with share options and previously disadvantaged staff have been allocated with specifically identified shares, purchased on their behalf by the company.

The Group also contributes to the upliftment of staff, with areas of contribution including financial assistance towards education.

The environment, health and safety

While the group's direct activities do not pose any threat to the environments in which they operate, African Dawn seeks to ensure that it invests in businesses, which conform to environmental standards. Similarly, it makes investments where the health and safety of employees and the well being of the communities in which these companies operate is recognised as an important component of corporate governance.

INTERNAL, FINANCIAL AND OPERATING CONTROLS

The board of directors of the company acknowledges its ultimate responsibility for the company's systems of internal, financial and operating controls and the monitoring of their effectiveness. These systems are designed to provide reasonable, but not absolute, assurance against material misstatement and loss.

The identification of risks and the detailed design, implementation and monitoring of adequate systems of internal, financial and operating controls to manage such risks are delegated to the executive directors and senior management.

Changes in the business and operating environment could have an impact on the effectiveness of such controls, which, accordingly, will need to be reviewed and reassessed continuously.

The company maintains appropriate levels of internal, financial and operating controls that are designed to provide reasonable assurance regarding:

- the safeguarding of assets against unauthorised use or disposition;
- compliance with statutory laws and regulations; and
- the maintenance of proper accounting records.

The size of the company at this point does not warrant the formalising of internal audit functions.

The head office finance department performs internal auditing functions on an ongoing basis.

ACCOUNTING AND AUDITING

The board places strong emphasis on achieving the highest level of financial management and accounting, and reporting to shareholders. The board is committed to compliance with the Statements of Generally Accepted Accounting Practice in South Africa.

It is the directors' responsibility to prepare and approve financial statements that fairly present:

- the state of affairs as at the end of the financial year under review;
- profit or loss for the year;
- cash flows for the year; and
- non-financial information.

The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors, and committees of the board. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The external auditors provide an independent assessment of systems of internal financial control to the extent necessary for the audit, and express an independent opinion on whether the financial statements are fairly presented. The external audit function offers reasonable, but not absolute, assurance as to the accuracy of financial disclosures.

COMPANY SECRETARIAL FUNCTION

The company secretary is required to provide the directors of the company, collectively and individually, with guidance as to their duties, responsibilities and powers. They are also required to ensure that the directors are aware of all laws and legislation relevant to, or affecting the company and reporting to any meetings of the shareholders of the company or of the company's directors, including any failure to comply with such law or legislation.

The company secretary is also required to ensure that minutes of all shareholders' meetings, directors' meetings and the meetings of any committee of the directors are properly recorded in accordance with section 242 of the Companies Act.

All directors have access to the company secretary, who is responsible to the board for ensuring that the board procedures are followed and that the applicable rules and regulations are complied with.

CODE OF ETHICS

The company subscribes to the highest level of professionalism and integrity in conducting its business and dealings with stakeholders.

The company subscribes to a code of ethics, which prescribes the company's approach to business ethics and its obligations to clients, shareholders, employees, representatives, suppliers, the general public and authorities.

This code of ethics specifies the following approach to business ethics:

- the company operates and competes in accordance with the principles of free enterprise;
- free enterprise is constrained by the observance of law and of generally accepted principles governing ethical behaviour in business;
- ethical behaviour is founded on the concept of utmost good faith and characterised by integrity, reliability and commitment to avoid harm;
- ethical business activities benefit all participants through a fair exchange of value or satisfaction of need;
- the company expects equivalent standards of ethical behaviour from those individuals and companies with whom it conducts business; and
- it is incumbent upon every commercial enterprise to strive for excellence in its ethical standards, as in any other aspect of its activities.

COMMUNICATION WITH STAKEHOLDERS AND SHAREHOLDERS

The company is committed to a policy of effective communication and engagement with its stakeholders on issues of mutual interest.

The company promotes a healthy, secure and participative social and working environment with its staff, business associates and at large. The duty of being a responsible, caring and exemplary corporate citizen is considered to be an obligation - and not a choice.

CLOSED PERIOD

The company operates a closed period prior to the publication of its provisional interim results and annual results. During the closed period, the company's directors and officers may not deal in the shares of the company.

AFRICAN DAWN CAPITAL LIMITED

REPORT OF THE INDEPENDENT AUDITORS

At 29 February 2008

TO THE MEMBERS OF AFRICAN DAWN CAPITAL LIMITED

Report on the Financial Statements

We have audited the Financial Statements and group Financial Statements of African Dawn Capital Limited, which comprise the directors' report, the balance sheet as at 29 February 2008, the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on page 15 to 43.

Management's Responsibility for the Financial Statements

Management is 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.

Auditor's 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 involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 management, 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 respects, the financial position of African Dawn Capital Limited and the group as at 29 February 2008, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act in South Africa.



Van Dyk & Associates

Chartered Accountants (SA)
Registered Accountants and Auditors

Johannesburg
25 March 2008

AFRICAN DAWN CAPITAL LIMITED

REPORT OF THE DIRECTORS

For the year ended 29 February 2008

The directors have pleasure in submitting the annual financial statements for the year ended 29 February 2008 and report as follows:

The African Dawn Group has realised after tax earnings in the amount of R103.2 million for the year ended 29 February 2008.

An increase in borrowings will enable the group to continue to enhance the effect of gearing, thereby improving its return on equity.

YOUR DIRECTORS

Executive Directors

J.M van Tonder
(Chief Executive Officer), BProc

Marius joined in 1998 as a non-executive director. He was appointed in the following year as Chief Executive Officer and still holds that position. Marius has a legal degree and experience in property development and finance.

M.N. Ramasehla
(Deputy CEO), BCom (Fin)(Hons)

Johnny was appointed to the Board in 2004 and currently heads up the Home Improvement Finance Division of African Dawn. He also serves on the board of another JSE-listed company and Alliance Data Corporation. He was previously an Associate Transactor in the Structured Finance Division of Gensec Bank.

C. van Nieuwkerk
(Chief Financial Officer), CA (SA)

Connie was appointed to the Board in March 2004. She has extensive financial experience, having been the financial director and CEO of another company listed on the JSE for five years. Connie also serves as the Company Secretary.

C.J Odams
BA (LLB)

Colin was appointed to the Board in November 2005. During 2002, he co-founded the company that became Bhenka Financial Services (Pty) Ltd. During December 2005, Bhenka was sold to African Dawn Capital Limited. Colin Heads up African Dawn Financial Education and Cell phone Banking Division.

Non Executive Directors

I.Mophatlane
(Chairman)

Isaac was appointed to the group in December 2004 as non-executive Chairperson. He is also a non-executive director of Mowana Investments and the New Business Director for Public Sector Business at Business Connexions. Isaac is also a member of the Black Management Forum.

C.D. Vivier
BProc (LLM)

De Wet was appointed to the board in May 2003. He holds a Master degree in banking with special focus on commercial law. Subsequent to February year end, De Wet was appointed as Chief Operating Officer in an executive capacity.

S.W de Bruyn
BA (Hons), CA (SA)

Steven was appointed to the Board in October 2005. He has a background in auditing and investment banking at UAL, Investec and Gensec Bank

The analysis below, details the contribution of the two main divisions within the group;

	Total	Financing activities	Financial literacy education
Revenue	258,784,556	249,642,342	9,143,214
Net profit for the period	103,272,477	102,317,233	955,244
Net Asset Value	290,001,488	283,914,345	6,087,143

Financial receivables (short and long term) increased by R425.6 million, as a result of organic growth and acquisition of various subsidiaries.

The effective tax rate in the current year was reduced to 19% as a result of assessed losses utilised.

Trade and other receivables increased primarily due to financial literacy education initiatives to selected employer groups, which is also reflected in the increase in revenue in this division.

Goodwill increased as a result of the payment in cash to the shareholders of Allegro Limited, also the share issue to Bhenka for the fulfilment by Bhenka of their agreed performance undertakings. This acquisition was concluded during the 2006 financial year.

SHARE CAPITAL

The total issued share capital at 29 February 2008 amounted to 199 851 351 (2007: 145 997 779) ordinary shares. 53 853 572 shares were issued during the year under review. Also refer to the note "reconciliation of movement in ordinary shares".

ANALYSIS OF SHAREHOLDERS

The following shareholders held more than 5% of the issued share capital of the company as on 29 February 2008:

	2008 '000	2007 '000	2008 %	2007 %
Praesidium SA Hedge Fund	-	15,080	0.0%	10.3%
Hectorspruit Group	-	14,425	0.0%	9.9%
Broker Proprietary	61,494	27,126	30.8%	18.6%
Other	10,053	13,154	5.0%	9.0%
Total	71,547	69,786	35.8%	47.8%

SHAREHOLDER SPREAD

	2008 '000	2007 '000	2008 %	2007 %
Held by public	128,304	76,210	64.2%	52.2%
Held by non public	71,547	69,786	35.8%	47.8%
Total	199,851	145,996	100%	100%

The total number of public shareholders in the company as at 29 February 2008 was 2,565 (2007: 1,271)

SUBSIDIARIES

Details of subsidiary companies at 29 February 2009 are presented in an annexure on page 44.

DIVIDENDS

No dividends were declared or paid during the year under review.

SUBSEQUENT EVENTS

20,000,000 shares were issued in July 2008 at a price of R4,90 per share.

DIRECTORATE

The names of the directors are set out on page 49 of this annual report.

There were no changes which occurred to the board during the course of the financial year.

DIRECTORS' INTEREST IN SHARE CAPITAL

At 29 February 2008, the directors held directly, or indirectly 28,189,464 (2007: 27,776,567) shares in the company and no significant changes in the shareholding have taken place subsequent to year-end.

All relevant shareholding has been disclosed including all known associate holdings.

The directors had the following shareholding in the company:

Director	2008				2007			
	Direct	Indirect	Total	%	Direct	Indirect	Total	%
JM Van Tonder	3,585,927	11,584,100	15,170,027	7.59%	2,027,264	12,408,965	14,436,229	9.89%
C de Wet Vivier	295,383	2,740,575	3,035,958	1.52%	913,595	1,844,325	2,757,920	1.89%
CM van Nieuwkerk	595,000	501,500	1,096,500	0.55%	490,000	-	490,000	0.34%
MN Ramasehla	1,381,159	841	1,382,000	0.69%	1,381,159	841	1,382,000	0.95%
SW de Bruyn	125,000	7,295,618	7,420,618	3.71%	125,000	7,583,183	7,708,183	5.28%
CJ Odams	15,000	2,349,897	2,364,897	1.18%	-	1,002,235	1,002,235	0.69%
Total	2,302,433	25,887,031	28,189,464	15.24%	4,937,018	22,839,549	27,776,567	19.04%

DIRECTORS' INTEREST IN CONTRACTS

No material contracts involving directors were entered into during the current year.

BORROWINGS

Details of borrowings are set out in the notes to the financial statements.

NEW SHARE ISSUES

The issues for cash were to enable the group to obtain further long term funding and thereby increase its advances and resultant earnings.

Date	Number of shares	Price of issue	General/Specific	Specific issue to:
2007/05/31	28,853,572	40 cents	Specific	Bhenka Financial Services
2007/08/08	25,000,000	290 cents	General	-
	53,853,572			

ACQUISITION OF SUBSIDIARY FOR SHARES

Allegro Holdings (Pty) Ltd was acquired, effective from 1 April 2007 for a purchase consideration of R94,912,884 of which R57,000,000 constitutes a cash payment, and the balance will be paid in three payments of ordinary shares issued at 90 day value weighted average price calculated over December, January and February of 2008, 2009 and 2010 respectively. The first payment of cash was made during 1 September 2007 in the amount of R16,000,000. The first share payment will take place on 31 May 2008. The balance of the R41,000,000 cash payment was settled prior to year end.

Dumont Health (Pty) Ltd was acquired, effective from 1 September 2007 for a purchase consideration of R11,500,000 of which R8,050,000 constitutes a cash payment on signature, and the balance will be paid in three equal payments of ordinary shares purchased on the agreement date if profit warranties are met at financial year end 2008, 2009 and 2010 respectively. The first payment of cash was made during 1 September 2007 in the amount of R8,050,000. The first share payment will take place on 31 May 2008.

Elite Group (Pty) Ltd was acquired, effective from 1 August 2007 for a purchase consideration of R23,900,000 of which R21,014,165 was paid cash on the date of acquisition, and as profit warranties have been achieved at the February 2008 year end, payment have been made.

RECONCILIATION OF MOVEMENT IN ORDINARY SHARES

	Shares '000
Opening balance as at 1 March 2007	145,997
Total issues for cash	25,000
Specific issue for subsidiary acquisition	28,854
<hr/>	
Closing balance as at 29 February 2008	199,851

SPECIAL RESOLUTIONS

The only special resolutions passed during the year were at the AGM held on 2 October 2007 and related to increasing the authorised share capital and share repurchases.

AUDITORS

Van Dyk & Associates have been reappointed as auditors to the Group, and will continue in office in accordance with section 270 of the Companies Act.

AFRICAN DAWN CAPITAL LIMITED**INCOME STATEMENT**

For the year ended 29 February 2008

	<i>Note</i>	2008	GROUP	2008	COMPANY
		R	2007	R	2007
			R		R
Turnover	2	258,785,396	52,374,688	14,474,465	18,328,264
Operating expenses		(55,428,876)	(17,957,601)	2,108,616	(2,183,571)
Depreciation	7	(810,138)	(487,081)	(183,846)	-
Operating income	3	202,546,382	33,930,006	16,399,235	16,144,692
Net finance income	4	(75,014,931)	(2,800,000)	(296,692)	-
Profit before tax		125,531,451	31,130,006	16,102,543	16,144,692
Taxation	5	(24,258,877)	(3,578,570)	(5,059,413)	(958,000)
Profit for the year		103,272,574	27,551,436	11,043,130	15,186,692
Basic earnings per share (cents)	6.1	57,0	21,2		
Headline earnings per share (cents)	6.2	57,0	21,2		

AFRICAN DAWN CAPITAL LIMITED**BALANCE SHEET****At 29 February 2008**

	<i>Note</i>	2008	GROUP	2008	COMPANY
		R	2007	R	2007
			R		R
ASSETS					
Non-current assets		146,722,497	33,533,447	179,326,247	46,908,700
Property, plant and equipment	7	13,547,844	4,225,740	2,791,335	679,688
Investment in subsidiaries	8	-	-	66,849,917	40,091,770
Goodwill	9	111,079,679	10,896,621	108,082,242	6,137,242
Financial receivables	10	22,094,974	18,411,086	-	-
Current assets		554,842,572	101,133,197	14,308,497	50,905,745
Financial receivables	10	501,988,660	80,015,797	-	46,088,295
Trade and other receivables	12	1,627,000	16,150,893	3,097,477	(17,506)
Cash and cash equivalents	13	51,226,912	4,966,507	11,211,020	4,834,955
TOTAL ASSETS		701,565,069	134,666,644	193,634,744	97,814,445
EQUITY AND LIABILITIES					
Capital and reserves		290,001,704	102,687,965	181,067,041	85,982,747
Share capital	14	1,998,514	1,459,978	1,998,514	1,459,978
Share premium	14	156,303,290	72,800,661	156,303,290	72,800,661
Accumulated profit		131,699,900	28,427,325	22,765,237	11,722,108
Non-current liabilities		365,626,265	12,567,126	-	-
Lease liability	15	1,031,056	1,616,000	-	-
Borrowings	15	364,595,209	10,951,127	-	-
Current liabilities		45,937,101	19,411,552	12,567,703	11,831,698
Trade and other payables	16	3,840,318	1,484,602	8,650,727	9,974,698
Short term borrowings	15	19,013,136	12,664,142	-	-
Lease liability	15	-	809,245	-	-
Taxation	5	23,083,646	4,453,564	2,314,223	1,857,000
TOTAL EQUITY AND LIABILITIES		701,565,069	134,666,644	193,634,744	97,814,446
Net Asset Value per share (cents)		145.11	70.34	90.60	58.89
Net Tangible Asset Value per share (cents)		89.53	62.87	36.52	54.69

AFRICAN DAWN CAPITAL LIMITED**STATEMENT OF CHANGES IN EQUITY****For the year ended 29 February 2008****GROUP**

	Share Capital R	Share Premium R	Accumulated Profit R	Total R
Balance at 28 February 2006	917,297	29,010,732	875,889	30,803,918
Net profit for the year	-	-	27,551,437	27,551,437
Issue of Share Capital	542,681	43,789,929	27,551,437	71,884,047
Balance at 28 February 2007	1,459,978	72,800,661	28,427,326	102,687,965
Net profit for the year	-	-	103,272,574	103,272,574
Issue of Share Capital	538,536	83,502,629	-	84,041,165
Balance at 29 February 2008	1,998,514	156,303,290	161,699,900	290,001,704

COMPANY

	Share Capital R	Share Premium R	Accumulated Profit/(Loss) R	Total R
Balance at 28 February 2006	917,297	29,010,732	(3,464,585)	26,463,444
Net profit for the year	-	-	15,186,692	15,186,692
Issue of Share Capital	542,681	43,789,929	-	44,332,611
Balance at 28 February 2007	1,459,978	72,800,661	11,722,107	85,982,746
Net profit for the year	-	-	11,043,130	11,043,130
Issue of Share Capital	538,536	83,502,629	-	84,041,165
Balance at 29 February 2008	1,998,541	156,303,290	22,765,237	181,067,041

AFRICAN DAWN CAPITAL LIMITED

CASH FLOW STATEMENTS

For the year ended 29 February 2008

	<i>Note</i>	2008	GROUP	2008	COMPANY
		R	2007	R	2007
		R	R	R	R
Net cash flows from Operating activities		119,342,052	20,222,768	6,788,024	26,152,716
Cash received from customers		271,689,020	52,374,688	14,474,465	18,328,264
Cash paid to suppliers and employees		(53,073,160)	(29,351,920)	(2,330,336)	7,824,452
Cash generated by operations	19	218,615,860	23,022,768	12,144,129	26,152,716
Taxation		(24,258,877)	(3,578,570)	(5,059,413)	(958,000)
Finance costs		(75,014,931)	(2,800,000)	(296,692)	-
Net cash flows from Investing activities		(24,653,866)	(22,089,077)	(46,957,477)	(24,762,817)
Acquisition of property, plant and equipment	7	(8,511,972)	(2,684,009)	(2,295,494)	(695,864)
Share Capital increase		538,536	542,681	538,536	542,681
Increase in Share premium		52,771,978	43,789,929	52,771,978	43,789,929
Acquisition of subsidiaries, net of cash acquired	9	(69,452,407)	(5,862,503)	(71,214,350)	(5,605,474)
(Increase) in investments in subsidiaries		-	-	(26,758,147)	(22,044,525)
(Increase)/Decrease in financial receivables	10	-	(57,875,176)	-	(40,749,564)
Net cash flows from Financing activities		(48,427,781)	5,499,097	46,545,518	1,271,000
Increase in borrowings		358,605,263	-	-	-
Increase/ (Decrease) in financial receivables		(425,663,126)	8,760,533	46,088,295	-
Decrease/(Increase) in taxation		18,630,082	(3,261,436)	457,223	1,271,000
Net increase in cash and cash equivalents at end of year		46,260,405	3,632,787	6,376,065	2,660,899
Cash and cash equivalents at beginning of year	13	4,966,507	1,333,720	4,834,955	2,174,056
Cash and cash equivalents at end of year	13	51,226,912	4,966,507	11,211,020	4,834,955

AFRICAN DAWN CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

At 29 February 2007

ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below.

1.1.a Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

All International Financial Reporting Standards, which are applicable and currently in effect, are being complied with.

1.1.b Consolidation – Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the value of the group's share of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement. (Also refer impairment of assets)

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated:

- Represent the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- Is not larger than a segment based on either the Group's primary or the Group's secondary reporting format determined in accordance with IAS 14 Segment Reporting.

AFRICAN DAWN CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

At 29 February 2008

ACCOUNTING POLICIES (continued)

Where goodwill forms part of a cash-generating unit (group of cash generating units) and part of the operating within that unit is disposed of, the goodwill associated with the operating disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiaries have been change where necessary to ensure consistency with the policies adopted by the Group.

1.2 Property, plant and equipment

All fixed assets are shown at cost, less subsequent depreciation and impairment, except for land, which is shown at cost less impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity and any gains/losses on qualifying cash flow hedges of foreign currency purchases of fixed assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

All other repairs and maintenance expenditures are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life as follows:

- Furniture and fittings 25%
- Motor vehicles 20%
- Computer equipments & software 20%
- Office equipment 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the income statement.

Borrowing costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

1.3 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever event 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 is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

1.4 Investments

From 1 January 2004 to 31 December 2004:

Financial fixed assets include investments in companies other than subsidiaries and associates, financial receivables held for investment purposes, treasury stock and other securities. Financial fixed assets are recorded

AFRICAN DAWN CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

At 29 February 2008

ACCOUNTING POLICIES (continued)

at cost including additional direct charges. A permanent impairment is provided as a direct reduction of the securities account.

From 1 January 2005:

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

1.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Goodwill

Goodwill is initially measured at cost, being the excess of the business combination over the company's interest of the net fair value of the identifiable assets, liabilities, contingent liabilities and intangible assets.

Subsequently goodwill is carried at cost less any accumulated impairment.

The excess of the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the business combination is immediately recognised in profit or loss.

Internally generated goodwill is not recognised as an asset.

1.6 Financial Instruments

Financial assets 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 in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also included in this category unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

AFRICAN DAWN CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

At 29 February 2008

ACCOUNTING POLICIES (continued)

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has to positive intention and ability to hold to maturity. During the year, the Group did not hold any investments in this category.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

1.7 Leases

The company is the lessee

Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables.

AFRICAN DAWN CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

At 29 February 2008

ACCOUNTING POLICIES (continued)

The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases where the lessor retains a significant portion of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The company is the lessor

When the assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

Assets leased to third parties under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

1.8 Trade receivables

Trade receivable, loans and advances are stated at amortised cost net of impairment provisions. The Group creates a specific impairment when there is objective evidence that it will not be able to collect all amounts due. The amount of impairment is the difference between the carrying and the recoverable amount.

The Group creates a further portfolio impairment where there is objective evidence that the portfolio of loans and advances contain probable losses at balance sheet date, which will only be identified in the future, or where insufficient data exists to reliably measure where such losses exist. The estimated probable losses are based on historical patterns of losses in each component, the credit rating allocated to the borrower and take account of the current economic climate in which the borrower operates.

When an advance is uncollectible, it is written off against the related impairment. Subsequent recoveries are credited thereto.

1.9 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

1.10 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares, or for the acquisition of a business, are included in the cost of acquisition as part of the purchase consideration.

1.11 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

AFRICAN DAWN CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

At 29 February 2008

ACCOUNTING POLICIES (continued)

Preference shares, which are mandatory redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the income statement as interest expense.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowings are not limited by the companies Articles of Association.

1.12 Deferred income taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affect neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets are recognised only when related tax losses are assessed.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

1.13 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations – for example, in the case of product warranties – the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

1.14 Revenue recognition

Revenue recognition comprises the fair value for the sale of goods and services, net of value-added tax, rebates and discounts and after eliminated sales within the Group. Revenue is recognised as follows:

Sale of services

Sale of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

AFRICAN DAWN CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

At 29 February 2008

ACCOUNTING POLICIES (continued)

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount – being the estimated future cash flow discounted at original effective interest rate of the instrument – and continues unwinding the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrant.

Royalty income

Royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

Dividend income

Dividend income is recognised when the right to receive payment is established.

1.15 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

1.16 Segment reporting

The group has adopted IFRS 8 Operating Segments in advance of the effect date, with effect from 1 March 2007. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed by management to allocate resources and assess performance. As a result of the adoption of the new standard new operating segments are being reported.

As the internal reporting is not done geographically and there is no significant geographic split in the business, the segments are indicated in operational segments only.

1.17 Financial risk management

Financial risk Factors

The Groups activities expose it to a variety of financial risks:

- a) market risk,
- b) cash flow and fair value interest rate risk,
- c) credit risk, and
- d) liquidity risk

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out under policies approved by the board of Directors.

AFRICAN DAWN CAPITAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****At 29 February 2008**

	GROUP		COMPANY	
	2008	2007	2008	2007
	R	R	R	R
2. REVENUE				
Gross revenue comprises turnover, which excludes value-added tax and represents the invoiced value of goods and services supplied.				
Total revenue comprises of :				
Interest earned	244,335,708	38,042,437	14,408,123	-
Fees generated from training & education activities	3,084,110	13,277,974	33,542	-
Other income	11,365,578	1,054,277	32,800	18,328,264
Total	258,785,396	52,374,688	14,474,465	18,328,264

3. OPERATING EXPENSES

The income is stated after:

Auditors remuneration	590,464	179,429	310,777	103,428
- Audit fee	590,464	179,429	310,777	103,428
Bad debts written off	3,027,969	592,653	295	-
Depreciation – owned assets	810,138	487,081	183,846	-
- Computer equipment	218,524	52,898	88,788	-
- Computer software	16,127	2,282	-	-
- Office equipment	64,240	4,524	8,653	-
- Furniture & Fitting	178,674	24,770	86,405	-
- Motor vehicles	332,573	427,942	-	-
Operating lease expense				
- Premises	2,135,577	314,995	-	-
Staff costs	17,585,262	3,887,354	-	87,550

Directors' Emoluments

- JM van Tonder	salary	1,361,393	1,370,203	1,361,393	-
	bonus	-*	800,000	-	-
- J Ramasehla	salary	503,715	460,531	-	-
	bonus	-*	-	-	-
- CM van Nieuwkerk	salary	840,000	352,000	840,000	-
	bonus	-*	575,000	-	-
- C Odams	salary	773,666	665,364	-	-
	bonus	-*	-	-	-
Non-executive directors		6,000	80,000	6,000	-
- Services as directors		6,000	80,000	6,000	-

Executive directors received only basic salaries during the year under review. No commissions or contributions to pension funds were paid.

As per the company's articles the directors are re-appointed on an annual basis at the annual general meeting.

* Bonuses to executive directors were determined and paid subsequent to year end.

AFRICAN DAWN CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

At 29 February 2008

	2008	GROUP 2007	2008	COMPANY 2007
	R	R	R	R
4. FINANCE CHARGES				
Interest paid on:				
- Borrowings to fund loans	75,014,931	2,800,000	296,692	-
	75,014,931	2,800,000	296,692	-

5. TAXATION

Taxation is calculated according to the South African Income Tax Act.

GROUP Taxes attributable to operations:	2008 R	2007 R
South African normal tax		
- Current tax	24,258,877	3,578,570
- Deferred tax	-	-
- Change in tax rate	-	-
	24,258,877	3,578,570

The company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of South Africa as follows:

Profit before tax	127,531,451	31,130,006
Tax rate	29%	29%
Tax calculated at tax rate	35,708,806	9,027,702
Assessed loss utilised during the year	(11,449,929)	(5,449,131)
	24,258,877	3,578,570

Effective tax rate	19%	11%
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COMPANY Taxes attributable to operations:

South African normal tax		
- Current tax	5,049,413	958,000
- Deferred tax	-	-
- Change in tax rate	-	-
	5,059,413	958,000

The company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of South Africa as follows:

Profit before tax	16,102,543	27,936,641
Tax rate	29%	29%
Tax calculated at tax rate	4,669,738	8,101,626
Under/(Overprovision) of deferred tax	389,676	(7,143,626)
	5,059,413	958,000

Effective tax rate	31%	6%
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AFRICAN DAWN CAPITAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****At 29 February 2008****6. EARNINGS PER SHARE****6.1 Basic earnings per share**

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighed number of ordinary shares outstanding during the year.

The calculation is based on a profit of R103,272,983 (2007: R27,551,436) and weighted average number of ordinary shares in issue during the year of 181,179,323 (2007 – 129,805,914).

6.2 Headline earnings per share

Headline earnings per share have been calculated in terms of Circular 8 of 2007 and IAS 33.

The calculation is based on headline earnings of R103,272,983 (2007 – profit of R27,551,436) and weighted average number of ordinary shares in issue during the year of 181,179,323 (2007 – 129,805,914). No reconciliation is provided as the basic earnings and headline earnings have the same value.

AFRICAN DAWN CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

At 29 February 2008

FIXED ASSETS

GROUP 2008	Land & Buildings	Computer equipment R	Computer software R	Office Equipment R	Furniture & Fittings R	Motor vehicles R	Total R
Total and owned assets							
Beginning of year							
- Assets at cost	2,086,096	886,604	172,072	46,841	1,192,219	1,984,710	6,368,539
- Accumulated depreciation	-	(593,275)	(164,920)	(15,879)	(590,863)	(777,861)	(2,142,798)
Net book value at 28 February 2007	2,086,096	293,329	7,152	30,962	601,353	1,206,849	4,225,741
Current year movements							
- Additions	6,887,796	581,072	29,653	447,545	1,420,858	1,203,616	10,570,540
- Depreciation	-	(218,524)	(16,127)	(64,240)	(178,674)	(332,573)	(810,138)
- Disposals	-	-	-	(6,262)	(5,210)	(309,123)	(320,595)
- Depreciation on disposals	-	-	-	(800)	(1,114)	(115,790)	(117,704)
Balance at end of year	8,973,892	655,877	20,678	407,205	1,837,213	1,652,979	13,547,844
Made up as follows:							
- Assets at cost	8,973,892	2,163,924	201,725	744,816	2,447,141	2,989,691	17,521,189
- Accumulated depreciation	-	(1,508,047)	(181,047)	(337,611)	(609,928)	(1,336,712)	(3,973,345)
Net book value at 29 February 2008	8,973,892	655,877	20,678	407,205	1,837,213	1,652,979	13,547,844
GROUP 2007							
	Land & Buildings	Computer equipment R	Computer software R	Office Equipment R	Furniture & Fittings R	Motor vehicles R	Total R
Total and owned assets							
Beginning of year							
- Assets at cost	-	825,676	170,493	19,098	593,500	2,050,427	3,659,194
- Accumulated depreciation	-	(540,377)	(162,638)	(11,355)	(566,093)	(349,919)	(1,630,382)
Net book value at 28 February 2006	-	285,299	7,855	7,743	27,407	1,700,508	2,028,812
Current year movements							
- Additions	2,086,096	60,928	1,579	27,743	599,800	-	2,776,146
- Depreciation	-	(52,898)	(2,392)	(4,524)	(25,789)	(446,943)	(532,546)
- Disposals	-	-	-	-	(1,085)	(65,717)	(66,802)
- Depreciation on disposals	-	-	110	-	1,019	19,001	20,129
Balance at end of year	2,086,096	293,329	7,152	30,962	601,353	1,206,849	4,225,740
Made up as follows:							
- Assets at cost	2,086,096	886,604	172,072	46,841	1,192,216	1,984,710	6,368,539
- Accumulated depreciation	-	(593,275)	(164,920)	(15,879)	(590,863)	(777,861)	(2,142,798)
Net book value at 29 February 2008	2,086,096	293,329	7,152	30,962	601,353	1,206,849	4,225,740

AFRICAN DAWN CAPITAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****At 29 February 2008****FIXED ASSETS (continued)**

<i>Company 2007</i>	Land & Buildings R	Computer equipment R	Computer software R	Office Equipment R	Furniture & Fittings R	Motor vehicles R	Total R
Total and owned assets							
Beginning of year							
- Assets at cost	253,185	124,687	16,422	22,723	477,286	71,466	965,769
- Accumulated depreciation	-	(80,054)	(16,422)	(8,724)	(109,416)	(17,466)	(286,082)
Net book value at 28 February 2007	253,185	44,633	-	13,999	367,870	-	679,687
Current year movements							
- Additions	1,623,007	304,426	-	39,858	328,203	-	2,295,494
- Depreciation	-	(88,788)	-	(8,653)	(86,405)	-	(183,846)
Balance at end of year	1,876,192	260,271	-	45,204	609,688	-	2,791,335
Made up as follows:							
- Assets at cost	1,876,192	429,113	16,422	62,581	805,489	71,466	3,261,263
- Accumulated depreciation	-	(168,842)	(16,422)	(17,377)	(195,821)	(71,466)	(469,928)
Net book value at 28 February 2007	1,876,192	260,271	-	45,204	609,668	-	2,791,335
<i>Company 2007</i>	Land & Buildings R	Computer equipment R	Computer software R	Office Equipment R	Furniture & Fittings R	Motor vehicles R	Total R
Total and owned assets							
Beginning of year							
- Assets at cost	-	106,765	16,422	8,724	109,416	71,466	312,813
- Accumulated depreciation	-	(80,054)	(16,422)	(8,724)	(109,416)	(71,466)	(286,102)
Net book value at 28 February 2006	-	26,711	-	-	-	-	26,711
Current year movements							
- Additions	253,185	17,922	-	13,999	367,870	-	652,976
- Depreciation							
Balance at end of year	253,185	44,633	-	13,999	367,870	-	679,687
Made up as follows:							
- Assets at cost	253,185	124,687	16,422	22,723	477,286	71,466	965,789
- Accumulated depreciation	-	(80,054)	(16,422)	(8,724)	(109,416)	(71,466)	(286,102)
Net book value at 28 February 2007	253,185	44,633	-	13,999	367,870	-	679,688

AFRICAN DAWN CAPITAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****At 29 February 2008****2008
R'000****8. BUSINESS COMBINATIONS****Acquisitions in 2007***Acquisition of Allegro Holdings (Pty) Ltd*

On 1 April 2007, African Dawn Capital Limited acquired 100% of the voting shares of Allegro Holdings (Pty) Ltd, an unlisted company based in the West Rand specialising in bridging finance. The subsidiary has been fully consolidated since 1 April 2007 as African Dawn Capital Limited had affective control over the entity from this date.

The value of the identifiable assets and liabilities of Allegro Holdings (Pty) Ltd as at the date of acquisition immediately before the acquisition were:

	Value recognised on acquisition
Property, plant and equipment	486,718
Long-term loans receivables	7,709,624
Cash and cash equivalents	20,139,889
Advances	270,386,565
	298,722,796
Trade Payables	274,909,912
Net assets	23,812,884
Goodwill arising on acquisition	71,100,000
Total Considerations	94,912,884
The cost of the combination was R94,912,884 and was paid for in cash and shares detailed in the directors' report.	
The effective date of the transaction is 1 April 2007.	
Cash outflow on acquisition:	
Net cash acquired with the subsidiary	20,139,889
Cash paid	(57,000,000)
Net cash outflow	(36,860,111)

AFRICAN DAWN CAPITAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****At 29 February 2008****2008
R'000****8. BUSINESS COMBINATIONS (continued)****Acquisitions in 2007 (continued)***Acquisition of Elite Group (Pty) Ltd*

On 1 August 2007, African Dawn Capital Limited acquired 100% of the voting shares of Elite Group (Pty) Ltd, an unlisted company with several branches specialising in home improvement and personal finance. The subsidiary has been fully consolidated since 1 August 2007 as African Dawn Capital Limited had affective control over the entity from this date.

The value of the identifiable assets and liabilities of Elite Group (Pty) Ltd as at the date of acquisition immediately before the acquisition were:

	Value recognised on acquisition
Property, plant and equipment	2,937,177
Cash and cash equivalents	4,183,536
Advances	11,828,092
	<hr/> 18,948,805
Long-term liabilities	10,520,082
Trade payables	3,028,593
	<hr/> 13,548,675
Net assets	5,400,130
Goodwill arising on acquisition	18,500,000
Total Considerations	23,900,129

The cost of the combination was R23,900,129 and was paid for in cash as detailed in the directors' report.

The effective date of the transaction is 1 August 2007.

Cash outflow on acquisition:

Net cash acquired with the subsidiary	4,183,536
Cash paid	(23,900,129)
Net cash outflow	(19,716,593)

AFRICAN DAWN CAPITAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****At 29 February 2008****2008
R'000****8. BUSINESS COMBINATIONS (continued)****Acquisitions in 2007 (continued)***Acquisition of Dumont Health (Pty) Ltd*

On 1 September 2007, African Dawn Capital Limited acquired 100% of the voting shares of Dumont Health (Pty) Ltd, an unlisted medical aid claim bridging finance company. The subsidiary has been fully consolidated since 1 September 2007 as African Dawn Capital Limited had affective control over the entity from this date.

The value of the identifiable assets and liabilities of Dumont Health (Pty) Ltd as at the date of acquisition immediately before the acquisition were:

	Value recognised on acquisition
Long-term Receivables	7,669,829
Cash and Cash equivalents	(4,826,127)
Advances	8,656,298
	11,500,000

Total Considerations**11,500,000**

The cost of the combination was R11,500,000 and was paid for in cash.

The effective date of the transaction is 1 September 2007.

Cash outflow on acquisition:

Net cash acquired with the subsidiary	(4,826,127)
Cash paid	(8,050,000)
Net cash outflow	(12,876,127)

AFRICAN DAWN CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

At 29 February 2008

	GROUP		COMPANY	
	2008	2007	2008	2007
	R	R	R	R
9. INVESTMENT IN SUBSIDIARIES				
Shares at cost	-	-	7,626,774	2,800,735
Loan to African Dawn Operations (Pty) Ltd	-	-	-	14,155,139
Loan to ABC Randburg (Pty) Ltd	-	-	-	15,025,186
Loan to African Dawn Property Transfer Finance 3 (Pty) Ltd	-	-	3,623,674	(423)
Loan to African Dawn Property Transfer Finance 2 (Pty) Ltd	-	-	25,994,332	518,024
Loan to African Dawn Social Education (Pty) Ltd	-	-	6,000	6,000
Loan to Nexus Finance (Pty) Ltd	-	-	14,153,764	7,587,109
Loan to African Dawn Management (Pty) Ltd	-	-	4,947	-
Loan to African Dawn Pam Golding Properties (Pty) Ltd	-	-	1,031,074	-
Loan to Candlestick Park Investments (Pty) Ltd	-	-	2,838,331	-
Loan to African Dawn Property Transfer Finance 1 (Pty) Ltd	-	-	6,672,727	-
Loan to African Dawn Renovations (Pty) Ltd	-	-	1,803,297	-
Loan to Elite Group (Pty) Ltd	-	-	1,865,000	-
Loan to Dumont Health (Pty) Ltd	-	-	1,230,000	-
	-	-	66,849,917	40,091,770

These loans are unsecured, interest free and there is no fixed date for repayment.

10. INTANGIBLE ASSETS

GROUP

Cost:	GOODWILL	TOTAL
2008	R	R
Beginning of the year		
- Assets at cost	10,896,621	10,896,621
Current year movements		
- Acquisition of subsidiaries	100,183,058	100,183,058
Balance at end of the year	111,079,679	111,079,679
Amortisation and impairment	-	-
Net book value	111,079,679	111,079,679
Cost:	GOODWILL	TOTAL
2007	R	R
Beginning of the year		
- Assets at cost	5,034,118	5,034,118
Current year movements		
- Acquisition of subsidiaries	5,862,503	5,862,503
Balance at end of the year	10,896,621	10,896,621
Amortisation and impairment	-	-
Net book value	10,896,621	10,896,621

AFRICAN DAWN CAPITAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****AT 29 FEBRUARY 2008****10. INTANGIBLE ASSETS (Continued)****COMPANY**

Cost: 2008	GOODWILL R	TOTAL R
Beginning of the year - Assets at cost	6,137,242	6,137,242
Current year movements - Acquisition of subsidiaries	101,945,000	101,945,000
Balance at end of the year	108,082,242	108,082,242
Amortisation and impairment	-	-
Net book value	108,082,242	108,082,242
Cost: 2007	GOODWILL R	TOTAL R
Beginning of the year - Assets at cost	531,768	531,768
Current year movements - Acquisition of subsidiaries	5,605,474	5,605,474
Balance at end of the year	6,137,242	6,137,242
Amortisation and impairment	-	-
Net book value	6,137,242	6,137,242

AFRICAN DAWN CAPITAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****AT 29 FEBRUARY 2008**

	GROUP	
	2008	2007
	R	R
11. FINANCIAL RECEIVABLES		
Short term secured finance		
Current financial receivables (1-12 months)	494,622,355	78,394,867
Non Current financial receivables (12-36 months)	-	-
Specific provision for impairment	(13,506,831)	-
Specific provision for impairment as percentage of book	2.73%	-
Actual bad debts written off	384,735	-
Security held, ceded by debtors, that is saleable in the event of default	1,236,555,887	195,987,166
<p>The short term secured finance is advanced at interest rates between 3% and 5% per month and is secured with a minimum of 2.5 times the advance value in assets. The advance books are monitored by a credit committee on a weekly basis to monitor the status of all advances. The advance book has been growing in line with forecasts and indications are that the advances are well within risk tolerance levels.</p>		
Home Improvement Finance		
Current financial receivables (1-12 months)	32,950,790	9,205,543
Non Current financial receivables (12-36 months)	22,094,974	18,411,086
Specific provision for impairment	(12,339,141)	(7,584,613)
Specific provision for impairment as percentage of book	22.42%	27.46%
Actual bad debts written off	2,643,234	592,653
Bad debt write offs as % of book	4.8%	2.1%
<p>The Home Improvement Finance is advanced at a rate of 42% per annum and is in compliance with the National Credit Act. As part of the NCA requirements an affordability profile is completed and all purchases are only paid to selected home improvement suppliers. The advance book is regularly reviewed and monitored for increased risk of non payment and provisions are made. The book is growing in line with forecasts and risk is being assessed on a regular basis.</p>		
Other		
Current financial receivables (1-12 months)	261,487	-
<p>The other types of business is performed on 30 day terms with regular customers and do not represent a significant market or interest risk.</p>		
Total		
Current financial receivables (1-12 months)	527,834,632	87,600,410
Non Current financial receivables (12-36 months)	22,094,974	18,411,086
Specific provision for impairment	(25,845,972)	(7,584,613)
Specific provision for impairment as percentage of book	4.93%	7.71%

AFRICAN DAWN CAPITAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****AT 29 FEBRUARY 2008**

	GROUP		COMPANY	
	2008	2007	2008	2007
	R	R	R	R
12. TRADE AND OTHER RECEIVABLES				
Trade receivables	1,627,000	16,063,710	3,095,000	(17,506)
Other receivables	-	87,183	2,477	-
	1,627,000	16,150,893	3,097,477	(17,506)
13. CASH AND CASH EQUIVALENTS				
For the purpose of the cash flow statement, the year-end cash and cash equivalents comprise of the following:				
Cash at bank and on hand	51,226,912	5,834,925	11,211,020	4,834,955
Bank overdraft	-	(868,418)	-	-
	51,226,912	4,966,507	11,211,020	4,834,955
Cash at banks earn interest at floating rates based on daily bank deposit rates.				
14. SHARE CAPITAL AND PREMIUM				
Share Capital				
<i>Authorised</i>				
500 000 000 ordinary shares of R0,01 each	5,000,000	2,000,000	5,000,000	2,000,000
<i>Issued during the year</i>				
2007: 54,268,057 ordinary shares of R0,01 each	-	542,681	-	542,681
2008: 53,853,572 ordinary shares of R0,01 each	538,536	-	538,536	-
Reconciliation of number of shares				
Balance at the beginning of the year	1,459,978	917,297	1,459,978	917,297
Issued during the year				
20,835,914 shares issued 9 March 2006	-	-	-	-
3,000,000 shares issued 29 March 2006	-	-	-	-
5,432,142 shares issued 15 June 2006	-	-	-	-
25,000,000 shares issued 2 October 2006	-	-	-	-
28,853,572 shares issued 31 May 2007	288,536	208,359	288,536	208,359
25,000,000 shares issued 8 August 2007	250,000	30,000	250,000	30,000
Balance at end of year	1,998,514	1,459,978	1,998,514	1,459,978
Share premium				
Balance at beginning of year	72,800,661	29,010,732	72,800,661	29,010,732
Issued during the year	83,502,629	43,789,929	83,502,629	43,789,929
Balance at end of year	156,303,290	72,800,661	156,303,290	72,800,661
Total share capital and premium	158,301,803	74,260,640	158,301,803	74,260,640

The unissued shares are under the control of the directors until the next Annual General meeting. Issues in excess of 50% of issued share capital have to be approved at a General Meeting.

AFRICAN DAWN CAPITAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**

At 29 February 2008

	2008	GROUP 2007	2008	COMPANY 2007
	R	R	R	R
15. BORROWINGS				
Non-current Borrowings consist of:				
<i>Lease liability</i>				
The lease liabilities are secured on motor vehicles and computer equipment and have fixed terms of repayment that range from R2,134 – R1,088 per month for 54 months and interest is charged at prime.	1,031,056	1,615,999	-	-
<i>NHFC Loan</i>				
The loan is repayable over a period of 5 years and interest is levied at prime minus 2%. The loan is secured by a cession of the associated debtors. Instalments are paid monthly.	18,530,333	12,567,126	-	-
<i>Short Term secured borrowings</i>				
The loans are raised as the advances are made and are charged at 2.5% interest per month. The borrowings are incurred on a transactional basis. The loans are secured by a cession of the associated debtors.	330,210,136	-	-	-
<i>Bond over property</i>				
Bonds are loans secured over the companies' fixed property. The bond is charged at prime and is repayable in instalments of R25,341.	15,854,739	-	-	-
	365,626,265	15,183,125	-	-
The short-term borrowings consist of:				
- NHFC loan	4,632,583	2,738,032	-	-
- Overdraft facility	13,955,103	9,926,110	-	-
- Other	425,450	809,245	-	-
	19,013,136	13,473,387	-	-
Total Liabilities	383,608,346	26,040,513	-	-
Total Liabilities at amortised cost	383,608,346	26,040,513	-	-

The company's borrowings are not limited by its Articles of Association.

AFRICAN DAWN CAPITAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****At 29 February 2008**

	2008	GROUP 2007	2008	COMPANY 2007
	R	R	R	R
16. TRADE AND OTHER PAYABLES				
Trade payables	3,840,318	1,484,602	8,650,727	9,974,698
	3,840,318	1,484,602	8,650,727	9,974,698

17. CAPITAL AND OTHER COMMITMENTS

The directors have not entered into material capital commitment agreements for the current year.

Operating lease commitments

The future minimum lease payments relating to office premises are as follows:

- Within 1 year	2,512,408	94,268	-	-
- After 1 year and not later than 5 years	3,193,291	-	-	-

18. CONTINGENT LIABILITIES

There were no material contingent liabilities.

19. NOTES TO CASH FLOW STATEMENTS

Cash generated by operations				
Profit before taxation	127,531,451	31,130,007	16,102,543	16,144,692
Adjustments for:				
Finance costs	75,014,931	2,800,000	469,784	-
Depreciation	810,138	487,081	183,846	-
Operating profit before changes in working capital	203,356,520	34,417,088	16,583,081	16,144,692
(Increase)/decrease in trade and other Receivables	12,903,624	(10,659,088)	(3,115,277)	53,325
(Decrease)/increase in trade and other payables	2,355,716	(735,232)	(1,323,970)	9,954,698
	218,615,860	23,022,768	12,144,129	26,152,716

AFRICAN DAWN CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

At 29 February 2008

20. FINANCIAL INSTRUMENTS

In order of priority, the Group manages its financial instruments in terms of credit risk, interest rate risk, liquidity risk and fair value risk as detailed below:

20.1 Credit risk

The group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising return to stakeholders, through the optimisation of the debt and equity balance. The groups overall strategy has remained unchanged from 2007.

The capital structure of the group consists of debt, included in borrowings (note 15), cash and cash equivalents (note 13) and equity attributable to equity holders, comprising of issued share capital, reserves and retained earnings (note 14),

The gearing ratio at year end was as follows:

	2008	2007
Debt (Long term and short term)	383,608,346	23,615,269
Cash and cash equivalents	51,226,912	4,966,507
Net debt	332,381,433	18,648,762
Equity	290,001,704	102,687,964
Net debt to equity ratio	115%	18%
Net debt to Total Assets	47%	14%
Net equity as percentage of Total Assets	41%	76%

The board of directors review the capital structure on a semi annual basis. As part of this review the board considers the risks associated with each class of capital. The board deems the current level of gearing to be appropriate due to the nature of the niche markets that they participate in.

20.2 Interest rate risk

The group is exposed to interest rate risks as funds are borrowed at interest rates linked to prime and fixed rates. It is management's policy to pass on the interest rate risks as far as possible from funders to customers.

20.3 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The Group obtained at least double the advance value in appropriate collateral as a means of mitigating the risk of financial loss from defaults. The group has adopted a policy of only dealing with credit worthy counter parties, and uses publicly available information and its own trading records to assess credit worthiness. Where available information is obtained from independent rating agencies. The groups' exposure and credit rating of its counter parties is continually monitored throughout the year. The debtor's book is spread across diverse industries and geographical areas.

20.4 Liquidity risk

Ultimate responsibility for liquidity risk management rest with the board of directors who manage the groups short, medium and long term funding and liquidity requirements. The group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by continually monitoring forecasts and actual cashflows and matching the maturity profiles of financial assets and liabilities.

AFRICAN DAWN CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

At 29 February 2008

21 SEGMENT RESULTS

Management has decided to organise the entity in operational segments according to the nature of the financing and the service rendered. As at 29 February 2008 the African Dawn Group was organised into the following four main business segments:

- Short Term Secured Financing
- Home Improvement Financing
- Training and Education
- Others (Property sales and Administrative)

Operating Segments

The following table present revenue and profit and certain assets and liability information regarding African Dawn Capital Group Business Segments:

Year ended 29 February 2008

	Short Term Secured Financing	Home Improvement Financing	Training and Education	Other	Total
Total Segment Revenue	204,685,804	37,707,061	12,547,661	3,844,870	258,785,396
Inter Segment Revenue	-	-	-	-	-
Operating Profit/Segment Results	179,812,663	21,761,689	1,653,192	128,976	203,356,520
Finance Costs	71,915,926	1,969,844	198,503	930,658	75,014,931
Depreciation	300,144	138,833	371,161	-	810,138
Taxation	17,253,225	6,611,070	382,273	12,309	24,258,877
Net Profit for the Year	90,343,368	13,041,942	701,255	(813,991)	103,272,574
Assets					
Non Current Assets	9,848,312	23,470,656	2,323,850	111,079,679	146,722,497
Current Assets	489,887,232	57,200,113	6,372,716	1,382,511	554,842,572
Liabilities					
Non Current Liabilities	341,395,235	23,055,326	1,175,705	-	365,626,266
Current Liabilities	36,787,057	4,697,968	3,866,481	585,594	45,937,100
Capital Expenditure	10,505,302	-	65,238	-	10,570,540

Year ended 28 February 2007

	Short Term Secured Financing	Home Improvement Financing	Training and Education	Other	Total
Total Segment Revenue	31,126,804	15,154,736	5,336,339	756,809	52,374,688
Inter Segment Revenue	-	-	-	-	-
Operating Profit/Segment Results	18,424,197	11,581,067	4,924,824	(513,001)	34,417,087
Finance Costs	1,125,075	1,605,695	19,238	49,992	2,800,000
Depreciation	-	38,500	448,581	-	487,081
Taxation	2,291,618	-	1,286,952	-	3,578,570
Net Profit for the Year	15,007,504	9,936,872	3,170,053	(562,993)	27,551,436
Assets					
Non Current Assets	30,071,470	46,722	2,776,517	638,738	33,533,447
Current Assets	67,013,089	27,313,935	6,802,193	3,980	101,133,197
Liabilities					
Non Current Liabilities	-	10,952,127	1,107,155	507,844	12,567,126
Current Liabilities	15,077,524	2,986,647	1,329,017	18,364	19,411,552
Capital Expenditure	12,345,844	-	2,776,517	-	15,122,361

AFRICAN DAWN CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

At 29 February 2008

22. IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLES WITH INDEFINITE LIVES

Goodwill Acquired through business combinations and patents and licences with indefinite lives have been allocated to two individual cash-generating units, which are also reportable segments, for impairment testing as follows:

Carrying amount of goodwill is allocated to each of the cash-generating units:

	Short Term Secured Financing	Home Improvement Financing	Training and Education	Other	Total
Goodwill opening balance	-	-	10,896,621	-	10,896,621
Additional amounts recognised from business combinations occurring during the year	81,683,058	18,500,000	-	-	100,183,058
Impairment arising during the year	-	-	-	-	-
Closing balance	81,683,058	18,500,000	10,896,621	-	111,079,679

Short term secured finance

The recoverable amount of the Short term secured finance unit is determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a five year period.

The discount rate applied to the cash flow projections is 15%.

Management believes this growth rate is justified based on the acquisition of Allegro Holdings (Pty) Ltd and Dumont Health (Pty) Ltd that has resulted in the expansion in African Dawn's product range and client base.

Home improvement finance

The recoverable amount of the Home Improvement finance unit is determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a five year period.

The discount rate applied to the cash flow projections is 15%. The growth rate used to extrapolate the cash flows of the short term secured finance unit beyond the five year period is 10%.

Management believes this growth rate is justified based on the acquisition of Elite Group (Pty) Ltd that has resulted in the expansion in African Dawn's product range and client base.

Training and Education cash generating unit

The recoverable amount of the Training and Education finance unit is determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a five year period.

The discount rate applied to the cash flow projections is 15%. The growth rate used to extrapolate the cash flows of the short term secured finance unit beyond the five year period is 10%.

Management believes this growth rate is justified based on the acquisition of Bhenka Financial Services (Pty) Ltd that has resulted in the expansion in African Dawn's product range and client base as well as increase in its empowerment shareholding as Bhenka is a Block-owned company.

AFRICAN DAWN CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

At 29 February 2008

22. IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLES WITH INDEFINITE LIVES (CONTINUED)

Key assumptions used in the value in use calculations

Discount rates – Discount rates reflect management’s estimate of the risks specific to each unit. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals. In determining appropriate discount rates for each unit, regard has been given to the yield on a ten-year government bond at the beginning of the budgeted year.

Market share assumptions – These assumptions are important because, as well as using industry data for growth rates (as noted below) management assess how the unit’s position, relative to its competitors, might change over the budget period.

Short term secured finance – Management expects the Group’s share of the short term secured finance to be stable over the budget period, whereas for the reasons explained above, the Board expects the Group’s position, relative to its competitors will increase due to the acquisition of diversified types of short term secured finance with growth potential in this business segment.

Home Improvement Finance – Management expects the Group’s share of the Home Improvement Finance to be stable over the budget period, whereas for the reasons explained above, the Board expects the Group’s position, relative to its competitors will increase due to the acquisition of elite Group (Pty) Ltd as a result of systems and synergies realised with the rest of the group.

Training and Education – Management expects the Group’s share of the Training and Education to be stable over the budget period, whereas for the reasons explained above, the Board expects the Group’s position, relative to its competitors was increased by the acquisition of Bhenka Financial Services (Pty) Ltd which delivers services which are not readily available in the market and with the added BEE credentials received through the business segment.

Growth rate estimates – Rates are based on published industry research. For the reasons explained above, the long-term rate used to extrapolate the budget is based on the consumer price index as a growth estimate for the future periods.

Sensitivity to changes in assumptions

With regard to the assessment of value in use of the assets, management believes that no reasonably possible change in any of the above key assumptions would case the carrying value of the unit to materially exceed its recoverable amount.

Annexure A

	<u>Issued capital</u>		<u>% Held</u>		<u>Shares</u>		<u>Amounts owing</u>	
	2008	2007	2008	2007	2008	2007	2008	2007
							R	R
ABC Cash Plus (Durban Central) (Pty) Ltd	100	100	100%	100%	100	100	-	-
African Dawn Pam Golding Properties Pretoria (Pty) Ltd	100	100	100%	100%	100	100	1,031,074	-
African Dawn Renovations (Pty) Ltd	100	100	100%	100%	100	100	1,803,297	-
African Dawn Property Transfer Finance 3 (Pty) Ltd	100	100	100%	100%	100	100	3,623,674	(423)
African Dawn Property Transfer Finance 2 (Pty) Ltd	100	100	100%	100%	100	100	25,994,332	518,024
ABC Cash Plus (Randburg) (Pty) Ltd	100	100	100%	100%	100	100	-	15,025,186
African Dawn Property Transfer Finance 1 (Pty) Ltd	100	100	100%	100%	100	100	6,672,727	-
African Dawn Social Education (Pty) Ltd	100	100	100%	100%	100	100	6,000	6,000
Nexus Personnel Finance (Pty) Ltd	100	100	100%	100%	100	100	14,153,764	7,587,109
African Dawn Operations (Pty) Ltd	100	100	100%	100%	100	100	-	14,155,139
ABC Cash Plus Financial Services (Pty) Ltd	100	100	100%	100%	100	100	-	-
African Dawn Management (Pty) Ltd	100	100	100%	100%	100	100	4,947	-
Bhenka Financial Services (Pty) Ltd	100	100	100%	100%	100	100	-	-
Allegro Holdings (Pty) Ltd	1,000	n/a	100%	100%	1,000	n/a	-	-
Dumont Health (Pty) Ltd	100	n/a	100%	100%	100	n/a	1,230,000	-
Elite Group (Pty) Ltd	100	n/a	100%	100%	100	n/a	1,865,000	-
Candlestick Investments (Pty) Ltd	100	n/a	50%	100%	100	n/a	2,838,331	-
							<u>59,223,146</u>	<u>37,291,035</u>

African Dawn Capital Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1998/020520/06)
JSE code: ADW ISIN: ZAE000060703
("African Dawn" or "the company")

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the annual general meeting of shareholders of African Dawn will be held at the JSE, One Exchange Square, Gwen Lane, Sandown on Wednesday, 1 October 2008 at 10h00 for the following purposes:

1. To consider the annual financial statements of the company for the year ended 29 February 2008.
2. To transact such other business as may be transacted at the annual general meeting of the company including the re-appointment of the auditors and the re-election of retiring directors; and
3. To consider and, if deemed fit, to pass, with or without modification, the following special and ordinary resolutions set out below, in the manner required by the South African Companies Act, 1973, as amended:

**Special resolution number 1:
Share repurchases**

"Resolved, as a special resolution, that the directors be authorised in terms of a general authority pursuant, inter alia, to the company's articles of association, until this authority lapses at the next annual general meeting of the company, unless it is then renewed at the next annual general meeting of the company and provided that this authority shall not extend beyond 15 months from date of passing this special resolution, for the company or any subsidiary of the company to acquire shares of the company, subject to the Listings Requirements of JSE Limited ("JSE"), subject to the following terms and conditions:

1. any repurchase of securities must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counter party;
2. the company may only appoint one agent to effect any repurchases on its behalf;
3. the number of shares which may be acquired pursuant to this authority in any financial year may not in the aggregate exceed 20% (twenty percent) of the company's issued share capital as at the date of passing of this special resolution;
4. repurchases of shares may not be made at a price greater than 10% (ten percent) above the weighted average of the market value of the securities for the five business days immediately preceding the date on which the transaction was effected;
5. repurchases may not be made by the company and/or its subsidiaries during a prohibited period as defined by the Listings Requirements of the JSE unless a repurchase programme is in place where the dates and quantities of securities to be traded during the relevant period are fixed and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period;
6. repurchases may only take place if, after such repurchase, the shareholder spread of the company still complies with the Listings Requirements of the JSE;
7. after the company has acquired shares which constitute, on a cumulative basis, 3% (three percent) of the number of shares in issue (at the time that authority from shareholders for the repurchase is granted), the company shall publish an announcement to such effect, or any other announcements that may be required in such regard in terms of the Listings Requirements of the JSE which may be applicable from time to time; and
8. the company's Designated Advisor shall confirm the adequacy of the company's working capital for purposes of undertaking the repurchase of shares in writing to the JSE prior to entering the market to proceed with the repurchase.

In accordance with the Listings Requirements of the JSE, the directors record that:

Although there is no immediate intention to effect a repurchase of securities of the company, the directors would utilise the general authority to repurchase securities as and when suitable opportunities present themselves, which opportunities may require expeditious and immediate action.

The directors, after considering the effect of the maximum number of securities which may be purchased pursuant to the repurchase general authority, are of the opinion that for a period of 12 months after the date of this annual general meeting:

- the company and the group will be able to pay their debts in the ordinary course of business;
- the assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards, will be in excess of the liabilities of the company and the group, the assets and liabilities being recognised and measured in accordance with the accounting policies used in the latest audited annual group financial statements;
- the share capital and reserves will be adequate for ordinary business purposes of the business of the company and the group; and
- the working capital available to the company and the group will be adequate for ordinary business purposes.

The following additional information, some of which may appear elsewhere in the annual report of which this notice forms part, is provided in terms of paragraph 11.26 of the Listings Requirements of the JSE for purposes of this general authority:

- Directors – page 49;
- Major beneficial shareholders – page 12;
- Directors' interests in ordinary shares – page 13; and
- Share capital of the company – page 12.

Litigation statement

The directors, whose names appear on page 49 of this notice to shareholders which forms part of the Annual Report, are not aware of any legal or arbitration proceedings including proceedings that are pending or threatened that may have or have had in the recent past (being at least the previous 12 (twelve) months) a material effect on the group's financial position.

Directors' responsibility statement

Directors whose names appear on page 49, of this notice to shareholders which forms part of the Annual Report, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 1 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required in terms of the Listings Requirements of the JSE.

Material changes

Other than the facts and developments reported on in the annual report, there have been no material changes in the affairs, financial or trading position of the company and its subsidiaries since the date of signature of the audit report for the year ended 29 February 2008 and up to the date of this notice.

Reasons for and effects of Special Resolution number 1

The reason for Special Resolution number 1 is to afford the directors of the company or a subsidiary of the company a general authority to affect a repurchase of the company's shares on the JSE. The effect of the resolution will be that the directors will have the authority, subject to the Listings Requirements of the JSE, to effect acquisitions of the company's shares on the JSE.

Ordinary resolutions

Ordinary resolution number 1: Issue of shares for cash

"Resolved that the directors be authorised, in terms of a general authority, pursuant, inter alia, to the company's articles of association, until this authority lapses at the next annual general meeting of the company, unless it is then renewed at the next annual general meeting of the company provided that it shall not extend beyond 15 months, to allot and issue any ordinary shares for cash subject to the Listings Requirements of the JSE Limited ("JSE") on the following bases:

1. the allotment and issue of the shares must be made to persons qualifying as public shareholders as defined in the Listings Requirements of the JSE;
2. the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;
3. the number of shares issued for cash shall not in the aggregate in any one financial year exceed 50% (fifty percent) of the company's issued share capital of ordinary shares. The number of ordinary shares which may be issued shall be based on the number of ordinary shares in issue at the date of such application less any ordinary shares issued during the current financial year, provided that any ordinary shares to be issued pursuant to a rights issue (announced, irrevocable and fully underwritten) or acquisition (concluded up to the date of application including announcement of the final terms) may be included as though they were shares in issue at the date of application;
4. the maximum discount at which ordinary shares may be issued is 10% (ten percent) of the weighted average traded price on the JSE of those shares over the 30 business days prior to the date that the price of the issue is agreed between the company and the party subscribing for its securities;
5. after the company has issued shares for cash which represent, on a cumulative basis within a financial year, 5% (five percent) or more of the number of shares in issue prior to that issue, the company shall publish an announcement

containing full details of the issue (including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the securities and the effect of the issue on net asset value and earnings per share), or any other announcements that may be required in such regard in terms of the Listings Requirements of the JSE which may be applicable from time to time.

In terms of the Listings Requirements of the JSE a 75% (seventy-five percent) majority of the votes cast by shareholders present or represented by proxy at the general meeting (excluding the Designated Adviser and the controlling shareholders together with their associates) must be cast in favour of Ordinary Resolution number 1 for it to be approved.

**Ordinary resolution number 2:
Unissued ordinary shares**

"Resolved that the authorised and unissued ordinary share capital of the company be and is hereby placed under the control of the directors of the company which directors are, subject to the Listings Requirements of the JSE Limited ("JSE") and the provisions of section 221 and 222 of the Companies Act, 1973 as amended, authorised to allot and issue any of such shares at such time or times, to such person or persons, company or companies and upon such terms and conditions as they may determine, such authority to remain in force until the next annual general meeting of the company."

**Ordinary resolution number 3:
Re-election of directors**

"Resolved that JM van Tonder, C de W Vivier, CM Nieuwkerk, MN Ramasehla, I Mophatlane, SW de Bruyn and CJ Odams be re-elected as directors of the company in terms of separate resolutions."

**Ordinary resolution number 4:
Appointment of directors**

"Resolved that M Ferreira be appointed as a non-executive director."

**Ordinary resolution number 5:
Directors' remuneration**

"Resolved that the remuneration of the directors, as set out on page 26 of the annual report of which this notice forms part, be and is hereby confirmed and ratified."

**Ordinary resolution number 6:
Signature of documentation**

"Resolved that any director or the company secretary of the company be and is hereby authorised to sign all such documentation and do all such things as may be necessary for or incidental to the implementation of Special Resolutions number 1 and Ordinary Resolutions numbers 1, 2, 3, 4 and 6 which are passed by the members in accordance with and subject to the terms thereof."

**Ordinary resolution number 7:
Re-appointment of auditors**

"Resolved that Van Dyk & Associates be re-appointed as auditors of the company."

Voting and proxies

A shareholder of the company entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies (who need not be a shareholder of the company) to attend, vote and speak in his/her stead.

On a show of hands, every shareholder of the company present in person or represented by proxy shall have one vote only. On a poll, every shareholder of the company present in person or represented by proxy shall have one vote for every share held in the company by such shareholder.

A form of proxy is attached for the convenience of any shareholder holding African Dawn shares who cannot attend the annual general meeting. Forms of proxy may also be obtained on request from the company's registered office. The completed forms of proxy must be deposited at or posted to the office of the transfer secretaries of the company, Computershare Investor Services 2004 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received no later than Monday, 29 September 2008. Any member who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the general meeting should the member subsequently decide to do so.

Shareholders who have already dematerialised their shares through their Central Securities Depository Participant ("CSDP") or broker rather than through own-name registration and who wish to attend the annual general meeting must instruct their CSDP or broker to issue them with the necessary Letter of Representation to attend.

Dematerialised shareholders, who have elected own-name registration in the sub-register through a CSDP and who are unable to attend but wish to vote at the annual general meeting should complete and lodge the attached form of proxy with the transfer secretaries of the company.

Dematerialised shareholders, who have elected own-name registration in the sub-register through a CSDP and who are unable to attend but wish to vote at the annual general meeting, should timeously provide their CSDP or broker with their voting, instructions in terms of the custody agreement entered into between the shareholder and his CSDP or broker.

By order of the board

CM Nieuwkerk
Company Secretary
31 August 2008

Registered address

1st Floor
Dunkeld Place
12 North Road
Dunkeld West
(PO Box 411741, Craighall, 2024)

Transfer Secretaries

Computershare Investor Services (Proprietary) Limited
70 Marshall Street
Johannesburg
(PO Box 61051, Marshalltown, 2107)

SHAREHOLDER INFORMATION

SHAREHOLDER'S DIARY

February 2008 25 March 2008 31 August 2008 1 October 2008 October 2008	Financial year end Announcement of reviewed annual financial results Publication of annual report Annual General Meeting Interim profit report
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CORPORATE INFORMATION

DIRECTORS (AS AT 29 FEBRUARY 2008)	JM van Tonder CM van Nieuwkerk MN Ramasehla CJ Odams C de W Vivier* I Mophatlane* SW de Bruyn* * Non-executive Please refer to page 11 for further details on each Director
NATURE OF BUSINESS	Refer Chairman's Report – 'Nature of Business'
AUDITORS	Van Dyk & Associates
COMPANY REGISTRATION NUMBER	1998/020520/06
DOMICILE	Republic of South Africa
SECRETARY	CM van Nieuwkerk
REGISTERED OFFICE	1 st Floor Dunkeld Place 12 North Road Dunkeld West
COUNTRY OF INCORPORATION	Republic of South Africa
TRANSFER SECRETARY	Computershare Investor Services (Pty) Limited 70 Marshall Street Johannesburg 2001 PO Box 61051 Marshalltown 2107
BANKERS	ABSA Bank Limited
TELEPHONE	(011) 341 0860
WEBSITE	www.afdawn.co.za
DESIGNATED ADVISER	Vunani Corporate Finance

African Dawn Limited

(Incorporated in the Republic of South Africa)

(Registration number: 1998/020520/06)

JSE code: ADW ISIN: ZAE000060703

("African Dawn" or "the company")

FORM OF PROXY**(for use by certificated shareholders and own-name dematerialised shareholders)**

Form of proxy for the annual general meeting of the company to be held at 10:00 on Wednesday, 1 October 2008 at the JSE, One Exchange Square, Gwen Lane, Sandown ("the annual general meeting").

For use by certificated shareholders, nominee companies of Central Securities Depository Participants ("CSDP"), brokers' nominee companies and shareholders who have dematerialised their shares and who have elected own-name registration, who wish to vote on the ordinary and special resolutions per the Notice of the Annual General meeting to which this form is attached.

Shareholders who have dematerialised their shares through a CSDP or broker must not complete this form of proxy and must provide their CSDP or broker with their voting instructions, except for shareholders who elected own-name registration in the sub-register through a CSDP, which shareholders must complete this form of proxy and lodge it with Computershare Investor Services (Proprietary) Limited. Holders of dematerialised shares other than with own name registration, wishing to attend the annual general meeting must inform their CSDP or broker of such intention and request their CSDP or broker to issue them with the necessary Letter of Representation to attend.

I/We (Name in block letters)		
Of (Address)		
Being the holder/s of		Ordinary shares in the company, do hereby appoint
1.	<u>or failing him/her</u>	
2.	<u>or failing him/her</u>	
3. The chairperson of the annual general meeting		

as my/our proxy to act for me/us and on my/our behalf at the annual general meeting of the company, or any adjournment thereof, which will be held for the purpose of considering and, if deemed fit, of passing, with or without modification, the ordinary and special resolutions as detailed in the Notice of Annual General Meeting, and to vote for and/or against the resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name/s, in accordance with the following instructions (refer notes):

	Number of votes on a poll (one vote per ordinary share)		
	In favour	Against	Abstain
To pass special resolution:			
1. General authority to repurchase the company's shares			
To pass ordinary resolutions:			
1. General authority to issue shares for cash			
2. To place the unissued shares under the control of the directors			
3. To re-elect the following directors			
JM van Tonder			
C de W Vivier			
CM van Nieuwkerk			
MN Ramasehla			
I Mophatlane			
CJ Odams			
SW de Bruyn			
4. To appoint M Ferreira as non-executive director			
5. To ratify directors' remuneration			
6. To authorise the signature of documentation			
7. To re-appoint Van Dyk & Associates as auditors of the company			
Signed at	on	2008	
Signature			
Assisted by (if applicable)			

1. A shareholder may insert the name(s) of one or more proxies (none of whom need be a Company shareholder) in the space provided, with or without deleting the words "the Chairperson of the annual general meeting of the ordinary shareholders". The person whose name stands first on the form of proxy and has not been deleted and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the Chairperson.
2. A shareholder's instructions to the proxy must be indicated by the insertion of an "X" or the relevant number of votes exercisable by that shareholder in the appropriate box provided. Failure to comply with the above, will be deemed to authorise the proxy to vote as he/she deems fit, where the proxy is the Chairperson, such failure shall be deemed to authorise the Chairperson to vote in favour of the ordinary and special resolutions in respect of all the shareholders' votes exercisable thereat.
3. The completion and lodging of this form of proxy shall in no way preclude the shareholder from attending, speaking and voting in person at the annual general meeting to the exclusion of any proxy appointed in terms hereof.
4. Should this form of proxy not be completed and/or received in accordance with these notes, the Chairperson may accept or reject it, provided that, in respect of its acceptance, the Chairperson is satisfied as to the manner in which the shareholder wishes to vote.
5. Documentary evidence establishing the authority of the person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's transfer secretaries or waived by the Chairperson of the meeting.
6. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form unless it has previously been registered with the Company.
7. Where shares are held jointly, all joint holders are required to sign.
8. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity have been produced or have been registered by the transfer secretaries of the Company.
9. Any alteration or correction made to this form of proxy must be signed in full and not initiated by the signatories.
10. This form of proxy must be lodged with, or posted to the transfer secretaries, Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) so as to be received by no later than 10:00 on Monday, 29 September 2008.

11. The completion and lodging of this form of proxy by the shareholders holding certificated shares, nominee companies of CSDP's or brokers and the shareholders who have dematerialised their shares and who have elected own-name registration, will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof. The shareholders who have dematerialised their shares, other than with own name registration, and who wish to attend the annual general meeting must instruct their CSDP or broker to issue them with the necessary Letter of Representation to attend